

# **Wanted Technologies Corporation**

## **Interim Consolidated Financial Statements**

**March 31, 2008**

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## **NOTICE FROM MANAGEMENT**

The attached consolidated financial statements have not been examined by the company's external auditors.

## Wanted Technologies Corporation Consolidated Earnings

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	<b>2008</b> (unaudited) \$	2007 (unaudited) \$	<b>2008</b> (unaudited) \$	2007 (unaudited) \$
<b>Revenues</b>				
Cost of goods sold	<b>1 334 141</b>	843 064	<b>4 210 787</b>	2 258 052
Margin	<b>9 222</b>		<b>133 039</b>	9 314
	<b>1 324 919</b>	843 064	<b>4 077 748</b>	2 248 738
<b>Expenses</b>				
Research and development, net of tax credits	<b>377 768</b>	247 968	<b>1 193 089</b>	646 070
Marketing and selling	<b>355 384</b>	269 822	<b>1 080 439</b>	726 098
General and administrative	<b>307 922</b>	182 946	<b>972 231</b>	614 618
Amortization of intangible assets	<b>52 311</b>		<b>156 934</b>	
Financial expenses (revenue), net amount	<b>10 900</b>	(1 989)	<b>45 512</b>	(4 058)
	<b>1 104 285</b>	698 747	<b>3 448 205</b>	1 982 728
Earnings before other items	<b>220 634</b>	144 317	<b>629 543</b>	266 010
Other items:				
Exchange gain (loss)	<b>39 225</b>	(8 110)	<b>(3 364)</b>	(1 805)
Gain on disposal of property, plant and equipment	<b>2 000</b>		<b>4 062</b>	
Severance premium	<b>(225 000)</b>		<b>(225 000)</b>	
Stock-based compensation	<b>(29 578)</b>	(10 584)	<b>(177 621)</b>	(47 202)
<b>Net earnings</b>	<b>7 281</b>	125 623	<b>227 620</b>	217 003
Basic net earnings per share (Note 17)	<b>0,0003</b>	0,006	<b>0,009</b>	0,011
Diluted net earnings per share (Note 17)	<b>0,0003</b>	0,006	<b>0,009</b>	0,010

The accompanying notes are an integral part of the consolidated financial statements and Note 4 provides additional information on earnings.

**Wanted Technologies Corporation**  
**Consolidated Deficit**  
**Consolidated Contributed Surplus**

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	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	<b>2008</b> <b>(unaudited)</b> \$	2007 <b>(unaudited)</b> \$	<b>2008</b> <b>(unaudited)</b> \$	2007 <b>(unaudited)</b> \$
<b>DEFICIT</b>				
Balance, beginning of period	<b>(8 660 239)</b>	(9 019 115)	<b>(8 880 578)</b>	(9 110 495)
Net earnings	<b>7 281</b>	125 623	<b>227 620</b>	217 003
Balance, end of period	<b>(8 652 958)</b>	(8 893 492)	<b>(8 652 958)</b>	(8 893 492)
<b>CONTRIBUTED SURPLUS</b>				
Balance, beginning of period	<b>1 699 018</b>	1 663 520	<b>1 663 520</b>	1 589 563
Options cancelled (Note 13)			<b>35 498</b>	73 957
Balance, end of period	<b>1 699 018</b>	1 663 520	<b>1 699 018</b>	1 663 520

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

## Wanted Technologies Corporation

### Consolidated Cash Flows

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	<b>2008</b> (unaudited) \$	2007 (unaudited) \$	<b>2008</b> (unaudited) \$	2007 (unaudited) \$
<b>OPERATING ACTIVITIES</b>				
Net earnings	<b>7 281</b>	125 623	<b>227 620</b>	217 003
Non-cash items				
Amortization of property, plant and equipment	<b>53 692</b>	41 990	<b>144 549</b>	112 258
Amortization of intangible assets	<b>52 311</b>		<b>156 934</b>	
Stock-based compensation	<b>29 578</b>	10 584	<b>177 621</b>	47 202
Gain on disposal of property, plant and equipment	<b>(2 000)</b>		<b>(4 062)</b>	
Interest on convertible debenture		4 000		12 000
Changes in working capital items (Note 5)	<b>111 884</b>	159 096	<b>(482 521)</b>	33 176
Cash flows from operating activities	<b>252 746</b>	341 293	<b>220 141</b>	421 639
<b>INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	<b>(63 752)</b>	(31 349)	<b>(87 521)</b>	(44 265)
Disposal of property, plant and equipment	<b>2 000</b>		<b>4 062</b>	
Short-term investments	<b>80 000</b>	(100 000)	<b>(305 000)</b>	(100 000)
Business acquisition, net of cash			<b>(179 680)</b>	
Cash flows from investing activities	<b>18 248</b>	(131 349)	<b>(568 139)</b>	(144 265)
<b>FINANCING ACTIVITIES</b>				
Long-term loan			<b>750 000</b>	
Repayment of loans	<b>(74 598)</b>	(59 451)	<b>(201 313)</b>	(94 378)
Issuance of shares following the exercise of options			<b>16 000</b>	20 000
Cash flows from financing activities	<b>(74 598)</b>	(59 451)	<b>564 687</b>	(74 378)
<b>Net increase in cash</b>	<b>196 396</b>	150 493	<b>216 689</b>	202 996
Cash, beginning of period	<b>140 729</b>	156 774	<b>120 436</b>	104 271
Cash, end of period	<b>337 125</b>	307 267	<b>337 125</b>	307 267

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

## Wanted Technologies Corporation

### Consolidated Balance Sheets

	<b>2008-03-31</b>	2007-06-30
	<b>(unaudited)</b>	(audited)
	<b>\$</b>	\$
<b>ASSETS</b>		
Current assets		
Cash	337 125	120 436
Short-term investments (Note 6)	829 795	524 795
Trade accounts receivable and other receivables	1 058 935	662 456
Tax credits for a company registered at CNNTQ and for research and development receivable	327 474	204 511
Prepaid expenses	134 384	182 189
	<b>2 687 713</b>	1 694 387
Property, plant and equipment (Note 7)	586 797	540 831
Intangible assets (Note 8)	1 204 647	1 361 581
Goodwill (Note 3)	1 407 801	1 407 801
	<b>5 886 958</b>	5 004 600
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	793 512	930 712
Deferred revenue	246 916	300 280
Instalments on long-term debt (Note 11)	245 139	116 505
	<b>1 285 567</b>	1 347 497
Convertible debenture (Note 10)		191 483
Long-term debt (Note 11)	550 481	27 434
	<b>1 836 048</b>	1 566 414
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (Note 12)	10 756 962	10 510 300
Equity component of the convertible debenture (Note 10)		34 800
Stock options (Note 13)	247 888	110 144
Contributed surplus	1 699 018	1 663 520
Deficit	(8 652 958)	(8 880 578)
	<b>4 050 910</b>	3 438 186
	<b>5 886 958</b>	5 004 600

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

# Wanted Technologies Corporation

## Notes to Consolidated Financial Statements

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### 1 - BASIS OF PRESENTATION

The interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) and are presented in Canadian dollars. They are consistent with the policies used in the preparation of the annual audited financial statements, except for the elements described in Note 2. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2007.

### 2 - CHANGES IN ACCOUNTING POLICIES

Starting on July 1, 2007, in accordance with applicable transitional provisions, the Company retroactively adopted without restatement of prior period financial statements the following new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook:

#### Accounting changes (Note 19)

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

#### Financial instruments

Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation* describe standards for the classification, recognition, measurement, disclosure and presentation of financial instruments in the financial statements.

The adoption of these new standards resulted in the following changes in the classification and measurement of the Company's financial instruments, previously recorded at cost:

- Cash is classified as a "financial asset held for trading" and is measured at fair value. All changes in fair value are recognized in earnings. This change had no impact on the Company's consolidated financial statements.
- Obligation presented in short term investments is classified as a "held-to-maturity investments" and is measured at cost which at initial measurement corresponds to fair value. Subsequent revaluations of the obligation are recorded at amortized cost using the effective interest method. This change had no impact on the Company's consolidated financial statements.
- Term deposits presented in short-term investments are classified as a "financial asset held for trading" and are measured at fair value. All changes in fair value are recognized in earnings. This change had no impact on the Company's unaudited consolidated financial statements as the fair market value does not differ materially from its cost.
- Trade accounts receivable and other receivables are classified as "loans and receivables" and are recorded at cost which at initial measurement corresponds to fair value. Subsequent revaluations of accounts receivable and other receivables are recorded at amortized cost which generally corresponds to initial measurement less all allowances for doubtful accounts. This change had no impact on the Company's consolidated financial statements.
- Accounts payable and accrued liabilities, long term debts and convertible debenture are classified as "other financial liabilities". They are initially measured at cost value and subsequent revaluations are recorded at amortized cost using the effective interest method. This change had no impact on the Company's consolidated financial statements.

The Company also adopted the following accounting policy:

- Transaction costs related to "other financial liabilities" are recognized in earnings and presented in financial expenses.

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

#### 3 - BUSINESS ACQUISITION

On June 30, 2007, the Company acquired 100% of shares issued and outstanding of Corzen Inc., located in New York City, New York. The total consideration of \$2,890,587 is the payment of \$2,130,798 (US\$2,000,000) cash, the issuance of 1,750,000 class "A" shares of the Company and \$210,923 in acquisition expenses. The balance of the retained acquisition cost is recorded under goodwill.

Corzen Inc. specializes in the sales of analysis and data pertaining to the classified ad industry and has as clients various companies in the media, finance and staffing service fields.

<b>Assets acquired</b>	<b>\$</b>
Accounts receivable and other receivables	427 880
Prepaid expenses	124 318
Property, plant and equipment	67 936
Client list	1 223 079
Non-competition agreements	138 502
Goodwill, non-deductible for tax purposes	1 407 801
	<u>3 389 516</u>
<b>Liabilities accrued</b>	
Accounts payable and accrued liabilities	301 814
Deferred revenue	224 467
	<u>526 281</u>
<b>Cash position at acquisition</b>	<u>27 352</u>
<b>Net assets acquired</b>	<u>2 890 587</u>

<b>Consideration</b>	<b>\$</b>
Cash	2 130 798
Acquisition costs (a)	210 923
Issue of class "A" shares (b)	548 866
	<u>2 890 587</u>

(a) Of these transaction costs, \$179,680 were included in accounts payable and accrued liabilities as at June 30, 2007. Transactions costs include an amount of \$9,300 to a company controlled by a director of the Company. These transactions were measured at the exchange amount, which is the amount established and accepted by the parties.

(b) The value of the securities issued was established based on the average market price published a few days before and after the date on which the terms of the acquisition were agreed to and announced while taking into account the possible effects of the price fluctuations, the number of securities issued and other relevant items, if any.

#### 4 - INFORMATION INCLUDED IN EARNINGS

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	<b>2008</b> <b>(unaudited)</b> \$	2007 (unaudited) \$	<b>2008</b> <b>(unaudited)</b> \$	2007 (unaudited) \$
Research and development expenses	<b>388 388</b>	308 647	<b>1 316 052</b>	810 159
Tax credits for a company registered at CNNTQ and for research and development	<b>(10 620)</b>	(60 679)	<b>(122 963)</b>	(164 089)
Amortization of property, plant and equipment	<b>53 692</b>	41 990	<b>144 549</b>	112 258
Amortization of intangible assets	<b>52 311</b>		<b>156 934</b>	

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

#### 4 - INFORMATION INCLUDED IN EARNINGS (continued)

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2008 (unaudited)	2007 (unaudited)	2008 (unaudited)	2007 (unaudited)
<b>Financial expense (revenue), net amount</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on long-term debt <i>(other financial liabilities)</i>	11 235	3 731	41 110	10 396
Interest on convertible debenture <i>(other financial liabilities)</i>		8 932	1 205	27 075
	<b>11 235</b>	<b>12 663</b>	<b>42 315</b>	<b>37 471</b>
Transaction costs related to other financial liabilities			<b>20 753</b>	
Other financial expenses	<b>11 488</b>	8 626	<b>19 707</b>	20 300
Less:	<b>22 723</b>	21 289	<b>82 775</b>	57 771
Interest income on financial assets held for trading	<b>(6 612)</b>		<b>(22 701)</b>	
Interest income on held-to-maturity investments	<b>(5 211)</b>	(23 278)	<b>(14 562)</b>	(61 829)
	<b>10 900</b>	<b>(1 989)</b>	<b>45 512</b>	<b>(4 058)</b>

Following the departure of the Company's president and chief executive officer on March 31, 2008, the Company estimated it will have to pay \$225,000 in severance premium over the next year. The severance premium is recorded in other items.

#### 5 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

Changes in working capital items are as follows:

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2008 (unaudited)	2007 (unaudited)	2008 (unaudited)	2007 (unaudited)
Accounts receivable and other receivables	<b>(15 627)</b>	123 236	<b>(396 479)</b>	(39 461)
Tax credits for a company registered at CNNTQ and for research and development receivable	<b>(10 620)</b>	(18 531)	<b>(122 963)</b>	(121 941)
Prepaid expenses	<b>(10 817)</b>	4 534	<b>47 805</b>	30 681
Accounts payable and accrued liabilities	<b>105 142</b>	67 201	<b>42 480</b>	123 292
Deferred revenue	<b>43 806</b>	(17 344)	<b>(53 364)</b>	40 605
	<b>111 884</b>	<b>159 096</b>	<b>(482 521)</b>	<b>33 176</b>

Cash flows from interest on operating activities are as follows:

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2008 (unaudited)	2007 (unaudited)	2008 (unaudited)	2007 (unaudited)
Interest paid	<b>11 235</b>	12 718	<b>39 547</b>	37 471

#### 6 - SHORT-TERM INVESTMENTS

	2008-03-31 (unaudited)	2007-06-30 (audited)
Obligation, 3.22%, maturing in May 2008 at cost (fair market value \$350,168; \$349,728 as at June 30, 2007) <i>(held-to-maturity investment)</i>	<b>350 000</b>	350 000
Term deposits, 4.32% maturing in June 2008 (4% as at June 30, 2007) <i>(financial assets held for trading)</i>	<b>479 795</b>	174 795
	<b>829 795</b>	<b>524 795</b>

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

#### 7 - PROPERTY, PLANT AND EQUIPMENT

	As at March 31, 2008 (unaudited)		
	Cost	Accumulated Amortization	Amortized cost
Furniture and equipment	145 265	105 295	39 970
Computer equipment	989 753	714 679	275 074
Software	129 637	101 714	27 923
Assets under capital leases - Computer equipment	355 100	111 270	243 830
	<u>1 619 755</u>	<u>1 032 958</u>	<u>586 797</u>

During the 9-month period ended March 31, 2008, the Company acquired \$102,994 in property, plant and equipment by way of capital leases.

#### 8 - INTANGIBLE ASSETS

	As at March 31, 2008 (unaudited)		
	Cost	Accumulated Amortization	Amortized
Client list	1 223 079	122 308	1 100 771
Non-competition agreements	138 502	34 626	103 876
	<u>1 361 581</u>	<u>156 934</u>	<u>1 204 647</u>

#### 9 - BANK LOAN

A Canadian bank loan of an authorized amount of \$500,000, bearing interest at the prime rate plus 1% (5,75%), is secured by the accounts receivable.

#### 10 - CONVERTIBLE DEBENTURE

On September 20, 2005, the Company issued a convertible debenture to Société Innovatech Québec for \$200,000 in cash. This convertible debenture matures in September 2008 and bears interest at 10% annually. This debenture is convertible into class "A" shares on the basis of one Class "A" share of the Company for each \$0.60 in capital of the debenture until its maturity. Interest is payable quarterly.

The debenture is presented according to its components. The liability component, representing the obligation to make interest payments at a rate equivalent to that on a non-convertible loan with similar terms and risks (18%), is presented under liabilities and the equity component, representing the holder's conversion option and the settlement option for shares held by the Company is presented under shareholders' equity.

On July 23, 2007, Société Innovatech Québec asked that the totality of the amount in capital of \$200,000 be converted at a price of \$0.60 per share. The conversion increased the total number of shares by 333 333 Class "A" shares and the value of capital stock by \$226,283.

#### 11 - LONG-TERM DEBT

	2008-03-31 (unaudited)	2007-06-30 (audited)
Mortgage loan, 6.65%, secured by movable hypothec of \$750,000 on all assets of the Corporation, payable in monthly instalments of \$14,727, principal and interest, maturing in July 2010 ( <i>other financial liabilities</i> ).	\$  663 889	\$
Obligation under capital leases, interest rates varying between 7.4 % and 10.6 %, payable in monthly instalments maturing on different dates until 2009 ( <i>other financial liabilities</i> ).	131 731	143 939
Instalments due within one year	795 620	143 939
	245 139	116 505
	<u>550 481</u>	<u>27 434</u>

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

#### 12 - CAPITAL STOCK

The Company's capital stock is as follows:

##### Authorized

Unlimited number of class "A" shares without par value, voting and participating

Unlimited number of class "B" shares without par value, non voting, non participating, issuable in series, the term of each serie being determinated on the issue date

##### Issued and fully paid

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

	Number of Class "A" shares	Amount \$
Balance, as at June 30, 2007	23 787 993	10 510 300
Share issuance following conversion of convertible debenture	333 333	226 283
Share issuance following the exercice of options	<u>40 000</u>	<u>20 379</u>
Balance, as at March 31, 2008	<u>24 161 326</u>	<u>10 756 962</u>

#### 13 - STOCK OPTION PLAN

##### Stock option plan

The Company has established a stock option plan for directors, executives, employees and consultants. All options granted under the plan may be exercised within a maximum of five years from the grant date. The Board of Directors will designate the beneficiaries and determine the number of class "A" shares subject to these options, the vesting period, exercise price, expiration date, acquisition terms and restrictions on the exercise of these options. The stock acquisition price must not be less then 75% of the closing price on the day prior to the date of grant of these options.

The maximum number of class "A" shares issued under the terms of the plan was established to 10% of the issued and outstanding shares of capital stock. The maximum number that may be granted to a director, officer and employee of the company shall not exceed 5% of all the outstanding stock options. As for a consultant, the maximum shall not exceed 2%.

Vesting occurs in stages, i.e., 20% vests 90 days after grant date and the remaining 80% vests gradually at 20% per annum over a period of 48 months. For underwriter, vesting is upon the signing of contracts.

The underwriter received options to subscribe to 762,500 class "A" shares of which 500,000 were given out by Corporation Pamerica before September 20, 2005 and 262,500 on September 20, 2005.

The following table presents information on stock options outstanding and exercisable as at March 31, 2008:

	Number of options outstanding	Weighted average exercise price \$	Stock options \$
As at June 30, 2007	1 430 000	0,38	110 144
Issued	810 000	0,76	
Exerciced	(40 000)	0,40	(4 379)
Cancelled	(310 000)	0,46	(35 498)
Stock-based compensation			<u>177 621</u>
As at March 31, 2008	<u>1 890 000</u>	<u>0,53</u>	<u>247 888</u>

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

#### 13 - STOCK OPTION PLAN (continued)

The options outstanding as at March 31, 2008 are detailed as follows:

Outstanding and exercisable options			
Exercise Price	Number of options outstanding	Weighted average term	Number of options exercisable
\$			
0,20	130 000	15 months	130 000
0,40	1 000 000	34 months	600 000
0,76	760 000	51 months	152 000
	1 890 000		882 000

#### 14 - COMMITMENTS

The Company has entered into a long-term lease agreement expiring in September 2010, which calls for lease payments of \$227,720 for the rental of offices. The minimum lease payments for the next 12-month periods ending March 31 are \$91,088 in 2009, \$91,088 in 2010 and \$45,544 in 2011.

By virtue of an agreement signed on March 19, 2008, the company has committed to purchase, for re-sale, US\$225,000 of data and information from a vendor. Those purchases must be done over a twelve month period ending March 18, 2009. As at March 31, 2008, the company has purchased US\$3,172 of data and information from that vendor.

#### 15 - FINANCIAL INSTRUMENTS

##### Fair value

The fair value of short-term financial assets and liabilities including term deposit approximates their carrying amount given that they will mature shortly.

The fair value of the obligation is based on the market price.

The fair value of the mortgage loan and the obligations under capital lease is determined by discounting future cash flows using rates that the Company could use for loans with similar terms and conditions and maturity dates. The fair value of these long-term debts does not differ significantly from the carrying amount.

##### Exchange risk

The Company is exposed to exchange risks because of its sales in the United States.

As at March 31, 2008, the Company has accounts receivable denominated in U.S. dollars amounting to US\$962,235 (US\$529,952 as at June 30, 2007), accounts payable denominated in U.S. dollars amounting to US\$100,778 (US\$224,719 as at June 30, 2007) and cash denominated in U.S. dollars amounting to US\$156,067 (US\$81,392 as at June 30, 2007).

##### Credit risk

In the normal course of its operations, the Company evaluates the financial condition of its customers on an ongoing basis and reviews the credit history of any new customer.

As at March 31, 2008, the amount receivable from one customer represented 17% (22% as at June 30, 2007) of total accounts receivable.

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

#### 16 - SEGMENTED INFORMATION

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

#### Geographic

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

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2008 (unaudited)	2007 (unaudited)	2008 (unaudited)	2007 (unaudited)
	\$	\$	\$	\$
Canada	81 615	79 960	244 496	225 555
United States	1 252 526	763 104	3 966 291	2 032 497
	<u>1 334 141</u>	<u>843 064</u>	<u>4 210 787</u>	<u>2 258 052</u>

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

	2008-03-31 (unaudited)	2007-06-30 (audited)
Property, plant and equipment, per geographic location	\$	\$
Canada	537 444	472 895
United States	49 353	67 936
	<u>586 797</u>	<u>540 831</u>

Revenue generated from the Company's most important client represents approximately 7% of the revenues of the Company during the nine-month period ended as at March 31, 2008 (16 % for the nine-month period ended as at March 31, 2007).

#### 17 - NET EARNINGS PER SHARE

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

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2008 (unaudited)	2007 (unaudited)	2008 (unaudited)	2007 (unaudited)
	\$	\$	\$	\$
<b>Numerator</b>				
Net earnings	7 281	125 623	227 620	217 003
<b>Denominator</b>				
Weighted average number of shares outstanding	24 161 326	20 687 672	24 116 768	20 657 745
Dilutive effect of stock options (a)	234 065	218 190	380 946	103 403
Weighted average number of diluted shares outstanding	<u>24 395 391</u>	<u>20 905 862</u>	<u>24 497 714</u>	<u>20 761 148</u>
<b>Net earnings per share</b>				
Basic	0,0003	0,006	0,009	0,011
Diluted	0,0003	0,006	0,009	0,010

(a) Securities that were not included in the calculation of diluted earnings per share given their antidilutive effect, entitled the underwriters to purchase the following number of class "A" shares:

Stock options	760 000	810 000	1 562 500
Convertible debenture		333 333	333 333
Warrants			1 350 321

## Wanted Technologies Corporation

### Notes to Consolidated Financial Statements

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#### **18 - SUBSEQUENT EVENT**

On April 28, 2008, the Company issued 250,000 stock options to some officers for a total amount of \$47,500 having a life of five years. The fair value of the options awarded is \$0.19 per share. The weighted average fair value of each option is estimated at the grant date using Black-Scholes option pricing model. The valuation was carried out using an expected volatility of 100%, a risk-free rate of 3.12%, an expected life of 60 months and no expected dividends.

#### **19 - EFFECT OF NEW ACCOUNTING STANDARDS NOT YET IMPLEMENTED**

The CICA issued the following new recommendations. The Company is currently evaluating the impact of the adoption of these new sections on its consolidated financial statements.

##### **Financial Instruments – Disclosures and Presentation**

In December 2006, the CICA published new Sections 3862, "Financial Instruments – Disclosures", and 3863, "Financial Instruments – Presentation", which establish standards for the presentation and disclosure of financial instruments and non-financial derivatives. This new standard is effective for fiscal years beginning on or after October 1, 2007 and the Company will implement it as of July 1, 2008. The new accounting standard only addresses disclosures and will have no impact on the Company's financial results.

##### **Capital disclosures**

In December 2006, the Canadian Institute of Chartered Accountants published new Section 1535, "Capital Disclosures". The new section establishes standards for disclosing information about an entity's capital and how it is managed. This new standard is effective for fiscal years beginning on or after October 1, 2007 and the Company will implement it as of July 1, 2008. The new accounting standard only addresses disclosures and will have no impact on the Company's financial results.

##### **Goodwill and Intangible Assets**

In February 2008, the Canadian Institute of Chartered Accountants published new Section 3064, "Goodwill and Intangible Assets", to replace Section 3062, "Goodwill and Other Intangible Assets". Publication of this new section resulted, in particular, in the withdrawal of Section 3450, "Research and Development Costs", and Emerging Issues Committee Abstract of Issue Discussed EIC-27, "Revenues and Expenditures During the Pre-operating Period", as well as a number of amendments to Section 1000, "Financial Statement Concepts", to clarify the criteria for recognition of assets, and Accounting Guideline AcG-11, "Enterprises in the Development Stage". The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. It clarifies the recognition of intangible assets and deals with the recognition of internally generated intangible assets. However, the standards relating to goodwill are identical to those in Section 3062. This new section is effective for fiscal years beginning on or after October 1, 2008 and the Company will implement it as of July 1, 2009. The Company's management is not able to assess the impact that application of this new section will have on the financial statements.

#### **20 - COMPARATIVE FIGURES**

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