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**BRAINHUNTER REPORTS STRONG ANNUAL RESULTS
Organic Growth Increases Revenue by 35%**

Toronto, Ontario, December 31, 2007 – Brainhunter Inc. (“Brainhunter” or the “Company”) (TSX:BH) is pleased to report strong results for the year ending September 30, 2007.

Brainhunter is one of the largest Staffing and Solutions companies in Canada.

Strong growth was recorded on all fronts. Revenues increased approximately 35%, largely due to organic growth initiatives. Cash flow continued to improve dramatically. Income before interest charges and non-cash and non-operating expenses increased to \$7,767,903 from \$3,045,696 in the previous year. Operating activities generated cash flow of \$4,433,298, up from \$432,016 the previous year. Brainhunter continued to report accounting losses mostly attributable to non-cash expenses such as accreted interest and amortization. The resulting net loss was \$2,950,607, an improvement from \$4,700,372 the previous year.

BUSINESS OVERVIEW

Brainhunter is an ISO 9001:2000 Certified “**Technology Driven Staffing Procurement Software, Solutions and Services**” company. Brainhunter’s business is focused on using the Brainhunter Human Capital Management Platform to provide fully integrated end-to-end recruiting and staffing services and solutions in the following market sectors: Information Technology, Engineering, Industrial, Health Care and Financial Services.

These services are provided to customers throughout Canada, the United States, the UK, India and globally under the brand Brainhunter. Brainhunter’s multifaceted revenue stream is in seven related practice areas including:

Contract Staffing (Annuity Revenue), **Permanent Staffing** (Transaction Fees / Retainers), **Specialized Job Boards** (Posting Fees / Subscriptions), **Technology Sales** (Licenses / Services), **Professional Services / Solutions Delivery** (Project Revenue), **Business Process Outsourcing (“BPO”) Centre** (Annuity Revenue), **Infrastructure Services** (Annuity Revenue)

Brainhunter’s Technology Platform and Best practices strive to deliver the most cost effective and flexible recruiting and staffing solutions in the marketplace today. Brainhunter offers solutions that are modular in nature and are customizable to suit both small and large scale business processes. Brainhunter has over 2,000 customers including over 200 of North America’s leading corporation’s plus over 30 Canadian federal and provincial government departments. Brainhunter’s Job Seeker Database

currently holds over 1.2 million professional resumes and is one of the largest active databases for professional staffing in North America.

Brainhunter is a publicly traded company with a senior listing on the Toronto Stock Exchange (**TSX:BH**). Brainhunter deploys over 1,800 Contractors / Consultants with an internal staff of over 250 personnel. The Company has delivery capability across Canada (Toronto, Ottawa, Maritimes, Montréal, Calgary, Edmonton, and Vancouver), activities in Dalian China, a BPO office in Hyderabad, India, an office in London, UK, and delivery capability in select US jurisdictions.

DISCLAIMER

Certain statements in this News Release may constitute “forward-looking” statements, which involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Brainhunter and its subsidiary entities, or the industry, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this News Release, such statements use words such as “may”, “will”, “expect”, “believe”, “plan” and other similar terminology. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in Brainhunter’s publicly filed documents (which are available on SEDAR at www.sedar.com) and elsewhere in this document. Those risks and uncertainties include: the ability to maintain profitability and manage growth; reliance on and retention of professionals; competition; performance obligations and client satisfaction; fixed price and contingency engagements; collectability of accounts receivable; general state of the economy; possible acquisitions; possible future litigation; interest rate fluctuations; insurance limits; legislative and regulatory changes; revenue and cash flow volatility; operating risks; residential market risk; protection of intellectual property; appraisal mandates; restrictions on growth. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this News Release. Although the forward-looking statements contained in this News Release are based upon what management believes to be reasonable assumptions, Brainhunter cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this News Release, and, except in accordance with applicable law, Brainhunter assumes no obligations to update or revise them to reflect new events or circumstances. Additionally, Brainhunter undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Brainhunter, its financial or operating results, or its securities.

Following are statements extracted from the audited financial statements of Brainhunter for the year ending September 30, 2007. The following statements should be read in conjunction with the notes to the financial statements attached to the audited financial statements as filed on SEDAR.

As at September 30	2007	2006
	\$	\$
ASSETS		
Current		
Restricted short-term investment	-	125,000
Accounts receivable	44,545,035	39,596,147
Deposits and prepaid expenses	558,275	610,969
Future income tax asset	1,419,557	939,664
Total current assets	46,522,867	41,271,780
Capital assets, net	6,136,648	6,755,710
Other assets	524,801	151,345
Investment tax credits recoverable	1,373,122	1,373,122
Deferred financing costs	-	1,285,194
Intangible assets, net of amortization	8,546,550	12,447,886
Goodwill	20,232,800	20,232,800
Due from related parties	443,483	190,150
	83,780,271	83,707,987
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	23,958,904	23,518,477
Current portion of deferred lease inducement	68,380	39,490
Current portion of provision for lease restructuring	249,158	261,756
Current portion of long-term debt	3,229,774	4,139,378
Deferred revenue	272,524	416,714
Total current liabilities	27,778,740	28,375,815
Deferred lease inducement	538,397	325,153
Provision for lease restructuring	140,748	377,312
Long-term debt	14,758,954	13,818,884
Term bank credit facility	24,484,009	21,795,732
Long-term future income tax liabilities	3,013,908	2,437,234
Total long-term liabilities	42,936,016	38,754,315
Commitments and contingencies		
Shareholders' equity		
Capital stock	20,018,959	20,309,153
Warrants	1,531,325	1,423,498
Contributed surplus	1,401,586	1,082,508
Equity component of convertible note obligation	1,951,285	1,607,726
Deficit	(11,837,640)	(7,845,028)
Total shareholders' equity	13,065,515	16,577,857
	83,780,271	83,707,987

Year ended September 30	2007	2006
	\$	\$
Revenue	224,564,757	166,503,522
Cost of revenues	190,504,320	138,830,406
Gross profit	34,060,437	27,673,116
Expenses		
Other staffing costs	19,248,137	17,611,170
Selling, general and administrative	7,044,397	7,016,250
	26,292,534	24,627,420
Income before write off of capital assets, transaction costs, interest, amortization, and other	7,767,903	3,045,696
Write off of capital assets	120,000	-
Transaction costs	113,784	-
Interest expense	3,003,503	2,484,580
Interest expense - accreted	1,474,368	1,117,631
Amortization of capital assets	1,736,791	1,074,318
Amortization of intangible assets	3,901,336	3,614,336
Amortization of deferred financing costs	-	916,991
Other	371,612	-
Total	10,721,394	9,207,856
Loss before income taxes	(2,953,491)	(6,162,160)
Recovery of income taxes	(2,884)	(1,461,788)
Net loss for the year	(2,950,607)	(4,700,372)
Loss per share		
Basic and diluted	(\$0.07)	(\$0.11)

Year ended September 30	2007	2006
	\$	\$
Deficit, beginning of year	(7,845,028)	(3,144,656)
Adjustment due to change in accounting policy	(1,042,005)	-
Adjusted deficit beginning of year	(8,887,033)	(3,144,656)
Net loss for the year	(2,950,607)	(4,700,372)
Deficit, end of year	(11,837,640)	(7,845,028)

Year ended September 30	2007	2006
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(2,950,607)	(4,700,372)
Add (deduct) items not affecting cash:		
Investment tax credits	-	-
Amortization of deferred financing costs	-	916,991
Accretion of interest	1,474,368	1,117,631
Write off of capital assets	120,000	-
Changes in fair value of derivative	30,036	-
Non-cash leasehold inducement	78,871	-
Amortization of deferred lease inducement and provisions	(75,714)	(39,490)
Amortization of provision for lease restructuring	(249,162)	(208,411)
Stock-based compensation expense	319,078	118,801
Amortization of capital assets	1,736,791	1,074,318
Amortization of intangible assets	3,901,336	3,614,336
	4,433,298	432,016
Net change in non-cash working capital items	(4,658,955)	(1,368,611)
Cash used in operating activities	(225,657)	(936,595)
Exercise of common share purchase warrants	-	-
Exercise of common share options	220,200	66,299
Repayment of bank indebtedness	-	(9,933,660)
Increase in deferred financing costs	-	(1,696,151)
Increase in deferred lease inducement	217,365	73,905
Repayments from (loans to) related parties	(253,333)	92,009
Purchase of common shares	-	-
Proceeds from term bank credit facility	2,688,277	21,795,732
Proceeds from long-term debt	2,586,000	12,498,000
Repayment of long-term debt	(3,099,147)	(587,104)
Cash provided by financing activities	2,123,742	22,067,030
INVESTING ACTIVITIES		
Proceeds from restricted short-term investments	125,000	-
Additions to capital assets	(1,300,729)	(1,699,252)
Increase in other assets	(373,456)	-
Contingent payments relating to prior-years' acquisitions	(348,900)	-
Business acquisitions, net of cash acquired	-	(18,786,362)
Cash used in investing activities	(1,898,085)	(20,485,614)
Net increase in cash during the year	-	644,821
Cash (bank overdraft), beginning of year	-	(644,821)
Cash (bank overdraft), end of year	-	-
Supplemental cash flow information		
Interest paid	2,779,764	2,484,580

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.