

BRAINHUNTER INC.

ANNUAL INFORMATION FORM

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2.0 CORPORATE STRUCTURE

2.1 Name and Incorporation

Brainhunter Inc. (“BH” or the “Company”)

Executive Office:

Suite 700, 2 Sheppard Avenue East, Toronto, ON, M2N 5Y7

Other Business Offices:

1155 Boul Rene Levesque Ouest, Bureau 2500, Montreal, QC, H3B 2K4

1545 Carling Avenue Suite 600 Ottawa, ON, K1Z 8P9

14505 Bannister Road SE, Suite 102, Calgary, AB, T2X 3J3

10665 Jasper Avenue, Suite 900, Edmonton, AB, T5J 2K4

100 Park Royal, Suite 200, West Vancouver, BC, V7T 1A2

H.No 8-2-351/1/12, Ground Floor, Fortune -54, Avenue 8, Road No.3, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh, India

Registered Office:

Suite 300, 2355 Skymark Avenue, Mississauga, ON, L4W 4Y6

Brainhunter Inc. was incorporated on January 14, 2000 as Red Lantern Corporation under the *Business Corporations Act* (Alberta) and was classified as a Junior Capital Pool Corporation as defined by Alberta Securities Rule 46-501. The shares of Red Lantern Corporation were listed on the Canadian Venture Exchange on August 23, 2000, which exchange subsequently became the TSX Venture Exchange.

On June 21, 2002, Red Lantern Corporation was continued into Ontario and concurrently changed its name to TrekLogic Technologies Inc.

On May 20, 2004, TrekLogic Technologies Inc. changed its name to Brainhunter Inc.

2.2 Inter-Corporate Relationships

As at September 30, 2006, the BH corporate structure was as follows:

Subsidiary companies. all 100% owned:

- TrekLogic Inc.
- Xycorp Inc.
- Brainhunter Limited.
- Protec Employment Services Limited
- Brainhunter (Ottawa) Inc.
- Promethean Systems Consultants Inc.

- Vision2Hire Solutions Inc.
- AJJA Information Technology Consultants Inc.
- Brainhunter Integrated Staffing Services Inc. (formerly iGate Mastech Ltd.)
- Brainhunter Recruiting (India) Private Limited

On October 1, 2006, the following amalgamations were effected:

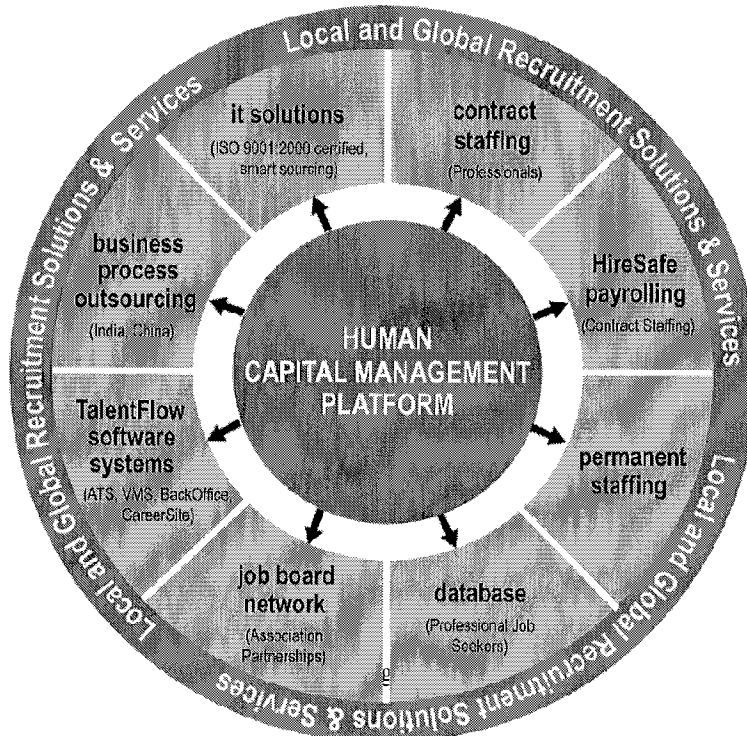
- Brainhunter Limited and Brainhunter Integrated Staffing Services Inc. were amalgamated, under the new name of Brainhunter Canada Inc.
- Brainhunter (Ottawa) Inc. and AJJA Information Technology Consultants Inc were amalgamated under the continuing name Brainhunter (Ottawa) Inc.
- TrekLogic Inc., Promethean Systems Consultants Inc. and Xycorp Inc. were amalgamated under the continuing name TrekLogic Inc.

All subsidiaries are incorporated or continued under the laws of Ontario or the laws of Canada, except Brainhunter Recruiting (India) Private Limited which is incorporated under the laws of India.

3.0 GENERAL DEVELOPMENT of the BUSINESS

3.1 Overview

Brainhunter (or the “Company”) is a leader in the global delivery of Human Capital Management (“HCM”) Solutions, Services and Software. Focused on all aspects of Staffing Procurement within organizations, Brainhunter provides end-to-end capability on a very robust, highly scalable, web enabled technology platform.



Brainhunter specializes in providing end-to-end recruiting and staffing solutions and services for IT, Engineering, Industrial and Health Care professionals, on a full time and contract basis, along with web enabled software solutions handling all aspects of the recruiting and staffing relationship between customer, contractor and agency. Functionality extends to all back office functions and the outsourcing of specialized business processes. Technology and services are provided to customers throughout Canada, the United States and globally under the brand Brainhunter, and drives a multifaceted revenue stream in related practice areas, including:

- 1. Contract Staffing (Annuity Revenue) – High Growth**
 - Full Service
 - HireSafe Payrolling
 - Recruiting Support
 - BackOffice Processing

- 2. Permanent Staffing (Transaction Fees / Retainers) – Strategic**
 - Full Service
 - Virtual Agency

- 3. Specialized Job Boards (Posting Fees / Subscriptions) – High Growth**
 - Traditional Job Posting Model (Customers)
 - Reverse Job Posting Model (Job Seekers)
 - Database Access Model (Customers)

- 4. TalentFlow Software Systems (Licenses / Services) – Strategic**
 - Applicant Tracking System
 - Vendor Management System
 - BackOffice Systems
 - CareerSite Systems

- 5. Business Process Outsourcing (India / China) (Annuity Revenue) - High Growth**
 - 24/7 Recruiting / Sales and Customer Support
 - 24/7 Telemarketing
 - Outsourcing of Specialized Business Processes
 - SmartSourcing of Software Support and Development

- 6. Professional Services / Solutions Delivery (Project Revenue) - Strategic**
 - Brainhunter Technology Platform Development, Support, Customization
 - Outsourcing / SmartSourcing®

Brainhunter's Human Capital Management Platform, supported by best practices, is believed to deliver the most cost effective, flexible and customizable recruiting and staffing solutions, services and processes in the marketplace today. The Platform is deployed internally and is delivered externally in a modular capacity, or as a fully

integrated end-to-end solution. Software is sold on an ASP Model to customers in conjunction with Brainhunter's extensive Job Board Technology and Job Seeker Database capability (over 1.2 million resumes). It is supported by the Company's Professional Services division, which employs approximately 50 highly specialized, fully billable technical staff, operating on a highly profitable outsourcing business model.

Brainhunter is a publicly traded company with a senior listing on the Toronto Stock Exchange. Brainhunter deploys over 1,600 Contractors/Consultants with an internal staff of over 250 personnel. The Company has delivery capability in Toronto, Ottawa, Winnipeg, Montréal, Calgary, Edmonton, Vancouver, Maritimes as well as activities in Dalian, China and in Hyderabad, India.

3.2 History

3.2.1 Company Formation

TrekLogic Inc. ("TrekLogic") was incorporated under the *Business Corporations Act* (Ontario) as a private company on August 27, 1997. The purpose of TrekLogic was to provide software solutions to clients, primarily Sun Microsystems Inc. In 1999, TrekLogic earned the highly-desired designation "Sun Microsystems Strategic Partner", due to its extensive knowledge of UNIX and the Sun operating systems, knowledge which allows it to be a leader in consulting and migration projects relating to Sun operating systems.

On October 1, 2001, TrekLogic amalgamated with Stepping Solutions Inc. with the resulting company named TrekLogic Inc. Stepping Solutions Inc. was formed in 1999 and was in the business of providing contract staffing, primarily to the Government of Ontario. A wholly-owned subsidiary of Stepping Solutions Inc., Next Millennium Inc., became a wholly-owned subsidiary of TrekLogic Inc. Next Millennium Inc. was in the business of reselling software.

On June 21, 2002, Red Lantern Corporation, an Alberta company classified as a Junior Capital Pool Corporation as defined by Alberta Securities Rule 46-501, was continued into Ontario and concurrently changed its name to TrekLogic Technologies Inc.

On June 25, 2002, TrekLogic Inc. completed a reverse take-over transaction with TrekLogic Technologies Inc. Under the terms of the transaction agreement, TrekLogic Technologies Inc. acquired 100% of the shares of TrekLogic Inc. in an exchange for shares of TrekLogic Technologies Inc. so that the controlling shareholders of TrekLogic Inc. became the controlling shareholders of TrekLogic Technologies Inc. and TrekLogic Inc. became a 100% owned subsidiary of TrekLogic Technologies Inc. The reverse take-over transaction is being accounted for in the financial statements of TrekLogic Technologies Inc. as a purchase with TrekLogic Inc. as the purchaser.

On July 22, 2002 the TSX-Venture Exchange announced that it was accepting for filing the qualifying transaction of TrekLogic Technologies Inc. (formerly Red Lantern Corporation), that being the acquisition of TrekLogic Inc.

On November 14, 2003, TrekLogic Technologies Inc. was listed and began trading on the Toronto Stock Exchange.

On May 20, 2004, TrekLogic Technologies Inc. changed its name to Brainhunter Inc.

3.2.2 Acquisitions

Xycorp Inc.

On July 25, 2002 the Company acquired Xycorp Inc., a privately held company, located in Toronto, Ontario, which is in the business of providing contract IT personnel to major companies such as IBM and Manulife Insurance, and various ministries of the Government of Ontario. In addition, it places IT personnel on a permanent basis. Purchase price was \$1,000 plus future payments based on cash flow to a maximum of \$300,000.

Brainhunter.com Ltd.

Effective March 31, 2003, the Company acquired all of the issued and outstanding shares of Brainhunter.com Ltd. ("Brainhunter"), a web-enabled end-to-end recruitment technology platform. Consideration for the purchase, totalling \$4,083,831, consisted of 2,186,110 Series A preferred shares of the Company valued at \$1,093,055, three-year vendor-take-back notes totalling \$1,298,749 of which \$840,367 is paid in cash as a percentage of revenue over time and \$458,382 is paid in Company common shares at the prevailing market price at maturity, net cash of \$1,643,527, and transaction costs of \$48,500.

InBusiness Solutions Inc.

Effective May 1, 2003, the Company acquired 62.3% of the issued and outstanding shares of InBusiness Solutions Inc. ("InBusiness"), an information technology solutions and services company listed on the TSX Venture exchange. Consideration for the purchase consisted of \$2,000,000 in cash plus transaction costs of \$37,433. Because the Company acquired control of InBusiness, the InBusiness acquisition has been accounted for in accordance with the purchase method of accounting.

On December 11, 2003 the Company issued an offer to acquire all issued and outstanding common shares including options and warrants of not already owned by the Company for a cash price of \$0.15 per share. On December 11, 2003 the Company held 30,000,000 of the 48,157,307 issued and outstanding common shares of InBusiness as well as 30,000,000 common share purchase warrants exercisable at \$0.10 per warrant for the period ending April, 2005.

