Consolidated Financial Statements
(Unaudited)

Brainhunter Inc.

For the period ended
December 31, 2005

BRAINHUNTER INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at		December 31, 2005		September 30, 2005
ASSETS				
Current assets				
Restricted Short-term investments (note 10)	$	125,000	$	125,000
Accounts receivable		32,595,786		16,223,905
Investment tax credits recoverable (note 4)		250,000		250,000
Deposits and prepaid expenses		840,716		312,618
Future income tax asset		523,432		523,432
		34,334,934		17,434,955
Capital assets (note 5)		6,251,710		5,701,846
Investment tax credits recoverable (note 4)		1,094,507		1,094,507
Deferred financing costs		1,714,220		434,000
Intangible assets, net of amortization (note 8)		17,398,888		3,262,222
Goodwill (note 8)		18,782,354		9,382,402
Due from related parties (note 6)		319,649		282,159
Future income tax asset		500,496		500,496
	$	80,396,758	$	38,092,587
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank indebtedness (note 9)	$	17,947,358	$	10,578,481
Accounts payable and accruals		18,600,400		6,364,660
Deferred lease inducements and provisions		240,118		35,700
Current portion of long-term debt (note 10)		1,492,461		1,046,685
Deferred revenue		731,817		575,654
		39,012,154		18,601,180
Deferred lease inducement and provisions		626,129		294,529
Long-term debt (note 10)		16,182,284		760,951
Long-term future income tax liabilities (note 7)		4,744,250		-
		21,552,663		1,055,480
Shareholders' equity				
Capital stock (note 11)		20,258,904		20,484,854
Warrants (note 11)		963,143		68,945
Contributed surplus (note 11)		973,744		973,744
Equity component of convertible note obligation (note 3)		1,718,882		53,040
Deficit		(4,082,732)		(3,144,656)
		19,831,941		18,435,927
	$	80,396,758	$	38,092,587

The notes constitute an integral part of the consolidated financial statements.

Approved on behalf of the Board: "John Gillies" Director "John McKimm" Director

BRAINHUNTER INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND LOSS
(Unaudited)

	For the three months ended December 31, 2005	For the three months ended December 31, 2004
		(restated note 2)
Revenue	$ 33,861,839	$ 17,789,268
Cost of revenues	28,097,362	13,816,516
Gross margin	5,764,477	3,972,752
Expenses		
Other staffing costs	3,441,117	1,767,333
Selling, general, and administrative	1,608,846	1,310,953
	5,049,963	3,078,286
Earnings before interest, amortization, and income taxes	714,515	894,466
Interest expense, net (note 10)	596,997	111,196
Amortization	1,034,111	550,903
	1,631,109	662,099
Earnings (loss) before income taxes	(916,595)	232,367
Income taxes (note 7)	21,482	96,827
Net earnings (loss)	(938,076)	135,540
Earnings (loss) per share (note 11)		
Basic	$ (0.02)	$ 0.00
Diluted	$ (0.02)	$ 0.00

BRAINHUNTER INC.
CONSOLIDATED STATEMENT OF (DEFICIT) RETAINED EARNINGS
(Unaudited)

	December 31, 2005 $	September 30, 2005 $
(Deficit) retained earnings, beginning of year	**(3,144,656)**	259,777
Net loss for the year	—	(3,390,758)
Net loss for the three-month period	**(938,076)**	—
Shares purchased for cancellation, excess of cost over book value	—	(13,675)
Deficit, end of period	**(4,082,732)**	(3,144,656)

See accompanying notes

BRAINHUNTER INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the three months ended December 31,	2005	2004
Operating activities		
Net (loss) income	$ (938,076)	$ 135,540
Items not affecting cash:		
Future income tax	21,482	96,827
Investment tax credits	-	170,000
Accretion of interest	200,856	18,475
Deferral (amortization) of lease inducement and provisions	(38,423)	119,002
Amortization of capital assets	255,777	287,153
Amortization of intangibles	778,334	263,750
	279,949	1,090,747
Changes in non-cash working capital items (note 12)	1,329,994	(1,188,387)
Cash (used in) provided by operating activities	1,609,942	(97,640)
Financing activities		
Exercise of common share purchase warrants (note 11)	-	423,557
Exercise of common share options (note 11)	16,050	-
Purchase of common shares (note 11)	-	(258,578)
Advances from bank credit facility	8,741,699	-
Proceeds from long-term debt	11,758,134	-
Repayment of long-term debt (note 10)	(152,833)	(75,000)
Cash provided by financing activities	20,363,050	89,979
Investing activities		
Additions to capital assets	(376,711)	(591,016)
Repayments from (advances to) related parties	(37,490)	261,789
Share purchase loans	(242,000)	-
Business acquisitions, net of cash acquired (note 3)	(19,330,765)	(64,755)
Cash used in investing activities	(19,986,966)	(393,982)
Increase (decrease) in cash	1,986,026	(401,643)
Cash – beginning of period (note 9)	(644,821)	767,348
Cash – end of period (note 9)	$ 1,341,205	$ 365,705

Supplemental disclosure of cash payments		
Cash income taxes paid	$ -	$ -
Cash interest paid	$ 396,142	$ 92,721

Brainhunter Inc.
(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[a] Basis of presentation

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") using the same accounting policies and methods as the most recent audited consolidate financial statements. These interim consolidated financial statements do not include all of the disclosure included in the Company's annual audited consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the annual audited financial statements for the year ended September 30, 2005.

[b] Basis of consolidation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ["Canadian GAAP"] and include the accounts of Brainhunter Inc. and from the respective dates of acquisition of control, its wholly owned subsidiaries, collectively referred to herein as the "Company". All significant inter-company balances and transactions have been eliminated on consolidation.

[c] Revenue recognition

The Company provides computer and engineer consultant placements to customers based on written agreements. Revenue from contracts that is earned over a period of time is recognized monthly when clients are billed for hours worked at agreed rates. Other one-time fees earned for individual placements are recognized in the month the individual commences the new job.

The Company enters into written contracts with customers to complete specific software consulting projects. Customer billings are prepared monthly based on hours worked and agreed rates, at which time revenue is recognized. To a significantly lesser degree certain other contracts are fixed-price, for which revenue is recognized monthly using the percentage of completion basis, based on management estimates.

The Company markets third-party software for which customers are billed upon delivery. The Company also supplies consulting and training services related to the software, for which revenue is recognized when these services are provided.

The Company earns revenue from software licenses for in-house developed software that is deferred and amortized over the term of the license. Software implementation revenue is recognized in the period the implementation is completed.

The Company's accounting policy complies with the revenue determination requirements set forth in EIC-142, "Revenue Arrangements with Multiple Deliverables", relating to the separation of multiple deliverables into individual accounting units with determinable fair values.

Service revenue on fixed-price contracts is recognized on a percentage of completion basis whereby revenue is recorded at the estimated net realizable value of work completed to date. Estimated losses on contracts in progress are recognized when known. Deferred revenue represents amounts billed in advance of satisfying the related service.

[d] Capital assets

Capital assets are recorded at cost, less related investment tax credits. Amortization is provided for over the estimated useful lives of the related assets at the following annual rates and methods:

Furniture and office equipment	20% declining balance
Computer equipment	30% declining balance
Computer software	100% declining balance
Developed software	Straight-line over 5 years
Leasehold improvements	Straight-line over the lease term

[e] Goodwill

Goodwill represents the excess of the purchase consideration paid over the fair value of identifiable net assets of acquired businesses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the value of goodwill is determined in a business combination, using the fair value of the reporting unit as if it was the purchase price. When the carrying amount of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statement of operations.

[f] Intangible assets

Intangible assets, comprising contracts, non-competes, customer relationships, trademarks, tradenames, internet domain addresses, and patented technology are being amortized on a straight-line basis over their estimated period of benefit which varies from two to five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

[g] Income taxes

The Company provides for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the financial statement values and tax value of assets and liabilities and for the benefit of tax losses that are carried forward to offset future years' current taxes payable if they are likely to be realized. Future tax assets and liabilities are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company establishes a valuation allowance against future income tax assets if, based upon available information, it is more likely than not that some of or all of the future income tax assets may not be realized.

[h] Deferred lease inducements

Leasehold inducements comprise free rent and leasehold improvement incentives. Leasehold inducements are deferred and amortized to reduce rental expense on a straight-line basis over the term of the related lease.

[i] Research and development

Research and development costs are expensed as incurred unless the development costs meet certain generally accepted accounting criteria in Canada.

[j] Investment tax credits

Investment tax credits relating to qualifying research and development expenditures are recorded as a reduction from the expenditures or assets to which they relate and there is reasonable assurance that the investment tax credits will be realized.

[k] Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at year end. Revenue and expense items are translated into Canadian dollars using exchange rates in effect on the transaction dates. Gains and losses from translation activities are included in earnings for the year.

[l] Financial instruments

The fair value of financial instruments approximates their carrying value unless otherwise disclosed in the consolidated financial statements.

[m] Use of estimates and assumptions

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the allowance for potentially uncollectible accounts receivable, accrued liabilities, the length of product cycles and the related useful life of capital assets, providing for the recovery of investment tax credits, and providing for a valuation allowance for future income tax credits and the classification of the current year's benefit expected to be realized, all of which are based on management's best estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on these consolidated financial statements of changes in estimates in future periods could be significant. Actual results could differ from those estimates.

[n] Deferred financing costs

Financing costs relating to long-term debt are deferred and amortized on the straight-line basis over the term of the debt.

[o] Impairment of long-lived assets

The Company reviews long-lived assets such as capital assets and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When indicators of impairment of the carrying value of the assets exist and the carrying value is greater than the net recoverable value, an impairment loss is recognized to the extent that the fair value is below the carrying value.

[p] Asset retirement obligations

Effective October 1, 2004, the Company adopted the recommendations of CICA Section 3110, "Asset Retirement Obligations" ["CICA 3110"]. Under the new standard the Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and amortized over the expected useful life of the asset. The adoption of CICA 3110 did not have any impact on the Company's consolidated financial statements.

Brainhunter Inc.
(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND RESTATEMENTS

[a] Intangible assets

The Company has determined that the accounting for its acquisitions resulted in not allocating a portion of the acquisitions to identifiable intangibles apart from goodwill in accordance with CICA Handbook Section 1581, *Business Combinations*.

The Company has reviewed the accounting for its acquisitions completed in the years ended September 30, 2003 and 2004, and goodwill has been restated for the recognition of identifiable intangible assets acquired and the resulting future income tax liabilities. As a result, intangible assets totalling $5,431,339 were recorded, with goodwill being reduced by $3,062,807, future income tax assets reduced by $260,706, and future income tax liabilities by $2,107,826, arising from the new intangible assets, were recorded. The intangible assets are amortized on the straight-line basis over their estimated period of benefit, which varies from two to five years, with the result that, for the three months ended December 31, 2004, amortization expense was increased by $263,750 and related future income tax recoveries of $95,267 were recorded. The table in note 2[d] summarizes the effects of this restatement.

[b] Lease inducement

The Company has reviewed the terms and conditions of its premise leases and the relevant guidance under Canadian GAAP. As a result, the Company recognized a lease inducement for the free-rent period granted on one of these leases and has increased general, selling, and administrative expense by $119,002 for the three months ended December 31, 2004. The table in note 2[d] summarizes the effects of this restatement.

[c] Interest expense

The Company has reviewed the terms and conditions of the zero-interest vendor-take-back loans issued as partial purchase consideration in several acquisitions and the relevant guidance under Canadian GAAP. As a result, the Company has recognized an imputed interest expense of $18,475 for the three months ended December 31, 2004. The table in note 2[d] summarizes the effects of this restatement.

Brainhunter Inc.
(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

[d] Summary of changes in significant accounting policies and restatements:

CONSOLIDATED STATEMENT OF OPERATIONS, RESTATED

	Three months ended December 31, 2004			
	As previously reported $	**Restatements** $	**Note 2**	**As restated** $
Revenue	17,789,268	—		17,789,268
Cost of revenues	13,816,516	—		13,816,516
Gross margin	3,972,752	—		3,972,752
Expenses				
Other staffing costs	1,767,333			1,767,333
General, selling, and administrative	1,310,953	119,002	[b]	1,310,953
	2,959,284	119,002		3,078,286
Earnings before interest, amortization, and income taxes	1,013,468	(119,002)		894,466
Interest expense, net	92,721	18,475	[c]	111,196
Amortization	287,153	263,750	[a]	550,903
	379,874	282,225		662,099
Loss before income taxes	633,594	(401,227)		232,367
Income taxes	192,094	(95,267)	[a]	96,827
Net earnings (loss)	441,500	(305,960)		135,540
Earnings (loss) per share				
Basic	0.01	(0.01)		—
Diluted	0.01	(0.01)		—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

3. BUSINESS ACQUISITIONS

AJJA Information Technology Consultants Inc.

On October 11, 2005, 100% of the common and preference shares of AJJA Information Technology Consultants Inc. ("AJJA"), an information technology staffing company, were acquired for cash, convertible notes, and zero-interest vendor-take-back loans. The convertible notes have a nominal value of $4,000,000 and are to be repaid $325,000 quarterly plus interest beginning December 31, 2006 and $337,500 quarterly plus interest beginning June 30, 2007. Interest is payable on each payment date at the rate equivalent to that on a 90-day Canadian Treasury Bill for the 90-day period immediately preceding each payment date, with interest accruing from October 1, 2006. The notes are convertible over their term to common shares of the Company at an exercise price of $1.00 per share. In accordance with CICA 3860, the convertible notes are to be separated into two components: a financial liability to make future payments and an equity instrument that is effectively a call option granting the holder the right, for a specified period of time, to convert into common shares of the Company. The Company has calculated the fair value of the financial liability component of the convertible notes to be $3,122,573 by discounting the quarterly payments of principal plus estimated interest using an effective interest rate of 15% per annum. This discount on the convertible notes is being charged to interest expense over the term of the loan. The carrying amount of the equity instrument, $877,427, was determined by deducting the fair value of the financial liability from the amount of the convertible notes as a whole. The zero-interest vendor-take-back loans have a nominal value of $2,200,000 and are to be repaid $36,667 monthly for 60 months. The Company has calculated the fair value of the vendor-take-back loans to be $1,541,268 by discounting the monthly payments using an effective interest rate of 15%. This discount on the vendor-take-back loans is being charged to interest expense over the term of the loans. The results of AJJA have been consolidated commencing October 11, 2005.

The purchase price for the AJJA acquisition has been allocated to identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as follows:

	$
Working capital	1,233,833
Capital assets	185,771
Intangible assets – existing contracts	1,265,000
Intangible assets - customer relationships	6,000,000
Intangible assets - non-competition agreements	500,000
Future income tax liability	(2,804,718)
Goodwill	5,917,050
	12,296,936

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

The purchase price components for the acquisition of AJJA are:

	$
Cash consideration	6,200,000
Liability portion of notes	3,122,573
Conversion rights on notes	877,427
Vendor-take-back loans	1,541,268
Transaction costs	555,668
	12,296,936

The costs of the intangible assets are being amortized on a straight-line basis as follows:

Customer relationships	5 years
Existing contracts	2 years
Non-competition agreements	3 years

iGate Mastech Ltd.

On November 16, 2005, 100% of the common shares of iGate Mastech Ltd. ("iGate"), an information technology staffing company, were acquired for cash and a promissory note. The promissory note has a nominal value of $500,000 that is due November 16, 2007. The promissory note pays interest only quarterly at the rate equivalent to that on a 90-day Canadian Treasury Bill for the 90-day period immediately preceding each payment date. The Company has calculated the fair value of the promissory note to be $399,829 by discounting the nominal value plus the stream of estimated quarterly interest payments using an effective interest rate of 15% per annum. This discount on the promissory note is being charged to interest expense over the term of the note. The results of iGate have been consolidated commencing November 16, 2005.

The purchase price for the iGate acquisition has been allocated to identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as follows:

	$
Working capital	5,410,259
Property and equipment	243,159
Intangibles - existing contracts	1,150,000
Intangibles - customer relationships	6,000,000
Liability for premise leases	(574,441)
Future income tax liability	(1,918,050)
Goodwill	3,482,902
Total	**13,793,829**

The purchase price components for the acquisition of iGate are:

	$
Cash consideration	12,293,000
Vendor-take-back loans	399,829
Transaction costs	1,101,000
	13,793,829

The costs of the intangible assets are being amortized on a straight-line basis as follows:

Customer relationships	5 years
Existing contracts	2 years

Year ended September 30, 2005

Vision2Hire Solutions Inc.

100% of the common shares of Vision2Hire Solutions Inc. ["V2H"] were acquired for cash and convertible notes on December 1, 2004. The convertible notes have a nominal value of $446,054, pay no interest over their three-year term, and are to be repaid $55,757 quarterly beginning February 11, 2006. The notes are convertible over their term to common shares of the Company at an exercise price of $2.00 per share. In accordance with CICA 3860, the convertible notes are to be separated into two components: a financial liability to make future payments and an equity instrument that is effectively a call option granting the holder the right, for a specified period of time, to convert into common shares of the Company. The Company has calculated the fair value of the financial liability component of the convertible notes to be $393,014 by discounting the quarterly payments using an effective interest rate of 6% per annum. This discount on the convertible notes is being charged to interest expense over the term of the notes. The carrying amount of the equity instrument, $53,040, was determined by deducting the fair value of the financial liability from the amount of the convertible notes as a whole. The results of V2H have been consolidated in the Company's accounts commencing December 1, 2004.

The purchase price for the V2H acquisition has been allocated to identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as follows:

	$
Working capital deficiency	(257,044)
Capital assets	23,411
Intangible assets - customer relationships	800,000
Future income tax assets	76,310
Goodwill	10,620
	653,297

The purchase price components for the acquisition of V2H are as follows:

	$
Cash consideration	56,217
Liability portion of notes	393,014
Conversion rights on notes	53,040
Transaction costs	151,026
	653,297

The costs of the intangible assets - customer relationships are being amortized on a straight-line basis over 3 years.

Promethean Systems Consultants Inc.

On January 1, 2005, Promethean Systems Consultants Inc. ["Promethean"] was acquired in exchange for 150,000 shares of the Company and 266,125 share purchase warrants of the Company exercisable at a price of $1.00 per share for a period of 4 years. Of the warrants issued, 157,422 were released from escrow in September 2005 and the remaining 108,703 will be released at a rate of 1/3 per year, beginning May 2006. The fair value of the warrants was estimated using the Black-Scholes option pricing model. Key valuation assumptions include an estimated term of 3 years, risk-free interest rates of 3.06% and 3.28%, and stock volatility of 0.4963 based on a 3-year trading history. In addition, the Company undertook for 3 years to make $1,500 monthly interest payments on bank debt of the former shareholders of Promethean, as well as guaranteeing that bank debt up to an amount of $100,000 which approximates fair value. The monthly interest payments have been recorded as a long-term debt with a fair value of $49,307, representing the present value of the payments calculated using a discount rate of 6% per annum. The results of Promethean have been consolidated in the Company's accounts commencing January 1, 2005.

The purchase price for the Promethean acquisition has been allocated to identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as follows:

	$
Working capital deficiency	**(137,266)**
Capital assets	**12,257**
Intangible assets - customer relationships	**170,000**
Intangible assets - existing contracts	**30,000**
Goodwill	**15,689**
Future income tax assets	**227,760**
	318,440

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

The purchase price components for the acquisition of Promethean are as follows:

	$
Issue of 150,000 common shares at a price of $1.00 per share	**150,000**
Issue of 266,125 shareholder warrants, at fair value	**66,154**
Long-term debt	**49,307**
Transaction costs	**52,979**
	318,440

In accordance with Canadian GAAP, the value of the 150,000 common shares was determined based on the average market price of the Company's common shares for the two trading days prior to the parties' agreement and the two trading days following the agreement.

The costs of the intangible assets are being amortized on a straight-line basis as follows:

Customer relationships	4 years
Existing contracts	6 months

Additionally, as part of the agreements with the shareholders of Promethean, the Company allocated employee retention warrants on May 5, 2005 to purchase 250,000 common shares of the Company. These warrants vest under terms similar to those of the Company's employee stock option plan.

4. INVESTMENT TAX CREDITS RECOVERABLE

	December 31, 2005	**September 30, 2005**
	$	$
Investment tax credits recoverable	**1,363,127**	1,363,127
Income taxes (payable) recoverable	**(18,620)**	(18,620)
	1,344,507	1,344,507
Less current portion	**250,000**	250,000
	1,094,507	1,094,507

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

5. CAPITAL ASSETS

	December, 31 2005		September 30, 2005	
	Cost	**Accumulated amortization**	**Cost**	**Accumulated amortization**
	$	$	$	$
Furniture and office equipment	**2,090,627**	**1,456,391**	1,524,397	1,051,077
Computer equipment	**4,556,498**	**3,775,391**	3,361,483	2,588,757
Computer software	**1,537,964**	**1,137,418**	925,513	815,961
Developed software	**5,181,274**	**1,441,122**	4,777,751	1,000,000
Leasehold improvements	**1,182,874**	**487,205**	976,611	408,114
	14,549,237	**8,297,527**	11,565,755	5,863,909
Less accumulated amortization	**8,297,527**		5,863,909	
	6,251,710		5,701,846	

6. DUE FROM RELATED PARTIES

	December 31, 2005	**September 30, 2005**
	$	$
Loans to companies related to the Chairman of the Company, non-interest bearing and with no fixed repayment terms	**267,727**	267,727
Miscellaneous advances	**51,922**	14,432
	319,649	282,159

Amounts due from related parties are non-interest bearing with no stated terms of repayment.

7. INCOME TAXES

[a] The provision for income taxes consists of the following:

	December 31, 2005	**December 31, 2004**
	$	$
Current	—	—
Future	**21,482**	96,827
	21,482	96,827

[b] The provision for (recovery of) income taxes differs from the expense that would be obtained by applying the statutory tax rate to loss before income taxes as a result of the following:

	December 31, 2005 $	December 31, 2004 $
Income tax recovery at statutory tax rate	**(331,074)**	49,133
Increase in income taxes resulting from:		
Change in valuation allowance	**352,556**	47,694
	21,482	96,827

[c] The variations in future income tax liabilities are as follows:

	$
Balance, September 30, 2005	—
Future income tax liabilities assumed (note 3):	
AJJA	**2,804,718**
iGate	**1,918,050**
Future income tax provision	**21,482**
Balance, December 31, 2005	**4,744,250**

8. GOODWILL AND INTANGIBLE ASSETS *[notes 2 and 3]*

The variations in goodwill are as follows:

	December 31, 2005 $	September 30, 2005 $
Balance, beginning of period	**9,382,402**	9,356,093
Goodwill acquired on acquisitions		
AJJA	**5,917,050**	—
iGate	**3,482,902**	—
V2H	—	10,620
Promethean	—	15,689
Balance, end of period	**18,782,354**	9,382,402

Intangible assets are comprised of the following:

	December 31, 2005		September 30, 2005	
	Cost	**Accumulated amortization**	**Cost**	**Accumulated amortization**
	$	$	$	$
Contracts	**3,591,339**	**1,347,339**	1,176,339	1,176,339
Non-competition agreements	**685,000**	**211,000**	185,000	185,000
Customer relationships	**17,070,000**	**2,389,112**	5,070,000	1,807,778
Other	**391,764**	**391,764**	391,764	391,764
	21,738,103	**4,339,215**	6,823,103	3,560,881
Less accumulated amortization	**4,339,215**		3,560,881	
	17,398,888		3,262,222	

9. BANK INDEBTEDNESS

	December 31, 2005	**September 30, 2005**
	$	$
(Bank overdraft) cash	**1,341,205**	(644,821)
Bank operating loan	**(19,288,563)**	(9,933,660)
	(17,947,358)	(10,578,481)

At September 30, 2005, the Company had a revolving demand bank credit facility of $10,000,000, bearing interest at prime plus 1.5%. The credit facility was collateralized by a general security agreement that constitutes a first charge over all the assets of the Company.

On November 16, 2005, the Company obtained a revolving demand credit facility of $20,000,000 from a Schedule "A" bank, with a term of two years, bearing interest at prime plus 0.5% to 1.5%, depending on a specific bank covenant ratio, collateralized by a general security agreement that constitutes a first charge over all the assets of the Company. A portion of the proceeds was used to retire the $10,000,000 facility in place on September 30, 2005

Brainhunter Inc.
(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

10. LONG-TERM DEBT

Long-term debt consists of the following:	December 31, 2005 $	September 30, 2005 $
Promissory note, non-interest bearing, payable quarterly at the lesser of 2% of net sales of the Company or $75,000	**88,808**	161,387
Acquisition obligation of the Company to pay $458,382 on March 10, 2006 in common stock of the Company based on the weighted average trading price for previous twenty days or, at the Company's option, in cash, however the holders have the right to refuse a cash offer and elect to accept shares	**451,608**	444,933
Promissory note, non-interest bearing, payable yearly beginning October 2004, at the greater of $75,000 or a formula based on Protec's income	**270,398**	266,313
V2H acquisition convertible note obligation of $446,054, non-interest bearing repayable in equal quarterly principal payments of 1/8 of the principal beginning in the second year after closing, and at the holders' option, convertible into common shares of the Company at a price of $2.00 per share; fair value of conversion rights added to shareholders' equity	**412,168**	407,748
Present value of Promethean $49,307 acquisition obligation of 36 interest-only monthly payments of $1,500, discounted at 0.5% per month	**40,400**	44,255
Sirius acquisition convertible note obligation, bearing interest tied to the 90-day treasury bills rate, repayable in equal quarterly principal payments of $125,000, and at the holders' option, convertible into common shares of the Company at a price of $3.00 per share, fully collateralized by Government of Canada Treasury Bills held by a trust	**125,000**	125,000
AJJA acquisition convertible note obligation of $4,000,000, bearing interest tied to the 90-day treasury bill rate, repayable in quarterly $325,000 plus interest beginning December 31, 2006 and $337,500 plus interest beginning June 30, 2007,and at the holders' option, convertible into common shares of the Company at a price of $1.00 per share; fair value of conversion rights added to shareholders' equity	**3,117,754**	—
AJJA acquisition vendor take-back loan of $2,200,000, non-interest bearing, repayable $36,667 monthly for 60 months	**1,467,934**	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

10. LONG-TERM DEBT – CONTINUED

Long-term debt consists of the following:	December 31, 2005 $	September 30, 2005 $
iGate acquisition promissory note of $500,000 with a term of two years, repayable at maturity only, with interest-only quarterly payments at a rate tied to the 90-day treasury bill rate	**404,648**	—
Debenture of $5,000,000, repayable on December 15, 2008, paying interest-only quarterly at 12%, collateralized by a floating charge on all assets, subordinated only to the general security agreement held by the Company's bank	**4,670,083**	—
Convertible term notes of $7,856,000 with a term of three years, repayable at maturity only, with monthly payments of interest only at 8%, collateralized by a floating charge on the Company's assets, subordinated to the security of the Company's bank and the debenture, and at the holders' option, convertible into common shares of the Company at a price of $1.00 per share; fair value of conversion rights added to shareholders' equity	**6,625,944**	358,000
	17,674,745	1,807,636
Less current portion	**1,492,461**	1,046,685
	16,182,284	760,951

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

11. CAPITAL STOCK

[a] Authorized

Unlimited number of common shares with no par value
Unlimited number of preferred shares with no fixed dividends and no par value
Unlimited number of non-cumulative, non-redeemable, non-retractable, convertible, voting Series A preferred shares with no fixed dividends and no par value

[b] The following tables summarize the capital stock activity:

	Common shares #	Series A preferred shares #	Warrants #	Stock options #
Balance, September 30, 2004	40,363,031	4,614,681	3,211,478	4,509,945
Pursuant to exercise of				
Warrants	1,201,429	—	(1,201,429)	—
Stock options	538,679	—	—	(538,679)
Pursuant to the issuance of common stock on acquisition of Promethean	150,000	—	516,125	—
Pursuant to expiry of warrants	—	—	(95,714)	—
Pursuant to normal course issuer bid	(29,409)	—	—	—
Balance, September 30, 2005	42,223,730	4,614,681	2,430,460	3,971,266
Pursuant to exercise of stock options [i]	53,500	—	—	(53,500)
Pursuant to issuance of warrants in conjunction with debenture [ii]	—	—	1,000,000	—
Pursuant to issuance of warrants in conjunction with convertible notes [iii]	—	—	3,928,000	—
Balance, December 31, 2005	**42,277,230**	**4,614,681**	**7,358,460**	**3,917,766**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

	Capital stock					Contributed surplus
	Common shares $	Common shares pledged as security $	Series A preferred shares $	Total $	Warrants $	Stock options $
Balance, September 30, 2004	18,050,137	(947,127)	2,378,045	19,481,055	—	—
Change in accounting policy	—	—	—	—	—	757,648
Pursuant to exercise of						
Warrants	584,500	—	—	584,500	—	—
Stock options	150,670	—	—	150,670	—	—
Pursuant to the issuance of common stock on acquisition of Promethean	150,000	—	—	150,000	68,945	—
Pursuant to pledging of common shares	—	(228,500)	—	(228,500)	—	—
Repayment of share purchase loans	—	332,789	—	332,789		
Stock-based compensation expense	—	—	—	—	—	243,376
Stock-based compensation expense related to stock options exercised	27,280	—	—	27,280	—	(27,280)
Pursuant to normal course issuer bid	(12,940)	—	—	(12,940)	—	—
Balance, September 30, 2005	**18,949,647**	**(842,838)**	**2,378,045**	**20,484,854**	**68,945**	**973,744**
Pursuant to exercise of stock options [i]	16,050	—	—	16,050	—	—
Pursuant to the issuance of warrants in conjunction with issuance of debentures [ii]	—	—	—	—	360,639	—
Pursuant to the issuance of warrants in conjunction with issuance of convertible notes [iii]	—	—	—	—	533,559	—
Pursuant to pledging of common shares [iv]	—	(242,000)	—	(242,000)	—	—
Balance, December 31, 2005	**18,965,697**	**(1,084,838)**	**2,378,045**	**20,258,904**	**963,143**	**973,744**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

[i] During the three months ended December 31, 2005, 53,500 stock options were exercised resulting in cash receipts of $16,050.

[ii] Effective November 16, 2005, the Company issued 1,000,000 share purchase warrants in conjunction with the issuance of a $5,000,000 debenture *[note 10]*. The Company has reflected an estimated fair value of these warrants of $360,639 using the residual method described in CICA Handbook Section 3860, *Financial Instruments – Disclosure and Presentation*.

[iii] Effective November 16, 2005, the Company issued 3,928,000 share purchase warrants in conjunction with the issuance of convertible notes of $7,658,000 *[note 10]*. The Company has reflected an estimated fair value of these warrants of $533,559 using the residual method described in CICA Handbook Section 3860, *Financial Instruments – Disclosure and Presentation*.

[iv] The Company has advanced funds to key senior employees to acquire shares of the Company. At December 31, 2005, the balance of such loans totaled $1,084,838 of which only $200,000 bears interest at 5% per annum to be repaid September 30, 2006. The remaining loans are non-interest bearing with various terms of repayment. The balances at each reporting date have been recorded as offsetting amounts to capital stock.

At December 31, 2005, the market value of the shares held as collateral for the loans was $867,870.

The Series A preferred shares are convertible at the discretion of the holder at any time into one common share for each preferred share held and are voting.

[c] Loss per share

The following table details the weighted average number of common shares outstanding for each of the three months ended December 31st:

	December 31, 2005 $	**December 31, 2004** $
Basic	**42,251,388**	41,484,140
Diluted	**42,251,388**	52,763,070

As a result of the net loss for the three months ended December 31, 2005, the potentially dilutive securities have not been included in the calculation of diluted loss per share, because to do so, would have been anti-dilutive.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

[d] Equity components of convertible note obligations

The variations in the equity component of convertible note obligations are as follows:

	December 31, 2005 $	September 30, 2005 $
Balance, beginning of period	**53,040**	—
Equity components of obligations issued:		
V2H acquisition note	—	53,040
AJJA acquisition notes	**877,427**	—
Convertible term notes	**788,415**	—
Balance, end of period	**1,718,882**	53,040

12. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The net change in non-cash operating elements of working capital consists of the following:

	December 31, 2005 $	December 31, 2004 $
Accounts receivable	**(750,677)**	(918,182)
Investment tax credits recoverable	—	(170,000)
Deposits and prepaid expenses	**(160,554)**	(282,134)
Accounts payable and accrued liabilities	**2,087,066**	147,347
Deferred revenue	**154,159**	34,582
	1,329,994	(1,188,387)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005

13. SEGMENTED INFORMATION

The Company operates in two reportable segments, namely "Staffing" and "Solutions". Staffing involves the placement of computer and engineering personnel generally under the supervision of the customer, whereas Solutions involves the implementation of solutions that meet a customer's specific business needs.

	Three months ended December 31, 2005		
	Staffing	**Solutions**	**Total**
	$	$	$
Revenue	**33,257,712**	**604,127**	**33,861,839**
Income before interest, amortization and income taxes	**981,359**	**(266,846)**	**714,513**

	Three months ended December 31, 2004		
	Staffing	**Solutions**	**Total**
	$	$	$
Revenue	16,120,476	1,688,792	17,789,268
Income before interest, amortization and income taxes	608,005	286,461	894,466

The Company evaluates performance and allocates resources based on earnings before income taxes. The Company does not segregate assets between Staffing and Solutions. The accounting policies of the segments are the same as those described in note 1.

The Company's revenue is earned in North America with 4% derived from the United States [2004 - 9%].

All capital assets are attributable to operations located in Canada.

14. FINANCIAL INSTRUMENTS

[a] Fair value

The fair values of the Company's current assets and current liabilities approximate their carrying values due to their short-term nature. The fair market value of long-term debt approximates carrying value based on the Company's current borrowing rates for similar types of borrowing arrangements.

[b] Credit risk

The Company manages its credit risk with respect to accounts receivable primarily by dealing with creditworthy customers. Substantially all of the Company's revenue and the resulting accounts receivable are from large companies and governmental agencies.

[c] Foreign currency rate risk

The Company is exposed to risk due to fluctuations in the exchange rate of the U.S. dollar in relation to the Canadian dollar.

15. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2005 consolidated financial statements.

16. UNAUDITED INTERIM FINANCIAL STATEMENTS

These unaudited interim financial statements were not reviewed by the Company's external auditors.