

FOR IMMEDIATE RELEASE

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BRAINHUNTER RELEASES RESULTS for JUNE QUARTER

Toronto, Ontario, August 10, 2009 – Brainhunter Inc. (“Brainhunter” or the “Company”) (TSX:BH) announces the release of its financial statements for the 3rd quarter ending June 30, 2009. All amounts discussed below are in thousands of Canadian dollars.

The Company recorded a net loss of \$6,652 from continuing operations for the quarter which included a restructuring provision of \$3,771, financing fees of \$687 and an investment write-down of \$162. The company has embarked upon a major restructuring and repositioning of the Company to substantially reduce its operating costs and improve profitability

Raj Singh, the newly appointed CEO, stated “The Company is taking major steps to restructure and re-organize itself to meet the realities of the economy.”

The Company has reduced its workforce by more than 80 positions and has taken steps to shrink the amount of space it uses. As well, the Company is reviewing all available strategic alternatives, including refinancing of its debt and the possible sale of portions of the business or all of the business.

Management of the Company is being assisted by its new board of directors, 7 of 9 of whom were newly elected at the Company’s annual general meeting on July 20, 2009.

Following are statements extracted from the unaudited financial statements of Brainhunter for the period ending June 30, 2009. The following statements should be read in conjunction with the notes to the financial statements attached to the unaudited financial statements as filed on SEDAR. Amounts are in thousands of Canadian dollars except earnings per share.

As at	June 30, 2009 \$	September 30, 2008 \$
ASSETS		
Current		
Accounts receivable	32,941	35,848
Prepaid expenses	431	319
Current assets of discontinued operations	27	23
Total current assets	33,399	36,190
Property, plant and equipment, net	2,676	3,025
Deposits	240	366
Other assets	—	471
Intangible assets, net	4,674	7,718
Goodwill	6,571	6,571
Due from related parties	319	853
	47,879	55,194
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY		
Current		
Accounts payable and accrued liabilities	19,605	21,713
Current portion of restructuring cost	1,659	91
Current portion of deferred lease inducement	103	103
Current portion of long-term debt	16,369	16,144
Term bank credit facility	17,864	15,409
Deferred revenue	650	336
Total current liabilities	56,250	53,796
Restructuring cost	1,539	—
Deferred lease inducement	555	637
Long-term debt	108	339
Long-term future income tax liabilities	74	74
Total liabilities	58,526	54,846
Commitments and contingencies		
Shareholders' (deficit) equity		
Capital stock	19,117	19,472
Warrants	33	1,531
Contributed surplus	3,323	1,567
Equity component of convertible note obligation	1,951	1,951
Deficit	(35,071)	(24,173)
Total shareholders' (deficit) equity	(10,647)	348
	47,879	55,194

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$
Revenue	53,421	60,978	160,308	179,658
Cost of revenue	47,066	52,469	139,586	154,061
Gross profit	6,355	8,509	20,722	25,597
Expenses				
Other staffing costs	3,660	5,281	13,051	16,082
Selling, general and administrative	2,766	1,840	6,461	8,105
	6,426	7,121	19,512	24,187
Income before the undernoted costs	(71)	1,388	1,210	1,410
Restructuring costs	3,771	—	4,135	—
Writedown of investment	162	—	162	—
Interest expense	792	706	2,068	2,427
Interest expense - accreted	33	131	433	876
Amortization				
Property, plant and equipment	157	476	497	826
Intangible assets	979	790	3,044	3,005
Financing Cost	687	30	1,218	159
	6,581	2,133	11,557	7,293
Loss before income taxes	(6,652)	(745)	(10,347)	(5,883)
Recovery of current income taxes	—	—	—	(1,547)
Recovery of future income taxes	—	—	—	(221)
Net loss from continuing operations	(6,652)	(745)	(10,347)	(4,115)
Discontinued Operations				
Loss from discontinued operations	(204)	(153)	(508)	(342)
Gain (loss) from disposal of discontinued operations (net of tax)	(293)	1,625	(43)	7,070
Net profit (loss) from discontinued operations	(497)	1,472	(551)	6,728
Net profit (loss) for the period	(7,149)	727	(10,898)	2,613
Deficit, beginning of period	(27,922)	(9,951)	(24,173)	(11,837)
Deficit, end of period	(35,071)	(9,224)	(35,071)	(9,224)
Earnings (loss) per share				
Continuing Operations - Basic and diluted	(0.15)	(0.02)	(0.23)	(0.10)
Discontinued Operations - Basic and diluted	(0.01)	0.04	(0.01)	0.16

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(6,652)	(746)	(10,347)	(4,115)
Add (deduct) items not involving cash				
Current income taxes	—	—	—	(1,547)
Future income taxes	—	—	—	(221)
Loss on disposal of fixed assets	—	—	8	6
Reserve for restructuring	3,197	—	3,197	—
Writedown of investment	152	—	152	—
Accretion of interest	33	131	433	876
Amortization of deferred lease inducement	(24)	(29)	(81)	(80)
Amortization of provision for lease restructuring	(15)	(62)	(91)	(184)
Stock-based compensation expense	4	67	16	142
Amortization of property, plant and equipment	157	476	497	826
Amortization of intangible assets	979	790	3,044	3,005
	<u>(2,169)</u>	<u>627</u>	<u>(3,172)</u>	<u>(1,292)</u>
Net change in non-cash working capital balances related to operations	<u>2,042</u>	<u>3,004</u>	<u>1,661</u>	<u>3,397</u>
Cash provided by (used in) operating activities	<u>(127)</u>	<u>3,631</u>	<u>(1,511)</u>	<u>2,105</u>
FINANCING ACTIVITIES				
Exercise of common share options	—	—	—	36
Purchase of common shares	—	(289)	(113)	(289)
Proceeds from (repayment of) term bank credit facility	470	(3,908)	2,455	(6,398)
Repayment of long-term debt	(110)	(785)	(438)	(2,986)
Cash provided by (used in) financing activities	<u>360</u>	<u>(4,982)</u>	<u>1,904</u>	<u>(9,637)</u>
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(18)	(123)	(156)	(658)
Increase in other assets	—	—	26	61
Contingent payments relating to prior years' acquisitions	—	—	—	(135)
Cash used in investing activities	<u>(18)</u>	<u>(123)</u>	<u>(130)</u>	<u>(732)</u>
Net cash flows provided by (used in) continuing operations	<u>215</u>	<u>(1,474)</u>	<u>263</u>	<u>(8,264)</u>
DISCONTINUED OPERATIONS				
Cash used in operating activities of discontinued operations	(215)	(151)	(513)	(353)
Cash provided from disposal of discontinued operations	—	1,625	250	7,070
Recovery of current income taxes	—	—	—	1,547
Net cash flows provided by (used in) discontinued operations	<u>(215)</u>	<u>1,474</u>	<u>(263)</u>	<u>8,264</u>
Net increase in cash during the period	—	—	—	—
Cash, beginning of period	—	—	—	—
Cash, end of period	—	—	—	—
Supplemental cash flow information				
Interest paid	792	579	2,069	2,095
Additions to capital assets - non-cash	—	—	—	245

Business Overview

Brainhunter Inc. (“Brainhunter” or the “Company”) is specialized in the provision of staffing solutions (contingent staffing, managed staffing, permanent staffing and staffing software solutions) to major companies and governments in Canada and the U.S. Currently, the largest part of the business is providing IT and engineering staffing consultants, on a contract basis, to major companies and government entities in Canada. The Company also sells recruiting related software including applicant tracking systems (“ATS”), vendor management software (“VMS”), and job board software. Brainhunter deploys over 1,400 contractors with an internal staff of over 170 personnel. Operations are ISO 9001:2000 Certified.

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