

ONEMOVE TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE THREE- AND SIX- MONTH PERIOD ENDED
DECEMBER 31, 2008**

SECOND QUARTER OF FINANCIAL YEAR 2009



(TSX: OM.V)

Creators of econveyance™

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of the financial conditions and results of operations is for the six month period ended December 31, 2008 of OneMove Technologies Inc. (the "Company" or "OneMove"). This MD&A is intended to help readers understand OneMove, its business, strategies, performance, and future outlook from the perspective of management. The MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the years ended June 30, 2008 and 2007 and the unaudited consolidated interim financial statements and accompanying notes for the three and six month periods ended December 31, 2008. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com or on the Company's website www.onemovetech.com

The MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations." The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principals ("GAAP"). The Company's reporting currency is Canadian dollars unless otherwise stated.

The date of this Management's Discussion and Analysis is as at February 20, 2008.

PUBLIC LISTING AND QUALIFYING TRANSACTION

OneMove Technologies Inc. was originally listed on the TSX Venture Exchange (the "Exchange") on February 9, 2006 as a capital pool company under the name Interlude Capital Corp. ("Interlude"). Interlude changed its name to OneMove Technologies Inc. and resumed trading on October 24, 2006 under its new name and the symbol - "OM".

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements that reflect the current view of the Company with respect to future events and financial performance. Forward-looking statements entail various risk and uncertainties that could cause or contribute to actual results that are materially different than those expressed or implied. For additional information with respect to these risks and factors, reference should be made to the "Risk Factors" section of the Company's annual MD&A for the year ended June 30, 2008 and the prospectus filed on SEDAR with respect to the public offering completed in October 2006. The Company assumes no obligation to publicly update or revise any forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein do not materialize.

NON-GAAP FINANCIAL MEASURES

The Company discloses Earning Before Interest, Depreciation and Amortization ("EBITDA"), a non-GAAP financial measure, as a supplemental indicator of operating performance. EBITDA is used internally by the Company to compare cash operating results from one period to another. EBITDA for the purposes of this analysis also excludes stock based compensation, shares issued for services and "Other items" per the financial statements.

EBITDA does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Readers are cautioned not to view this non-GAAP financial measure as an alternative to financial calculations in accordance with GAAP.

THE COMPANY

Overview of the business

OneMove™, the creator of econveyance™, is the largest provider of a leading edge real estate transaction platform in British Columbia. Through econveyance, its proprietary web-based conveyancing software solution, OneMove simplifies and expedites the process of buying and selling real estate. Econveyance links all participants in the property transfer process, offering a secure and efficient means of seamlessly completing the transaction online.

Operations in British Columbia

The market activity produces an estimated average of 800,000 residential real estate filings which translate into approximately 611,000 transactions per annum, 30% which are buying, 30% sell and 40% refinancing¹. Although computers have improved the speed and accuracy of the property transfer data exchange process known as "conveyancing," the process is still dominated by paper-based transactions, which result in duplicated efforts and additional expense.

Econveyance, OneMove's core offering, is Canada's only entirely web-based collaborative data platform that has transformed the antiquated paper-based property transfer process into a completely integrated electronic exchange environment for lawyers, lenders, insurance companies, realtors, buyers and sellers. All users have a secure and efficient means of seamlessly monitoring and completing the real estate buying or selling transaction online.

In B.C. the real estate market and provincial land registries are moving toward a paperless property transfer process, facilitating the ability to file completed land transfer documentation electronically. BC OnLine, the web portal supporting available online government services in British Columbia, added electronic access to land title searches and land title registration filing to its suite of offerings in April 2004. At that time, OneMove's econveyance offering was added as a main menu option on the BC OnLine home page, giving OneMove direct access to the more than 37,000 registered customers in BC OnLine's database.

In early 2008, the Land Title and Survey Authority of British Columbia presented its business plan, which states that electronic filing of completed conveyance documents will be mandatory starting in 2010¹. Currently, only approximately 37% of real estate buy or sell transactions are completed online¹. OneMove's customer base of lawyers and notaries are using econveyance to file more than 35% of all the documents presently being filed electronically with the Land Title and Survey Authority of British Columbia.

Divestment of operations in the United Kingdom

In March 2008, as a result of continued losses associated with its United Kingdom operations, OneMove sold 100% of its wholly owned subsidiary OneMove Limited ("OneMove UK") to a Director of the Company. Upon completion of the sale, the Director returned to treasury all 5.6 million of his held shares in OneMove, that were issued to him as consideration for the original purchase of OneMove UK, and the shares were cancelled and returned to treasury. In addition, OneMove UK was granted a loan for approximately \$2,600,000, to be paid out over a maximum term of 13 years. OneMove management is of the view that the loan is uncollectable and has written it off.

Additional terms of the sale included a license of the Company's Move Management System (MMS) software to OneMove UK, a trademark and brand sharing agreement. The company has not accrued any amounts owing from the licence agreement with OneMove UK, and OneMove UK is in default of the agreement. As a result, OneMove is entitled to become the sole owner of the OneMove brand and Trademark in the jurisdictions where they are registered, which include Canada and the UK.

¹ Land Title and Survey Authority

Growth strategy

Management believes that OneMove will realize continued adoption of e-conveyance as a result of three key factors:

- 1) Law and notary firm's desire to increase productivity due to overall reductions of staff and economic conditions.
- 2) The quickly approaching deadline for mandatory electronic filing of conveyance documents in B.C.
- 3) OneMove's competitive advantage in terms of superior quality of its software and customer service.

OneMove has a three-pronged growth strategy:

- 1) Expand user base by capitalizing on real estate industry's mandatory shift to electronic filing in BC
- 2) Grow transaction volume by concentrating marketing and sales efforts on real estate and law firms that have higher volumes of conveyance transactions as well real estate marketing firms that are involved in new inventory sales transactions, and
- 3) Increase revenue per transaction by integrating with other real estate industry service providers to enhance the e-conveyance offering.

Market Conditions and Outlook

Capital markets across the world experienced severe volatility in 2008. The deterioration of the U.S. residential mortgage market that began in 2007 precipitated a global credit crisis prompting unprecedented responses from governments and central banks.

Our revenue is dependent upon the level of market activity on purchases, sales and refinancing of real estate in British Columbia. The contraction of credit has resulted in fewer new projects being undertaken. While it is not possible to quantify the potential of further decline in the number of transactions current and future economic and market conditions may result in a decrease in some or all of these areas, which would negatively impact future revenues and net income with out the company altering its cost structure further, given previous cost cutting measures.

Though we face these challenging economic and market conditions in Canada, the U.S. and internationally in the near term, we believe that over the long-term, the number of real estate transactions will continue to grow and return to healthier levels.

SECOND QUARTER OF FISCAL 2009 PERFORMANCE SUMMARY

Quarter Operational Summary

- The referral campaign the Company launched in the first quarter of fiscal 2009 drove further adoption of e-conveyance in the second quarter of fiscal 2009, with OneMove adding its 301st firm to its customer base, representing a 33% year-over-year increase compared to 227 firms in the second quarter fiscal 2008
- Total quarterly transaction volume was 10,568 in the second quarter of fiscal 2009, compared to 11,863 in the second quarter fiscal 2008
- Increased average daily revenue to \$5,001 in the second quarter of fiscal 2009, up from \$4,863 in the second quarter fiscal 2008
- Expanded user base to 1,279 lawyers and notaries in the second quarter of fiscal 2009, up approximately 144% from 524 users in second quarter fiscal 2008

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTH PERIOD ENDED DECEMBER 31, 2008

The following selected quarterly information is derived from the interim consolidated financial statements of the Company for the second quarter of fiscal 2008:

(Expressed in \$'000)	Three months ended December 31,		Six months ended December 31,	
	2008	2007	2008	2007
Revenue	\$ 320	\$ 381	\$ 767	\$ 810
	-	-	-	-
	\$ 320	\$ 381	\$ 767	\$ 810
General Administration	(629)	(752)	(1,425)	(1,487)
Amortization	(29)	(33)	(57)	(58)
Interest	(13)	(12)	(27)	(20)
Stock based compensation	(53)	(12)	(84)	(43)
Other items	28	(21)	28	10
Non-controlling interest	-	-	-	-
Less from discontinued operations		(818)	-	(1,624)
Net losses operations	\$ (376)	\$ (1,267)	\$ (798)	\$ (2,412)
Netloss continuing operations	\$ (376)	\$ (449)	\$ (798)	\$ (788)
Adjusted EBITA for continuing oper.	\$ (281)	\$ (392)	\$ (630)	\$ (667)
Fully diluted EPS for contuniung oper.	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)
				-
Balance Sheet:				
Working capital (deficiency)	\$ (48)	\$ 1,333	\$ 40	\$ 3,634
Total assets	\$ 686	\$ 2,858	\$ 1,640	\$ 6,828
Total long-term liabilities	\$ 88	\$ 119	\$ 176	\$ 190
Cash and cash equivalents	\$ 34	\$ 1,461	\$ 261	\$ 4,500
Shareholder's equity (deficeincy)	\$ 285	\$ 1,530	\$ 893	\$ 4,276

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Selected Q2 Financial Information

The following selected quarterly information is derived from the unaudited consolidated interim financial statements of the Company for the last eight quarters. On March 7, 2008, OneMove completed the sale of its U.K.-based subsidiary, OneMove Limited. As a result of the transaction, the quarterly information for Q2 fiscal 2008 has been restated to show continuing operations only, and the results of OneMove Ltd. are shown as discontinued operations.

(Expressed in \$'000)	Fiscal 2009		Fiscal 2008				Fiscal 2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>Operations:</i>								
-Revenue from operations	\$320	\$447	\$492	\$335	\$381	\$429	\$351	\$238
- General and administration	629	796	810	657	752	735	716	507
- Amortization	29	28	35	36	33	25	36	83
- Interest	13	14	15	14	12	8	299	20
- Stock based compensation	53	31	0	40	12	31	6	57
- Other items	(28)	0	214	(127)	21	30	236	(11)
- Loss from discontinued operations	0	0	0	(254)	818	807	852	862
Net loss operations	(\$376)	(\$422)	(\$582)	\$31	(\$1,267)	(\$1,207)	(\$1,794)	(\$1,280)
Net loss continuing operations	(\$376)	(\$422)	(\$582)	(\$285)	(\$449)	(\$400)	(\$942)	(\$418)
Adjusted EBITDA for continuing oper.	(\$281)	(\$349)	(\$532)	(\$195)	(\$392)	(\$336)	(\$601)	(\$258)
Fully diluted EPS for continuing oper.	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.04)	(\$0.02)
<i>Balance Sheet:</i>								
Working capital (deficiency)	(\$48)	\$88	\$31	\$511	\$1,333	\$2,301	\$3,646	(\$79)
Total assets	686	\$954	\$878	3,763	\$2,858	\$3,970	\$5,473	\$1,431
Long-term liabilities	88	\$88	\$118	\$131	\$119	\$71	\$73	\$1,240
Cash and cash equivalents	34	\$ 227	\$ 194	\$ 476	\$ 1,461	\$ 2,403	\$ 3,878	\$ 87
Shareholder's equity (deficiency)	285	\$ 608	\$ 541	\$ 3,415	\$ 1,530	\$ 2,746	\$ 3,719	\$ (2,021)

Revenue for Q2 fiscal 2009 was \$319,540, compared to \$380,579 for Q2 fiscal 2008. As a result of a decrease in real estate transactions throughout British Columbia, OneMove processed fewer transactions in Q2 fiscal 2009, compared to Q2 fiscal 2008. In addition, the Company realized less one-time, third-party software integration revenue in Q2 fiscal 2009, compared to Q2 fiscal 2008. Over the long-term, OneMove does not expect integration revenue to constitute a material portion of the Company's total revenue. One-time revenue accounted for approximately 8% and 18% of revenue in Q2 fiscal 2009 and Q2 fiscal 2008, respectively.

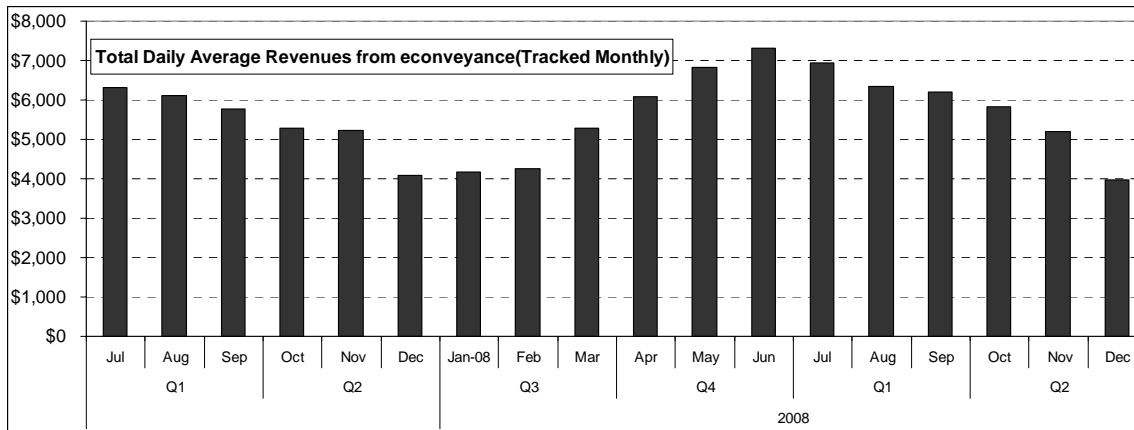
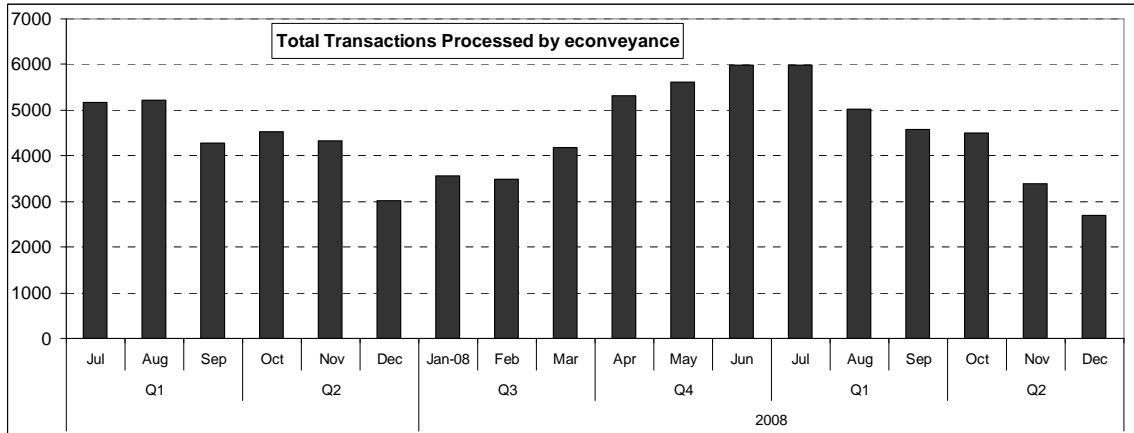
Despite the challenges of a declining real estate market, which resulted in a significant reduction of transaction volume, the number of transactions OneMove processed during the second quarter of fiscal 2009 only declined slightly to 10,569 from 11,863 in the second quarter of fiscal 2008. This was a result of the Company's 33% increase in its software's user base over the previous year. In addition, effective September 1, 2008, OneMove increased prices by an average of 15%, which also contributed to the Company's year-over-year revenue improvement. Revenue for the first half of fiscal 2009 was \$766,259, compared to \$809,638 for the first half of fiscal 2008.

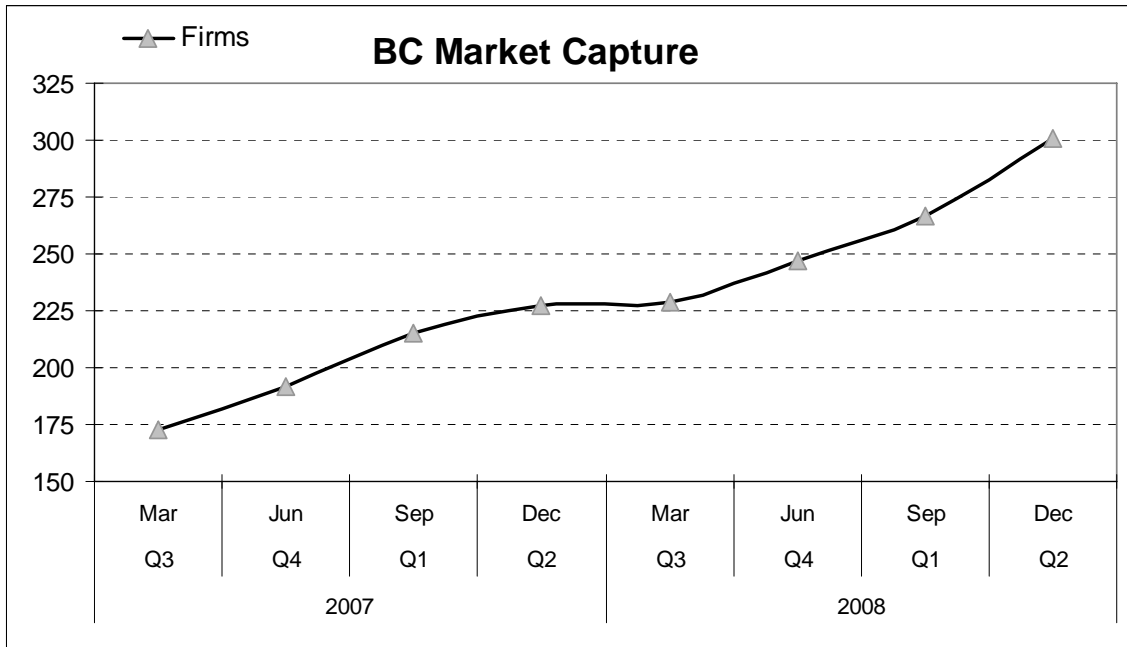
As per the graphs below, the Company has seen a steady year-over-year increase in daily average revenue over the last eight consecutive quarters. In B.C., there is a seasonal spike in real estate transactions in the spring, with negligible growth in the summer and a downturn in the fall. Management anticipates the Company's results will continue to reflect the seasonal nature of the real estate industry.

As result of current economic conditions, the B.C. real estate industry is experiencing a significant slowdown. According to the B.C. Real Estate Association, sales in October 2008 decreased approximately 50% compared to October 2007. Management recognizes the challenges the current industry environment creates for OneMove. As such, going forward, the Company is focused on growing the number of lawyers and notaries on its econveyance platform and has increased prices, as mentioned, which Management believes will continue to help offset the impact of a market-wide reduction in real estate transactions.

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OneMove expects to realize continued adoption of econveyance as lawyers and notaries move to adopt electronic filing in advance of the LTSA's deadline for mandatory filing of completed conveyance documentation starting in 2010. In addition, with the current reduction in overall market activity, firms are now committing more time to implementing an electronic conveyance filing solution and training staff on how to file completed documents electronically, which OneMove believes strengthens the Company's growth prospects over the longer-term.





The predominant activity in B.C was deployment and continued development of econveyance. During the second quarter of fiscal 2009, the number of lawyers and notaries using econveyance increased 144% from 524 in the second quarter of fiscal 2008 to 1279 in the second quarter of 2009 throughout the province in a total of 68 cities. The number of firms represented has grown from 227 to 301 year-over-year or 33%

General and administrative expenses include such items as advertising, commissions/fees, consulting, insurance, investor relations/filing fees, office and general, accounting/legal/profession fees, rent/utilities, shares issued for services, salaries/wages, telephone and travel. For the second quarter, the Company delivered on its commitment to reduce costs. OneMove reported General and Administrative expenses of for the second quarter of fiscal 2009 were \$628,229, a decrease of \$123,761 compared to \$751,990 in second quarter of fiscal 2008, and a decrease of 197,291 compared to the first quarter of fiscal 2009. For the six months ended December 31, 2008, general and administrative expenses were \$ 1,423,019, a decrease of \$64,524 from \$1,487,543 for the six month period ended December 31, 2007.

Increases or Decreases in specific categories are:

Advertising and promotion – Increased year-over-year from \$2,800 to \$5,416 for the second quarter fiscal 2009. The Company had incurred expenses for the referral program incentive of approximately \$3,000. For the first half of fiscal 2009, advertising and promotion decreased year-over-year from \$8,782 to \$5,603.

Commissions and fees – dropped year-over-year from \$87,337 to \$51,837 for the second quarter fiscal 2009, as a result of a negotiated amendment to the structure of the Company’s fee payments to Access BC and the Province of British Columbia for being a menu selection on BC Online, the government portal. For the first half of fiscal 2009, commissions and fees decreased year-over-year to \$159,317 from \$195,887. Over the long-term the Company plans to work to reduce its commissions and fees, but in the short-term, the Company expects to see some lumpiness.

Consulting fees – decreased year-over-year from \$22,591 to \$2,000 for second quarter fiscal 2009 as a result of the Company’s cost cutting initiatives, which are primarily focused on non-revenue generating expenses. For the first half of fiscal 2009, consulting fees increased to \$88,561 from \$22,591.

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Investor relations and filing fees – increased year-over-year from \$53,072 to \$60,974 for the second quarter fiscal 2009 due to increased investor relation activities. For the first half of fiscal 2009, there was a slight increase year-over-year to \$108,516 from \$101,294.

Office and general – decreased year-over-year from \$46,238 to \$ 36,394 for the second quarter fiscal 2009. Decreases were due to continued cost reductions. For the first half of fiscal 2009 there was a small year-over-year decrease to \$70,992 from \$72,183.

Professional fees – increased year-over-year from \$42,572 to \$ 57,792 for the second quarter fiscal 2009. The increase is due to additional charges for final UK audit and legal. For the first half of fiscal 2009, professional fees increased from \$70,183 to \$109,463.

Salaries and wages – decreased year-over-year from \$371,446 to \$ 354,388 for the second quarter fiscal 2009 due to staff reductions implemented in the spring of 2008. For the first half of fiscal 2009, salaries and wages increase to \$758,643 from \$741,756.

Interest and bank charges expenses - increased year-over-year from \$13,247 to \$14,273 for the second quarter fiscal 2009 due to charges for processing credit card transactions for customer pre-payment, a new function added to conveyance in the primarily in second quarter of fiscal 2009. For the first half of fiscal 2009 interest and bank charges expenses increased to \$27,706 from \$19,859.

ADJUSTED EBITDA FOR CONTINUING OPERATIONS for the second quarter of fiscal 2009 was \$(280,874), compared to \$(392,072) for the same period a year ago and \$(349,051) from the previous quarter. Adjusted EBITDA from continuing operations for the first half of fiscal 2009 was \$(628,925), compared to \$(667,542) for the same period a year ago.

Net losses for the second quarter of fiscal 2009, was \$(376,124), or \$(0.01) per share, compared to \$(449,213), or \$(0.01) per share, and net loss including discontinued operations of \$(1,266,990), or \$(0.03) per share, for the second quarter of fiscal 2008. For the first half of fiscal 2009, net loss was \$(797,794), or \$(0.02) per share, compared to \$(788,341), or \$(0.02) per share, and net loss including discontinued operations of \$(2,412,674), or \$(0.05) per share, for the first half of fiscal 2008.

Total assets as at December 31, 2008 were \$686,600 as compared to \$877,806 as at June 30, 2008 Significantly as a result in the company's decrease in cash reserves. The Company continues to implement stringent cost saving measures and is aggressively evaluating its financing options.

Shareholder's equity saw a net increase over the year ended June 30, 2008 of \$66,832.

Contributed surplus also increased slightly during the second quarter of fiscal 2009 as described by the following table:

	Amount
Balance as at June 30, 2006	\$ 891,980
Value of agents options issued on public offering	331,377
Stock-based compensation	322,911
Value of warrants issued on loan financing (Note 7)	61,076
Balance as at June 30, 2007	\$ 1,607,344
Stock-based compensation	82,869
Cancellation of shares upon sale of OneMove UK (Note 3)	1,563,567
Compensatory escrow shares	27,820
Balance as at June 30, 2008	\$ 3,281,600
Stock based Compensation	30,730
	53,424
Balance as at December 31, 2008	\$ 3,365,754

LIQUIDITY AND CAPITAL RESOURCES

Working capital

As at December 31, 2008, the Company had cash of \$33,833 and working capital deficiency of \$(98,730) pared to cash of \$227,440 and working capital of \$88,405 as at September 30, 2008. The Company continues to implement stringent cost-saving measures and is aggressively evaluating its financing options.

Cash flow

The Company's principal sources of liquidity are cash provided by operations, borrowing under its credit facilities, tax credits and other government grants and issuance of common shares. The Company's principal uses of cash have been to fund working capital, repay debt, purchase capital assets and investment in long-term strategic business activities. OneMove believes that its principal sources of liquidity are sufficient to maintain the Company's operations and to meet planned growth and development.

Operating activities

Net cash used by operating activities in the second quarter of fiscal 2009 was \$(280,322) compared to \$(361,470) for second quarter of fiscal 2008 and (672,266) for the six months ended 2009 compared to (3,439,169) for the six months ended 2008. The difference in the six month figures is primarily due to discontinued operation in the UK.

Investing activities

Net cash provided by investing activities in the second quarter of fiscal 2009 was \$(1,993) compared to \$(96,007) for the second quarter of fiscal 2008 and (12,467) for the six months ended 2009 compared to 635,535 for the six months ended 2008.

Financing activities

Net cash provided by (used in) financing activities in the second quarter of fiscal 2009 was \$87,848 as compared to \$(484,999) for second quarter of fiscal 2008. For the six months ended December 31, 2008 net cash provided by financing activities was \$524,716 compared to \$558,445 for the six months ended December 31, 2007.

Capital Lease Obligations:

The Company leases computer hardware under financing arrangements classified as capital leases. The gross amount of computer hardware assets and related accumulated amortization recorded under capital leases and included in equipment were as follows:

	Dec 31, 2008	June 30, 2008
Computer equipment	\$ 281,954	\$ 281,954
Accumulated amortization	(88,394)	(72,700)
	<u>\$ 193,560</u>	<u>\$ 209,254</u>

Amortization expenses incurred during the second quarter of fiscal 2009 with respect to the above assets under capital lease totalled \$28,579.

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Capital Lease Obligations Continued:

The following is a schedule of the future minimum lease payments under the capital lease:

Year ending:	Dec 31, 2008	June 30, 2008
2009	\$ 100,417	\$ 133,890
2010	109,670	109,670
2011	25,985	25,985
<hr/>		
Total future annual lease payments	\$ 236,072	\$ 269,545
Less amount representing interest	(47,953)	(57,131)
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Present value of capital lease obligations	188,119	212,414
Less current portion	(99,778)	(94,263)
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	\$ 88,341	\$ 118,151

With respect to the above, interest incurred during the second quarter fiscal 2009 and included in interest expense amounted to \$22,324.

Share Data

Authorized – Unlimited number of common shares without par value.

Issued and Outstanding

	Number of Common Shares	Amount
Balance as at June 30, 2006	11,149,272	\$ 4,780,220
OneMove online shares at recapitalization (Note 3)	(11,149,272)	-
Shares of the Company at time of recapitalization	3,613,001	-
Issue of shares upon recapitalization (Note 3)	11,149,272	472,941
Issue of shares on the conversion of convertible loans (Note 8)	4,903,443	2,206,540
Issue of shares upon public offerings	26,040,890	10,100,310
Issue of shares for finders fees and corporate finance fees	325,000	178,750
Issue of shares for redemption of preferred shares	603,336	332,000
Issue of shares upon exercise of options	355,000	71,000
Issue of shares upon exercise of agents options	8,000	2,400
Issue of shares upon acquisition of OneMove UK (Note 3)	5,584,169	2,010,301
Issue of shares as loan bonus on bridge loans	372,500	149,000
Issue of shares for interest	250,000	86,250
Share issue costs incurred on recapitalization	-	(205,581)
Share issue costs on public offerings	-	(1,633,680)
<hr/>		
Balance as at June 30, 2007	53,204,611	18,550,451
Issue of shares upon conversion of debt	264,500	144,800
Cancellation of shares upon sale of OneMove UK (Note 3)	(5,584,169)	(2,010,301)
Share issue costs	-	(6,055)
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Balance as at June 30, 2008	47,884,942	\$ 16,678,895
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Private placement	9,421,690	\$ 565,302
Share issue costs		\$ (413)
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Balance as at December 31, 2008	57,306,632	\$ 17,243,766

Shares Held in Escrow

As at December 31, 2008, a total of 2,753,267 common shares of the Company were subject to an escrow agreement under which the shares may not be transferred, assigned, or otherwise dealt with without the consent of the Exchange. The escrowed shares are subject to time-based release criteria over a three year period from the closing of the reverse takeover.

In addition, 3,490,612 of the escrowed shares are subject to a voluntary escrow agreement to be released if the Company achieves certain revenue targets by June 30, 2008, subject to the approval of the escrow shareholders. These shares will be cancelled if the performance conditions are not met. Of these, approximately 837,747 escrow shares are to be cancelled and 428,466 were considered as compensatory with a fair value of \$27,820 which has been included in operations for the year ended June 30, 2008. In order to have the shares released from the voluntary escrow all parties to the agreement must provide their acknowledgement of the amendment of the agreement extending deadline of the agreement from June 30, 2007 to June 30, 2008. Approval of all parties to the agreement is currently being sought.

Stock Options

The company has a Stock Option ("the Plan") whereby aggregate number of shares issuable under the Plan may not exceed 10% of the issued and outstanding share capital. Under the Plan, the exercise price of each option will not be less than the market price of the Company's stock at the date of the grant. Options granted will have a term no to exceed 5 years with vesting provisions determined by the board of directors of the Company.

As at December 31, 2008, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
85,000	\$0.55	December 1, 2009
1,100,000	\$0.10	February 21, 2011
2,050,000	\$0.10	August 25, 2010
250,000	\$0.10	September 16, 2011
1,557,000	\$0.10	October 17, 2011
5,042,000		

Agent's Options

As at December 31, 2008, the following agent's options were outstanding and exercisable:

Number of Agent's Options	Exercise Price	Expiry Date
1,555,540	\$0.36	May 3, 2009
12,500	\$0.50	May 14, 2009
1,568,040		

In October 2006 the Company issued 381,889 and 1,555,540 agent's options pursuant to its public offerings of its common shares. These options have an aggregate value of \$331,377 which has been recorded as share issue costs.

In addition, in May 2007, the Company issued 12,500 agent's options in relation to securing interim loan financings for the Company. The fair value of these options was insignificant.

Warrants

As at December 31, 2008, the following warrants were outstanding and exercisable:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
9,421,690	\$0.10	September 4, 2010
9,421,690		

Private Placements

Fiscal 2009:

There was a non-brokered private placement for 9,421,690 units of \$0.06 per unit, or \$565,301, completed on September 4, 2008. Each unit consists of one common share and one share purchase warrant, to acquire an additional common share at \$0.10 per share, until September 4, 2010.

Fiscal 2008:

There were no private placements in Fiscal 2008

Fiscal 2007:

On May 4, 2007, the Company completed a secondary public offering by way of a brokered private placement issuing 22,222,000 common shares at a price of \$0.36 per share for gross proceeds of \$7,999,920. The financing agent received a 7% cash commission of \$559,994 and other costs of \$173,282 were incurred for net proceeds of \$7,266,644.

In addition to the public offerings, the Company also received funding from the exercise of options and warrants during fiscal 2007.

Prior to the public offerings in 2007, the Company issued promissory notes, which were convertible to OneMove shares upon the completion of the acquisition. Proceeds from the issuance of convertible debt totaled \$424,650 during fiscal 2007.

The Company also received bridge loans prior to the public financings, receivables factoring and conventional loans during the year. All of the bridge loans and all of the receivables factoring loans were repaid during fiscal 2007.

Government Assistance

During the fiscal year ended June 30, 2008, the Company recognized assistance of \$51,526 (2007 - \$313,283) from the National Research Council of Canada's Industrial Research Assistance Program ("IRAP"). Repayment of these contributions is a royalty which commences in October 2008 at a rate of 6.25% of gross revenues and is payable quarterly until July 2012. If at any time within this repayment period, the repayments equal or exceed 150% of the IRAP assistance received, the Company will cease to have any further obligation to make repayments.

If by July 1, 2012, the amount unpaid is less than the assistance received in total, the Company will continue to make repayments until the earlier of full repayment or ten years after the start of the repayment period, being October 2008. The liability and related expense are recorded when the corresponding revenue is recognized.

Total assistance received under IRAP to date is \$455,201. There was no government assistance received in the current period.

Commitments

The Company has entered into various premises and equipment operating leases with minimum lease payments as follows:

2009	\$ 113,400
2010	113,400
2011	113,400
2012	97,600
2013	<u>13,950</u>
	<u>\$ 451,750</u>

Contingencies

The Company provided \$143,200 as security towards a bank loan held by OneMove UK (Note 3), which was collapsed by the bank in October of 2008. Pursuant to the share exchange agreement and the disposition of OneMove UK, (Note 3), the former director and current owner of OneMove UK have until March 2009 to remove the Company as guarantor or repay the funds. (see subsequent events page 15)

Financial Instruments

a) *Foreign currency risk*

Foreign currency risk reflects the risk that the Company's foreign currency denominated net assets or operations will be negatively impacted due to fluctuations in exchange rates. The Company does not have a foreign currency hedge in place to mitigate this risk.

b) *Credit risk*

Financial instruments subjecting the Company to concentrations of credit risk consist primarily of cash and cash equivalents and deposits. The Company maintains its cash with high quality financial institutions. Cash balance often exceeds federally insured limited.

c) *Fair values*

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities and capital lease obligations. The fair value of these financial instruments approximates their carrying values.

Related Party Transactions

During the period ended December 31, 2008, the Company entered into transactions with related parties not disclosed elsewhere in these financial statements as follows:

- a) Paid or accrued salaries and wages of \$113,853 to the officers and directors of the Company.
- b) During the previous quarter, the Company completed a private placement of 9,421,690 units at \$0.06 per unit; see Note 9. Directors and officers of the Company subscribed to 2,027,000 units for a total of \$121,620. At the quarter end, subscriptions for 1,091,000 units or \$65,460 were paid and the balance of \$56,160 in subscriptions were funded by advances from the Company, which originally with no interest and were repayable by the directors and officers to the Company in January 2009. The repayment date has been extended to the end of December 2009 and bears interest at a rate 5% for the principle outstanding of \$48,240.
- c) As at the quarter end, and aside from the above, officers are indebted to the Company for \$13,606 for cash advances.

SUBSEQUENT EVENTS

Subsequent to December 31, 2008, the Company:

- a) OneMove announced on January 21, 2009 that it recovered approximately CDN\$96,300 which was security deposit that the Company provided on behalf of its former U.K. subsidiary to secure an equipment lease. OneMove's divestiture of its U.K. subsidiary, coupled with the termination of the lease agreement led to the return of the funds. As at the date of the balance sheet the amount was recorded as a short term deposit.

- b) On October 24, 2008 the bank collapsed collateral of approximately \$143,200 pledged by the Company which was provided as a guarantee towards a bank loan of approximately \$143,200 to OneMove UK. The Company had pledged these funds as security pursuant to the share exchange agreement and the disposition of OneMove UK, (Note 3). Management is of the view that the bank was not entitled to collapse with collateral and is currently reviewing its legal options in recovering the funds. (see Contingencies note 10)

- c) OneMove received on February 18, 2009 a Provincial Government offer of an extension to the External Product Reseller Agreement which expires on April 30, 2009. The extension offer is for a further five years (until April 30, 2014) under the same terms. Management is presently reviewing their options.

- d) Effective March 1, 2009, OneMove implemented a company-wide reduction in salaries and wages of 20%. The Company anticipates this will result in saving of approximately \$20,800 per month, or \$250,000 annualized, with the first month of savings to be reflected in the Company's Q3 fiscal 2009 results.

Risk Factors:

The Company has identified a number of key risks associated with the execution of its business:

- a) **"Time to market"** is a serious risk facing the business of the Company. The e-commerce industry is fast paced and new ideas for using the Internet to facilitate business activities and transactions appear weekly. It is critical that program design and content development progress rapidly. The Company may experience delays in system development triggered by factors such as insufficient staffing, performance problems or changes to system specifications in response to customer requirements. These factors may cause the system to enter the market behind similar programs or systems that may be in the process of development by other companies. The Company has recently engaged in an accelerated system development program to counter this risk.
- b) The Company has a broad customer base that includes, among others, insurance underwriters, banks and other lenders, lawyers and real estate agents. Some of these customers may be particularly susceptible to a decline in the number of property-related transactions in their respective markets or consolidation trends in their particular industry. Accordingly, the Company continually monitors industry trends and the status of its customers. The risk remains, however, that the insolvency or merger of a number of significant customers, without new customers being brought on, could have a material adverse effect on the Company's results of operations or the Company's further growth.
- c) The *econveyance*TM system has been successfully developed, marketed and implemented in British Columbia, but there may be significant risks associated with extending the system beyond the province both domestically and internationally. This is because the content and procedures of the targeted transaction will vary from jurisdiction to jurisdiction, and accordingly, not all of the current features or other features currently being developed within the system will be appropriate for every jurisdiction.
- d) It is not known how well the OneMove system will be accepted by the market. Although demonstrably effective, there will be perceived security concerns given the nature of the transaction being served by the system. For this reason, the OneMove system is being developed utilizing advanced encryption techniques to maintain security and confidentiality.
- e) There has been no record of profitability and there is a risk that the Company will not be able to raise significant levels of financing to enable it to continue to develop the program.
- f) The Company anticipates rapid growth in demand for the use of its communication platforms that will necessitate equally rapid growth in the number of employees and the scope of its operations. To manage growth, the Company will need to continue to improve its operational, financial and management information systems and will need to hire, train and manage a growing number of employees. Competition for qualified technical personnel is strong and there can be no assurance that the Company will be able to achieve or manage any future growth and its failure to do so could delay system development on the scale projected by the Company.

The success of the Company is largely dependent on the abilities and experience of its executive officers and other key employees. Competition for highly skilled management, technical, research and development and other employees are intense in the Company's industry. There can be no assurance that the Company can retain its current key employees or attract and retain additional key employees as needed. The loss of certain key employees could have an adverse impact upon the Company's growth, business and profitability.

- g) **Technological Change:** The markets in which the Company operates are characterized by changing technology and evolving industry standards. The Company's systems embody complex technology and may not always be compatible with current and evolving technical standards and systems developed by others. Failure or delays by the Company to meet or comply with the requisite and evolving industry or user standards could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's ability to anticipate changes in technology, technical standards and product offerings will be a significant factor in the Company's ability to

compete or expand into new markets. Despite years of experience in meeting customer requirements with the latest in technological solutions, there can be no assurance that the Company will be successful in identifying, developing and marketing products that will respond to rapid technological change, evolving standards or individual customer standards or requirements.

- h) **Failure to Protect the Company's Intellectual Property Rights:** Third parties may infringe or misappropriate the Company's trademarks or other intellectual property rights or may challenge the validity of the Company's trademarks or other intellectual property rights, which could have a material adverse effect on the Company's business, financial condition or operating results. The actions that the Company takes to protect its trademarks, patents and other proprietary rights may not be adequate. Litigation may be necessary to enforce or protect the Company's intellectual property rights, protect its trade secrets or determine the validity and scope of the proprietary rights of others. The Company cannot ensure that it will be able to prevent infringement of its intellectual property rights or misappropriation of its proprietary information. Any infringement or misappropriation could harm any competitive advantage the Company currently derives or may derive from its proprietary rights. Third parties may assert infringement claims against the Company. Any such claims and any resulting litigation could subject the Company to significant liability for damages. An adverse determination in any litigation of this type could require the Company to design around a third party's patent or to license alternative technology from another party. In addition, litigation may be time-consuming and expensive to defend and could result in the diversion of the Company's time and resources. Any claims from third parties may also result in limitations on the Company's ability to use the intellectual property subject to these claims.
- i) **Financing Arrangements:** The Company requires capital to finance its future growth and pay its outstanding debt obligations as they come due for payment. If the cash generated from the Company's business, together with the credit available under existing bank facilities, is not sufficient to fund future capital requirements, the Company will require additional debt or equity financing. The Company's ability to access capital markets on terms that are acceptable will be dependent on prevailing market conditions, as well as the Company's future financial condition. Further, the Company's ability to increase its debt financing and/or renew existing facilities may be limited by its financial covenants or its credit objectives. Although the Company does not anticipate any difficulties in raising funds in the future, there can be no assurance that capital will be available on suitable terms and conditions, or that borrowing costs will not be adversely affected. In addition, the Company's current financing arrangements contain certain restrictive covenants that may impact the Company's future operating and financial flexibility. The Company also depends on certain financing arrangements to be completed by some of its key customers. The inability by the Company's customers to arrange satisfactory financing on a timely basis could have an impact on the Company's business, results of operations and financial condition.
- j) **Dependence on Data and Systems:** The Company maintains, at various locations, databases of information and systems infrastructure which support the Company's Information Technology. Such systems are required to be available without interruption on a continuous basis to meet contractual service level obligations, and to ensure the Company's communications, data, and operational needs are met. System security network threats are frequent and mechanical or software errors may cause system corruption or failure. In addition, the databases are subject to similar security threats and data corruption or loss may occur as a result of such security threats or malfunction of software or hardware. Errors in data could lead to significant liability to the Company if the Company's customers relied on such incorrect data. Although the Company provides for redundancy, disaster recovery, tested systems and network security, it cannot prevent all possible errors or threats.
- k) The lack of an industry organization to police rogue activities from peripheral conveyancing suppliers like Stewart Title creates quality control and image issues for the entire category. Large title insurance providers and other secondarily related players in the segment have no real interest or stake in the provision of a top quality electronic conveyance process. Their interest is on marketing their own products through tangential service provision to the process and is sold on low cost alone.

- l) A distinct lack of industry and competitor reliable and valid quantitative data renders volume forecasting and accurate fiscal planning problematic.
- m) The reliance on significant volume growth through geographical expansion post mandatory conversion in B.C. after 2010/2011 is expensive. The category expansion in B.C. will slow down significantly after this period. Prudent fiscal and strategic planning will be needed to plan new entries into Canadian jurisdictions in the out years of this plan.
- n) **Dependence on Business Alliances:** A key element of the Company's business strategy is the formation of corporate alliances with leading companies. The Company is currently investing, and plans to continue to invest, resources to develop these relationships. The Company believes that its success in penetrating new markets for its products will depend in part on its ability to maintain these relationships and to cultivate additional or alternative relationships. Although significant effort has been dedicated to establishing and maintaining relationships, there can be no assurance that the Company will be able to develop additional corporate alliances with such companies, that existing relationships will continue or be successful in achieving their purposes or that such companies will not form competing arrangements.
- o) **Potential for Liability:** There is a risk that the Company's products or systems may contain errors or defects or fail to perform as intended. While the Company strives to contractually limit its liability for damages arising from its provision of products and systems, such limitations of liability, although existing in the vast majority of the Company's contracts, including the standard sales terms or provision applicable to products, may not have been included in all of the Company's past contractual arrangements or sales. Additionally, where such limitations have been included, there can be no assurance that they will be enforceable in all circumstances or in all jurisdictions or forms, such as electronic delivery, or that they otherwise will protect the Company from liability for damages except as any insurance coverage applies. Furthermore, litigation, regardless of contractual terms, could result in substantial cost to the Company, divert management's attention and resources from the Company's operations and result in negative publicity that may impair the Company's ongoing marketing efforts. Although the Company purchases product liability (covering risk of property damage and personal injury) and errors and omissions insurance and provides for reasonable warranty costs, there is no assurance that such measures will cover any or all of, or the extent of, the claims.

CHANGES IN ACCOUNTING POLICIES

Effective July 1, 2007, the Company adopted new accounting standards related to comprehensive income and financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). The accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

a) Comprehensive income

Comprehensive income is the change in shareholders' equity during a period from transaction and other events and circumstances from non-owner sources. In accordance with the new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet. The components of this new category may include unrealized gains and losses on financial assets classified as available-for-sale, exchange gains and losses arising from the translation of financial statements of a self-sustaining foreign operations and the effective portion of the changes in fair value of hedging instruments.

b) Financial instruments

In accordance with these new standards, the Company now classifies all financial instruments as either held-for-trading, available for sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in operating results. Financial instruments classified as available for sale are measured at fair value

with unrealized gains and losses recognized in other comprehensive income. Financial instruments classified as held-to-maturity, loans and receivables or other financial liabilities are measured at amortized cost.

The adoption of these new standards noted above had no effect on the presentation of the Company's consolidated financial statements for the fiscal years ended June 30, 2007 and 2008.

Effective July 1, 2008, the Company adopted the followings new accounting standards issued by CICA.

a) *Capital disclosures*

In December 2006, the CICA issued Handbook Section 1535, Capital Disclosures. Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

b) *Financial instruments – disclosures and presentation*

In December 2006, the CICA issued two new accounting standards: Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements, and carrying forward, unchanged, existing presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

c) *Goodwill and intangible assets*

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing Handbook Sections 3062, Goodwill and Other Intangible Assets and 3450, Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes.

The new section establishes standards for the recognition, measurement, presentation and disclosure of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

d) *Assessing going concern*

The accounting Standards Board ("AcSB") amended CICA handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

The Company is currently in the process of evaluating the potential impact of these new standards on the consolidated financial statements.

e) *International financial reporting standards*

In addition to the above accounting pronouncements the AcSB in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five-year transition period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the period.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

CORPORATE INFORMATION

Board of Directors and Corporate Officers

Martin Johnson	Chairman, President and Chief Executive Officer
Stuart Bonner	Director, Secretary, and Compensation Committee
Mitchell Gropper	Director, Audit Committee
Tejinder Grewal	Director, Audit and Compensation Committee
Michael Kader	Director
Gordon K.W. Gee	Interim Chief Financial Officer
Parminder Virk	Chief Technology Officer

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