

VID3G INC.
(Formerly U.S. Mine Makers, Inc.)
(A DEVELOPMENT STAGE COMPANY)

INTERIM FINANCIAL STATEMENTS

Six Months Ended December 31, 2014

(Unaudited)

NOTICE TO READER

The accompanying financial statements for Vid3G Inc. (formerly U.S. Mine Makers, Inc.) (the “Company”) for the three and six months ended December 31, 2014 and 2013 have been prepared by management in accordance with accounting principles generally accepted in the United States. These financial statements, which are the responsibility of management, are unaudited and have not been reviewed by auditors. Management believes the unaudited financial statements are free of material misstatement and present fairly, in all material respects, the financial position of the Company as at December 31, 2014 and June 30, 2014 and the results of its operations, its cash flows and changes in stockholders’ equity for each of the periods ended December 31, 2014 and 2013.

/s/“Roy Bosa”

Roy Bosa
Director, CEO and CFO

VID3G INC.
(Formerly U.S. Mine Makers, Inc.)
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS
(Unaudited)

	December 31, 2014	June 30, 2014 (Unaudited) (Amended –Note 3)
ASSETS		
Current assets		
Cash	\$ 959	\$ 2,229
Prepays	5,000	10,000
Total current assets	<u>5,959</u>	<u>12,229</u>
Intangible asset (Note 3)	<u>6,000</u>	<u>6,000</u>
Total assets	<u>\$ 11,959</u>	<u>\$ 18,229</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,044	\$ 5,216
Due to shareholders (Note 4)	129,039	133,756
Due to related parties (Note 5)	157,133	153,713
Note payable (Note 6)	2,260	4,810
Loan payable (Note 7)	171,980	-
Total current liabilities	<u>465,457</u>	<u>297,496</u>
Total Liabilities	<u>465,457</u>	<u>297,496</u>
STOCKHOLDERS' DEFICIT:		
Preferred stock, \$0.0001 par value, 20,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$0.0001 par value, 300,000,000 shares authorized and 197,904,018 shares issued and outstanding as at December 31, 2014 and 172,404,018 as at June 30, 2014.	19,790	17,240
Additional paid-in capital	8,749,774	8,749,774
Deficit accumulated during the exploration stage	(9,223,061)	(9,046,280)
Total stockholders' equity	<u>(453,497)</u>	<u>(279,266)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 11,959</u>	<u>\$ 18,229</u>

The accompanying notes are an integral part of these financial statements.

VID3G INC.
(Formerly U.S. Mine Makers, Inc.)
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2014	2013	2014	2013
Operating expenses:				
Management fees	\$ 21,000	\$ 15,000	\$ 42,000	\$ 30,000
Technology development	8,600	-	118,100	20,000
General and administrative	2,894	7,517	6,495	14,058
Unrealized Foreign Exchange (Gain) Loss	(10,811)	-	(10,053)	-
Professional fees	8,600	700	9,200	6,200
Consulting fees	5,000	-	5,000	3,500
Investor Awareness Shareholder Communication	-	-	5,000	-
	350	-	898	-
Operating loss	(35,633)	(23,217)	(176,640)	(73,758)
Interest expense	(69)	(101)	(141)	(202)
Net loss	\$ (35,702)	\$ (23,318)	\$ (176,781)	\$ (73,960)
Net loss per share:				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding:				
Basic and diluted	174,990,975	170,404,018	173,697,496	147,025,485

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VID3G INC.
(Formerly U.S. Mine Makers, Inc.)
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)
(Amended – Note 3)

	Common Stock		Additional Paid-in Capital \$	Deficit Accumulated during the Exploration Stage \$	Total Stockholders' Equity (Deficit) \$
	Shares	Amount \$			
Balance, June 30, 2013	59,604,018	5,960	8,749,774	(8,799,038)	(43,304)
Common shares issued for asset acquisition	60,000,000	6,000	–	–	6,000
Common shares issued for debt conversion	52,800,000	5,280	–	–	5,280
Net loss	–	–	–	(247,242)	(247,242)
Balance, June 30, 2014	172,404,018	17,240	8,749,774	(9,046,280)	(279,266)
Common shares issued for debt conversion	25,500,000	2,550	–	–	2,550
Net loss	–	–	–	(176,781)	(176,781)
Balance, December 31, 2014	197,904,018	19,790	8,749,774	(9,233,061)	(453,497)

The accompanying notes are an integral part of these financial statements.

VID3G INC.
(Formerly U.S. Mine Makers, Inc.)
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
(Unaudited)

	<u>Six Months Ended December 31, 2014</u>	<u>Six Months Ended December 31, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (176,781)	\$ (73,960)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net change in:		
Prepaid Expenses	5,000	-
Accounts payable and Accrued interest	(172)	802
NET CASH USED IN OPERATING ACTIVITIES	<u>(171,953)</u>	<u>(73,158)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Related parties payables (repayments)	3,420	73,158
Shareholder payables (repayments)	(4,717)	-
Loan payable	171,980	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>170,683</u>	<u>73,158</u>
 NET CHANGE IN CASH	 (1,270)	 -
Cash, beginning of period	2,229	-
Cash, end of period	<u>\$ 959</u>	<u>\$ -</u>
 SUPPLEMENTAL DISCLOSURES		
Cash paid for interest expense	\$ 2,000	\$ -
Cash paid for income tax	<u>\$ -</u>	<u>\$ -</u>
 NONE-CASH TRANSACTIONS		
Shares issued for asset acquisition	\$ -	\$ 60,000,000
Shares issued for debt conversion	<u>\$ 25,500,000</u>	<u>\$ 50,800,000</u>

The accompanying notes are an integral part of these financial statements.

VID3G INC.
(Formerly U.S. Mine Makers, Inc.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2014
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Vid3G Inc. (formerly U.S. Mine Makers, Inc. the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the financial statements for the most recent fiscal year ended June 30, 2014 have been omitted.

Effective August 15, 2013, the Company changed its business from acquisition and exploration of mineral properties to development of mobile application technologies. Effective February 12, 2014, the Company received approval from FINRA for the name change to Vid3G Inc. to better reflect the Company's current business.

NOTE 2 – GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with United States generally accepted accounting principles, on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has not started income generating operations. Losses are anticipated in the development of its business and there can be no assurance that the Company will be able to achieve or maintain profitability. These factors raise substantial doubt concerning the Company's ability to continue as a going concern.

The continuing operations of the Company and the recoverability of the carrying value of assets is dependent upon the ability of the Company to obtain necessary financing to fund its working capital requirements, and upon future profitable operations. The accompanying financial statements do not include any adjustments relative to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

There can be no assurance that capital will be available as necessary to meet the Company's working capital requirements or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in dilution in the equity interests of its current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the review indicates that the carrying amount of the asset may not be recoverable, the potential impairment is measured based on a projected discounted cash flow method using a discount rate that is considered to be commensurate with the risk inherent in the Company's current business model. For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results may differ from those estimates.

Basic Loss per Share

Basic loss per share has been calculated based on the weighted average number of shares of common stock outstanding during the period.

NOTE 3 – INTANGIBLE ASSET

Effective August 15, 2013, by way of an asset purchase agreement, the Company acquired the right, title and interest to 27 Vid3G mobile application patents from Leexoo Technology Ltd/Vid3G LLC (“Leexoo”), a LLC formed in the state of Nevada. As consideration for the purchase, the Company issued 60,000,000 shares of the Company’s restricted common stock to the owners of Leexoo.

Prior to engaging auditors to audit the June 30, 2014 and June 30, 2013 year ends, the Company valued the 60,000,000 shares issued to the owners of Leexoo at \$1,000,000 based on a discounted closing trading price of the Company’s common shares on August 15, 2013.

During the course of the audit, the Company has determined that the appropriate value of the 60,000,000 shares issued for the asset acquisition is \$6,000, based on the par value of the Company’s common stock. The financial statements for the year ended June 30, 2014 have been amended to accordingly.

NOTE 4 – DUE TO SHAREHOLDERS

At December 31, 2014 the Company had \$129,039 (June 30, 2014 - \$133,756) owing to shareholders for cash advances and expenses paid on behalf of the Company. These advances are unsecured, non-interest bearing and payable upon demand.

NOTE 5 – DUE TO RELATED PARTIES

At December 31, 2014 the Company had \$ 157,133 (June 30, 2014 - \$153,713) owing to officers for management fees and expenses paid on behalf of the Company. These advances from related parties are unsecured, non-interest bearing and payable upon demand.

NOTE 6 – NOTE PAYABLE

During October, 2009 the Company issued a promissory note in the amount of \$11,040 in satisfaction of an outstanding debt for services. The promissory note was unsecured, payable upon demand and bears simple annual interest rate of 6%. Effective September 28, 2012, the note was in default and the terms of the promissory note were amended whereby the holder of the promissory note had the right to convert the full or part of the principal amount of \$11,040 into common stock of the Company at \$0.0001 per share.

During the year ended June 30, 2014, \$5,280 of this note payable was settled with the issuance of 5,800,000 shares of the Company’s common stock at \$0.0001 per share.

During the six months ended December 31, 2014, \$2,550 of this note payable was settled with the issuance of 25,500,000 shares of the Company’s common stock at \$0.0001 per share.

NOTE 7 – LOAN PAYABLE

On July 17, 2014 the Company entered into a Proposed Acquisition Agreement (the “Agreement”) with a private Canadian company (the “Purchaser”) to enable the Purchaser to commence due diligence on the potential purchase of 100% of the Vid3G technology for a purchase price of approximately CAD \$2,200,000. In conjunction with the Agreement, the Purchaser advanced the Company an interest-free loan in the amount of CAD\$200,000, currently valued at USD \$171,980, secured against the Company’s technology assets.

Upon satisfactory due diligence by the Purchaser, and upon execution of a Definitive Agreement, the consideration will consist of CAD \$200,000 by way of forgiveness of the aforementioned loan and the balance in the form of 2,000,000 common shares in a Canadian Public Company with each Public Company share having a market price of at least CAD\$1.00 per share. Originally it was expected that a Definitive Agreement would be reached as early as December 31, 2014, however due diligence is not yet completed and a new date for the Definitive Agreement has not been set.

NOTE 8 – COMMON STOCK

On July 24, 2012, the Company issued 50,000,000 common shares to the former sole director and officer of the Company for services rendered. The shares were fair valued at \$5,000.

Effective August 15, 2013 the Company entered into and closed an asset purchase agreement acquiring the right, title and interest to 27 Vid3G mobile application patents from Leexo Technology Ltd/Vid3G LLC (“Leexo”), and issued 60,000,000 shares of common stock valued at \$1,000,000 – see NOTE 3.

During the year ended June 30, 2014, the Company issuance of 52,800,000 (2013 - 9,500,000) shares of the Company’s common stock to settle \$5,280 (2013 - \$950) of the note payable at \$0.0001 per share.

During the six months ended December 31, 2014, the Company issued 25,500,000 (2013 – 50,800,000) shares of the Company’s common stock to settle \$2,550 (2013 - \$5,080) of the note payable at \$0.0001 per share.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the six months ended December 31, 2014, the Company incurred management fees of \$30,000 (2013 - \$30,000) to the CEO, which was outstanding at December 31, 2014.

During the six months ended December 31, 2014, the Company incurred management fees of \$12,000 (2013 - \$Nil) to the VP of Operations, which was outstanding at December 31, 2014

Related party transactions incurred in the normal course of operations are measured at agreed to amounts, which is the amount of consideration established and agreed to by the parties.

NOTE 10 – SUBSEQUENT EVENT

On January 24, 2015, the Company issued 6,500,000 shares of the Company’s common stock at \$0.0001 per share to settle \$650 of the convertible note payable.