



Mindpix Corp.

Financial Statements

As of and for the Three and Six Months Ended June 30, 2012

MINDPIX CORP.
BALANCE SHEETS
June 30, 2012 and December 31, 2011 (As Restated)
Unaudited

	June 30, 2012	December 31, 2011
	<u> </u>	<u> </u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7,190	6,004
Total Current Assets	<u>7,190</u>	<u>6,004</u>
Non-exclusive rights to music libraries	40,000,000	40,000,000
Total Assets	<u>\$ 40,007,190</u>	<u>40,006,004</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 65,708	104,481
Salaries payable	20,978	-
Notes payable	-	216,500
Notes payable to investors and lenders	-	1,303,500
Notes payable for services rendered	-	710,500
Notes payable to employees for deferred salary	-	525,000
Total Current Liabilities	<u>86,686</u>	<u>2,859,981</u>
Total Liabilities	<u>86,686</u>	<u>2,859,981</u>
Shareholders' Equity		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding	\$ -	-
Common stock, \$0.001 par value; 750,000,000 shares authorized, 601,341,084 and 499,521,084 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively	601,341	499,521
Additional Paid-in Capital	46,894,221	44,423,041
Accumulated Deficit	<u>(7,575,058)</u>	<u>(7,776,539)</u>
Total Shareholders' Equity	<u>39,920,504</u>	<u>37,146,023</u>
Total Liabilities and Shareholders' Equity	<u>\$ 40,007,190</u>	<u>40,006,004</u>

MINDPIX CORP.
STATEMENTS OF OPERATIONS
For the Three Months and Six Months Ended June 30, 2012
Unaudited

	Three Months	Six Months
	June 30,	June 30,
	2012	2012
Revenue		
Net sales	\$ -	-
Cost of Goods Sold	-	-
Gross Profit	-	-
Operating Expenses		
Officer and administrative salaries	60,670	125,386
Professional fees	33,774	65,279
Other services	(437,500)	(437,500)
Selling expenses	871	3,719
Loan costs	-	12,500
Other administrative costs	22,879	29,135
Total operating expenses	(319,306)	(201,481)
Income before income taxes	319,306	201,481
Income taxes	-	-
Net Income	\$ 319,306	201,481

MINDPIX CORP
Statements of Stockholders' Equity
For the Six Months Ended June 30, 2012 and the Year Ended December 31, 2011 (As Restated)
Unaudited

	<u>Common Stock</u>		<u>Additional Paid- In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Shareholders' Equity (Deficit)</u>
	<u>Shares</u>	<u>Par (\$0.001)</u>			
Balances as of December 31, 2010	74,521,084	\$ 74,521	\$ 4,348,041	\$ (6,234,041)	\$ (1,811,479)
Issuance of shares for services rendered at \$0.02 per share	25,000,000	25,000	475,000		500,000
Issuance of shares for purchase of non-exclusive rights to music libraries	400,000,000	400,000	39,600,000		40,000,000
Net loss for the year				(1,542,498)	(1,542,498)
Balances as of December 31, 2011	<u>499,521,084</u>	<u>\$ 499,521</u>	<u>\$ 44,423,041</u>	<u>\$ (7,776,539)</u>	<u>\$ 37,146,023</u>
Issuance of shares for repayment of notes payable at \$0.025 per share	8,630,000	8,630	207,870		216,500
Issuance of shares for repayment of notes payable to investors and lenders at \$0.10 per share	13,035,000	13,035	1,290,465		1,303,500
Issuance of shares for repayment of notes payable for services rendered at \$0.05 per share	14,160,000	14,160	696,340		710,500
Issuance of shares for repayment of notes payable to employees for deferred salaries at \$0.025 per share	21,000,000	21,000	504,000		525,000
Retirement of shares previously issued for services rendered at \$0.02 per share	(21,875,000)	(21,875)	(415,625)		(437,500)
Issuance of shares for repayment of notes payable at \$0.038 per share average	66,870,000	66,870	188,130		255,000
Net income for the period				201,481	201,481
Balances as of June 30, 2012	<u><u>601,341,084</u></u>	<u><u>\$ 601,341</u></u>	<u><u>\$ 46,894,221</u></u>	<u><u>\$ (7,575,058)</u></u>	<u><u>\$ 39,920,504</u></u>

MINDPIX CORP.
STATEMENTS OF CASH FLOW
For the Six Months Ended June 30, 2012
Unaudited

	<u>June 30,</u> <u>2012</u>
<u>Operating Activities:</u>	
Net Income	\$ 201,481
Adjustments to reconcile net income to net cash used in operations	
Retirement of shares previously issued for services rendered	(437,500)
(Decrease) in accounts payable	(38,773)
Increase in salaries payable	20,978
Net cash used in operating activities	<u>(253,814)</u>
<u>Financing Activities</u>	
Increase in notes payable	255,000
Net cash provided by financing activities	<u>255,000</u>
Increase in cash	1,186
Cash at beginning of period	6,004
Cash at end of period	\$ <u><u>7,190</u></u>
<u>Non-cash transactions</u>	
Issuance of common shares for repayment of various notes payable	\$ <u><u>3,010,500</u></u>