



**Mindpix Corporation**

**Financial Statements**

**As of and for the Three and Nine Months Ended September 30, 2012**

**MINDPIX CORPORATION**  
**BALANCE SHEETS**  
**September 30, 2012 and December 31, 2011 (As Restated)**  
Unaudited

	<b>September 30, 2012</b>	<b>December 31, 2011</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ -	6,004
Total Current Assets	-	6,004
Non-exclusive rights to music libraries	40,000,000	40,000,000
Total Assets	\$ 40,000,000	40,006,004
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable	\$ 120,150	104,481
Salaries payable	123,273	-
Notes payable	330,650	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	574,073	2,859,981
Total Liabilities	574,073	2,859,981
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, 663,031,425 and 499,521,084 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	663,031	499,521
Additional Paid-in Capital	47,258,343	44,423,041
Accumulated Deficit	(8,495,447)	(7,776,539)
Total Shareholders' Equity	39,425,927	37,146,023
Total Liabilities and Shareholders' Equity	\$ 40,000,000	40,006,004

**MINDPIX CORPORATION**  
**STATEMENTS OF OPERATIONS**  
**For the Three Months and Nine Months Ended September 30, 2012**  
**Unaudited**

	<b>Three Months September 30, 2012</b>	<b>Nine Months September 30, 2012</b>
<b>Revenue</b>		
Net sales	\$ -	-
<b>Cost of Goods Sold</b>	-	-
<b>Gross Profit</b>	-	-
<b>Operating Expenses</b>		
Officer and administrative salaries	370,918	496,304
Professional fees	93,399	158,678
Other services	108,750	(328,750)
Selling expenses	256,622	260,341
Interest and loan costs	-	12,500
Other administrative costs	90,700	119,835
Total operating expenses	920,389	718,908
<b>Income (Loss) before income taxes</b>	(920,389)	(718,908)
Income taxes	-	-
<b>Net Income (Loss)</b>	\$ (920,389)	(718,908)

**MINDPIX CORPORATION**  
**Statements of Stockholders' Equity**  
**For the Nine Months Ended September 30, 2012 and the Year Ended December 31, 2011 (As Restated)**  
Unaudited

	<b>Common Stock</b>		<b>Additional Paid-</b>	<b>Accumulated</b>	<b>Total Shareholders'</b>
	<b>Shares</b>	<b>Par (\$0.001)</b>	<b>In Capital</b>	<b>Deficit</b>	<b>Equity (Deficit)</b>
<b>Balances as of December 31, 2010</b>	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)
<b>Balances as of December 31, 2011</b>	499,521,084	\$ 499,521	\$ 44,423,041	\$ (7,776,539)	\$ 37,146,023
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 services rendered at \$0.006 per share	17,995,000	17,995	90,755		108,750
Issuance of shares at \$.0008 per share	39,500,000	39,500	141,000		180,500
Issuance of shares for repayment of notes payable at \$0.0022 per share	40,909,091	40,909	49,091		90,000
Issuance of shares for services to be provided at \$0.01 per share	30,156,250	30,156	271,406		301,563
Net loss for the period				(718,908)	(718,908)
<b>Balances as of September 30, 2012</b>	<u>663,031,425</u>	<u>\$ 663,031</u>	<u>\$ 47,258,343</u>	<u>\$ (8,495,447)</u>	<u>\$ 39,425,927</u>

**MINDPIX CORPORATION**  
**STATEMENTS OF CASH FLOW**  
**For the Nine Months Ended September 30, 2012**

Unaudited

	<u>September 30,</u> <u>2012</u>
<u>Operating Activities:</u>	
Net loss	\$ (718,908)
Adjustments to reconcile loss to net cash used in operations	
Issuance of common shares for services rendered, net of retirements	(148,438)
Increase in accounts payable	15,669
Increase in salaries payable	110,773
Net cash used by operating activities	<u>(740,904)</u>
<u>Financing Activities</u>	
Increase in notes payable	675,650
Issuance of restricted shares for services to be provided	(121,250)
Proceeds from issuance of common stock	180,500
Net cash provided by financing activities	<u>734,900</u>
Decrease in cash	(6,004)
Cash at beginning of period	6,004
Cash at end of period	\$ <u><u>-</u></u>
<u>Non-cash transactions</u>	
Issuance of common shares for repayment of various notes payable	\$ <u><u>2,845,500</u></u>

**MINDPIX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – as Restated**

**1. Summary of Significant Accounting Policies**

**(a) Operations**

Mindpix Corporation, ("MPIX, We, Our, the Company"), [www.mindpix.com](http://www.mindpix.com), is an entertainment company that primarily focuses on the production, use and redistribution of music. MPIX operates a collection of multimedia and family entertainment content, as well as the licensing rights to the original master recordings of a music library catalog of over 17,500 songs by renown artists including, but not limited to Billy Joel, Bob Dylan, Chicago, Dolly Parton, Elvis Presley, Frank Sinatra, Gladys Knight, James Brown, Jerry Lee Lewis, Little Richard, The Bee Gees, The Drifters, The Platters, The Who, Waylon Jennings, and Willie Nelson.

**(b) Financial Statement Restatement**

All financial statements presented in this report, as of and for the year ended December 31, 2011 has been restated. The restatement resulted from the following:

The Company's Legal and Financial Auditing Committee recently determined that the merger agreement between eMax Media, Inc and Mindpix Corporation had to be changed for the benefit of shareholders and completing future audits more timely and efficiently. Both companies agreed to amend the merger, as of May 31, 2011, to a music master licensing agreement. The music master licensing agreement between eMax Media, Inc. and Mindpix Corporation is the first of several business transactions that will be executed between the companies designed to maintain and add value to Mindpix Corporation and its shareholders. Both parties believe that the licensing agreement is a more efficient way to transfer the music rights assets to Mindpix Corporation while limiting potential liabilities to its shareholders. The merger agreement has been amended to now represent a licensing agreement, with all terms and conditions of the licensing agreement to be held effective as the same closing date of the intended merger agreement signing date of May 31, 2011.

**(c) Use of Estimates**

We prepare our financial statements in conformity with U.S. generally accepted accounting principles. The preparation of these financial statements requires us 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 financial statements, and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

**d) Non-Exclusive Rights to Music Libraries**

The perpetual use of non-exclusive rights to music libraries valued at \$40 million was purchased by the Company in exchange for 400 million shares of Company common stock. We review our non-exclusive rights to music libraries for impairment annually, and will do so more frequently if indicators of impairment exist.

## **2. Notes Payable**

(a) Notes payable totaling \$330,650 as of September 30, 2012 relate to reimbursements due to parties who have either loaned cash to the Company, or paid expenses on behalf of the Company.

(b) Notes payable to New Unified Corp. totaling \$216,500 as of December 31, 2011 were retired in 2012 via the issuance of 8,630,000 shares of common stock.

(c) Notes payable to investors and lenders totaling \$1,303,500 as of December 31, 2011 were retired in 2012 via the issuance of 13,035,000 shares of common stock.

(d) Notes payable for services rendered totaling \$710,500 as of December 31, 2011 were retired in 2012 via the issuance of 14,160,000 shares of common stock.

(e) Notes payable to employees for deferred salaries totaling \$525,000 as of December 31, 2011 were retired in 2012 via the issuance of 21,000,000 shares of common stock.

## **3. Retirement of Shares Previously Issued for Services Rendered**

During the quarter ended June 30, 2012, the Company retired 21,875,000 of common stock shares previously issued for services rendered for the benefit of eMax Media, Inc. Because the merger agreement discussed in Note 1(b) has been amended to now represent a licensing agreement, such costs related to eMax Media, Inc. are no longer the financial responsibility of Mindpix Corporation.