



Mindpix Corporation

Financial Statements

For the Year Ended December 31, 2012

MINDPIX CORPORATION
BALANCE SHEETS
For the Year Ended December 31, 2012
Unaudited

	December 31, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 9,995	6,004
Total Current Assets	9,995	6,004
Non-exclusive rights to music libraries	40,000,000	40,000,000
Total Assets	<u>\$ 40,009,995</u>	<u>40,006,004</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 160,758	104,481
Salaries payable	42,521	-
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>203,279</u>	<u>2,859,981</u>
Total Liabilities	<u>203,279</u>	<u>2,859,981</u>
Shareholders' Equity		
Preferred stock, \$0.0001 par value; 25,000,000 shares authorized; 0 shares issued and outstanding	\$ -	-
Common stock, \$0.0001 par value; 750,000,000 shares authorized, 1,305,380,212 and 499,000,000 shares issued and outstanding at December 31, 2012 and December 31, 2011, respectively	130,538	499,521
Additional Paid-in Capital	48,500,488	44,423,041
Accumulated Deficit	<u>(8,824,311)</u>	<u>(7,776,539)</u>
Total Shareholders' Equity	<u>39,806,716</u>	<u>37,146,023</u>
Total Liabilities and Shareholders' Equity	<u>\$ 40,009,995</u>	<u>40,006,004</u>

MINDPIX CORPORATION
STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2012 and December 31, 2011
Unaudited

	Twelve Months December 31, 2012	Twelve Months December 31, 2011
Revenue		
Net sales- Sponsor Rev	\$ 134,300	-
Cost of Goods Sold	-	-
Gross Profit	134,300	-
Operating Expenses		
Officer and administrative salaries	436,073	567,600
Professional fees	39,064	850,000
Other services	108,750	116,312
Selling expenses	256,515	4,000
Interest and loan costs		
Other Admin and Production costs	341,670	4,586
Total operating expenses	1,182,072	1,542,498
Income (Loss) before income taxes	(1,047,772)	(1,542,498)
Income taxes	-	-
Net Income (Loss)	\$ (1,047,772)	(1,542,498)

MINDPIX CORPORATION
Statements of Stockholders' Equity
For the Year Ended December 31, 2012
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	\$ 7,452	\$ 4,348,041	\$ (6,234,041)	\$ (1,811,479)
Issuance of shares for services rendered at \$0.02 per share	25,000,000	2,500	475,000		477,500
Issuance of shares for purchase of non-exclusive rights to music libraries	400,000,000	40,000	39,600,000		39,640,000
Net loss for the year				(1,542,498)	(1,542,498)
Balances as of December 31, 2011	<u>499,521,084</u>	<u>\$ 49,952</u>	<u>\$ 44,423,041</u>	<u>\$ (7,776,539)</u>	<u>\$ 36,763,523</u>
Issuance of shares for repayment of notes payable at \$0.025 per share	9,500,000	950	215,550		216,500
Issuance of shares for repayment of notes payable to investors and lenders at \$0.10 per share	13,035,000	1,304	1,302,197		1,303,500
Issuance of shares for repayment of notes payable for services rendered at \$0.05 per share	19,660,000	1,966	708,534		710,500
Issuance of shares for repayment of notes payable to employees for deferred salaries at \$0.025 per share	21,000,000	2,100	522,900		525,000
Net income for the period					0
Balances as of March 30, 2012	<u>562,716,084</u>	<u>\$ 56,272</u>	<u>\$ 47,172,222</u>	<u>\$ (7,776,539)</u>	<u>\$ 39,519,023</u>
Retirement of shares previously issued for services rendered at \$0.02 per share	(21,875,000)	(2,188)	(438,125)		(440,313)
Issuance of shares for services rendered at \$0.006 per share	17,995,000	1,800	106,951		108,750
Issuance of shares at \$.0008 per share	39,500,000	3,950	176,550		180,500
Net income for the period					0
Balances as of June 30, 2012	<u>598,336,084</u>	<u>\$ 59,834</u>	<u>\$ 47,017,597</u>	<u>\$ (7,776,539)</u>	<u>\$ 39,367,961</u>
Issuance of shares for repayment of notes payable at \$0.0022 per share	90,000,000	9,000	189,000		198,000
Issuance of shares for services rendered at \$0.01 per share	30,156,250	3,016	298,547		301,563
Net income for the period					0
Balances as of September 30, 2012	<u>718,492,334</u>	<u>\$ 71,849</u>	<u>\$ 47,505,144</u>	<u>\$ (7,776,539)</u>	<u>\$ 39,867,523</u>
Issuance of shares for services rendered at \$0.01 per share	220,000,000	22,000	198,000		220,000
Issuance of shares for repayment of notes payable at \$0.0022 per share	324,287,878	32,429	681,005		713,433
Issuance of shares for paid in Capital at \$0.006 per share	12,600,000	1,260	74,340		75,600
Issuance of shares for services rendered					

At \$0.0015 per share	30,000,000	3,000	42,000		45,000
Net income for the period				(1,047,772)	(1,047,772)
Balances as of September 30, 2012	<u>1,305,380,212</u>	<u>\$ 130,538</u>	<u>\$ 48,500,488</u>	<u>\$ (8,824,311)</u>	<u>\$ 39,873,785</u>

MINDPIX CORPORATION
STATEMENTS OF CASH FLOW
For the Year Ended December 31, 2012

Unaudited

	December 31,
	2012
<u>Operating Activities:</u>	
Net loss	\$ (1,047,772)
Adjustments to reconcile loss to net cash used in operations	
Issuance of common shares for services rendered	311,563
Increase in accounts payable	(672)
Increase in salaries payable	(10,357)
Net cash used by operating activities	<u>(747,238)</u>
<u>Financing Activities</u>	
Increase in notes payable	(420,650)
Proceeds from issuance of common stock	75,600
Net cash provided by financing activities	<u>(345,050)</u>
Decrease in cash	(1,092,288)
Cash at beginning of period	6,004
Cash at end of period	\$ <u><u>9,995</u></u>
<u>Non-cash transactions</u>	
Issuance of common shares for repayment of various notes payable	\$ <u><u>2,953,500</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, 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.

(f) Notes payable for services rendered totaling \$108,700 as of June 21, 2012 were retired in 2012 via the issuance of 17,995,000 shares of common stock.

(g) Notes payable to capital investors totaling \$180,500 as of June 31, 2012 were retired in 2012 via the issuance of 39,500,000 shares of common stock.

(h) Notes payable to capital investors totaling \$198,000 as of June 31, 2012 were retired in September of 2012 via the issuance of 90,000,000 shares of common stock.

(i) Notes payable for services rendered totaling \$301,563 as of June 21, 2012 were retired in 2012 via the issuance of 30,156,250 shares of common stock.

(j) Notes payable to capital investors totaling \$713,433 as of September 31, 2012 were retired in December of 2012 via the issuance of 324,287,878 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.