



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 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| 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><u>\$ 40,007,190</u></u> | <u><u>40,006,004</u></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><u>\$ 40,007,190</u></u> | <u><u>40,006,004</u></u> |

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

| | Three Months June 30, 2012 | Six Months June 30, 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>601,341,084</u> | <u>\$ 601,341</u> | <u>\$ 46,894,221</u> | <u>\$ (7,575,058)</u> | <u>\$ 39,920,504</u> |

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

| | | June 30, 2012 |
|--------------------------------------------------------------------|----|--------------------------|
| <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> |

MINDPIX CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – as Restated

1. Summary of Significant Accounting Policies

(a) Operations

Mindpix Corp., ("MPIX, We, Our, the Company"), www.mindpix.com, operates a collection of multimedia and family entertainment content with the association of their affiliated company and with four main operating divisions: Music, Studios, Networks, and Technologies. Mindpix Corp. owns licensing rights to manufacture and market a music library catalog of worldwide known songs from a list consisting of over 17,500 music master recordings.

(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 Corp. 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 Corp. is the first of several business transactions that will be executed between the companies designed to maintain and add value to Mindpix Corp. and its shareholders. Both parties believe that the licensing agreement is a more efficient way to transfer the music rights assets to Mindpix Corp. 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 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.

(b) 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.

(c) 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.

(d) 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.

(e) Notes payable to New Unified Corp. and eMax Media, Inc. totaling \$255,000 were retired in 2012 via the issuance of 66,870,000 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 Corp.