



**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,<br/>2012</b> | <b>December 31,<br/>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;<br>0 shares issued and outstanding  | \$ -                          | -                            |
| Common stock, \$0.001 par value; 750,000,000 shares authorized,<br>663,031,425 and 499,521,084 shares issued and outstanding at<br>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)                   | (776,539)                    |
| Total Shareholders' Equity  | 39,425,927                    | 44,146,023                   |
| Total Liabilities and Shareholders' Equity  | \$ 40,000,000                 | 47,006,004                   |

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

|  | <b>Three Months<br/>September 30,<br/>2012</b> | <b>Nine Months<br/>September 30,<br/>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><br><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.