

CANADIAN DATA PRESERVE INC.

Condensed Interim Financial Statements

For the Six Months Ended November 30, 2012

The accompanying notes are an integral part of these condensed interim financial statements

NOTICE TO READER

**NO Auditor Review of the Interim
Financial Statements**

The accompanying unaudited interim financial statements of Canadian Data Preserve, Inc. ("the Company"), for the six month period ended November 30, 2012 have been prepared by management and have not been the subject of a review by the Company's external independent auditor.

Canadian Data Preserve, Inc.

Vancouver, British Columbia
January 22, 2013

CANADIAN DATA PRESERVE INC.

Statement of Financial Position

November 30, 2012

	November 30, 2012	May 31, 2012
ASSETS		
CURRENT		
Taxes receivable	<u><u>\$ 7,550</u></u>	<u><u>\$ 5,231</u></u>
 LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Accounts payable and accrued liabilities	<u><u>\$ 41,456</u></u>	<u><u>\$ 25,979</u></u>
Due to related parties (Note 9)	<u><u>132,753</u></u>	<u><u>75,287</u></u>
	174,209	101,266
 SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6)	275,000	275,000
Contributed surplus	361,117	361,117
Deficit	<u><u>(802,776)</u></u>	<u><u>(732,152)</u></u>
	<u><u>(166,659)</u></u>	<u><u>(96,035)</u></u>
	<u><u>\$ 7,550</u></u>	<u><u>\$ 5,231</u></u>

ON BEHALF OF THE BOARD

 "Brian Cameron" Director

 "Van Potter" Director

CANADIAN DATA PRESERVE INC.
Statement of Comprehensive Loss
For the six months ending November 30, 2012

	For the three months ending, November 30,		For the six months ending, November 30,	
	2012	November 30, 2011	2012	November 30, 2011
EXPENSES				
Bank charges	\$ -	-	\$ 126	-
Consulting fees - (Note 9)	17,000	10,500	45,000	10,500
Office	380	161	580	995
Professional fees	8,262	4,240	17,482	9,554
Transfer agent and filing fees	3,101	5,368	7,436	9,899
Travel	-	-	-	499
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 28,743	20,269	\$ 70,624	31,447
Basic and diluted loss per share	\$ 0.00	0.00	\$ 0.00	0.00
Weighted average number of shares outstanding	15,638,667	15,638,667	15,638,667	15,638,667

The accompanying notes are an integral part of these condensed interim financial statements

CANADIAN DATA PRESERVE INC.

Statement of Changes in Equity

November 30, 2012

	Number of Shares	Capital Stock	Contributed surplus	Deficit	Total Equity
Issuance of shares in pursuant of plan of arrangement	6,038,667	15,000	-	-	15,000
Common shares issued for:					
Cash - \$0.0625	1,600,000	100,000	-	-	100,000
Investment - \$0.02	8,000,000	160,000	-	-	160,000
Fair value difference of shares issued as investment	-	-	212,500	-	212,500
Fair value difference of shares issued as services			127,500		127,500
Stock based compensation	-	-	21,117	-	21,117
Net loss for the period	-	-	-	(136,788)	(136,788)
Balance as at May 31, 2011	15,638,667	275,000	361,117	(136,788)	499,329
Net loss for the year	-	-	-	(595,364)	(595,364)
Balance as at May 31, 2012	15,638,667	275,000	361,117	(732,152)	(96,035)
Net loss for the period	-	-	-	(70,624)	(70,624)
Balance as at November 30, 2012	-	-	-	(802,776)	(166,659)

CANADIAN DATA PRESERVE INC.

Statement of Cash Flows

For the six months ending November 30, 2012

	For the six months ending,	
	November 30, 2012	November 30, 2011
OPERATING ACTIVITIES		
Net loss for the period	\$ (70,624)	(31,447)
Changes in non-cash working capital		
Accounts receivable		
Taxes receivable	(2,319)	(2,874)
Due to related parties	57,466	(2,378)
Payables and accruals	15,477	28,093
Cash flow from (used) by operating activities	-	(8,606)
INCREASE (DECREASE) IN CASH FLOW	-	(8,606)
CASH - Beginning of period	-	-
CASH - End of period	\$ -	8,606
Cash paid for:		
Interest paid	\$ -	-
Income taxes	\$ -	-

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

1. NATURE OF OPERATIONS

Canadian Data Preserve, Inc. (the "Company") was incorporated on June 11, 2010. The Company's common shares trade on the Canadian National Stock Exchange (CNSX).

2. SIGNIFICANT ACCOUNT JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of January 22, 2013, the date the Audit Committee on behalf of the Board of Directors approved the statements.

Any subsequent changes to IFRS that are given effect in the company's annual financial statements for the year ending May 31, 2012 could result in restatement of these interim financial statements, including transition adjustments recognized on change-over to IFRS.

a) Foreign Currency Translation

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

b) Financial Instruments

Financial assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized a fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments

Available-for-sale investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment) the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment on financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if and only if there is objective evidence of impairment as a result of one or more events, that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding accounts receivable, is directly reduced by the impairment loss. The carrying amount of trade receivable is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Instruments (Continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured and are usually paid within days of recognition..

4. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises all the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

4. CAPITAL RISK MANAGEMENT (Continued)

The Company's investment policy is to invest its cash in financial instruments of high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

5. FINANCIAL INSTRUMENTS AND RISKS

Fair Value

As at November 30, 2012, the Company's financial instruments consist of accounts payable. The fair values of accounts payable approximate the carrying value because of its current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and

Level 3 – Inputs that are not based on observable market data

The Company's financial instruments are exposed to a number of risks that are summarized below:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 4.

There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at November 30, 2012 the Company has no financial assets that are past due or impaired due to credit risk defaults.

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

5. FINANCIAL INSTRUMENTS AND RISKS (Continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund operations is subject to risks associated with fluctuations in the market prices. Management closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar as the Company's head office and operations are in Canada. All of the Company's financial instruments are denominated in Canadian dollars.

In management's opinion there is no significant foreign exchange risk to the Company.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

6. SHARE CAPITAL

a) Common stock

Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

Issued and Outstanding

During the year ended May 31, 2011, the Company:

- i) On November 12, 2010, the Company issued 6,038,667 shares with a value of \$15,000 pursuant to a plan of arrangement.
- ii) On April 28, 2011, the Company issued 1,600,000 shares at \$0.0625 in the amount of \$100,000
- i) On May 5, 2011, the Company issued 8,000,000 common shares at \$0.02 for the purpose of acquiring a 10% interest in a related Company in the amount of \$200,000;

7. STOCK OPTIONS

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$	Weighted average remaining contractual life (years)	Aggregate intrinsic value \$
Outstanding, June 11, 2010	-	-		
Granted	1,000,000	0.05		
Expired/cancelled	(1,000,000)	0.05		
Outstanding and exercisable, May 31, 2012 and Nov 30, 2012	-	-	-	-

CANADIAN DATA PRESERVE INC.

Notes to financial statements

For the six months ending November 30, 2012

8. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, June 11, 2010	-	-
Issued	3,200,000	0.23
Expired	3,200,000	-
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Balance, May 31, 2012 and Nov 30, 2012	-	-

9. RELATED PARTY TRANSACTIONS

The following amounts are due to related parties, the amounts are owing to directors or Companies with a common director:

	November 30, 2012	November 30, 2011
Due to Directors	22,500	-
Due to VisualVault Corporation	1,120	-
Due to VisualVault Technologies Inc.	47,459	-
Due to Advantive Information Management Inc.	61,674	-
	<hr/>	
	132,753	-

During the period ended November 30, 2012, the Company paid consulting fees to its directors and officers totalling \$45,000 (2011: \$Nil).

10. CONSOLIDATION OF CAPITAL

On August 8, 2012, the Company sought and obtained approval to a 20:1 consolidation of its capital. The consolidation has not yet been effected.