SCHEDULE “B”

MD&A AND FINANCIAL STATEMENTS OF ADVANTIVE INFORMATION MANAGEMENT INC. FOR THE TEN MONTHS ENDED MAY 31, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS OF ADVANTIVE INFORMATION MANAGEMENT, INC. FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD ENDED MAY 31, 2011

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Advantive Information Management, Inc. (the "Company") for the year ended May 31, 2011. The MD&A should be read in conjunction with the audited annual financial statements for the year ended May 31, 2011. The MD&A has been prepared, effective September 7, 2011.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Advantive Information Management, Inc. (AIM), which was incorporated on March 15, 2010, under the laws of the State of Arizona. The Company's head office is located at 2425 East Camelback Road, Phoenix Arizona 85219. The Company reports its financial results in United States dollars and under Canadian generally accepted accounting principles.

In May 2011, AIM sold 10% of its issued and outstanding capital to Manuweb Software Systems, Inc. (the Company) in consideration of 8,958,000 common shares of the Company. AIM tendered 100,000 of its common shares in the sale. Pursuant to a further letter of agreement, the Company has agreed to purchase the remaining 90% of AIM for and in consideration of 68,146,000 pre-consolidated common shares of the Company subject to shareholder approval. A special meeting of shareholders has been called for October 4, 2011 to approve the transaction.

FORWARD LOOKING STATEMENT

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the AIM are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The AIM has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the AIM behalf. All of the information contained in this MD&A is provided on an unaudited pro-forma basis, having regard to the fact that the transactions contemplated herein have not closed and await shareholder approval. In the event that shareholder approve is obtained, a formal closing will occur between AIM and the Company that will in all material respects be as represented and reported herein.

General Discussion:

AIM was formed to acquire certain proprietary software known as R2 and to undertake a business development strategy that included the acquisition of undervalued IT services companies in the United States. AIM initially entered into a licensing agreement with the Company to market and distribute the R2 software throughout North America. During 2011, AIM sold a 10% interest in its issued equity to the Company for a total of 8,958,000 common post consolidated shares of the Company. Members of AIM received their pro-rata entitlement to those shares. Management of AIM has determined that in order to fully realize on the commercial value of R2 that an additional investment in versioning the software would be required. At this time, such an investment is not practical however there remains a significant worldwide opportunity to achieve commercial viability to the R2 product. Concurrently, management of AIM has determined that there are several viable IT acquisitions available to complete. Insofar as management is of both AIM and the Company are now focused on completing the VVT acquisition referred to in the Company's MD&A, it has been determined that no further acquisitions will be considered in the near term. It has however been concluded that given the future value of R2 and the option to acquire it wholly through the acquisition of AIM, that the option to complete the 90% purchase of AIM should now be completed. Accordingly, management of AIM has agreed to sell and the Company has agreed to purchase the remaining 900,000 common shares of AIM for and in consideration of 68,146,000 pre-consolidated shares of the Company. This will equal a total of 9,735,143 post consolidated shares of the Company after a 7:1 consolidation of capital. The future intensions with respect to implementation of the business and strategic plans for AIM have been disclosed more particularly in the Company's MD&A. While plans are on hold for a period of time, once capital resources permit, AIM will be positioned to take advantage of the undervalued nature of the current IT services industry.

Results of Operations:

For the 10 months ended May 31, 2011, AIM did not record any gross revenues. This was largely due to the need to complete funding necessary to expand the R2 software platform and a reluctance to enter the acquisition market without the capital resources necessary to be effective.

During the same period, AIM recorded gross operating expenditures of $226,967 or $26,696 per month as opposed to $19,906 for each of the preceding 5 months ended July 31, 2010. Net losses for the 10 months ended May 31, 2011 were $244,877 as opposed to $99,477 for the preceding 5 months.

Major expenditures for the 10 months ended May 31, 2011 included $56,388 in respect of wages, $63,933 in respect of consulting fees, $64,003 in respect of web development costs and $28,722 in respect of professional fees.

Financial Position:

As at May 31, 2011, AIM had a working capital deficiency of $366,891 as compared to a working capital deficiency of $139,375 as at July 31, 2010.

During the 10 months ended May 31, 2011, management elected to write down the recorded value of the R2 software insofar as additional capital investment was required to upgrade the software for commercial viability. Since limited capital resources are available and since the allocation of those resources is not immediately available to deploy, it was appropriate to reduce the carrying value of the asset to a notional amount. This further impacted the financial performance of AIM for the period.

Notes payable are all due to arms length investors and are convertible into shares of AIM at $.10 per share which will be exchanged for pre-consolidated shares of the Company at such time as the sale of AIM to the Company is finalized.

ADVANTIVE INFORMATION MANAGEMENT, INC.

Financial Statements

For the 10 month Period Ended May 31, 2011

(With Comparatives for the 5 Month Period Ended July 31, 2010)

(UNITED STATES DOLLARS)

Page

BUCKLEY DODDS
Chartered Accountants

Suite 1140 - 1185 West Georgia Street
Vancouver, B.C. Canada V6E 4E6
Telephone: (604) 688-7227
Fax: (604) 681-7716

AUDITORS' REPORT

To the Shareholders of Advantive Information Management Inc.

We have audited the accompanying financial statements of Advantive Information Management Inc. which comprise the balance sheet as at May 31, 2011, the statements of operations and deficit, and cash flows for the 10 month period then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

O*pinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Advantive Information Management as at May 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, British Columbia	"Buckley Dodds"
September 7, 2011	Chartered Accountants

ADVANTIVE INFORMATION MANAGEMENT, INC.

Balance Sheet

May 31, 2011

(With comparatives at July 31, 2010)

(UNITED STATES DOLLARS)

	May 31, 2011	July 31, 2010
ASSETS		
CURRENT		
Cash	$ 7,818	$ 4,281
Accounts receivable	3,000	-
INTANGIBLE ASSETS *(Note 11)*	1	17,361
	$ 10,819	$ 21,642
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
CURRENT		
Accounts payable and accrued liabilities	137,510	133,456
Notes payable *(Note 6)*	240,000	10,000
Due to shareholders *(Note 7)*	200	200
	377,710	143,656
SHAREHOLDERS' DEFICIENCY		
Share capital *(Note 8)*	100	100
Deficit	(366,991)	(122,114)
	(366,891)	(122,014)
	$ 10,819	$ 21,642

ON BEHALF OF THE BOARD

"Van H. Potter" Director

"Tim Sifert" Director

ADVANTIVE INFORMATION MANAGEMENT, INC.

Statement of Retained Earnings

For the 10 Month Period Ended May 31, 2011

(With Comparatives For the 5 Month Period Ended July 31, 2010)

(UNITED STATES DOLLARS)

	May 31, 2011	July 31, 2010
DEFICIT - BEGINNING OF YEAR	$ (122,114)	$ -
NET LOSS FOR THE YEAR	(244,877)	(99,477)
CARRYING VALUE ADJUSTMENT OF INTANGIBLE ASSET	-	(22,637)
DEFICIT - END OF YEAR	(366,991)	(122,114)

See accompanying notes to the audited financial statements

ADVANTIVE INFORMATION MANAGEMENT, INC.

Statement of Operations

For the 10 Month Period Ended May 31, 2011

(With Comparatives For the 5 Month Period Ended July 31, 2010)

(UNITED STATES DOLLARS)

	May 31, 2011	July 31, 2010
EXPENSES		
Website service costs	$ 64,003	$ 16,098
Consulting fees	63,933	53,000
Salaries and wages	56,388	-
Professional fees	28,722	25,452
Interest on notes payable	5,049	
Professional development	2,970	-
Website development	2,620	-
Business licences and fees	2,000	-
Travel and entertainment	786	-
Bank service charges	496	-
Marketing	-	4,982
LOSS BEFORE OTHER ITEMS	(226,967)	(99,532)
OTHER INCOME		
Loss on write-down of intangible assets	(17,360)	-
Foreign exchange gain (loss)	(550)	-
Interest income	-	55
	(17,910)	55
NET LOSS FOR THE YEAR	(244,877)	(99,477)
Other comprehensive income (loss)		-
COMPREHENSIVE LOSS FOR THE YEAR	(244,877)	(99,477)
Basic and diluted loss per share	(0.24)	(0.10)
Weighted average number of shares outstanding	1,000,000	1,000,000

See accompanying notes to the audited financial statements

ADVANTIVE INFORMATION MANAGEMENT, INC.

Statement of Cash Flows

For the 10 Month Period Ended May 31, 2011

(With Comparatives For the 5 Month Period Ended July 31, 2010)

(UNITED STATES DOLLARS)

	May 31, 2011	July 31, 2011
OPERATING ACTIVITIES		
Net loss for the year	$ (244,877)	$ (99,477)
Non-cash items		
Loss on write-down of intangible assets	17,360	-
Changes in non-cash working capital		
Accounts receivable	(3,000)	-
Payables and accruals	4,055	93,458
	1,055	93,458
Cash flow from (used) by operating activities	(226,462)	(6,019)
FINANCING ACTIVITIES		
Notes payable	230,000	10,000
Due to shareholder	-	200
Share capital	-	100
Cash flow from financing activities	230,000	10,300
INCREASE (DECREASE) IN CASH FLOW	3,538	4,281
CASH - Beginning of year	4,281	-
CASH - End of year	7,819	4,281
Cash paid for:		
Interest paid		-
Income taxes		-

1. NATURE OF OPERATION AND ABILITY TO CONTINUE AS A GOING CONCERN

Advantive Information Management, Inc., (the "Company") was incorporated in Arizona in March 2010. The Company sells a comprehensive suite of services for backup and recovery of mission critical manufacturing data and other related services associated with the backup.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At May 31, 2011, the Company had not yet achieved profitable operations, has accumulated losses of $366,991 (July 31, 2010 - $122,114) since inception, had a working capital deficiency of $376,891 (July 31, 2010 - $139,375) and expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned backup programs, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There is no assurance that the Company will be successful in securing financing in the future and accordingly these financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The presentation of the financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include estimates of accounts payable and accrued liabilities and the determination of the valuation allowance for future income tax assets. Actual results may differ from those estimates and these differences could have a significant impact on the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue from services is recognized monthly when evidence of an arrangement exists, the price is fixed or determinable, and collectability is reasonably assured, with access and service available to the customer. These customers are not entitled to any specific warranty or price protection, except for any lack of availability to the service that may result, under the Company's warranty policy. Because the Company is unable to estimate its exposure for service credits, revenue adjustments attributed to these customers is not recognized until a billing is requested. Revenue from extended service contracts is initially deferred and recognized ratably over the contract period.

Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. The transactions denominated in foreign currencies are translated into United States dollars at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into United States dollars at the rate of exchange in effect at the balance sheet date. Any gains or losses resulting from translation have been included in the determination of income.

Earnings Per Share

Basic and diluted earnings per share amounts are computed using the weighted average number of common shares outstanding during the 10 month period ended.

Basic earnings per share are calculated by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. This method assumes that common shares are issued for the exercise of warrants and options and that the assumed proceeds from the exercise of warrants and options are used to purchase common shares at the average market price during the period. The difference between the numbers of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation, as the effect would be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company uses the asset and liability method of accounting for income taxes whereby future income tax assets are recognized for deductible temporary differences and operating loss carry-forwards, and future income tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the amounts of assets and liabilities recorded for income tax and financial reporting purposes. Future income tax assets are recognized only to the extent that management determines that it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment. To the extent that the Company does not consider it more likely than not that a future tax assets will be recovered, it provides a valuation allowance against the excess.

Comprehensive Income

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative financial instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. The adoption of this section had no impact upon the Company’s financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

All financial instruments are classified into one of these five categories: held-for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured on the trade date at fair value upon initial recognition. Subsequent measurement depends on the initial classification of the instrument. Held-for trading financial assets are measured at fair value, with changes in fair value recognized in net earnings (loss). Available-for-sale financial instruments are measured at fair value, with changes in fair value recorded in OCI until the instrument is derecognized or impaired. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost. All derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sales and purchases exemption. Changes in the fair value of derivatives that are not exempt are recorded in the statement of operations. Transaction costs on the acquisition of financial assets and liabilities that are classified as other than held-for-trading are expensed. The Company's financial assets and liabilities are initially recorded at fair value and subsequently measured based on their assigned classifications as follows:

Asset/Liability	Category	Measurement
Cash	Held for trading	Fair value
Accounts receivables	Loans and receivables	Amortized cost
Notes payable	Other liabilities	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Due to shareholders	Other liabilities	Amortized cost

Furthermore, all financial instruments must be classified into one of the following three level hierarchy that reflects the significance of the inputs used in making the fair value measurement:

Level 1 – observable inputs such as quoted price in active markets;
Level 2 – inputs, other than the quoted market prices in active markets, which are observable, either directly or indirectly;
Level 3 – unobservable inputs for the assets or liability in which little or no market data exists, therefore require an entity to develop its own assumptions.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over a five-year transitional period. In February the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The changeover date of the Company will be August 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. The Company is assessing the impact on accounting policies, data systems, internal controls over financial reporting and business activities and compensation arrangements during the period leading up to the transition date.

4. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the proprietary technologies and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes 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 its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the credit markets and by the status of the Company's technologies in relation to these markets, and its ability to compete for investor support of its technologies. The Company is not subject to any externally imposed capital requirement.

5. FINANCIAL INSTRUMENTS AND RISKS

As at May 31, 2011, the Company's financial instruments recognized on the balance sheet consist of cash, accounts receivable, notes payable, accounts payable and accrued liabilities and due to shareholders.

In accordance with CICA Section 3862, the Company has classified fair value measurement using three-level hierarchies. As at May 31, 2011, the Company does not have Level 2 and Level 3 financial instruments and Cash as shown on the balance sheet are measured using level 1 inputs.

The fair value of the Company’s cash, accounts receivable, notes payable, accounts payable and accrued liabilities and due to shareholders approximates the carrying amounts due to their short-term nature.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company’s competitiveness and flexibility. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk arises from the potential that a debtor will fail to perform its obligations. The Company is exposed to credit risk primarily from accounts receivable. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk. As there is a $3,000 balance of accounts receivable, the credit risk exposure is considered to be minimal.

Credit risk also arises from cash with banks and financial institutions. This risk is limited because the counterparties are mainly US banks with high credit ratings. To minimize the risk, cash has been deposited in major financial institutions in the United States of America.

Currency Risk

The currency risk on financial instruments is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company uses the United States dollar as its reporting currency for these financial statements. Since the majority of expected sales will be dominated in United States dollars, the currency risk is considered to be minimal.

5. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Liquidity Risk

Liquidity risk is the risk the Company may not be able to meet its contractual obligations and financial liabilities as they become due. As at May 31, 2011, the Company has cash and cash equivalent of $7,818 (July 31, 2010 - $4,281) and current liabilities of $377,709 (July 31, 2010 - $143,656). The Company plans to secure the necessary financing through the combination of renewal of existing credit facilities and issuance of new equity. There can be no assurance that these initiatives will be successful.

Interest Rate Risk

Interest rate risk is the risk to the Company's earnings that would arise from the fluctuations in interest rates and would depend on the volatility of these rates. The Company is not exposed to significant interest rate risk due to the short-term maturity of its financial assets and liabilities and fixed interest rate for the notes payable with external parties. However, fluctuation in the interest rate will impact the cost of financing in the future.

6. NOTES PAYABLE

During the 10 month period, the Company issued promissory notes payable in the aggregate amount of $175,000. Each note bears interest at 5% per annum. The notes are payable on demand and are convertible to common shares of the company at a price of $0.10 per share.

The notes mature and become payable on demand one year from the date of issuance.

Optional conversion

The notes become convertible one year from the date of issuance at the purchaser's option. The conversion rate is the outstanding principal balance plus accrued interest of the note divided by $0.10, with any fractional remainder payable in cash.

Conversion (non-optional)

If, within 12 months of the date of issuance, the Company is acquired, the entire outstanding amount of the notes plus any accrued interest will be automatically converted into that number of common shares equal to the quotient of outstanding principal and interest divided by $0.10, with any fractional remainder payable in cash.

(UNITED STATES DOLLARS)

7. DUE TO SHAREHOLDERS

The amounts due to shareholders are non-interest bearing and have no set repayment terms.

8. SHARE CAPITAL

a) Common stock

Authorized

100,000,000 common shares without par value
100,000,000 preferred shares without par value

Issued and Outstanding

	Price per share	Number of Shares		Amount
Balance, March 15, 2010 *(Incorporation date)*	-	-		-
Issuance of shares	0.0001	89,300	$	9
Issuance of shares	0.0001	100,000		10
Issuance of shares	0.0001	68,996		7
Issuance of shares	0.0001	103,494		10
Issuance of shares	0.0001	362,228		36
Issuance of shares	0.0001	68,996		7
Issuance of shares	0.0001	68,996		7
Issuance of shares	0.0001	137,991		14
Balance, May 31, 2011		**1,000,000**	**$**	**100**

During the 10 month period ended May 31, 2011, the Company did not issue any common shares.

At May 16, 2011, 150,000 warrants for purchase of the Company's shares became exercisable at a price or $0.25 per shares. However, subsequent to May 31, 2011 all of the warrants had expired.

During the 5 month period ended ended July 31, 2010, the Company:

i) On June 15, 2010, the Company issued 89,300 common shares at $0.0001 in the amount of $9;

8. SHARE CAPITAL (Continued)

(UNITED STATES DOLLARS)

ii) On June 16, 2010, the Company issued 100,000 common shares at $0.0001 in the amount of $10;

iii) On June 17, 2010, the Company issued 68,996 common shares at $0.0001 in the amount of $7;

iv) On June 18, 2010, the Company issued 103,494 common shares at $0.0001 in the amount of $10;

v) On June 21, 2010, the Company issued 362,228 common shares at $0.0001 in the amount of $36;

vi) On June 24, 2010, the Company issued 68,996 common shares at $0.0001 in the amount of $7;

vii) On June 25, 2010, the Company issued 68,996 common shares at $0.0001 in the amount of $7;

viii) On July 7, 2010, the Company issued 137,991 common shares at $0.0001 in the amount of $14;

9. INCOME TAXES

The Company's income tax expense (recovery) differs from the amount that would result from applying the United States federal and state income tax rate to income (loss) before tax. The reconciliation of income tax expense computed at statutory rates to the reported income tax expense (recovery) is as follows:

	2010	2009
Statutory tax rate	26.50%	28.50%
Net loss before income tax	(244,877)	(99,477)
Expected income tax recovery	(64,892)	(28,351)
Increase (reduction) in income taxes:		
Non-deductible expenses	-	-
Net change in valuation allowance	64,892	28,351
Total income taxes (recovery)	-	$ -

9. INCOME TAXES (Continued)

Due to the uncertainty of future taxable income, all future income tax assets have been offset by a full valuation allowance. The Company evaluates its valuation allowance requirements at the period end.

Accumulated losses in the year which can be carried forward for U.S. Tax purposes total $33,942 which will expire in the year 2030.

10. RELATED PARTY TRANSACTIONS

During the 10 month period, consulting and other fees of $113,966 (July 31, 2010 - $74,079) were paid to shareholder-directors and officers of the company. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

On August 9, 2010, the Company entered into an employment agreement with the Chief Executive Officer whereas the Company shall pay a base salary of $175,000 per year. The Chief Executive Officer shall also receive an annual bonus payment in an amount up to 100% of the base salary at the board’s discretion.

11. INTANGIBLE ASSETS

On July 14, 2010 the Company purchased software products from a related company in exchange the Company agreed to assume $39,998 in liabilities. The transaction was measured at the carrying amount and any difference was charged to deficit during the year.

During the 10 month period ended May 31, 2011, management has found that the intangible asset related to the purchase has been impaired. The asset has been written down to $1 at May 31, 2011 to reflect the fact that it no longer has value to the company.

12. SUBSEQUENT EVENTS

Subsequent to the 10 month period ended, the Company issued 4 convertible note agreements which totaled $65,300. The notes bear interest at 5% per annum and must be held for a minimum of one year at which time they may be converted into common shares at the option of the holder.

As at July 22, 2011, the Company has had a proposition for an acquisition by a company listed on the CNSX. The proposal will be put forward to the Company’s shareholders and may result in the conversion of certain notes payable into common shares.