

**VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)**

Condensed Interim Financial Statements

For the 9 Month Period Ended February 29, 2012

NOTICE TO READER

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

The accompanying unaudited interim financial statements of VisualVault Corporation. ("the Company"), for the nine month period ended February 29, 2012 have been prepared by management and have not been the subject of a review by the Company's external independent auditor.

VisualVault Corporation.

Vancouver, British Columbia
April 24, 2012

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)
Condensed Interim Statement of Financial Position
February 29, 2012

ASSETS	February 29, 2012	May 31, 2011	June 1, 2010
CURRENT			
Cash	28,070	26,735	-
Due from related party <i>(Note 9)</i>	376,080	29,900	-
Taxes receivable	4,007	4,007	-
	<u>408,157</u>	<u>60,642</u>	<u>-</u>
 FINANCIAL INSTRUMENT VALUED THROUGH PROFIT AND LOSS <i>(Note 8)</i>	 447,900	 447,900	 -
	<u><u>\$ 856,057</u></u>	<u><u>\$ 508,542</u></u>	<u><u>\$ -</u></u>
 LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
CURRENT			
Accounts payable and accrued liabilities	11,615	13,376	-
Due to related party <i>(Note 9)</i>	28,121	-	-
Convertible notes <i>(Note 10)</i>	336,437	-	-
	<u>376,173</u>	<u>13,376</u>	<u>-</u>
 SHAREHOLDERS' DEFICIENCY			
Share capital <i>(Note 5)</i>	341,160	341,160	-
Equity portion of convertible notes <i>(Note 10)</i>	16,022	-	-
Contributed surplus	289,857	289,857	-
Deficit	(167,155)	(135,851)	-
	<u>479,884</u>	<u>495,166</u>	<u>-</u>
	<u><u>\$ 856,057</u></u>	<u><u>\$ 508,542</u></u>	<u><u>\$ -</u></u>

ON BEHALF OF THE BOARD

"Brian Cameron" Director
"Van Potter" Director

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Condensed Statement of Deficit

February 29, 2012

	February 29, 2012	May 31, 2011
DEFICIT - BEGINNING OF YEAR	\$ (135,851)	-
NET LOSS FOR THE PERIOD	(31,304)	(135,851)
DEFICIT - END OF YEAR	<u>\$ (167,155)</u>	<u>\$ (135,851)</u>

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)
Condensed Interim Statement of Comprehensive Loss
February 29, 2012

	For the 3 months ended		For the 9 months ended	
	February 29,		February 29,	
	2012	2011	2012	2011
EXPENSES				
Consulting fees	2,500	-	2,500	18500
Interest and bank charges	104	6	370	20
Office	-	-	110	-
Professional fees	7,280	-	8,544	-
Transfer agent and filing fees	3,069	2,765	19,780	2,765
TOTAL EXPENSES	<u>10,453</u>	<u>2,771</u>	<u>31,304</u>	<u>21,285</u>
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ 10,453</u>	<u>2,771</u>	<u>\$ 31,304</u>	<u>21,285</u>
Basic and diluted loss per share	<u>\$ 0.00</u>	<u>0.00</u>	<u>\$ 0.01</u>	<u>0.00</u>
Weighted average number of shares outstanding	<u>2,562,381</u>	<u>6,038,667</u>	<u>2,562,381</u>	<u>6,038,667</u>

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)
Condensed Interim Statement of Cash Flows
February 29, 2012

	For the 9 months ended	
	February 29,	
	2012	2011
OPERATING ACTIVITIES		
Net loss for the year	\$ (31,304)	(2,771)
Items not affecting cash:		
Changes in non-cash working capital		
Taxes receivable	-	(332)
Due to related party	(318,059)	-
Payables and accruals	(1,761)	3,097
	(351,124)	(6)
Cash flow from (used) by operating activities		
FINANCING ACTIVITIES		
Issuance of convertible notes	352,459	-
Share capital	-	-
	352,459	-
Cash flow from (used) by financing activities		
INCREASE (DECREASE) IN CASH FLOW	1,335	(6)
CASH - Beginning of year	26,735	6
CASH - End of year	\$ 28,070	-
Cash paid for:		
Interest paid	\$ -	-
Income taxes	\$ -	-

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)
Condensed Interim Statement of Changes in Equity
February 29, 2012

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total Equity
Issuance of shares in pursuant of Plan of Arrangement - November 12, 2010	6,038,667	15,000	-	-	15,000
Stock based compensation	-	-	21,117	-	21,117
Record fair value of investment	-	-	268,740	-	268,740
Common shares issued for:					-
Cash - \$0.05	1,940,000	97,000	-	-	97,000
Exercise of options - \$0.05	1,000,000	50,000	-	-	50,000
Investment - \$0.02	8,958,000	179,160	-	-	179,160
Net loss for the period	-	-	-	(135,851)	(135,851)
Balance as at May 31, 2011	17,936,667	341,160	289,857	(135,851)	495,166
Net loss for the period	-	-	-	(31,304)	(31,304)
Stock split 7:1	(15,374,286)	-	-	-	-
Balance as at February 29, 2012	2,562,381	341,160	289,857	(167,155)	463,862

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

1. NATURE OF OPERATIONS

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

The Company will commence operations as a marketing company to market, sell and/or otherwise distribute manufacturing backup and recovery solutions and IT Service Wrap solutions in Canada.

On December 21, 2011 the Company changed its name from Manuweb Software Systems, Inc to Visual Vault Corporation.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements of the Company for the year ending May 31, 2012 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). These condensed interim financial statements for the nine month period ended February 29, 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting, and as they are part of the Company's first IFRS annual reporting period, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

As these condensed interim financial statements are the Company's first financial statements prepared using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual financial statements prepared in accordance with pre-changeover Canadian GAAP have been included in these financial statements for the comparative annual period. However, these condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended May 31, 2011. The explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Notes 11 and 12. The condensed interim financial statements were authorized for issue by the Board of Directors on April 24, 2012.

Going Concern of Operations

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations over the next year. The Company will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At February 29, 2012, the Company had not yet achieved profitable operations, had accumulated losses of \$167,155 since inception, has working capital of \$15,962 and expects to incur further losses in the development of its business. The Company will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly these financial statements do not give effect to adjustments, if any, that could be necessary should the Company be unable to continue as a going concern. If the going concern assumption is not valid then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

Earnings Per Share

Basic and diluted earnings per share amounts are computed using the weighted average number of common shares outstanding during the 9 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.

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.

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Due to/from related party	Other liabilities	Amortized cost
Investment	Available for sale	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.

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company has classified its cash as held-for-trading and receivables as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The Company had no "other comprehensive income or loss" transactions during the period ended February 29, 2012, and no opening or closing balances for accumulated other comprehensive income or loss. As a result, these financial statements do not include a statement of Accumulated Other Comprehensive Income.

Use of Estimates

The presentation of the financial statements in conformity with IFRS 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

3. 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.

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Notes to Financial Statements

February 29, 2012

4. FINANCIAL INSTRUMENTS AND RISKS

As at February 29, 2012, the Company's financial instruments recognized on the balance sheet consist of cash, notes payable, accounts payable and accrued liabilities and due to shareholders.

In accordance with IFRS 7, the Company has classified fair value measurement using three-level hierarchies. As at February 29, 2012, 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, 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.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than United States Dollars. Cash and accrued liabilities are denominated in Canadian Dollars. Therefore, the Company's exposure to currency risk is minimal.

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 February 29, 2012, the Company has a \$28,070 cash balance, and current liabilities of \$392,195. 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.

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

4. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that the Company's earnings that would arise from the fluctuations in interest rates and would depend on the volatility of these rates. The Company's sensitivity to interest rates is currently immaterial. However, fluctuation in the interest rate will impact the cost of financing in the future.

5. CAPITAL STOCK

a) Common stock

Authorized

Unlimited common shares without par value

Unlimited preferred shares without par value

	Number of Shares	Amount
Issuance of shares in pursuant of Plan of Arrangement - November 12, 2010	6,038,667	15,000
Common shares issued for:		
Cash - \$0.05	1,940,000	97,000
Exercise of options - \$0.05	1,000,000	50,000
Investment - \$0.02	8,958,000	179,160
Stock split 7:1	(15,374,286)	-
Balance as at November 30, 2011 & Feb 29, 2012	2,562,381	341,160

6. 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		
Exercised	(1,000,000)	0.05		
Outstanding and exercisable, Feb. 29, 2012 & May 31, 2011	-	-	-	-

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

6. STOCK OPTIONS (CONTINUED)

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	Year ended May, 2011
Risk-free Interest rate	1.50%
Expected life (in years)	1.0
Expected volatility	111.36

The weighted average fair value of the stock options granted during the year ended May 31, 2011 was \$0.05 per option.

7. 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	3,880,000	0.23
Expired	-	-
Balance, Feb. 29, 2012 & May 31, 2011	3,880,000	0.23

As at May 31, 2011, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
3,880,000	0.23	March 31, 2012

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

8. INVESTMENT

On September 28, 2010, the Company entered into a non-binding letter of intent with Advantive Information Management, Inc, "Advantive" whereby the Company set out its intent to acquire, initially, 100,000 common shares of Advantive. In May 2011, the Company acquired 10% of the issued and outstanding share capital of Advantive from certain shareholders of Advantive in exchange for issuing 8,958,000 shares at \$0.02 of the Company. The deemed fair value at the time of issuance was \$0.05; therefore the difference was transferred to contributed surplus.

The investment is valued at cost per IAS 39, as the equity instruments do not have a quoted market price in an active market and the fair value cannot be reasonably measured.

9. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the 9 months ended February 29, 2012 and the comparative 9 months ended February 29, 2012.

Due from related party at February 29, 2012 of \$347,959 (2010: \$29,900) is receivable from a Company with directors in common.

10. CONVERTIBLE NOTES

During the quarter ended February 29, 2012, the Company issued convertible promissory notes in the aggregate amount of \$352,459. The note-ps are payable on demand at any time after September 1, 2012 and bear interest at the rate of 5% per annum. The Notes are also convertible into common shares of the Company at a conversion price of \$0.07 per share (\$0.42 per share post consolidated).

11. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's consolidated financial statements for the year ending May 31, 2012 will be the first annual financial statements to be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was June 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be May 31, 2012.

VISUALVAULT CORPORATION.
(Formerly Manuweb Software Systems, Inc.)

Notes to Financial Statements

February 29, 2012

11. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre changeover Canadian GAAP.

The Company has determined that none of the mandatory exceptions listed in IFRS 1, Appendix B, item B1 were applicable and accordingly none of the mandatory exceptions were applied.

One optional exemption was applied.

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first time adopters certain exemptions from the retrospective application of certain IFRS.

The Company applied the following exemption:

Share-based Payment Transactions

The exemption directs that a first-time adopter is encouraged, but not required, to apply IFRS 2 Share-based payment transactions to equity instruments that were granted on or before November 7, 2002. This exemption has been taken, since it restricts the time period for share-based payment review to November 7, 2002 forward.

Under a second exemption, options granted subsequent to November 7, 2002 which vested prior to the transition date require no further review. The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Options unvested at the transition date would be subject to review. At the transition date, the

Company had no unvested options. The Company expensed the vested portion of these options during the period options were granted prior to the transition date. No adjustment is required upon transition.

VISUALVAULT CORPORATION.
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Notes to Financial Statements

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12. RECONCILIATIONS OF PRE-CHANGEOVER CANADIAN GAAP FOR THE STATEMENTS OF FINANCIAL POSITION, STATEMENTS OF COMPREHENSIVE LOSS/INCOME AND STATEMENTS OF CASH FLOW TO IFRS

IFRS 1 requires an entity to reconcile the statements of financial position, comprehensive loss /income and cash flows for prior periods from GAAP to IFRS. Upon review of the financial statements, there have been no material changes to the statement of financial position, statement of comprehensive income and the statements of cash flows. Accordingly, no reconciliations of the above statements have been provided.

13. PROPOSED MATERIAL TRANSACTIONS

On December 7, 2011, the Company held a special meeting of shareholders to approve the acquisition of VisualVault Technologies Inc., a British Columbia corporation, formed to acquire the assets of Auersoft LLC of Mesa, Arizona. The terms of the acquisition include the issuance of 13,725,000 common shares of the Company for 100% of the shares of VisualVault Technologies, Inc. and the assumption of VisualVault Technologies Inc.'s obligations pursuant to an Asset Sale and Purchase Agreement between VisualVault Technologies Inc. and Auersoft LLC. The terms of the asset purchase agreement called for the payment of \$5,000,000 and the issuance of 11,275,000 common shares of the Company subsequent to the assumption of the obligations. The \$5,000,000 was to be paid as to \$1,000,000 on or before January 31, 2012, \$2,000,000 on or before April 30, 2012 and \$2,000,000 on or before September 30, 2012. Promissory notes respecting each payment and security agreements in favour of Auersoft LLC will, at closing, be signed and registered in British Columbia and in Arizona.

VisualVault Technologies Inc did not make the required payment on January 31, 2012 and accordingly the closing of the transaction scheduled for the same date did not occur. An extension was granted with an effective closing date of April 16, 2012. VisualVault Technologies Inc. did not make the initial payment as required and accordingly did not close the transaction. The Company has not yet purchased VisualVault Technologies Inc. (See Subsequent Event Note)

At the same shareholder's meeting the Company obtained approval to both a name change and consolidation of its capital. The Company's name was changed to VisualVault Corporation and the 7:1 consolidation became effective during the quarter.

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14. SUBSEQUENT EVENTS

On April 19, 2012, VisualVault Technologies Inc. amended its agreement to purchase the assets of Auersoft, LLC as follows;

- i) Payment of \$300,000 on or before April 30, 2012 only after amendments to the Asset Purchase and Sale Agreement are ratified by Auersoft LLC and VisualVault Technologies Inc.
- ii) Payment of \$200,000 on or before June30, 2012.
- iii) Payment of \$4,500,000 on or before November 30, 2012.

No other changes to the agreement have been made. Closing will occur on payment of the \$4,500,000, but not before.

In the interim and based upon placing the \$300,000 in escrow the original agreements expiry has been extended to April 30, 2012.

Concurrently, VisualVault Technologies Inc., entered into a developer's license agreement with Auersoft LLC wherein VisualVault Technologies, Inc will be granted a 2 year license to develop application specific and branded customer solutions using the VisualVault software as a platform.

In the event that VisualVault Technologies Inc is unable to secure the funding necessary to close the asset purchase, the developer's license agreement will survive. VisualVault Technologies Inc will pay a total of \$500,000 for the license with final payment to be made on or before November 30, 2012. The Company will assume all obligations of VisualVault Technologies Inc in respect of the payments pursuant to the license.

The Company is the sole source of capital for VisualVault Technologies Inc.