MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012

FORM 51-102F1

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 VisualVault Corporation (formerly Manuweb Software Systems Inc., the "Company") for the period ended November 30, 2012. The MD&A should be read in conjunction with the audited annual financial statements as at May 31, 2012. The MD&A has been prepared effective January 29, 2013.

SCOPE OF ANALYSIS

The following is a discussion and analysis of the Company, which was incorporated on June 11, 2010, under the laws of the Province of British Columbia. The Company's head office is located at 1140-1185 West Georgia Street, Vancouver, B.C. V6E 4E6. The Company reports its financial results in Canadian dollars and under Canadian generally accepted accounting principles.

As a result of an acquisition and share exchange completed concurrently with listing on the Canadian National Stock Exchange (CNSX), the Company acquired 10% of the issued and outstanding shares of Advantive Information Management, Inc. (AIM). A total of 8,958,000 pre-consolidated (1,279,714 post consolidated) common shares of the Company were issued to acquire 100,000 common shares of AIM.

On July 20, 2011, the Company announced its intention to acquire the remaining 90% (or 900,000 common shares) of AIM for a total of 68,146,000 common shares. The Company also proposed a consolidation of its capital on a 7:1 basis and therefore the total number of post consolidated shares contemplated for issuance in the acquisition of AIM, were 9,735,143. Effective May 29, 2012, the Company issued 9,735,143 post-consolidated shares to acquire the remaining 90% of AIM.

The consolidation was also effected on December 11, 2011.

Concurrent with the consolidation, the Company proposed to acquire 100% of VisualVault Technologies, Inc., (VVT) a British Columbia corporation, in consideration of the issuance of 13,275,000 post-consolidated common shares of the Company. Effective May 29, 2012, the Company issued 13,275,000 post-consolidated common shares of the Company and acquired 100% of VVT.

Concurrently, VVT was granted certain rights of use with respect to the VisualVault™ products and services developed by Auersoft LLC, via a Platform as a Service (PaaS) license. This includes full and unrestricted access to true a Software as a Service (SaaS) feature which offers fully automated sign-up for VVT customers. Under its own brand, VVT can offer true SaaS. It also provides for the ability to develop, market, and sell applications ("Apps") tailored to specific

use-cases and vertical market needs. The significant attribute of the license is that it will enable VVT to develop its own business models completely independent of Auersoft, LLC.

VVT also agreed to acquire substantially all of the assets of Auersoft LLC for a total of $5,586,250, of which $5,000,000 was to be paid in cash over three installments and the balance by way of a promissory note, convertible into 2,931,250 post consolidated common shares (see below) of the Company. The Company has paid $500,000 as a non-refundable payment against the purchase price during the year. The balance of the cash portion of the purchase price is now due on or before January 31, 2013. The Company is presently seeking sources of financing to close the transaction. The share issuance will be by way of a debt settlement.

At the date of this MD&A, the Company has discussed several financing strategies that may affect the basis of final payment and the issuance of shares to close the acquisition of the Auersoft LLC assets.

At a shareholders meeting held on December 7, 2011, shareholders approved the acquisition of AIM, the consolidation, and the acquisition of VVT. The CNSX also approved the transaction.

On January 16, 2012, the Company changed its name and completed the consolidation. The trading symbol for the Company is now VVT, which trades on a post-consolidated basis. All of the shares noted above have been issued at the date of this MD&A, save and except for the 2,931,250 post-consolidated shares to be issued to Auersoft LLC based upon the terms of an Amended and Restated Asset Purchase Agreement.

On December 7, 2012, the Company obtained shareholder approval to a further consolidation of its capital on a 2:1 basis and among other matters approved a re-organization to facilitate an $8,000,000 financing as follows;

Share Consolidation: Concurrent with Financing
Background

Shareholders were asked to approve a special resolution to authorize the Consolidation. In order to be effective, the Consolidation resolution was approved by at least two-thirds of the shareholder votes cast at the Meeting and was accepted by the Canadian National Stock Exchange (the "**CNSX**").

The Board determined that the Corporation's existing share structure is not conducive to securing additional equity financing and completing the related re-capitalization transactions, each as described below (the "**Related Transactions**"). While shareholder approval was not required for the Related Transactions, the Consolidation will be undertaken in connection with, and is a condition precedent to, the Related Transactions.

Principal Effects of the Consolidation

As of November 7, 2012, there are 28,133,854 Shares issued and outstanding. Following completion of the proposed Consolidation, the number of Shares of the Corporation issued and outstanding will be 14,066,927.

As the Corporation currently has an unlimited number of Shares authorized for issuance, the Consolidation will not have any effect on the number of Shares that remain available for future issuances. The Shares reserved for issuance pursuant to the Stock Option Plan will be reduced proportionately.

The Consolidation may result in some shareholders owning "odd lots" of less than 500 Shares of the Corporation on a post-Consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "board lots" of even multiples of 500 shares. Brokerage commissions and other costs of transactions in odd lots are often higher than the costs of transactions in "round lots" of even multiples of 500 shares.

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a shareholder who holds such Shares as capital property. The adjusted cost base to the shareholder of the new Shares immediately after the Consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Shares immediately before the Consolidation.

Procedure for Consolidation

Promptly after the completion of the Consolidation, the Corporation will give written notice thereof to all registered shareholders of the Corporation and will provide them with a form of a letter of transmittal to be used for the purpose of surrendering their certificates representing the currently outstanding Shares to the Corporation's registrar and transfer agent in exchange for new share certificates representing whole post-Consolidation Shares of the Corporation. After the Consolidation, current issued share certificates representing pre-Consolidation Shares of the Corporation will: (i) not constitute good delivery for the purposes of trades of post-Consolidation Shares; and (ii) be deemed for all purposes to represent the number of post-Consolidation Shares to which the shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a shareholder will be made until the shareholder has surrendered his, her or its current issued certificates.

Related Transactions

As discussed above, the Consolidation is being undertaken in connection with the Related Transactions. The Related Transactions are key components of the Corporation's growth plan and strategy, as recommended by management and approved by the Board. A summary of the Related Transactions is set out below.

Brokered Private Placement

Following the Consolidation, the Corporation intends to complete a brokered private placement of up to 8,000,000 units (each a "**Unit**") of the Corporation at a price of $1.00 per Unit for aggregate proceeds of up to $8,000,000 (the "**Offering**"). Each Unit will consist of one voting preferred share of the Corporation (a "**Preferred Share**") and one-half of one post-Consolidation Share purchase warrant (each whole warrant, a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one Share at an exercise price of $0.60 per Share at any time prior to 5:00 p.m. (Toronto time) on the date that is two years from the closing of the Offering. Each Preferred Share will have two votes per Preferred Share and will be convertible at any time into

two Shares plus declared and unpaid dividends on the basis of $0.50 per Share (the "**1:2 Conversion**"). The Offering is on a best efforts basis and is being led by Intrepid Equity Finance Ltd. as the principal agent and by Wildlaw Capital Markets Inc. as the sub-agent (collectively, the "**Agents**"). Following the completion of the Related Transactions, it is anticipated that the Corporation will apply to list its post-Consolidation Shares on the TSX Venture Exchange (the "**TSXV Listing Application**").

The conditions to completing the Offering include, among other items, approval from the CNSX and all other required regulatory approvals, Option and Escrow Agreements (as hereinafter defined) and the filing of the TSXV Listing Application in form satisfactory to the Agents.

After deducting expenses of the Related Transactions including the cost to complete the Auersoft Agreement (as hereinafter defined), the Corporation intends to use the net proceeds from the Offering: (i) to support the Corporation's channel partnerships as further detailed below; (ii) to enhance its marketing and sales' infrastructure; and (iii) for general corporate purposes.

Assuming the Offering is fully subscribed, the Preferred Shares are converted pursuant to the 1:2 Conversion and the warrants are exercised, an aggregate of 20,000,000 post-Consolidation Assuming the exercise of broker's warrants, an additional 320,000 Shares will be issued pursuant to the Offering, and in aggregate the Shares issued pursuant to the Offering on a fully diluted basis will total 20,320,000 Shares.

Auersoft LLC

Pursuant to the terms of the share exchange agreement between the Corporation's predecessor, Manuweb Software Systems Inc., and Visual Vault Technologies Inc. ("**Old VVT**") dated October 14, 2011, the Corporation acquired the shares of Old VVT and assumed the obligations of Old VVT under the terms and conditions of an asset purchase and sale agreement between Old VVT and Auersoft LLC ("**Auersoft**").

On May 1, 2012, the Corporation and Auersoft entered into an amended and restated purchase and sale agreement (the "**ARPSA**"), and an amendment to the ARPSA (the "**AARPSA**" and along with the ARPSA, the "**Auersoft Agreement**") to be dated on or before the Auersoft Closing Date (as hereinafter defined).

The Auersoft Agreement provides for the Corporation's purchase of substantially all the assets of Auersoft for consideration in the aggregate amount of US $5,586,250 (the "**Auersoft Purchase Price**"), of which US$500,000 has already been paid. A portion of the Auersoft Purchase Price will be paid in the form of a convertible promissory note (the "**Convertible Note**") to be delivered on December 14, 2012, or such other date as the parties may agree (the "**Auersoft Closing Date**"). At the option of Auersoft, the original principal amount of US $586,250 owing under the Convertible Note, (the "**Note Amount**") may be converted (the "**Conversion Right**") into 2,931,250 post-Consolidation Shares (the "**Converted Shares**") at any time on or before December 31, 2014. The Note Amount is due on December 31, 2013 and is repayable at any time prior to that date.

If the Conversion Right under the Convertible Note is exercised, the Converted Shares may be subject to other terms and conditions such as escrowing or amended conversion terms negotiated prior to the Auersoft Closing Date. These terms may include the issuance of a lesser number of

shares in settlement of the Convertible Note and escrowing provisions that may be based on both time and performance hurdles.

Monument Systems, LLC

On August 8, 2012, the Corporation entered into a letter of intent (the "**Monument LOI**") with an existing customer, Monument Systems, LLC ("**Monument Systems**"), pursuant to which the parties established a formal relationship to develop a business and revenue sharing model whereupon the Corporation's software technology and Monument Systems' channel access can combine to create new products, service offerings and technology applications with defined use cases, all within healthcare vertical markets in the United States and Canada with the potential opportunity of an expansion into Europe, Southeast Asia and South America. Pursuant to the Monument LOI, all technical development, development of forms and other integration tools will be the responsibility of the Corporation and the new application use cases will be identified by Monument Systems. Both Monument Systems and the Corporation will be responsible for developing marketing and sales' strategies and will share the revenues equally after recovery of all costs.

GRM Information Management Services, Inc.

GRM Document Management, another important customer of the Corporation, is a provider of integrated physical and digital document management and storage solutions. Its affiliate, GRM Information Management Services, Inc. ("**GRM**"), represents the Corporation's SaaS model of providing a wholesale approach to organizations that have domain expertise and access to clients to expand use and product utility. On August 23, 2012, the Corporation entered into a non-binding letter of intent (the "**GRM LOI**") with M Management Inc. ("**M Mgmt**") and GRM Information Management Services, Inc. ("**GRM**"), pursuant to which the parties formalized their business relationship to be effective upon the Auersoft Closing Date. The GRM LOI sets out the terms and conditions upon which the Corporation will continue to provide hosting, maintenance and software services to GRM subsequent to the Auersoft Closing Date. Additionally, the letter of intent specifies that the Corporation and GRM will enter into a partnership agreement whereby GRM will identify customers presently addressed by their core business and together, the Corporation and GRM will define use cases and sell the resulting new apps to those customers sharing the revenue on a 60%/40% basis; where the Corporation will earn the 40% after recovery of all its costs.

Pooled and Escrowed Securities

Shareholder Options

As a condition precedent to the closing of the Offering and subject to their agreement, certain shareholders of the Corporation (the "**Optionors**"), holding an aggregate of up to 2,989,622 post-Consolidation Shares (the "**Optioned Shares**") on a post-Consolidated basis, will enter into an option and escrow agreement to be dated on or before the Auersoft Closing Date with Gainey Capital, LLC ("**Gainey**") and Wildeboer Dellelce LLP as escrow agent (the "**Option and Escrow Agreement**"). Pursuant to the Escrow Agreement, and subject to any escrow requirements that may be imposed by the TSXV, the Optionors will provide Gainey, who has agreed to act as agent and trustee for certain purchasers to be determined prior to closing of the

Offering (the "**Optionees**") with an Option to purchase the Optioned Shares at a price of US$0.40 per Share on a post-Consolidation basis in accordance with the following schedule:

Amount to be Exercised	**Exercise Date**
33% of the total Options outstanding (the "**First Exercise**")	January 31, 2013
33% of the total Options outstanding (the "**Second Exercise**")	December 31, 2013
34% of the total Options outstanding (the "**Third Exercise**")	December 31, 2014

The Optionees are obligated to complete the First Exercise on or before January 31, 2013. Where the Optionees do not complete the First Exercise, Second Exercise or the Third Exercise, the Options will revert from escrow back to the respective Optionors.

Escrow and Release Schedule

Assuming approval by the vendors, the Converted Shares, the Optioned Shares, certain Shares held by Dynamic Equity Funds II and certain outstanding Shares held by vendors (collectively, the "**Dynamic Shares**") and the Shares held by certain members of management of the Corporation as detailed under *Statement of Executive Compensation – Employment Contracts* (the "**Management Shares**") will be pooled and held in escrow, subject to release conditions in accordance with the following table ("**Table 1.1 - Release Schedule**"):

	Converted Shares	**Optioned Shares**		**Dynamic Shares[4]**	**Management Shares**	**Total**
Total Escrowed Shares	2,931,250	2,989,622		3,000,000	3,637,500	15,489,622
Timed Release[1]						
December 31, 2012	-	986,575		1,000,000	606,167	2,592,742
December 31, 2013	977,083	986,575		1,000,000	606,167	4,546,908
December 31, 2014	977,083	1,016,471		1,000,000	606,166	4,576,804
December 31, 2015	977,083	-		-	-	1,954,167
Hurdle Release						
$ 5,218,379 [2]		-		-	909,250	909,250
$ 10,989,648 [3]		-		-	909,250	909,250

Notes:

(1) All time released Shares noted in the foregoing table will be released solely on the passage of time and with no performance requirements whatsoever.

(2) The release schedule is triggered when the Corporation's annual audited gross revenue as at May 31st of a given year, is equal to or greater than $5,218,379.

(3) The release schedule is triggered when the Corporation's annual audited gross revenue as at May 31st of a given year, is equal to or greater than $10,989,648.

(4) The participation of Dynamic Equity Funds II in the proposed option and escrow transactions described above is subject to approval by Dynamic Equity Funds II and may be subject to negotiation between the Corporation and Dynamic Equity Fund II.

Amended Asset Purchase and Sale Agreement:

VVT, now a wholly owned subsidiary of the Company, executed three material agreements on May 3, 2012, more particularly described below;

1. **Platform License and Services Agreement:** VVT signed a Platform License and Services Agreement with Auersoft LLC of Mesa Arizona; as more particularly described above.

2. **Amended and Restated Purchase and Sale Agreement:** VVT and Auersoft LLC reached agreement with respect to amending the original agreement executed in October 2011. The purchase price of the assets remains the same, however the terms of payment and closing of the transaction have been amended by mutual agreement. The terms of purchase are now as follows;
   i) $300,000USD upon signing the amended agreement (paid May 3, 2012).
   ii) $200,000USD on or before June 30, 2012 (paid on June 30, 2012).
   iii) $4,500,000USD on or before January 31, 2013.
   iv) $586,250USD on or before December 31, 2014. The final payment is convertible into 2,931,250 post consolidated common shares of the Company based upon an assumption of the obligation to pay this amount by the Company. The conversion can take effect at any time after December 31, 2013. It should be noted that the Company is presently negotiating a financing, which may significantly affect the basis upon which the note referred to herein is converted, if as and when, elected by Auersoft LLC.
   v) VVT will place into escrow that amount of capital necessary to extinguish Auersoft's incremental tax impact of closing the transaction in 2013 resulting from material changes in the capital gains tax rates in the United States.
   vi) VVT shall enter into a transitional consulting agreement with Auersoft, the terms of which will be commercially based.

3. **Trademark License Agreement:** The Company, separate from its wholly owned subsidiary VVT, has been granted a Trademark License Agreement to use the VisualVault trademarks on a worldwide, perpetual, royalty free basis. This enables the Company to present itself corporately under the VisualVault brand from now to closing on January 31, 2013.

FORWARD LOOKING STATEMENTS

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 Company 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,

including, but not limited to, those identified in the Risks Factors section. 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 Company 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 Company's behalf.

General

The Company was incorporated on June 11, 2010. The Company was a British Columbia company and a wholly owned subsidiary of Tulox Resources Inc. ("TUX"), a reporting issuer listed for trading on the CNSX, until August 6, 2010. The Company commenced commercial operations by acquiring a license from AIM to market and distribute AIM's software and services in Canada. On May 5, 2011, the Company expanding its operations from that of a licensee of the AIM software to a partial owner of the AIM and completed an acquisition of 10% of the issued and outstanding shares of AIM for and in consideration of 8,958,000 common shares of the Company. The Company also raised a total of $97,000 by way of the issuance of common shares at a price of $.05 per share, issuing a total of 1,940,000 common shares. In addition, the Company raised a further $50,000 by way of the exercise of stock options by issuing a total of 1,000,000 common shares at a price of $.05 per share.

After listing on the CNSX, the Company proposed to consolidate its capital on a 7:1 basis. On December 7, 2011 the Company held a shareholder meeting and obtained approval for the consolidation, which has now been effected. The Company also received approval to issue 9,735,143 common post-consolidated common shares to acquire the remaining 90% of AIM. All of these shares have been issued at the date of this MD&A.

AIM provides unique information technology solutions and services to select vertical markets. AIM's vision is to build an IT services business by leveraging an initial strength in a specialized data protection and recovery practice focused on the enterprise manufacturing market. Growth will then be achieved organically and by acquiring synergistic IT services businesses, IP, and products over the next two years, taking advantage of a of high quality undervalued IT services business in a nascent economic recovery period. AIM was formed to make strategic acquisitions in the IT services market based upon the diminished valuation of companies in this sector that as a result of a recessionary economy were struggling financially yet whose technologies, products or services represented exceptional opportunities when offered as an integral part of a "service wrap" offering. AIM is not a product enterprise, but rather a unique service based enterprise, using exceptional IT tools covering broad cross-sectional information requirements to create integrated user based multi-disciplined offerings for its customers.

AIM's flagship tool, R2 Software, was acquired from R2 Software A/S in 2010 and provides the unique ability to continuously back up mission critical data across multiple legacy operating systems. This is of particular importance in manufacturing environments comprised of long-lived assets where legacy operating systems are commonly used and downtime is unacceptable. R2 has been proven for use at a Tier 1 global manufacturer with over 3000 client installations. Strategically, there is a pivot point on the R2 technology for AIM. AIM's strategy is to pursue the IT service business instead of pursuing a very expensive and highly risky software product business strategy.

The Company has completed its consolidation of capital and trades on the CNSX on a post-consolidated basis with the trading symbol VVT.

On October 16, 2011, the Company signed a share exchange agreement to purchase 100% of the issued and outstanding shares of VVT for 13,275,000 post consolidated common shares of the Company and the assumption of VVT's obligations to purchase the assets of Auersoft LLC. The terms of agreement between VVT and Auersoft LLC total $5,5862,500, payable by way of $5,000,000 in cash and $586,250 by way of a convertible promissory note, convertible into 11,725,000 post-consolidated common shares to be issued on December 31, 2013. Shareholders approved the transaction on December 7, 2011. The note is non-interest bearing, has no security entitlement and no restrictions on pre-payment in cash at the option of VVT.

The acquisition of VVT has now been completed and the shares have been issued. The Company has paid a total of $500,000 as non-refundable payments against the cash portion of the purchase price; $300,000 on May 30, 2012 and $200,000 on June 30, 2012, in the subsequent period. No shares have been issued at the date of this MD&A with respect to the purchase. Any issuance of such shares will be subject to prior regulatory approval. The Company has a commitment to pay the balance of the purchase price, being $4,500,000 on or before November 30, 2012. Financing sources are presently being identified to accomplish the acquisition, which may impact upon the basis for which the shares and cash are paid to Auersoft LLC.

With the proposed acquisition of VVT, management intends to focus the expenditure of capital resources on expanding the VVT product offering and seeking out other undervalued IT services companies. Capital expenditures on R2 software will be minimal in the following fiscal period as the Company intends to direct its resources to the VVT business model.

VVT will, subsequent to closing, own the brand, software, trademarks and other assets as publisher and developer of the web-based document management application known more particularly as VisualVault. VisualVault solutions provide users with the tools they need to capture, manage, integrate with their workflow, and meet compliance requirements in an easy to configure and cost effective Software as a Service (SaaS) cloud architecture. VisualtVault provides SaaS secure document management and compliance cloud services.

VVT intends to pursue a joint path of SaaS and PaaS (platform as a service). The former will be focused on more generic Regulatory Compliance and Risk Management. SME organizations (such as records management, medical records, financial services, etc.) will leverage PaaS and will be able to build upon a lightly branded version of the product within their own domain expertise.

This business model works as the document management marketplace has such a ubiquitous horizontal market with a significant number of use cases. Furthermore, each of the vertical markets may be better served by SME's. This offsets the costs required to become "something for everyone", whereas VisualVault can focus on platform development, technology and automating the customer acquisition process.

The Company's Business:

The Company is a Vancouver British Columbia based public company and its shares trade on the Canadian National Stock Exchange (CNSX: VVT). As a result of closing the acquisitions noted

above, the Company has two wholly owned operating subsidiaries; Advantive Information Management and VisualVault Technologies, Inc., each operating as independent subsidiaries.

Manuweb was incorporated as "Manuweb Software Systems Inc." pursuant to the *Business Corporations Act* (British Columbia) on June 11, 2010. At the time of incorporation, Manuweb was a private company and a wholly owned subsidiary of Tulox Resources Ltd. ("TUX"). On August 5, 2010, TUX received shareholder approval to a plan of arrangement involving six of its wholly owned subsidiaries, including Manuweb. On August 6, 2010, TUX received final approval from the Supreme Court of British Columbia to the plan of arrangement. To effect the plan of arrangement, TUX transferred $15,000 cash and all of its interest in and to a sales and marketing agreement with Advantive Information Management, Inc., dated July 15, 2010, to Manuweb in exchange for the TUX shareholders receiving that number of common shares of Manuweb equal to the number of issued and outstanding common shares of TUX at the time of the share distribution date. As a result of the plan of arrangement, Manuweb became a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

Manuweb obtained approval at a shareholders meeting held on December 7, 2011 to change its name to VisualVault Corporation, consolidate its capital on a 7:1 basis, acquire VVT and acquire the remaining 90% of AIM.

Description of the Business

Since incorporation, the Company has acquired 100% of AIM and VVT and has commenced the process of establishing strategic partners, utilizing the existing base of customers.

On September 7, 2012, the Company entered into two strategic partnerships with existing Auersoft, LLC customers; GRM Document Management, and Monument Systems, LLC. Both strategic partnerships have been confirmed by way of executed letters of intent that establish long-term strategic partnerships and which articulate the basis upon which the Company and each partner will develop business and share revenues.

The two strategic partnership agreements are summarized as follows;

GRM Document Management: The Company has entered into a strategic partnership and marketing agreement with GRM Document Management (GRM), which involves, among other things, an arrangement wherein both companies will jointly collaborate on the development of new service offerings and features related to the VisualVault technology in the form of applications that will be sold to both existing and new GRM customers. As an integral part of the letter of intent, both companies have set minimum sales objectives of 40,000 users per month, in aggregate, over a three-year sales period. In the event that GRM sources the

customer they will earn 60% of the net revenue per user per month after all costs are deducted for both companies. In the event that the Company identifies the customer, the Company will earn 60% of the net revenue per user per month after all costs are deducted for both companies. In addition, the Company will acquire and take operational control of GRM's Chinese Data Centre, effective upon closing of the Company's purchase of the Auersoft, LLC assets, scheduled for November 30, 2012. Both companies have agreed to enter into a formal strategic partnership agreement as an integral part of the letter of intent.

Monument Systems, LLC: The Company has also entered into a letter of intent with Monument Systems, LLC, to develop applications for specific use cases in the Healthcare Industry identified by Monument and to develop and implement a sales and marketing strategy with respect to these applications. The Company will bear the costs associated with forms creation based upon agreed subject matter input, while the sales and marketing strategies will be jointly developed by both companies. All costs borne by both companies will first be deducted, before revenue sharing. Revenues will be shared on a 50/50 basis. The Company and Monument have agreed that user goals will be set at 20,000 users in year one, 30,000 incremental new users in year two and 30,000 additional new users in year three, all of whom will pay a minimum of $20 per user per month in aggregate, which will be shared on a 50/50 basis. Both companies have agreed to prepare and complete a first-stage marketing plan by September 30, 2012.

VisualVault Technologies, Inc. - Strategies and Tactics

The Company has formed an Arizona subsidiary that will, upon closing of the transaction, become the operating entity and the employer of VVT staff.

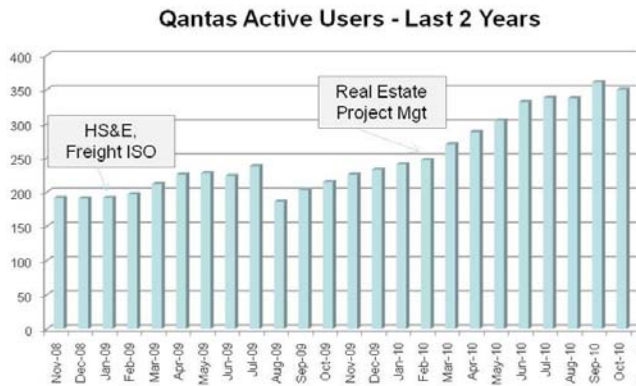
The Company will spend all of its capital resources over the following twelve months, concluding the acquisition of VVT and financing expansion of the marketing and sales plans to support development of the following revenue streams:

- Direct Hosting Subscription Fees
- Managed Hosting Fees
- Storage Surcharges
- Unique Features such as Server-Side OCR/Viewer and ADAM LDAP VPN connections
- OEM agreements
- Add-Ins with royalty rights for 3rd-Party enabled sales
- VIP Customizations

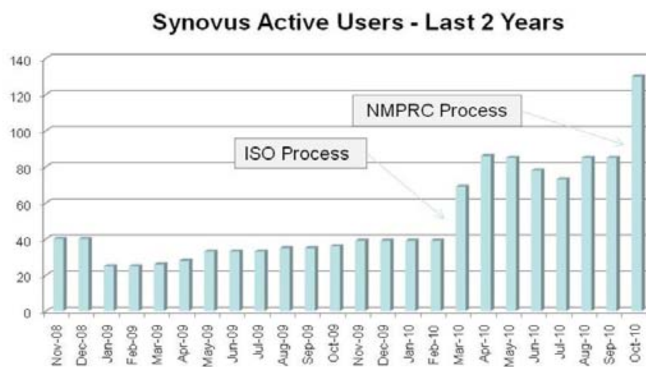
Existing VVT Customer Profile:

Cardiocore: The first company to conduct a detailed assessment of competitive products with the goal of creating a web based clinical study set-up and data collection platform. MS Sharepoint, FileNet, Documentum and VisualVault were compared with respect to FDA compliance requirements and automation to achieve their vision.

Qantas Airlines: VisualVault was evaluated to establish Property Management and compliance over the 640+ properties including offices, concourses and aircraft maintenance hangers and to provide key information on demand to their staff and external contractors. This group within Qantas Shared Services pursued external suppliers capable of application hosting due to the backlog of internal IT projects.

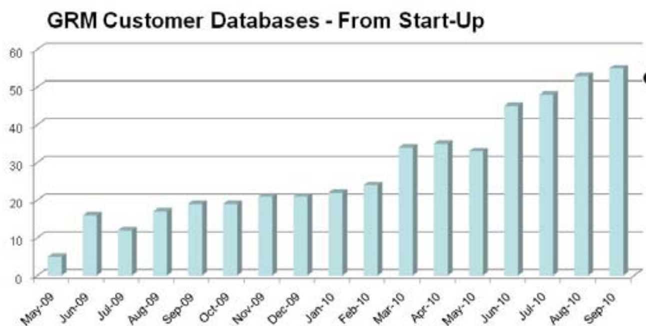


Synovus Financial Corporation: Synovus has proven the potential for growth based upon incremental process efficiencies. Originally selected to support Credit Card Risk Management in a local branch office, VisualVault has expanded to Synovus Corporate and may eliminate two existing applications used for Risk Management and Compliance. Synovus will support VisualVault achieving PCI (Plastic Card Information) compliance to allow storage of increased customer personal information and is requesting long-term enterprise agreement. The business case for this latter request has not yet been established.



Currently working on Enterprise Risk Mgt , Incident Reporting & FDIC Complaint Processes which will add +100 users

GRM Information Services: GRM is proof positive that a traditional business model, in this case traditional records management, can be digitally powered to provide a broader and richer portfolio of products and services. GRM also represents the VisualVault SaaS model of providing a wholesale approach to organizations that have domain expertise and access to clients to expand use and product utility.



Through these and several other client opportunities, VisualVault has successfully transitioned from a ISV providing shrink-wrapped software to a application service provider with high client satisfaction, strong customer relationships and a business model that combines both direct SaaS to clients and next generation SaaS to organizations that provide SaaS to their clients.

SociaVault: VisualVault utilized the portal & platform capability of VisualVault in the development of an Arizona Department of Gaming database solution for problem gambling. The intent was to bring together the Office of Problem Gambling oversight, payment and invoicing needs with behavioural health specialists who treat the affliction with clients. VisualVault branded this as a new product – SociaVault PG – which was modified and deployed to the State of California in December 2010.

VisualVault has since learned that the Department of Alcohol and Drug Programs may request VisualVault to develop a similar system for their needs.

Behavioral Health Providers

Clients
- Add New
- Browse
- Manage All
- Discharge

Self Assessment Testing
- New
- Spouse
- Manage All
- Reminders

Purchase & Invoicing
- New PO
- Revise Existing
- Submit Invoice
- Modify Past Invoice

Outreach Program
- Request New
- Approve
- Client Utilization
- Discharge

Reporting & Metrics: Admin Reports, Reminders, Inactive Cases

Treatment Admins

System Admins

Business Development, Sales, and Marketing

Business development is planned in three phases:

Phase 1

- Leverage the Hybrid SaaS / PaaS model for greater client adoption and positioning as a wholesale platform for subject matter portals.
- Drive near-term revenue from "adjacent ponds" to current customer based through strategic relationships and use models – pursue and close similar companies to our current users.

Phase 2

- Introduce the ability for client acquisition through web tools, including automated sign-up and configuration.

Phase 3

- Introduce a platform neutral approach with richer document management features to provide full enterprise scale SaaS.

Market Opportunities:

Primary vertical markets can be identified as the following and each market will have its own business development marketer and support. Each should have responsibility for establishing OEM – PaaS clients, migration of large enterprise clients and web marketing presence.

- Healthcare
- Oil, Gas & Utilities
- Financial Services
- Pharma, Bio-Science and Clinical Study CRO's
- Technology – including medical devices

RESULTS OF OPERATIONS – THREE MONTHS Ended November 30, 2012 (Non-Reviewed): VisualVault Corporation (formerly Manuweb Software Systems, Inc.)

Results of operations are reported on a comparative basis comparative with the three months ended (Unaudited) November 30, 2011.

The Company did not earn any income during the three months ended November 30, 2012.

For three months ended November 30, 2012, the Company recorded an operating loss of $295,638, comprised of consulting services of $93,930, software maintenance fees of $60,000, professional fees of 90,270, travel and promotion costs of $27,172 and miscellaneous expenses totaling $24,596. The fully diluted loss per share outstanding as at November 30, 2012 was $.01 per share calculated on 28,133,854 common shares outstanding.

FINANCIAL POSITION:

The financial position as at November 30, 2012 is reported on a comparative basis with the year ended May 31, 2012.

As at November 30, 2012, the Company had a working capital deficiency of $885,193, represented by cash on hand of $9,571and amounts due from related parties and the government of Canada totaling $134,730 less accounts payable of $499,582, amounts due to related parties totaling $89,032 and short term loans totaling $126,928 and convertible debt of $313,952, for a working capital deficiency of $885,193.

The Company also recorded its investment in AIM based upon the issuance of 9,735,143 common shares at a price of $.35 per share for a total value of $3,407,275. There were no tangible assets acquired upon the acquisition and therefore the value was recorded as Goodwill on the balance sheet of the Company. During the year, the initial investment in AIM, totaling $447,900 was eliminated upon consolidation of the two companies, as VVT now owns 100% of AIM. AIM, among other attributes will market and sell the VisualVault technology under its own brand, both before and after the acquisition of the Auersoft LLC assets.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles, is derived from the Company's financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

		Year ended	
	May 31, 2012	May 31, 2011	May 31, 2010
Total Revenue	$--	$ --	$ --
Interest income	$--	--	--
Expenses	$	$135,851	--
Net loss	($711,392)	($135,851)	--
Total assets	$9,330,211	$508,542	--
Total long-term liabilities	--	--	--
Net loss per share (basic and diluted)	($.26)	($.01)	--

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the four most recent quarters as the Company was only incorporated since June 11, 2010.

	Three months ended			
	November 30, 2012	August 31, 2012	May 31, 2012	February 29, 2012
Total Revenue	$ --	$ --	$ --	$ --
Interest income	--	--	--	--
Expenses	$295,638	$449,903	$378,538	$148,160
Net loss	($295,638)	($449,903)	($378,538)	($148,160)
Net loss per share and diluted loss per share	($.02)	($.02)	($.02)	($.01)

LIQUIDITY:

(a) The Company intends to complete an $8,000,000 brokered private placement to accredited investors in order to complete the acquisition of the Auersoft Assets, make payment on the PaaS license granted by Auersoft LLC, pay for the costs of the issue and the fees associated with listing on the TSX-V, provide for marketing working capital and general operating working capital.

(b) Other than as set forth herein, there are no expected fluctuations in the Company's liquidity, taking into account demands, commitments, events or uncertainties. The Company will upon closing of the acquisition assume a $586,250 promissory note, which forms an integral part of the purchase of the Auersoft LLC assets. The note will be convertible into common shares of the Company, is non-interest bearing and is due on or before December 31, 2013. The Company has the legal right to pre-pay the note at any time prior to maturity subject to certain prevailing conditions at the time of pre-payment. The Company is presently seeking a financing as referred to above in (a) and the terms of this future commitment may be subject to change.

(c) The funds received by the Company pursuant to the proposed $8mm private placement, should provide it with the capital necessary for general and administrative expenses and for working capital purposes. The Company anticipates that such funds will be sufficient for its working capital requirements for the forthcoming 12 months

(d) The Company does not currently have any liquidity risks associated with financial instruments.

(e) The Company does not currently expect to have a working capital deficiency after it has completed the planned private placements of $8,000,000. However, if additional working capital is required in the future, the Company expects to meet such need through additional equity, or debt financing(s).

(f) There are no balance sheet conditions or income or cash flow items that may affect the Company's liquidity, save and except for the commitment referred to in (b) above. The note is currently a commitment and not a liability of the Company as it only becomes a liability at such time as the Company makes the payment to Auersoft LLC in the sum of $4,500,000 which is scheduled for payment on January 31, 2013

(g) The Company has two subsidiaries at the date of this MD&A; VisualVault Technologies Inc., a British Columbia corporation that holds the PaaS license granted by Auersoft LLC and holds the agreement to purchase the Auersoft LLC assets, and Advantive Information Management Inc., which has recently commenced marketing the VisualVault technology under the AIM brand. No sales have yet occurred as the marketing process commenced in July of 2012

(h) There are currently no defaults or arrears by the Company on dividend payments, lease payments, interest or principal payment on debt, debt covenants; and redemption or retraction or sinking fund payments.

CAPITAL RESOURCES

a) The Company is committed to its purchase of the assets of Auersoft LLC which requires the payment of a total of $4,500,000 on or before January 31, 2013 and the execution of a note in favor of Auersoft LLC in the amount of $586,250 due on or before December 31, 2014. The note is convertible into 2,931,250 post-consolidated shares of the Company, subject to regulatory approval after December 31, 2013. The Company must also make monthly payments on the PaaS license at the minimum amount of $20,000 per month commencing July 31, 2012 until the Company purchases the Auersoft LLC assets. No payments have yet been made as Auersoft LLC as certain conditions precedent with respect to the deliverables pursuant to the license that first need to be met. Both companies agree with the proposition. The Company has however accrued the obligation.

b) The Company intends to fund the proposed acquisition noted above with a brokered private placement. Pricing of the private placements will depend wholly upon the market price of the Company’s shares at the time of such placements. It is however contemplated that the Company will seek a placement price of $.50 per share and has issued a press release protecting that price.

(c) There are no known trends or expected fluctuations in the Company's capital resources, including expected changes in the mix and relative cost of such resources.

OFF BALANCE SHEET ARRANGEMENTS

As at November 30, 2012 the Company had no off-balance sheet arrangements other than as disclosed above with respect to the VVT acquisition.

PROPOSED TRANSACTIONS

Except for the transformation of its Business Plan into a Strategic and Tactical Plan regarding the acquisition of AIM and VVT, the Company does not have any other proposed transactions to discuss at this time.

Specifically with respect to two subsequent events disclosed in the audited financial statements the following comments are made;

The Company announced that as an integral part of its plan to acquire the assets of Auersoft, LLC on or before January 31, 2013, it intends to complete a private placement of common shares to finance the acquisition, subject to receipt of all necessary Board and regulatory approvals. Management also believes that in order to secure the financing necessary to close the purchase of Auersoft, LLC assets, that a consolidation of its share capital will be necessary. In this regard, the Company proposes to consolidate its capital on a 2:1 basis concurrently with a post consolidated financing. It is anticipated that the common shares will be issued at a proposed price of $.50 per share on a post-consolidated basis. Further details on both the proposed private placement and the proposed consolidation will be provided in a subsequent news releases.

TRANSACTIONS WITH RELATED PARTIES

a) As at November 30, 2012, the Company had advanced $110,253 to Canadian Data Preserve, Inc., a company with common directors. The advances are secured with a promissory note bearing interest at 8% per annum. The note is due on or before May 31, 2013.

b) After the completion of the Plan of Arrangement Agreement, the Company paid and accrued consulting fees of $15,000 plus taxes to Tulox for services provided in spinning off Tulox's interest in the Licensing Agreement to a separate entity. As of May 31, 2012, the Company still owed Tulox $1,800 with respect to this service.

c) As of November 30, 2012, the Company owed $20 to Tulox with respect to funds advanced in order to cover monthly bank charges. The loan is non-interest bearing and has no fixed term of repayment.

d) During the year ended November 30, 2012, there was $84,032 owing to directors.

e) During the period ending November 30, 2012, the Company paid management and consulting fees to its directors and officers totalling $180,000.

OUSTANDING SHARE DATA

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

Issued and Outstanding:

	Number of Shares		Amount
Common share issued on incorporation	1	$	1
Cancellation of incorporator share	(1)		(1)
Issuance of shares in pursuant of Plan of Arrangement	6,038,667		15,000
Issued in respect of the acquisition of AIM	8,958,000		179,160
Issued for cash	1,940,000		97,000
Exercise of options	1,000,000		50,000
Balance as at February 28 2012	17,936,667	$	341,160
Consolidation 7:1 as at April 27, 2012	2,562,381	$	341,160
Issued in respect of AIM acquisition	9,735,143		$ 3,407,300
Issued in respect of VVT acquisition	13,275,500		$ 4,646,425
Issued in respect of private placement	2,560,830		$ 1,075,396
Balance as at November 30, 2012	28,133,854		$ 9,470,281

The Company granted 400,000 stock options during the year. None were exercised as at the date of this MD&A. The exercise price of the stock options is

Warrants:

As at November 30, 2012 there were 2,556,069 warrants outstanding, exercisable until March 24, 2014 at a price of $1.00 per share.

CONTINGENCIES

Except for the commitments mentioned in Liquidity subsection (b), there are no other contingencies outstanding as of date of this discussion.

SUBSEQUENT EVENTS

Subsequent to the Company's quarter ended November 30, 2012, the following material subsequent event is reported;

a) On September 7, 2012, the Company announced its intention to proceed with a financing sufficient to close the purchase of the assets of Auersoft LLC. The specific amount of

the financing has not been determined. The Company also announced its intention to complete a 2:1 consolidation of its capital prior to the financing. A shareholders meeting was held on December 7, 2012 to approve the consolidation. The pricing of the financing has been set at $1.00 per unit. Each Unit will consist of one preferred share and ¼ share purchase warrant exercisable at $.60 per share. The preferred shares will convert into common shares on a 2 for 1 basis.

b) On December 21, 2012, the Company sought and obtained an extension on closing the Auersoft LLC asset purchase to January 31, 2013. The terms of the extension provided that the Company would pay for the incremental tax impact on closing in 2013 to Auersoft based upon changes to the capital gains taxation rates in the United States changing effective January 1, 2013.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Chief Financial Officer, is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification of Disclosure in Annual and Interim Filings.* Management has concluded that as of October 28, 2011, discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Internal Control over Financial Reporting

The Chief Financial Officer is responsible for establishing and maintaining effective internal control over financial reporting as defined in National Instrument 52-109. Because of its inherent limitations, internal control over financial reporting may have material weaknesses and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has concluded that internal control over financial reporting will be effective. The design and operation of internal control over financial reporting will provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

Internal control over financial reporting will include those policies and procedures that establish the following: maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of assets; reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable generally accepted accounting principles; receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets.

Management will design internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Segregation of Duties

Currently duties have not been segregated due to the small number of individuals involved in this start-up. This lack of segregation of duties has not resulted in any material misstatement to the financial statements.

As the Company incurs future growth, management plans to expand the number of individuals involved in the accounting and finance functions. At the present time, the Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. In addition, the Audit Committee of the Company review on a quarterly basis the interim financial statements and key risks and will query management about significant transactions.

Complex and Non-Routine Transactions

The Company may be required to record complex and non-routine transactions. These sometimes will be extremely technical in nature and require an in-depth understanding of Canadian GAAP. Finance staff will consult with their third party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, an annual audit will be completed and presented to the Audit Committee for its review and approval.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Statement of Compliance

The consolidated financial statements of the Company for the year ending May 31, 2012 were 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 audited consolidated annual financial statements as at May 31, 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 second 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 unaudited 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 unaudited financial statements were authorized for issue by the Board of Directors on January 29. 2013.

FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's consolidated financial statements for the year ending May 31, 2011 were 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, 2011 (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 November 30, 2012.

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 IFS 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.

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.

In February 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly accountable profit-oriented enterprises to use IFRS, replacing Canadian GAAP for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company commenced reporting in IFRS in the first quarter of the 2011 fiscal year, with comparative figures.

The Company has identified five major areas to date that will impact the financial statements under IFRS, including:

- foreign currency translation,
- reporting expenses either by nature or by function on the statement of operations,
- revenue recognition,
- stock based compensation, and
- first time adoption of IFRS (IFRS 1).

It is not practically possible at this time to quantify the impact of these differences.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

a. Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from these estimates.

b. Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

c. Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

d. Financial instruments

All financial instruments are classified into one of 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 in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities that are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

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 May 31, 2012 and no opening or closing balances for accumulated other comprehensive income or loss. As a result, the unaudited financial statements as of November 30, 2012 do not include a statement of Accumulated Other Comprehensive Income

g. Impairment of long-lived assets

Equipment and other long-lived assets are regularly reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the sum of undiscounted cash flows expected from its use and disposal. If such assets are considered impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the assets exceeds its fair value generally determined on a discounted

cash flow basis. Any impairment results in a write-down of the asset and a charge to operations during the year.

Related party transactions

All monetary transactions in the normal course of operations are measured at the exchange value which is determined by management to approximate fair value. Non-monetary related party transactions in the normal course of operations that have commercial substance and do not involve the exchange of property or product held for sale are also measured at the exchange value. The commercial substance requirement is met when the future cash flows associated with the transfer of property are expected to change significantly as a result of the transaction. All other related party transactions are recorded at the carrying value.

RISK FACTORS

Strategic and operational risks

Strategic and operational risks are risks that arise if the Company fails to develop sufficiently develop either or both AIM or VVT's strategic plans and/or to raise sufficient equity and/or debt financing in financing to complete the VVT acquisition and or finance the marketing plans of either enterprise. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's other receivable balance may consist of amounts outstanding on Harmonized Sales Tax Credits from Canada Revenue Agency. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at Novmeber 30, 2012, the Company had a cash and cash equivalent balance of $144,301 and $1,029,494 current liabilities to settle. The Company is planning to complete a private placement for minimum gross proceeds of 8,000,000. The Company will use the funds from this private placement to make the final payment on the purchase of the Auersoft assets and provide for marketing and general and administrative expenses and for working capital purposes. All of the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The future obligation with respect to the VVT acquisition has a 2-month maturity.

Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

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 Canadian dollar. Cash and accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

RECENTLY ANNOUNCED PRONOUNCEMENTS

Credit risk EIC 173
On January 20, 2009, the CICA issued Emerging Issues Committee Abstract 173, *'Credit Risk and the Fair Value of Financial Assets and Financial Liabilities'* ("EIC 173"), to apply without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements. EIC 173 requires the Company to consider the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. For entities that do not apply Section 3855, Financial Instruments, may defer application of this EIC 173 to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2010. The Company adopted EIC 173 from inception of incorporation, which in management's opinion does not have a material impact on the Company's financial position or operation.

Goodwill and intangible assets
The Accounting Standards Board ("AcSB") issued CICA Handbook Section 3064, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The Company adopted these sections from inception of incorporation, which in management's opinion does not have a material impact on the Company's financial position or operation.

Financial instruments
The Canadian Accounting Standards Board ("AcSB") issued CICA Handbook Section 3862, Financial Instruments – Disclosures, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extend of risks arising from financial instruments which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, Financial Instruments – Recognition and Measurement, Section 3863, Financial Instruments – Presentation, and Section 3865, Hedges. The Company adopted these standards from inception of incorporation and has included the required disclosure in note 5 of the audited financial statements as at May 31, 2012.

The AcSB issued CICA Handbook Section 3863, Financial Instruments – Presentation, which is to enhance statements users' understanding of the significance of financial instruments to an

entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of elected interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The Company adopted these standards from inception of incorporation and the adoption of this policy has no significant impact to the Company's unaudited financial statements as at November 30, 2012.

Capital disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. Section 1535 requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

Going-concern

In June 2007, the CICA amended Handbook Section 1400, "General Standards of Financial Statement Presentation", which requires management to make an assessment of a company's ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the company is not considered a going-concern. The Company adopted this standard from inception of operation. Refer to note 1 to the unaudited financial statements as at November 30, 2012 for disclosure relating to this section.

Financial instruments

In June 2009, the CICA amended Section 3862, Financial Instruments – Disclosures that includes additional disclosure requirements about fair value measurements for financial instruments and liquidity risk disclosures. These amendments entail a three level hierarchy that takes into account the significance of the inputs used in making the fair value measurements. Additional disclosure has been included in the Company's financial statements (See Note 5 to the unaudited financial statements as at November 30, 2012

Future accounting changes

i. Business combinations, Section 1582:

This Section, which replaces the former Business Combinations, Section 1581, establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations".

The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted, in which case an entity would also early adopt Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. This Section

will not impact the Company as it presently operates, however the Section will be effective if the Company undertakes a business combination in the future.

ii. Consolidated financial statements, Section 1601:

This Section, which, together with new Section 1602, replaces the former Consolidated Financial Statements, Section 1600, establishes standards for the preparation of consolidated financial statements.

The Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year, in which case an entity would also early adopt Section 1582, Business Combinations and Section 1602, Non-Controlling Interests. This Section will not impact the Company as it presently operates, however the Section will be effective if the Company undertakes a business combination in the future.

iii. Non-controlling interests:

This new Section establishes standards for accounting for non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements".

This Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted, in which case an entity would also early adopt Section 1582, Business Combinations and Section 1601, Consolidated Financial Statements. This Section will not impact the Company as it presently operates, however the Section will be effective if the Company undertakes a business combination in the future.

iv. International financial reporting standards:

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 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company has not completed development of its IFRS changeover plan, which will include project structure governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 ("First Time Adoption of IFRS") exemptions. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

RISKS AND UNCERTAINTIES

Risk Factors

In evaluating an investment in the Company's shares, in addition to the other information contained or incorporated by reference herein, investors should consider the following risk factors. These risk factors are not **a** definitive list of all risk factors associated with the Company and its business.

General and Industry Risks

The Company's business objectives in the next 12 months are to close the acquisition of AIM and VVT and to adopt the business objectives of VVT. VVT's intermediate goal is to establish, by the end of 2012, (i) an expanded profitable operating business that can be sustained on an ongoing basis, (ii) a strong market position that will permit the company to rapidly and profitably expand the market for its products, and (iii) significant competitive advantages that will permit the company to sustain its market shares and profit margins.

Securities and Dilution

The purpose of the concurrent financing is to raise funds to carry out the Company's business objectives with the ultimate objective of establishing a human resources company providing unique Web-based solutions to the small and medium-sized business enterprises. The only source of future funds presently available to the Company is through the sale of equity capital or the assumption of debt. There is no assurance that such sources of financing will be available on acceptable terms, if at all. If the Company seeks additional equity financing, the issuance of additional shares will dilute the interests of their current shareholders. Failure to obtain such additional financings could result in delay or indefinite postponement of the Company's strategic goals and the carrying out of its obligations under the marketing agreement with and/or to complete the acquisition of VVT.

Competition

The computer software backup/recovery industry is intensely competitive in all of its phases, and the Company will compete with many companies possessing greater financial resources and technical facilities than the Company.

Conflicts of Interest

Certain of the Company's proposed directors and senior officers are directors or hold positions in other public companies. If any disputes arise between these organizations and the Company, or if certain of these organizations undertake transactions with the Company's competitors, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other organizations. In addition, as applicable, such directors and officers will abstain from voting on any matter in which they have a conflict of interest.

No History of Earnings or Dividends

As a newly formed company, the Company has no history of earnings, and there is no assurance that the Company will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends for the foreseeable future.

Potential Profitability Depends Upon Factors Beyond the Control of the Company

The potential profitability of the Company is dependent upon many factors beyond the Company's control. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, regulatory compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, events that cause worldwide economic uncertainty may make raising of funds for development difficult. These changes and events may materially affect the financial performance of the Company.

Dependency on a Small Number of Management Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company and its business operations.

Officers and Directors

Van Potter	CEO & Director
Brian Cameron	CFO & Director
John Ragan	Director
Brent Bollong	Director
Jack Saltich	Chairman of the Board and Director

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