

**EMAX HOLDINGS CORPORATION**  
**( a Holding company)**  
**un-audited**

**FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2006**

**EMAX HOLDINGS CORPORATION**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2006**

**(UNAUDITED)**

**ASSETS**

**CURRENT ASSETS**

Cash and Equivalents	\$22,400
Accounts receivable	\$

Prepaid and deposits

**OTHER ASSETS**

Capitalized Production costs	5,492,942
Investments into Media Companies	5,020,000
Gold Rush Network Group	557,500
Technology Rights	130,000
Furniture and Computers	22,421
Good Will Costs	11,408,871
Organization Costs	163,608

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Capital assets (Note 2)	<b>\$25,253,887</b>
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<b>TOTAL ASSETS</b>	<b>\$25,276,287</b>
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**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Current liabilities**

Notes Payable Others (Note 4)	\$71,500
Accrued Interest	
Notes Due To Un- Related Parties (Note 5)	\$300,000
Accrued Salaries	\$202,216
Accounts Payable	\$62,450

<b>Total Current Liabilities</b>	<b>571,816</b>
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**Shareholders' equity**

Common Stock- authorized 300,00,000	
Shares; \$.0000001 par value,; issued and outstanding	
137,693,722 shares in 2006	
and 27,848,497 shares in 2005 (Note 6)	161,269
Additional Paid In Capital	25,092,618
Accumulated Deficit	\$(13,084,322)

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<b>TOTAL STOCKHOLDER NET EQUITY</b>	<b>\$12,169,565</b>
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<b>TOTAL STOCKHOLDER LIBAILITIES AND ASSETS</b>	<b>\$24,704,471</b>
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**EMAX HOLDINGS CORPORATION**  
**INTERIM STATEMENT OF OPERATIONS AND DEFICIT**  
**FOR THE TWELVE MONTH PERIOD ENDED AS OF DECEMBER 31, 2006**  
**(UNAUDITED)**

<b>Revenue</b>	<b>\$712,594</b>
Advertising Sponsorship Revenue	712,594
<b>Cost of goods sold</b>	<b>293,363</b>
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<b>Gross profit</b>	<b>419,231</b>
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<b>Operating expenses</b>	
Selling	<b>14,678</b>
Administrative	<b>252,682</b>
Interest on long-term debt	
Interest and bank charges	
Depreciation	24,482
Re-Locating Bad Debt Write-off	44,000
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	<b>335,842</b>
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<b>Net (loss) earnings</b>	<b>83,389</b>

**EMAX HOLDINGS CORPORATION**  
**INTERIM SCHEDULE OF COST OF GOODS SOLD**  
**FOR THE TWELVE MONTH PERIOD ENDED AS OF DECEMBER 31, 2006**

**(UNAUDITED)**

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<b>Cost of goods sold</b>	
Purchases	<b>\$132,925</b>
Labor	<b>\$160,440</b>
	<b>\$ 293,363</b>

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**EMAX HOLDINGS CORPORATION**  
**INTERIM SCHEDULE OF EXPENSES**  
**FOR THE TWELVE MONTH PERIOD ENDED AS AT OF DECEMBER 31, 2006**  
**(UNAUDITED)**

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**Selling**

Advertising **\$28,000**

Telephone \$ 7,189

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**\$ 35,189**

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**Administrative**

Insurance and taxes 1,980

Light, heat, and power 5,349

Office 174,364

Travel 39,078

Contract Labor 31,911

Depreciation 24,482

Re-Locating Bad Debt Write-off 44,000

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**\$ 321,166**

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## 1. Significant Accounting Policies

### (a) Inventories

Inventories are stated at the lower of cost (first in, first out method) and net realizable value.

### (b) Amortization

Annual amortization rates adopted by the Company are:

On the declining balance method:

1) Capitalized Production Costs	5%
2) Recorded master recordings	5%
3) Furniture and fixtures	20%
4) Computer	33%
5) Goodwill	5%

On the straight line method:

- 1) leasehold improvements -term of lease 5years

### (c) Use of estimates

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

## 2. Capital Assets

### 3. Accumulated

		<u>Accumulated Cost</u>	<u>Accumulated Amortization</u>	<u>Net book Value</u>
Furniture and Fixtures	90,508	72,470	18,037	
Computers	12,575	8,299	4,275	

## 3. Bank Indebtedness

The company currently has no loans or outstanding bank liabilities

#### **4 Long Term Debt**

- a) The company has not outstanding long term debt at this time

#### **5. Capital Stock**

- a) The Company was incorporated under the Laws of Delaware Corporations Act on February 24, 1989.

- b) Authorized:

300,000,000 number of authorized common stock, par at \$.0000001/share  
40,000,00 number of authorized preferred stock, par at \$.001/share

Issued and fully paid:

Common stock 137,693,722  
Preferred stock

- c) As of the date 12/30/2006 the Company has issued 137,693,722 shares of common stock for a total cash consideration of \$24,102,444

#### **6. Commitments**

The company currently has no rental or lease agreements. The Chief Operating Officer provides office rent at no expense to the company.

#### **7. Subsequent Events**

In Year 2006 The company issued 27,635,225 shares of common stock to officers and directors in satisfaction of accrued salary and expenses totaling \$795,880 for years 2003 until year 2007 due to all employees from that period of time

In Year 2006, the Company under a former agreement issued 1,000,000 shares of common stock to Corporate Pubic Relations, an investor relations firm

**EMAX WORLDWIDE INC**

UNAUDITED PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS

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INFORMATION AS TO THE PERIODS ENDED DECEMBER 30, 2006 AND 2007 IS UNAUDITED

	EMAX WORLDWIDE., INC. CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2006	EMAX WORLDWIDE, INC. CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2007
SALES	-----	-----
REVENUES:	\$ 712,594	\$ 712,594
	-----	-----
Total Revenues	\$ 712,594	\$712,594
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COSTS AND EXPENSES:		
Cost of sales	293,363	293,363
Selling, general and administrative	262,707	262,707
Depreciation and amortization	22,312	22,312
Interest expense	--	--
Interest expense - related party	--	--
Bad debt expense	44,000	44,000
Amortization of loan costs	--	
	-----	-----
Total Costs and Expenses	622,382	622,382
	-----	-----
INCOME (LOSS) FROM OPERATIONS	\$90,212	\$90,212
	-----	-----
OTHER INCOME:		
Dividend income		--
Interest income	--	
Other	--	
Total Other Income		
	-----	-----
INCOME (LOSS) BEFORE (PROVISION) BENEFIT FPR INCOME TAXES	\$88,042	\$90,212
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(PROVISION) BENEFIT FOR INCOME TAXES	\$88,042	\$30,987
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NET INCOME (LOSS)	\$88,042	\$30,987
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NET INCOME (LOSS)	\$88,042	\$30,987

EMAX WORLDWIDE INC  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	COMMON STOCK		ADDITIONAL PREFERRED STOCK		PAID-IN CAPITAL	ADDITIONAL ACCUMULATED	
	SHARES	AMOUNT	SHARES	AMOUNT		DEFICIT	TOTAL
<b>BALANCES JANUARY 1, 1994</b>	<b>13,729,551</b>	<b>\$ 10,018</b>	<b>--</b>	<b>\$ --</b>	<b>\$6,133,463</b>	<b>(4,138,478)</b>	<b>\$ 2,005,003</b>
Issuance of shares to directors and officers For accrued salaries and expenses at prices Ranging from \$.065-to \$.40 per share	8,088,665	8,089			1,529,547		1,537,633
Issuance of shares for notes and interest Payable at \$.25 Per share	400,000	400			99,600		100,000
Issuance of shares for consulting fees At \$1.00 per share.	267,958	268			267,690		267,959
Net loss for the year	--	--	--	--		(1,064,988)	(1,064,988)
<b>BALANCE DECEMBER 31, 1994</b>	<b>22,484,174</b>	<b>18,775</b>	<b>--</b>	<b>--</b>	<b>8,030,300</b>	<b>(5,203,466)</b>	<b>2,845,609</b>
Issuance of shares to directors and officers For accrued salaries and expenses at prices Ranging from \$.050-to \$1.00 per share	4,792,798	4,793			2,591,605		2,596,398
Issuance of shares for consulting fees At \$.25 per share.	400,000	400			99,600		100,000
Net loss for the year	--	--	--	--		(2,751,901)	(2,751,901)
<b>BALANCE DECEMBER 31, 1995</b>	<b>27,676,970</b>	<b>23,968</b>	<b>--</b>	<b>--</b>	<b>10,721,505</b>	<b>(7,955,367)</b>	<b>2,790,106</b>
Issuance of shares to directors and officers For accrued salaries and expenses at prices Ranging from \$.014 per share	13,043,721	13,043			1,826,121		1,839,164
Issuance of collateral shares Shares are being canceled Ranging from \$.014 per share	18,720,000	18,720			1,629,547		1648267
Net loss for the year	--	--	--	--		(765,411)	(765,411)
<b>BALANCES DECEMBER 31, 1996</b>	<b>59,440,693</b>	<b>55,731</b>	<b>--</b>	<b>--</b>	<b>14,177,173</b>	<b>(8,720,778)</b>	<b>5,512,126</b>
Net loss for the year	--	--	--	--			
<b>BALANCE DECEMBER 31, 1997</b>	<b>59,440,693</b>	<b>55,731</b>	<b>--</b>	<b>--</b>	<b>14,177,173</b>	<b>(8,720,778)</b>	<b>5,512,126</b>
Net loss for the year	--	--	--	--			

<b>BALANCES DECEMBER 31, 1998</b>	<b>59,440,693</b>	<b>55,731</b>	--	--		<b>14,177,173</b>	<b>(8,720,778)</b>	<b>5,512,126</b>
Issuance of shares for consultants at prices .0\$12 per share	1,200,000	1,200				142,800		144,000
Issuance of common stock in Exchange for Preferred A Stock at \$.11/share	4,731,836	4,731				515,771		520,502
Issuance of common stock in Exchange for Preferred B Stock at \$.11/share	7,782,809	7,783				848,326		856,109
Net loss for the year	--	--	--	--	--		(144,000)	(144,000)
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<b>BALANCE DECEMBER 31, 1999</b>	<b>73,155,338</b>	<b>69,445</b>	--	--		<b>15,684,070</b>	<b>(8,864,778)</b>	<b>6,888,737</b>
Reversed Shares 10:1 March 2000								
<b>BALANCE MARCH 30, 2000</b>	<b>7,315,533</b>	<b>69,445</b>	--	--		<b>15,684,070</b>	<b>(8,864,778)</b>	<b>6,888,737</b>
Reversed Shares 10:1 March 2000								
Issuance of shares to capitalize as investment in media companies at \$0.12 Per share	7,000,000	7,000				833,000		840,000
Issuance of shares for consulting fees At \$0.12 per share.	842,000	842				100,198		101,040
Net loss for the year	--	--	--	--	--		(101,040)	(101,040)
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<b>BALANCE DECEMBER 31, 2000</b>	<b>15,157,733</b>	<b>77,287</b>	--	--		<b>16,617,268</b>	<b>(8,965,818)</b>	<b>7,728,737</b>
Issuance of shares to capitalize as investment in media companies at \$0.12 Per share	18,000,000	18,000				2,142,000		2,160,000
Issuance of shares to directors and officers For accrued salaries and expenses at prices Ranging from \$.12 per share	1,150,000	1,150				136,850		138,000
Issuance of shares for consulting fees At \$0.12 per share.	1,912,000	1,912				234,638		236,550
Net loss for the year	--	--	--	--	--		(374,550)	(374,550)
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<b>BALANCE DECEMBER 31, 2001</b>	<b>36,219,733</b>	<b>98,349</b>	--	--		<b>19,126,756</b>	<b>(9,340,368)</b>	<b>9,884,737</b>
Issuance of shares for notes and interest Ranging from \$.05- \$.07 per share	835,000	835				47,615		48,450
Issuance of shares for consulting fees Ranging from \$.05- \$.07 per share.	5,900,000	5,900				368,707		374,607
Issuance of shares to directors and officers For accrued salaries and expenses at \$.05 per share	2,710,000	2,710				132,290		135,000
Net loss for the year	--	--	--	--	--		(558,057)	(558,057)

<b>BALANCE DECEMBER 31, 2002</b>	<b>45,664,733</b>	<b>107,794</b>	--	--	<b>19,675,368</b>	<b>(9,898,425)</b>	<b>9,884,737</b>
Issuance of shares for notes and interest Ranging from \$.02- \$.03 per share	14,900,000	14,900			287,000		302,000
Issuance of shares to directors and officers For accrued salaries and expenses at \$0.03 per share	3,780,000	3,780			109,620		113,400
Issuance of shares for consulting fees At \$.03 per share.	1,390,000	1,390			40,310		41,700
Net loss for the year (457,100))	--	--	--	--		(457,100)	
<b>BALANCE DECEMBER 31, 2003</b>	<b>65,734,733</b>	<b>127,864</b>	--	--	<b>20112,298</b>	<b>(10,355,525)</b>	<b>9,884,637</b>
Issuance of shares to directors and officers For accrued salaries and expenses at \$0.02 per share	2,105,000	2,105			39,995		42,100
Issuance of shares for consulting fees At \$.02 per share.	4,445,000	4,445			95,455		99,900
Issuance of shares to capitalize as investment in media companies at \$0.02 Per share	4,000,000	4,000			76,000		80,000
Issuance of shares to capitalize as investment in Gold Rush companies at \$0.02 Per share	10,000,000	10,000			190,000		200,000
Issuance of shares for notes and interest Ranging from \$.02- \$.03 per share	12,700,000	12,700			241,300		254,000
Net loss for the year	--	--	--	--		(396,000)	(396,000)
<b>BALANCE MARCH 31, 2004</b>	<b>98,984,733</b>	<b>161,114</b>	--	--	<b>20,749,048</b>	<b>(10,751,525)</b>	<b>10,158,637</b>
Reversed Shares 14:1 March 2000							
<b>BALANCE JUNE 30, 2004</b>	<b>7,070,338</b>	<b>161,114</b>	--	--	<b>20,749,848</b>	<b>(10,751,525)</b>	<b>10,158,667</b>
Issuance of shares for notes and interest Payable at \$.10 Per share	300,000	0			30,000		30,000
Issuance of shares for consulting fees At \$.10 per share.	8,368,159	8			836,807		836,815
Net loss for the year	--	--	--	--		(866,815)	(866,815)
<b>BALANCE DECEMBER 31, 2004</b>	<b>15,738,497</b>	<b>161,152</b>	--	--	<b>21,615,855</b>	<b>(11,618,340)</b>	<b>10,158,667</b>
Issuance of shares to capitalize as investment in media companies at \$0.05 Per share	10,000,000	10			499,990		500,000
Issuance of shares for consulting fees At \$.05 per share.	2,110,000	2			104,998		105,000
Net loss for the year	--	--	--	--		(105,000)	(105,000)

<b>BALANCE DECEMBER 31, 2005</b>	<b>27,848,497</b>	<b>161,164</b>	<b>-</b>	<b>22, 220,843</b>	<b>( 11,723,340)</b>	<b>10,658,667</b>	<b>3850</b>
Issuance of shares to capitalize as investment in media companies at \$0.04 per share	8,500,000	8		339,992		340,000	
Issuance of shares to capitalize as investment in Gold Rush companies at \$0.04 Per share	1,000,000	1		39,999		40,000	
Issuance of shares for consulting fees At \$.04 per share.	1,325,000	1		33,124		33,125	
Issuance of shares to directors and officers For accrued salaries and expenses at \$0.04 per share	7,896,896	7		302,415		302,422	
Issuance of shares for notes and interest Payable at \$.04 per share	3,550,000	3		141,997		142,000	
Issuance of shares to capitalize as investment in media companies at \$0.025 per share	24,000,000	24		599,976		600,000	
Issuance of shares to capitalize as investment in technology companies at \$0.025per share	12,200,000	12		129,988		130,000	
Issuance of shares to capitalize as investment in Gold Rush companies at \$0.025 per share	12,700,000	12		317,488		317,500	
Issuance of shares for consulting fees at \$.025 per share.	9,085,000	9		227,116		227,125	
Issuance of shares to directors and officers For accrued salaries and expenses at \$0.025 per share	19,738,329	19		493,439		493,458	
Issuance of shares for notes and interest payable at \$.025 Per share	9,850,000	9		246,241		246,250	
Net loss for the year	--	--	--	--	--	(1,270,770)	(1,270,770)
<b>BALANCE DECEMBER 31, 2006</b>	<b>137,693,722</b>	<b>161,269</b>	<b>--</b>	<b>25, 092,618</b>	<b>(12,994,110)</b>	<b>12,259,777</b>	

# EMAX WORLDWIDE, INC

## CONSOLIDATED STATEMENTS OF CASH FLOWS

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INFORMATION AS TO THE PERIODS ENDED DECEMBER 30, 2006 AND 2007 IS UNAUDITED

	FOR THE YEAR ENDED DECEMBER 31, 2006	FOR THE YEAR ENDED DECEMBER 31, 2007
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	(UNAUDITED)	(UNAUDITED)
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Net income (loss)	\$ 83,389	\$ 34,210
Adjustments to reconcile net loss to net cash used by operations: --		
Depreciation and amortization	18,999	3333
Stock issued for services	226,250	200,000
Changes in:		
Accounts receivable		
Accounts receivable, related party		
Capitalized Production Costs	(39,109)	
Inventory	--	--
Accounts payable and accrued expenses	(27,890)	(80,948)
Repaid one year notes, un-related party	388,000	400,000
Deferred revenue		
Accrued officers' salary	(202,216)	
Repaid officers salaries	795,880	202,216
	-----	-----
Cash Flows From (To) Operating Activities	1,233,303	721,635
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Purchase of equipment	(19,837)	(1,450)
Escrow deposit	--	--
Repayments on note receivable	--	--
Deposit on leased equipment	--	--
	-----	-----
Cash Flows From (To) Investing Activities	(19,837)	(1,450)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES:		
Proceeds from notes payable	(400,000)	( 75,000)
Net cash provided from financing	(400,000)	( 75,000)
Cash at beginning of period	--	--
Cash at end of period	--	--