Mount Knowledge Holdings, Inc.
Form 10-K/A
December 31, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K /A

Amendment No. 2

(Mark One)

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2012**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to_____

Commission file number _____

MOUNT KNOWLEDGE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada	**98-0371433**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

228 Park Ave S #56101

New York NY	**10003-1502**
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code **(917) 289-0944**

Securities registered under Section 12(b) of the Act:

None	**N/A**
Title of each class	Name of each exchange on which registered

Securities registered under Section 12(g) of the Act:

Common Stock, $0.0001 par value
(Title of class)

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [ ] No [X]

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes [ ] No [X]

Indicate by checkmark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [ ] No [X]

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [ ] No [X]

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	x

(Do not check if a smaller reporting company)
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes [ ] No [X]

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date. 199,996,251 shares of common stock as of October 4, 2013.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter ended June 30, 2013: $4,538,234.

Documents Incorporated by Reference: None.

Explanatory Note

This Amendment No. 2 (this "Amendment") to our Annual Report on Form 10-K for the period ended December 31, 2012, originally filed with the Securities and Exchange Commission on October 21, 2013 (the "Original Form 10-K") and Amendment No. 1 filed on October 24, 2013, is being filed to reflect a correction in the Company s disclosure of its controls and procedures and internal control over financial reporting.

No other changes have been made to the Form 10-K. This Amendment speaks as of the Original Filing Date, does not reflect events that may have occurred subsequent to the Original Filing Date, and does not modify or update in any way disclosures made in the Form 10-K.

MOUNT KNOWLEDGE HOLDINGS, INC.

FORM 10-K
For the Year Ended December 31, 2012

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K may contain statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Generally, words such as may, will, should, could, would, anticipate, expect, antic goal, plan, intend, estimate continue or the negative of or other variation on these and similar other expressio variations thereof, if used, are intended to specifically identify forward-looking statements. Those statements appear in a number of places in this Form 10-K and in other places, and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, our future performance and operating results, our future operating plans, our liquidity and capital resources and our legal proceedings. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are based on current expectations and involve risks and uncertainties and our future results could differ significantly from those expressed or implied by our forward-looking statements. Many factors, including those listed in Item 1A. - Risk Factors below, could cause our actual consolidated results to differ materially from those expressed in any of our forward-looking statements.

Item 1. Business.

History

Mount Knowledge Holdings, Inc. (the Company) was incorporated as Auror Capital Corp. under the laws of the State of Nevada on March 16, 2006.

The Company began as an exploration stage company engaged in the acquisition and exploration of mineral properties. On January 23, 2009, the Company decided to abandon its Katrina mineral claim due to unsuccessful explorations to date and inability to attract investment capital to proceed with further exploration on the claim.

Change of Business Purpose

On July 27, 2009, the Company changed its business purpose from a mining and exploration to an educational software development and sales company offering innovative and proprietary learning software products and teaching services. The Company s principal executive offices are now in Novi, Michigan.

Master Software License Agreement

On January 21, 2010, the Company executed a new exclusive Master Software License Agreement with Mount Knowledge Inc., a corporation owned by the Company s founder and present Chairman and director based in Ontario, Canada, wherein the Company was granted the exclusive world-wide license rights to promote, market and sell any and all of Mount Knowledge Inc. s products, both existing and future. These existing products consist of patent pending Real Time Learning and Self Improvement Educational System and Method software application referred to as Syntality. The Agreement supersedes the Master Product License Agreement executed on or before July 27, 2009 and provides updated terms and conditions, including, but not limited to new definitions of duties, responsibilities and costs to be borne by the respective parties.

Master License Cancellation Agreement

On December 27, 2010, the Company and MTK Inc. entered into a Master License Cancellation Agreement (the Master License Cancellation Agreement) pursuant to which the parties thereto jointly agreed to terminate, effective immediately, the Original Agreement executed on January 21, 2010. The Company did not incur any early termination fees or penalties in connection with the termination of the Original Agreement. As a result, the Original Agreement was no longer needed and the parties thereto agreed to cancel it.

Change of Directors and Principal Officers

On January 21, 2010, Ian McBean resigned as President, Secretary, Treasurer, Chief Executive Officer, Chief Financial Officer and Director of the Corporation, effective immediately. Mr. McBean s resignation was not a result of any disagreement with the any of the Board Members or the operations, policies or practices of the Company, but rather a personal decision.

Also, on January 21, 2010, we completed the following officer and director appointments:

(a)

The appointment of Erwin E. Sniedzins as Chairman and Director of the Corporation, effective immediately;

(b)

The appointment of Daniel A. Carr as President, Treasurer, Chief Executive Officer, Chief Financial Officer and Director of the Corporation, effective immediately; and

(c)

The appointment of Simon Arnison as Secretary, Chief Technology Officer, and Director of the Corporation, effective immediately.

Amendment and Restatement to Company s Articles of Incorporation

On January 25, 2010, the Company filed an amendment and restatement to its Articles of Incorporation with the State of Nevada, which were approved by the Board of Directors on October 20, 2009 by written consent in lieu of a special meeting in accordance with the Nevada Corporation Law, changing its name to Mount Knowledge Holdings, Inc. and increasing the number of authorized common and preferred shares to 200,000,000 and 100,000,000, respectively.

Definitive Agreement to Acquire New Operational Subsidiaries

On October 5, 2010, the Company executed a definitive agreement (the Definitive Agreement), between the Company, on the one hand, and The Language Key Training Ltd., a British Virgin Islands Corporation, Dirk Haddow, Mark Wood, Chris Durcan and/or Jeff Tennenbaum, on the other (collectively the LK Sellers) to purchase approximately ninety-five (95%) percent or more of the beneficial ownership of ordinary shares and preferred shares in Language Key Asia, a Hong Kong corporation and a provider of corporate training solutions in Asia through its operational subsidiaries consisting of Language Key Publishing Ltd (Hong Kong) and Language Key Corporate Training Solutions Ltd. (Hong Kong), which owns and operates The Language Key Training Ltd (Hong Kong) and The Language Key China Ltd (China), (collectively, "Language Key"), along with other additional considerations. The Company facilitated the Language Key transaction by the formation of Mount Knowledge Asia Ltd., domiciled in Hong Kong (MTK Asia), owned 100% by the Company, which purchased 100% ownership of Language Key Asia Ltd on behalf of the Company.

Amendment No. 1 to Definitive Agreement to Acquire New Operational Subsidiaries

On October 29, 2010, the Company entered into Amendment No. 1 to Definitive Agreement ("Amendment No. 1" and, together with the Definitive Agreement, the Amended Definitive Agreement) with the LK Sellers. Under the Amendment, the Definitive Agreement was modified to reflect a new closing date of December 31, 2010, or such later date as shall be mutually agreed upon by the Company and the Sellers. Section 5.1 of the Definitive Agreement previously provided that the closing date would be October 31, 2010, or such later date as shall be mutually agreed upon by the Company and the Sellers. In addition, Sections 3.3, 3.4 and 3.5 of the Definitive Agreement was modified as follows: (i) Section 3.3 of the Definitive Agreement has been modified to reflect that the License Revocation/Release Agreement and the Assignment Agreement referenced therein shall be drafted and executed on or before December 31, 2010 (the Definitive Agreement previously provided that such agreements would be drafted and executed on or before October 31, 2010); (ii) Section 3.4 of the Definitive Agreement was modified to reflect that the date on which the first royalty payment of $5,481.33 due to Foxglove International Enterprises Ltd. shall be due on or before December 31, 2010 (the Definitive Agreement previously provided that the first payment was due on or before October 31, 2010); and (iii) Section 3.5 of the Definitive Agreement was modified to reflect that the content licensing agreement referenced therein shall be drafted and executed on or before December 31, 2010 (the Definitive Agreement previously provided that such agreement would be drafted and executed on or before October 31, 2010). The modifications were required in order to timely complete certain regulatory compliance requirements of one or more of the entities represented in the Definitive Agreement prior to a closing.

Amendment No. 2 to Definitive Agreement to Acquire New Operational Subsidiaries

On December 31, 2010, the Company entered into Amendment No. 2 to Definitive Agreement (Amendment No. 2) with the LK Sellers. Amendment No. 2 further amended the Amended Definitive Agreement as follows:

Exhibit A of the Amended Definitive Agreement was replaced with an amended form of subscription agreement.

Section 3.1 of the Amended Definitive Agreement was amended and restated in its entirety to read as follows: Share Exchange. The Parties agree that LK Asia shall have the right to purchase from the Sellers a total of Three Hundred Twenty-Five Thousand Seven Hundred Ten (325,710) Ordinary A Shares of the LK Asia (the LK A Shares), owned and held by the Sellers, for a purchase price determined at Closing and paid in the form of a share exchange of a total of One Million Eight Hundred Thousand (1,800,000) Shares of common stock of the Mount Knowledge Holdings, Inc. (the MKHD Shares), in accordance with the terms and conditions of the Share Exchange Agreement, attached hereto as Exhibit B (the Share Exchange Agreement).

Section 3.2 of the Amended Definitive Agreement was amended and restated in its entirety to read as follows: Stock Issuance. Company agrees to, by applicable corporate resolution, issue to LK Asia and/or its assigns at Closing a total of four hundred eighty thousand (480,000) shares of the Common Stock (the MKHD Shares) of Mount Knowledge Holdings, Inc. at a par value ($0.001 per share), subject to a twelve (12) month sale restriction from the date of issuance (the Additional Sale Restriction). The beneficial holder(s) of said MKHD Shares shall execute a letter of acknowledgment of said Additional Sale Restriction upon the issuance of and prior to the

receipt of said MKHD Shares. The purpose for the issuance of the MKHD shares by Company is to provide certain employee stock incentives (signing bonus) for key management personnel of LK Asia. LK Asia shall provide Company with a written notice within ten (10) business days from the date of Closing with clear stock issuing instructions, including a list of names, addresses, passport or other applicable identification numbers and the amounts of each share certificate to be issued.

Section 3.2 of the Amended Definitive Agreement was further amended by eliminating references therein to Exhibit C, the Stock Purchase Warrant Agreement. Likewise, Exhibit C was eliminated from the Amended Definitive Agreement.

Section 3.3 of the Amended Definitive Agreement was amended and restated in its entirety to read as follows: License Revocation and Assignment. Sellers shall cause the cancellation of the trademark licensing royalty agreement (the Royalty Agreement) with Foxglove International Enterprises Ltd, a British Virgin Islands Corporation (the Licensor) as set forth in the executed license revocation and release deed agreement dated December 31, 2010, attached hereto as Exhibit D (the License Revocation and Release Deed Agreement), in exchange for a cash payment from LK Asia in the amount of Thirty-Three Thousand Four Hundred Eighty and No/100 Dollars (USD $33,480.00), due and payable to Foxglove International Enterprises Ltd. (BVI) on the Closing Date, including the assignment to LK Asia the full and unencumbered rights to the Language Key name, trademarks, service marks, and any other intellectual property rights owned by Licensor with no limitations and free and clear any claims against LK Asia, and/or its operation subsidiaries, now or in the future, as set forth in the executed assignment agreement dated December 31, 2010, attached hereto as Exhibit E (the Assignment Deed Agreement), in exchange for a cash payment from LK Asia in the amount of Thirty-Three Thousand Four Hundred Eighty and No/100 Dollars (USD $33,480.00), due and payable to Foxglove International Enterprises Ltd. (BVI) on the Closing Date.

Section 3.5 of the Amended Definitive Agreement was amended and restated in its entirety to read as follows: Use of Existing Training Content. The Parties agree that The Language Key Ltd. (a BVI company) and/or its successor company would be granted a licensing right to use, rework, and/or publish certain existing training content (excluding, content which would be development from the date of this Agreement) owned and held by The Language Key Training Ltd. (a Hong Kong company) and/or its successor company for a term of eighty-eight (88) years, the terms and conditions set forth in the executed content licensing agreement dated December 31, 2010, attached hereto as Exhibit G (the LK Existing Content Licensing Agreement).

Sale of Subsidiaries Language Key Asia Ltd.

On October 24, 2011, MKA, the Company s wholly owned subsidiary, sold 100% ownership interest in LKA and all of its subsidiaries (LK Sold Group), except for LKTR, which came a direct wholly owned subsidiary of MKA, to Software Sans Frontiere SA, a Belize corporation, for consideration representing the assumption of all of the liabilities of the LK Sold Group. The Company s management made the decision to sell the LK Sold Group due to ongoing losses and failed restructuring efforts as a result of the lack of available financing for China based companies.

Intellectual Property Purchase Agreement

On December 28, 2010, the Company entered into an Intellectual Property Purchase Agreement (the IP Purchase Agreement) with Erwin Sniedzins, the Chairman of the Company s Board of Directors, and Ucandu Learning Centres Inc., an Ontario corporation founded and controlled by Mr. Sniedzins (Ucandu and, together with Mr. Sniedzins, the Ucandu Sellers), pursuant to which the Ucandu Sellers sold that certain software commonly referred to between the parties as the Real-Time Self Learning Systems (the Software), including all copyrights, patents, trademarks, service marks and trade secrets therein (collectively, with the Software, the Intellectual Property) to the Company. The Company previously licensed the Intellectual Property from Mount Knowledge Inc., a sales and marketing entity founded and controlled by Mr. Sniedzins (MTK Inc), pursuant to a Master Software License Agreement (the Original Agreement) dated January 21, 2010 between the Company and MTK Inc. Pursuant to the IP Purchase Agreement, the

Company acquired the Intellectual Property and as a result, the Original Agreement was no longer needed.

Independent Contractor Agreement

On December 28, 2010, the Company entered into an Independent Contractor Agreement (the Independent Contractor Agreement) with Ucandu pursuant to which the Company engaged Ucandu to provide sales and marketing and technology services to the Company. As compensation for such services, the Company shall pay Ucandu an aggregate of $432,000 in equal monthly payments of $12,000 per month on the first business day of each month, which such payments commenced on January 3, 2011 . The term of the Independent Contractor Agreement commenced upon execution of the agreement and shall continue in full force and effect through December 31, 2013. The agreement may only be extended thereafter by mutual agreement of the parties. The Company may terminate the agreement at any time upon 30 days written notice. The Company may terminate the agreement, effective immediately; with Cause as such term is defined in the agreement. If the Company terminates the agreement without cause on or before December 31, 2011, Ucandu will continue to receive monthly payments of $12,000 for the period of time between the date on which the agreement was terminated and December 31, 2011 and for the eight months thereafter.

Option Agreement

On December 28, 2010, the Company entered into an Option Agreement (the Option Agreement) with Ucandu pursuant to which Ucandu granted to the Company an option (the Option) to purchase 510,000 shares of common stock of Mount Knowledge Technologies, Inc., an Ontario corporation (f/k/a 1827281 Ontario Inc.) (MTK Tech), from Ucandu. MTK Tech was formed on June 18, 2010 and is jointly owned by Ucandu, which currently holds 51% of MTK Tech s common stock, and the Company, which currently holds the remaining 49% of the MTK Tech common stock. The shares of MTK Tech s common stock underlying the Option represent all of the shares of MTK Tech s common stock held by Ucandu as of December 28, 2010.

Subscription Agreement

In connection with the closing under the Definitive Agreement among the Company and the Sellers dated as of October 5, 2010, as amended by Amendment No.1 and Amendment No.2 (the Definitive Agreement), on December 31, 2010, the Company and Mount Knowledge Asia, Ltd., its wholly-owned subsidiary (MTK Asia), entered into a subscription agreement (the Subscription Agreement) with Language Key Asia, Ltd. (LK Asia) for the purchase by the Company or MTK Asia of 10,000,000 shares of ordinary B stock of LK Asia for an aggregate purchase price of $1,000,000 (the Purchase Price). Such shares were delivered at the closing and the Purchase Price is payable as follows:

A payment in the amount of $75,000 is due and payable on or before December 31, 2010;

A payment in the amount of $75,000 on or before January 15, 2011;

A payment in the amount of $200,000 on or before February 15, 2011;

A payment in the amount of $125,000 on or before March 15, 2011; and

Seven (7) equal payments of $75,000 payable on first day of each month beginning on or before April 15, 2011.

If the Company defaults on a payment, and fails to cure such default within sixty (60) days from the date of such default, LK Asia is entitled to liquidated damages in the amount of $500 per day for each and every day the Company is in default after the sixtieth (60th) day until such default has been cured. If the default is not cured within ninety (90) days from the date of default, then the Company shall forfeit the right to vote the shares subscribed for and received until the default has been cured. If the default is not cured, along with any other outstanding amounts owed to LK Asia, on or before the date in which the final payment is due and payable then LK Asia shall have the right to rescind the subscription and any and all shares of ordinary B stock received by the Company or MTK Asia, as the case may be, shall be cancelled.

Share Exchange Agreement

In connection with the closing under the Definitive Agreement, on December 31, 2010 the Company and MTK Asia entered into a share exchange agreement (the Share Exchange Agreement) with the Sellers pursuant to which the Sellers sold an aggregate of 325,710 shares of ordinary A stock of LK Asia (the LK Asia Shares) to the Company in exchange for an aggregate of 1,800,000 shares of the Company's common stock.

Promissory Note

In connection with the closing under the Definitive Agreement, on December 31, 2010 LK Asia executed a promissory note (the Promissory Note) in the principal amount of $65,776 (the Principal Amount) in favor of Foxglove International Enterprises Ltd. (Foxglove) in satisfaction of certain royalty payments owed by The Language Key Training, Ltd., a Hong Kong company and an indirect, wholly owned subsidiary of LK Asia (the HK Subsidiary), to Foxglove for fiscal years 2008 and 2009.

The Principal Amount is payable in cash in twelve equal monthly installments. LK Asia may prepay, in whole or in part, the Principal Amount, without payment of any premium or penalty. In addition, LK Asia has a right to set-off and/or apply any and all amounts owed to it, its subsidiaries and affiliates by Foxglove, its subsidiaries and affiliates pursuant to any agreement or arrangement between LK Asia and Foxglove and/or their respective subsidiaries and affiliates, against any all amounts owed by LK Asia to Foxglove under the Promissory Note.

As a result of the completion of the transactions contemplated by the Definitive Agreement, the Company, through its wholly owned subsidiary, MTK Asia, owns 100% of the ordinary shares of LK Asia.

Licensing Agreement

In connection with the closing under the Definitive Agreement, on December 31, 2010 LK Asia and LK BVI entered into a licensing agreement pursuant to which LK Asia granted to LK BVI the right to use, rework and/or publish certain existing training content developed prior to December 31, 2010 owned and held by LK Asia for a term of 88 years.

As a result of the completion of the transactions contemplated by the Definitive Agreement, the Company, through its wholly owned subsidiary, MTK Asia, owns 100% of the ordinary shares of LK Asia.

Share Exchange Birch First Advisors, LLC

On December 31, 2010, the Company entered into a Definitive Agreement (the Agreement) with Mount Knowledge USA Inc. (MTK USA) and Birch First Advisors, LLC (Birch First) pursuant to which the Company acquired 11,166,690 shares (the MTK USA Common Shares) of common stock, par value $0.0001 per share, of MTKUSA (MTK USA Common Stock) and 8,888,888 shares (the MTK USA Series A Shares , together with the MTK USA Common Shares, the MTK USA Securities) of Series A Convertible Preferred Stock (MTK USA Series A Preferred Stock), par value $0.0001 per share, of MTK USA. In exchange for the MTK USA Securities, the Company issued 11,166,690 shares (the Company Common Shares) of its common stock, par value $0.0001 per share (the Company Common Stock) and 8,888,888 shares (the Company Series A Shares) of its Series A Convertible Preferred Stock, par value $0.0001 per share (the Company Series A Preferred Stock), together with the Company Common Shares and the Company Series A Shares, the Company Securities). The Agreement includes representations and warranties and other provisions customary for a transaction of this nature. The Company filed a certificate of designation with the State of Nevada designating the rights and preferences of the Company Series A Preferred Stock on February 4, 2011 and issued the Company Series A Shares to Birch First on the same date.

Placement Agent Aegis Capital Corp.

On February 4, 2011, the Company executed a Private Placement and M&A Advisory Engagement Agreement (the Engagement Agreement) with Aegis Capital Corp. (Aegis) in which Aegis agreed to act as the Company s exclusive investment banking and financial advisors in connection with one or several potential transactions and/or financings, effective until a subsequent closing or March 31, 2011. Pursuant to the terms of the Engagement Agreement, Aegis was entitled to receive compensation in the form of a cash success fee and stock purchase warrants equal to ten percent (10%) of the gross proceeds of the closed placement (transaction), and a non-refundable retainer of twenty-five thousand (USD$25,000) payable in restricted common stock of the Company, of which a total of 241,380 shares was issued during the first quarter of 2011. The fair value of the services received is $63,276.

Letter of Intent MTK USA

On April 14, 2011, the Company entered into a Letter of Intent (the LOI) with MTK USA, as a representative of MTK USA s minority shareholders (collectively referred to as the Seller or Sellers) pursuant to which the Company agreed to acquire approximately 16,158,528 shares (the MTK Common Shares) of common stock, par value $0.0001 per share, of MTK USA (MTK Common Stock) representing all the MTK Common Shares collectively held by the Sellers, subject to shareholder consents and adjustments in the total number of MTK Common Shares to be acquired on the date of closing, on or before May 15, 2011 (the Closing). In exchange for the MTK Securities, the Company will issue, subject to adjustment, 16,158,528 shares (the Company Common Shares) of its common stock, par value $0.0001 per share (the Company Common Stock) on a pro-rata basis with each Seller, including a Warrant granted to each Seller for the right to purchase one (1) share of Company Common Stock for every ten (10) shares of MTK

Common Shares (1:10) at $0.60 per share within three (3) years from the date of Closing. The Agreement includes representations and warranties and other provisions customary for a transaction of this nature.

MTK USA markets, sells and distributes a proprietary real time self learning system software application domestically and internationally to a variety of customers, including individuals, schools, government agencies, and businesses. As a result of the transactions contemplated by the Agreement, the Company would acquire the remaining 45.66% of outstanding shares of MTK Common Stock and, subsequently, own a total of 100% of the outstanding shares of MTK Common Stock and 100% of the outstanding shares of MTK Series A Preferred Stock, acquired from a previous purchase on December 31, 2010.

Recruitment Agreement

On April 20, 2011, the Company entered into a letter of confirmation (the Confirmation Letter) in which Kinley & Connelly was engaged for the search and selection of a Chief Executive Officer of the Company, in order to for the Company to attract certain acquisition targets identified by the Company.

Execution of Institutional Financing Term Sheet

On May 16, 2011, the Company and Westor Capital Group, Inc., a licensed broker-dealer, executed a term sheet whereby Westor would be the Placement Agent for a capital raise up to $1.5 million for the Company, under certain "to be defined" terms and conditions at closing. The proposed financing assumes a registered offering (the "Offering") for the sale of securities in the form of two year, 10% Convertible Notes (the "Convertible Notes") with additional Warrant Shares exercisable over a three year period (the "Warrants"). The share price and number shares to be issued to investors upon conversion of the Convertible Notes, and subsequently, the share price and number shares representing the Warrants, will be determined at closing and defined a filed registration statement. If the Warrants are exercised, the Company would receive additional financing from the transaction in an amount equal to or greater than the original amount raised in the Offering. The Company and Westor anticipate the closing of the Offering on or before the quarter ended June 30, 2011.

Letter of Intent - C 2 Technologies, Inc.

On May 27, 2011, the Company entered into a letter of intent with C 2 Technologies, Inc. (C 2) for the purchase by the Company of all of the outstanding capital stock of C 2 for $15 million to be paid at the time of closing. The letter of intent also provides for an additional payment by the Company to the C 2 shareholders equal to five times C 2 s 2011 earnings before interest taxes, depreciation and amortization (EBITDA) less $15 million, not to exceed $8.5 million. The letter of intent provides for an earn-out payment payable to the C 2 shareholders in an amount equal to 35% of C 2 s EBIDTA for fiscal 2012, 2013 and 2014. The completion of the acquisition will be dependent upon the satisfactory completion of due diligence, the execution of definitive transaction agreements, receipt of all necessary government approvals and material third-party consents and other conditions, including, the ability of the Company to obtain financing. A definitive purchase agreement was anticipated to be completed on or before August 1, 2011. However, to date no definitive agreement has been entered into by the parties and it is possible that the parties will not finalize such an agreement by such date, if at all.

Share Exchange Agreements

On June 30, 2011, the Company exchanged 4,795,694 shares of restricted common stock for 4,795,694 shares of restricted common stock of MTK USA held by Blue Fire Consulting Group Ltd., including a sixty (60) month warrant for the purchase of 1,198,924 shares of restricted stock of the Company at $.50 per share pursuant to a Securities Purchase Agreement entered into on June 30, 2011.

On June 30, 2011, the Company exchanged 1,433,333 shares of restricted common stock for 1,433,333 shares of restricted common stock of MTK USA held by Uptick 20 S.A., including a sixty (60) month warrant for the purchase of 358,333 shares of restricted stock of the Company at $.50 per share pursuant to a Securities Purchase Agreement entered into on June 30, 2011.

Execution of Independent Contractor Agreements

On July 29, 2011, the Company issued a total of 750,000 shares of restricted common stock of the Company to three separate contractors of the Company, a total of 250,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, a total of 250,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company, and a total of 250,000 shares to Simon G. Arnison, Chief Technology Officer, Secretary and Director of the Company, pursuant to three separate independent contractors agreements entered into on July 31, 2011. The fair value of the services to be received by the Company during the aforementioned period pertaining to the share compensation will be calculated at the market price of the Company s publicly traded shares on the date of execution of each agreement for a total value of $67,500 based on a per share market price of $0.09.

In addition, the Company granted a cashless warrants for the total purchase of 3,600,000 shares of restricted stock of the Company; a total of 1,200,000 shares to Birch First Advisors, LLC, a total of 1,200,000 shares to Practical Business Advisors, LLC, and 1,200,000 shares to Simon G. Arnison, respectively, pursuant to three separate warrant stock purchase agreements entered into on July 31, 2011. The terms of each warrant agreement is based on a vesting period of three years, with 400,000 shares exercisable each year provided that each respective contractor, separately, is still engaged with the Company. The shares granted in each warrant are subject to a vesting and distribution schedule on a pro-rata basis, in the event of early termination by either Contractor or Company. Subsequently, the shares granted in each warrant were terminated as of December 30, 2011, pursuant to a settlement agreement with each of the parties.

Short-term Notes Payable

On August 4, 2011, LKA s subsidiary in China received a Short-term Note Payable of approximately $55,000 to be used for general liquidity purposes in advance of receiving additional capital from the Company. The Note matures on November 4, 2011 and carries an interest rate of 5% per month. At December 31, 2011, the Short-term Note Payable was no longer an obligation of the Company, pursuant to the sale of LKA to Sans Software Frontier S.A. in October 2011.

On August 10, 2011, LKA s CEO advanced a $50,000 Short-term Note Payable to its subsidiary in China in order to satisfy its 2010 Corporate Income Tax Liability. At December 31, 2011, the Short-term Note Payable was no longer an obligation of the Company, pursuant to the sale of LKA to Sans Software Frontier S.A. in October 2011.

Payment of 2010 Corporate Income Tax Liability in China

On August 10, 2011, LKA s subsidiary in China paid its outstanding Corporate Income Tax liability in China of approximately $50,000.

Placement Agent Chardan Capital

On August 17, 2011, the Company executed a Private Placement and M&A Advisory Engagement Agreement (the Engagement Agreement) with Chardan Capital Markets (Chardan) in which Chardan agreed to act as the Company s exclusive investment banking and financial advisors in connection with one or several potential transactions and/or financings, effective until a subsequent closing or upon thirty (30) day written termination by either party.

Stock Issuance for Contracted Services

On September 12, 2011, the Company issued a total of 4,400,000 shares of restricted common stock for services rendered by a contractor to the Company pursuant to the executed consulting agreement dated August 11, 2010. The fair market value of the services received during this period was calculated as the market price at the date of completion for a total value of $616,000 ($0.14 per share).

On the same date, the Company issued a total of 25,000 shares of restricted common stock for services rendered by a contractor to the Company pursuant to an executed consulting agreement. The fair value of the services received during this period was calculated as the market price at the date of grant and the date service is provided with a total value of $3,500.

Bridge Financing - Promissory Notes

On September 14, 2011 (the Closing Date), Mount Knowledge Holdings, Inc. (the Company) entered into a securities purchase agreement (the Purchase Agreement) pursuant to which the Company issued to Deja Vu Ltd., a Turks and Caicos company (the Purchaser), a promissory note (the Note) in the principal amount of $100,000 (the Principal Amount). The Note matures one year from the Closing Date (the Maturity Date).

The Note accrues interest at a rate of 15% per annum on the unpaid and unconverted Principal Amount and such interest is payable on the Maturity Date. Amounts outstanding under the Note are convertible, in whole or in part, into shares of the Company s common stock at the option of the holder thereof at any time and from time to time, at a conversion price of $0.15 per share. Subject to certain exceptions, payments due under the Note rank senior to all other indebtedness of the Company and its subsidiaries.

Under the terms of the Purchase Agreement, the holder of the Note is entitled to certain piggy back registration rights if at any time after the Closing Date the Company proposes to file a registration statement under the Securities Act of 1933, as amended (the Securities Act), with respect to an offering of its equity securities or securities or other obligations exercisable, exchangeable for, or convertible into its equity securities.

On September 21, 2011, Mount Knowledge Holdings, Inc. (the Company) entered into a joinder agreement (the Joinder Agreement) to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to 1568000 AB Ltd, a British Columbia, Canada company (the Purchaser), a promissory note (the Note) in the principal amount of $100,000 (the Principal Amount). The Note matures one year from the Closing Date (the Maturity Date).

Resignation of Key Executive of Subsidiary

On September 21, 2011, Dirk Haddow (Haddow), a director and officer of Language Key Asia Ltd. (LKA), including all of its related subsidiaries, resigned from LKA and all of the LKA related companies, which was effective immediately.

Bridge Financing - Promissory Notes

On October 25, 2011, the Company entered into a joinder agreement to an original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to Andrew N. Lough, a Canadian resident, a promissory note (the Note) in the principal amount of $50,000. The Note matures one year from the Closing Date.

On November 1, 2011, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to Vukota Capital Management Inc., an Ontario, Canada company, a promissory note (the Note) in the principal amount of $25,000 and Maureen Garito, a Canadian resident, a promissory note (the Note) in the principal amount of $25,000. The Notes mature one year from the Closing Date.

On November 3, 2011, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to Tim Damaso, a Canadian resident, a promissory note (the Note) in the principal amount of $50,000. The Note matures one year from the Closing Date.

The maturity dates for the aforementioned promissory notes have been extended to December 31, 2013, collectively, pursuant to the execution of a Forbearance Agreement dated November 30, 2012. The Forbearance Agreement is disclosed in the below section titled ***Forbearance of Promissory Notes Bridge Financing - Mount Knowledge Holdings Inc.***

Stock Issuance for Contracted Services

On October 31, 2011, the Company issued a total of 62,500 shares of restricted common stock of the Company to four (4) separate related parties for services rendered to the Company by Source Capital Group Inc. The fair value of the services received during this period was calculated as the market price ($0.06) at the date of grant and the date service is provided with a total value of $3,750.

Stock Issuance for Contracted Services MTK USA

On November 14, 2011, MTK USA issued a total of 26,179,307 shares of restricted common stock of MTK USA to the following:

(i)

12,500,000 shares to Access Alternative Group S.A. as additional compensation for services, recorded at fair value of $240,000,

(ii)

11,137,640 shares to Access Alternative Group S.A. as settlement of a loan for $55,000;

(iii) 100,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company,

(iv) 100,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company, and,

(v)

a total of 2,341,667 shares to non-related parties for contracted services to MTK USA.

The 2,541,667 shares described above in items (iii), (iv) and (v) were recorded at fair value of $31,771.

Bridge Financing - Promissory Notes

On December 8, 2011, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to Vukota Capital Management Inc., an Ontario, Canada company, a promissory note (the Note) in the principal amount of $50,000. The Note matures one year from the Closing Date.

On December 29, 2011, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to Vukota Capital Management Inc., an Ontario, Canada company, a promissory note (the Note) in the principal amount of $50,000. The Note matures one year from the Closing Date.

The maturity dates for the aforementioned promissory notes have been extended to December 31, 2013, collectively, pursuant to the execution of a Forbearance Agreement dated November 30, 2012. The Forbearance Agreement is disclosed in the below section titled ***Forbearance of Promissory Notes Bridge Financing - Mount Knowledge Holdings Inc.***

Employment Claim of Key Executive of Subsidiary

On December 20, 2011, Haddow filed a claim against LKA and LTKR with the Labour Tribunal of Hong Kong, for unpaid salaries of approximately HKD$ 1,135,245.43, (the Salary Claim), pursuant to the Employment Agreement executed by Haddow and LKA on or about December 21, 2010.

Settlements Mount Knowledge Holdings Inc.

On December 30, 2011, the Company, and its wholly-owned subsidiary, Mount Knowledge USA, Inc., a Nevada corporation (MTK USA), executed a Separation and Settlement Agreement (the Separation and Settlement Agreement) by and between Ucandu Learning Centres Inc., an Ontario corporation (Ucandu), Mount Knowledge Inc., an Ontario corporation (MTK Canada), 1827281 Ontario Inc. D/B/A Mount Knowledge Technologies Inc., an Ontario corporation (MTK Tech), and Erwin Sniedzins (Sniedzins), pursuant to which the parties agreed to the following:

(1)

The Company, Ucandu and Sniedzins cancelled the Intellectual Property Purchase Agreement, dated as of December 28, 2010, pursuant to which Sniedzins and Ucandu sold certain software commonly referred to between the parties as the Real-Time Self Learning Systems , which included all copyrights, patents, trademarks, service marks and trade secrets therein (collectively, with the Software, the Intellectual Property) to the Company (the IP Agreement). Pursuant to the execution of the Separation and Settlement Agreement, and the cancellation of the IP Agreement therein, the Company agreed to return the Intellectual Property to Ucandu and Sniedzins, effectively immediately.

(2)

The Company and Ucandu terminated, effective immediately, the Independent Contractor Agreement dated as of December 28, 2010, pursuant to which the Company engaged Ucandu to provide sales and marketing and technology services to the Company (the Contractor Agreement). Pursuant to the execution of the Separation and Settlement Agreement, and the cancellation of the Contractor Agreement therein, the Company agreed to pay Ucandu a total of 100,000 shares of Common Stock of the Company as a payment in full to settle any and all unpaid payments due Ucandu on the date of execution of the Separation and Settlement Agreement.

(3)

The Company and Ucandu cancelled, effective immediately, the Option Agreement pursuant to which Ucandu granted to the Company an option (the Option) to purchase 510,000 shares of MTK Tech (the Ucandu MTK Tech Shares) from Ucandu (the Option Agreement);

(4)

Sniedzins resigned as a member of the Board of Directors (the Board) of the Company and the Board accepted Sniedzins resignation, effective immediately; and

(5)

MTK USA was a named party only to mutually releases set forth in the Separation and Settlement Agreement.

On December 30, 2011, the Company executed three (3) separate and identical Separation and Settlement Agreements (the Separation and Settlement Agreements) with Birch First Advisors, LLC, a Delaware limited liability company (Birch), Practical Business Advisors, LLC, a Michigan limited liability company (Practical), and Simon G. Arnison, individually (Arnison), respectively, pursuant to which the parties agreed to the following:

(1)

The Company and Birch, Practical, and Arnison terminated, effective immediately, each of their respective Independent Contractor Agreements, all individually dated December 28, 2010, pursuant to which the Company engaged Birch, Practical, and Arnison, individually, to provide administrative, management and/or technology services to the Company, as determined by the Company (the Contractor Agreements). Pursuant to the execution of each of the Separation and Settlement Agreement, and the cancellation of each of the Contractor Agreements therein, the Company agreed to issue Birch, Practical, and Arnison, each a total of 75,000 shares of Common Stock of the Company, as a payment in full to settle any and all unpaid payments due to Birch, Practical, and Arnison, respectively, as of the date of execution of each of the Separation and Settlement Agreements.

(2)

Arnison resigned as Vice President, Chief Technology Officer and as a member of the Board of the Company and the Board accepted Arnisons resignation, effective immediately.

The fair value of the settlements for a total of 325,000 shares was determined to be $204,000.

Bridge Financing - Promissory Notes

On January 11, 2012, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to Vukota Capital Management Inc., an Ontario, Canada company, a promissory note (the Note) in the principal amount of $100,000. The Note matures one year from the Closing Date.

The maturity dates for the aforementioned promissory notes have been extended to December 31, 2013, collectively, pursuant to the execution of a Forbearance Agreement dated November 30, 2012. The Forbearance Agreement is disclosed in the below section titled ***Forbearance of Promissory Notes Bridge Financing - Mount Knowledge Holdings Inc.***

Sale of Subsidiary Language Key Training Ltd.

On February 6, 2012, the Company sold Language Key Training Ltd., its Hong Kong subsidiary (the LKTR) to Software Sans Frontiere SA, a Belize corporation, for consideration representing the assumption of all of the liabilities of the LKTR. The Company s management made the decision to sell the LKTR due to ongoing losses and failed restructuring efforts as a result of the lack of available financing for China based companies.

Award of Employment Claim of Key Executive of Subsidiary

On February 6, 2012, the Labour Tribunal of Hong Kong awarded Haddow a judgment against LKA and LKTR in the sum of HKD $1,135,245.43, the aforementioned Salary Claim.

Marketing Affiliate Agreement

On February 14, 2012, Mount Knowledge Asia Ltd. (MKA), a Hong Kong corporation and wholly owned subsidiary of the Company, entered into a Marketing Affiliate Agreement (Affiliate Agreement) with Language Key Ltd., a Hong Kong corporation (LKL) non-related to the Company and/or any of its related companies, which LKL agreed to market and sell licenses of an online software application referred to as ECO Learning (English Communications Online) developed and owned by the Company under certain terms and conditions.

Settlements of Company Subsidiary

On February 17, 2012, LKTR executed a Separation and Settlement Agreement with Foxglove International Enterprises Ltd., a BVI company to settle a promissory note in the face value amount of Sixty-Five Thousand Seven Hundred and Seventy-Six Dollars (USD $65,776), for the safe return and the release the language trademarks and acknowledgement of copyright of training content and transfer of ownership and right of use.

Change of Directors and Principal Officers

On March 30, 2012, James D. Beatty was appointed as a member of the Board of Director of the Corporation, effective immediately. On March 31, 2012, Daniel A. Carr resigned as Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, Treasurer, and Secretary of the Corporation, effective immediately. The resignation of Mr. Carr was not a result of any disagreements relating to the Company s operations, policies or practices.

On March 31, 2012, James D. Beatty, the sole Director of the Corporation, assumed the position of Chairman, President, Chief Executive Officer, Chief Financial Officer, Treasurer, and Secretary of the Corporation, effective immediately.

Placement Agent Chardan Capital

On May 21, 2012, the Company executed a Private Placement and M&A Advisory Engagement Agreement (the Engagement Agreement) with Chardan Capital Markets (Chardan) in which Chardan agreed to act as the Company s exclusive investment banking and financial advisors in connection with one or several potential transactions and/or financings, effective until a subsequent closing or upon thirty (30) day written termination by either party. Pursuant to the terms of the Engagement Agreement, Chardan is entitled to receive compensation in the form of: (1) Merger fees: (a) an introduction fee in an amount equal to 125,000 shares of common stock in the Company, and (b) a M&A fee in an amount equal to four percent (4%) of the aggregate value of a closed transaction, and (2) Financing fees: (a) cash fee in an amount equal to eight percent (8%), and (b) stock purchase warrants (Warrants) in an amount equal to eight percent (8%), of the aggregate sales price of the securities sold in the financing, respectively. To date, the 125,000 shares of common stock has not been issued and remains due and payable to the Chardan.

Execution of Letter of Intent Global Convergence Solutions

On June 15, 2012, our Board of Directors approved the execution of a non-binding Letter of Intent to purchase one hundred (100%) percent of the ownership interest of Global Convergence Solutions (GCS), from its shareholders, in share exchange merger transaction.

As a condition of the Letter of Intent, both parties agreed to keep confidential certain terms and conditions of the pending transaction, contingent upon further negotiations and execution of a Definitive Agreement , to be executed on or before July 20, 2012, with a subsequent date of closing (the "Closing Date"), to be mutually agreed to by both parties. To date, the parties have not executed a Definitive Agreement and there is no guarantee or assurance that the parties will execute a Definitive Agreement on the date stated hereinabove.

Share Exchange Agreement Shareholders of Mount Knowledge USA, Inc.

On June 20, 2012, the Company closed on its offer (the Offering) to purchase 24,978,806 shares (the MTK Common Shares) of common stock, par value $0.0001 per share, of MTK USA (MTK Common Stock) from a total of 63 shareholders (collectively, referred to as the MTK USA Shareholders) of MTK USA, pursuant to the executed Securities Purchase Agreement (the Securities Purchase Agreement), representing the 63 MTK Shareholders as a group, including separate Joinder Agreements (the Joinder Agreements), all individually executed with each participating MTK USA Shareholder, and collectively made a part thereof to the executed Securities Purchase Agreement.

In exchange for the MTK Securities, the Company issued 24,978,806 shares (the Company Common Shares) of its common stock, par value $0.0001 per share (the Company Common Stock), including, for every four shares of MTK Securities sold to the Corporation, the MTK USA Shareholders were issued a warrant to purchase one share of the Corporation s common stock at an exercise price of $0.50 (the Company Warrant), in the aggregate amount of 6,244,702 shares of Company Common Stock, (together with the Company Common Shares and the Company Warrant, the Company Securities). The Agreements include representations and warranties and other provisions customary for a transaction of this nature.

In addition, on June 20, 2012 the Company entered into two (2) separate Securities Purchase Agreements with Access Alternative Group S.A. (Access) and Jensen International Inc. (Jensen), respectively, also shareholders of MTK USA, pursuant to which the Company acquired 45,500,000 and 4,237,640 MTK Common Shares of MTK Common Stock, in the aggregate amount of 49,737,640 shares.

In exchange for the MTK Securities, the Company issued 45,500,000 and 4,237,640 Company Common Shares of Company Common Stock to Access and Jensen, respectively, including, for every four shares of MTK Securities sold to the Corporation, Access and Jensen were issued a Company Warrant to purchase one share of the Corporation s common stock at an exercise price of $0.50, in the aggregate amount of 12,434,410 shares of Company Common Stock, together the Company Securities. The Agreements include representations and warranties and other provisions customary for a transaction of this nature.

As a result of the all the transactions contemplated by the agreements referenced hereinabove, the Company owns 100% of the outstanding shares of MTK Common Stock, from the prior ownership of approximately 53%.

Execution of Letter of Intent Forum Mobile

On November 13, 2012, our Board of Directors approved the execution of a non-binding Letter of Intent to purchase one hundred (100%) percent of the ownership interest of Forum Mobile-Israel Ltd. (FM), from Forum Mobile Inc., in share exchange merger transaction (the Forum Group) transaction.

As a condition of the Letter of Intent, both parties agreed to keep confidential certain terms and conditions of the pending transaction, contingent upon further negotiations and execution of a Definitive Agreement , to be executed on or before December 31, 2012, with a subsequent date of closing (the "Closing Date"), to be mutually agreed to by both parties. To date, the parties have not executed a Definitive Agreement and there is no guarantee or assurance that the parties will execute a Definitive Agreement on the date stated hereinabove.

Placement Agent Chardan Capital - Addendum No. 1

On November 13, 2012, the Company executed Addendum No. 1 (the Addendum No. 1) to the Private Placement and M&A Advisory Engagement Agreement (the Original Engagement Agreement) executed on or about May 21, 2012 with Chardan Capital Markets (Chardan) in which Chardan agreed to act as the Company s exclusive investment banking and financial advisors in connection with one or several potential transactions and/or financings. The Addendum No. 1 set forth additional language to include the notation of the proposed Forum Group transaction as a defined transaction and/or financing to the Original Engagement Agreement, entitling Chardan to receive the compensation set forth therein, if the Forum Group transaction is consummated.

Forbearance of Promissory Notes Bridge Financing - Mount Knowledge Holdings Inc.

On November 30, 2012, Vukota Capital Management Inc. (Lender) executed a Forbearance Agreement (the Forbearance) with the Company, in which the Lender agreed, that during the period commencing on the date of execution of the Agreement and ending on and including December 31, 2013 (the " Forbearance Period "), Lender would not file suit or take any other action to foreclose on the collateral or file suit or take any other action to enforce its rights under that certain Securities Purchase Agreement dated as of September 14, 2012 (as amended, supplemented or otherwise modified from time to time, including Amendment No. 1 to Securities Purchase Agreement dated on or about November 8, 2011, collectively referred to as the " Securities Purchase Agreement "), and those certain Promissory Notes dated as of September 14, 2012, and on subsequent dates thereafter, (as amended, supplemented or otherwise modified from time to time, the " Promissory Notes ,"), all of which were joined to the Securities Purchase Agreement with the effective date of September 14, 2012, by the execution of those certain Joinder Agreements to Securities Purchase Agreement, by each and every Lender, separately (as amended, supplemented or otherwise modified from time to time, the " Joinder Agreements ,") and, together with that certain Stock Pledge Agreement dated as of September 14, 2012 (as amended, supplemented or otherwise modified from time to time, the " Stock Pledge Agreements ,"), the " Credit Agreements"), (collectively referred to as the Transaction Documents). This limited forbearance does not extend to any other default or Events of Default under any other provision of the Transaction Documents or any of the other rights and remedies available to Lender under the Transaction Documents. Upon the earlier of (i) the occurrence of a Forbearance Default and (ii) the expiration of the Forbearance Period, Lender s agreement to forbear shall automatically be deemed terminated and Lender shall be entitled to immediately and without notice exercise all of its rights and remedies under the Credit Agreements and all Transaction Documents.

Sale of Subsidiaries - Mount Knowledge Asia Ltd. and Mount Knowledge USA Inc.

On December 28, 2012, the Company sold Mount Knowledge Asia Ltd., (MKA), a Hong Kong corporation, and Mount Knowledge USA Inc., a Nevada corporation (MTKUSA) to Software Sans Frontiere SA, a Belize corporation, for consideration representing the assumption of all of the liabilities of each subsidiary, respectively. The Company s

management made the decision to sell the LK Subsidiaries due to ongoing losses and failed restructuring efforts as a result of the lack of available financing for China based companies.

Settlement of Outstanding Debt

On December 28, 2012, the Company executed a Separation and Settlement Agreement with Birch First Global Investments Inc. (BFGI), a US Virgin Islands company to settle loans made to the Company in a total amount of Ninety-Two Thousand and Seventy-Six Dollars (USD $92,000.00), in exchange for the transfer of ownership interest and all rights to the intellectual property referred to as ECO Learning Platform (English Communications Online), an online modular based course training software technology, including any and all computer program source code, trademarks, logos, documentation and other related materials.

On September 30, 2013, the Company and BFGI executed amendment No. 1 to the Separation and Settlement Agreement (the Amendment), to correct an error in the stated amount of the outstanding obligation of Ninety-Two Thousand and Seventy-Six Dollars (USD $92,000.00) (the Outstanding Obligation) set forth the original Separation and Settlement Agreement (the Original Agreement), in which the Outstanding Obligations was changed to a total amount of Sixty Thousand Nine Hundred Dollars (USD $60,900), (the Adjusted Outstanding Balance). There were no other modifications or changes to the Original Agreement.

Settlement of Claims of Key Executive of Subsidiary

On January 15, 2013, the Company, Mount Knowledge Asia, Ltd., and Haddow executed a Mutual Indemnification and Release Agreement in which all parties agreed to resolve all claims either Party may have against the other under, including but not limited to, any promises or commitments, verbal or written during the business dealing with each other prior to the date of this Agreement, and otherwise resolve their disputes on an amicable basis.

Stock Issuance for Contracted Services

On March 15, 2013, the Company issued a total of 62,500 shares of restricted common stock of the Company to four (4) separate related parties for services rendered to the Company by Source Capital Group Inc. The fair value of the services received during this period was calculated as the market price ($0.18) at the date of grant and the date service is provided with a total value of $11,250.

Vendor Settlements

On March 15, 2013, we issued a total of 238,654 shares of our common stock at a price of $0.15 per share to a total of three (3) parties (vendors), in exchange for the settlement of a total of $35,795 of outstanding Company obligations.

Definitive Agreement Forum Mobile

On March 19, 2013, Mount Knowledge Holdings, Inc., (the Company or MKHD) entered into a Definitive Agreement (the Definitive Agreement and Agreement), with Forum Mobile Inc., a Delaware company publicly-traded on the US Over-the-Counter (OTC) Stock Exchange (FRMB), pursuant to which the MKHD has agreed to purchase, from FRMB, one (100%) of the ownership interest in Forum Mobile Israel (FM), in the form of a share exchange (the Share

Exchange), in consideration for the issuance of shares of MKHD (the New MKHD Shares) to FRMB, upon which FM will become a wholly owned subsidiary of MKHD at closing. The primary terms and conditions of the Agreement are as follows:

At closing, (i) FRMB will assign, transfer, convey and deliver the all of the outstanding shares of FM (the FM Shares) to Escrow Agent, and in consideration and exchange therefor MKHD shall (ii) issue and deliver to FRMB, a number of shares of (A) common stock, par value $0.0001 per share of MKHD (the Common Stock) equal to four (4) shares of Common Stock of MKHD for every one (1) fully diluted share of Common Stock of MKHD held by the existing stockholders of MKHD immediately prior to the closing, and (B) Series A Preferred Stock, par value $0.0001 per share of MKHD (the Preferred Stock) equal to four (4) shares of Preferred Stock of MKHD for every one (1) fully diluted share of Preferred Stock held by the existing stockholders of MKHD immediately prior to the Closing , in such amounts to be determined at closing. Upon closing, FRMB will become the majority owner of MKHD.

The Agreement sets forth certain closing conditions, including, but not limited to: (a) interim financing, and (b) a certain number of shares of MKHD held by the MKHD Controlling Shareholder (Claw Back Equity), placed into escrow, subject to certain subsequent financings, and other provisions which will be determined prior to and disclosed upon a closing. There can be no guarantee that these conditions will be met and that the transaction described above will close.

The Agreement contains customary warranties and representation, indemnification and confidentiality provisions, including specific terms (referenced in one or more schedules made a part of the Agreement), which are currently undetermined or deemed confidential, and are therefore not being released or disclosed in this filing.

Bridge Financing - Promissory Notes

On May 30, 2013, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, referenced hereinabove, to pursuant to which the Company issued to the Dalen Family Trust, a Canada Trust, a promissory note (the Note) in the principal amount of $40,000. The Note matures one year from the Closing Date.

Company Overview

Mount Knowledge Holdings, Inc. is a software development and sales company focused on providing innovative technology solutions to the global marketplace.

Corporate Structure

The Company is a platform company that was established for purpose of acquiring and operating market-leading global technology development companies. The Company currently has no subsidiaries.

Mission and Vision

The Company s mission is to acquire and operate innovative technology companies and become a global provider of market-leading technologies.

Operations and Revenues

The Company is currently a development stage company and does not current have any operations, and therefore no revenues.

Milestones

Our milestones and objectives over the next 12 months are significantly dependent on various factors which the Company may or may not be in control of, including, but not limited to: (a) obtaining adequate financing to sustain and expand our operations; (b) ability to identify suitable acquisition targets; (c) acquiring synergistic business operations to obtain revenue growth; (d) ability to develop new partnerships and distribution channels; (e) launching new marketing and sales strategies; (h) generating adequate cash flow from the sales of the products and services, once acquired, to sustain its operations.

Our plan of operations for the next twelve months is to complete the objectives described under the heading Management s Discussion and Analysis or Plan of Operations .

Capital & Uses of Proceeds

Capital Needs

To implement our plan of operations, we will need to continue to raise capital in an amount between $500,000 to $2.5 million in equity from restricted stock sales or other acceptable financing options over the remaining 6 months of year-ending 2013 on terms and conditions to be determined. Management may also elect to seek subsequent interim or bridge financing in the form of debt as may be necessary.

We anticipate the need to raise additional capital beyond the next 6 months of operations, subject to the successful implementation of our initial milestones over the last 180 days of operations of 2013 and our revenue growth cycle thereafter. At this time, management is unable to determine the specific amounts and terms of such future financings.

Proceeds

We foresee the proceeds from capital raised to be allocated as follows: (a) legal, audit, SEC filings and compliance fees; (b) working capital (general and administrative); (c) financing costs; (d) acquisition research and due diligence; (e) new business development and marketing; and (f) reserve capital for costs of acquisition and market expansion.

Competition

The Company conducts its business in an environment that is highly competitive and unpredictable. Competition may have considerable financial resources at their disposal, which could facilitate their access to the market under more favorable terms than the Company and could allow them faster market penetration.

Due to the Company s current position (seeking acquisition targets), the Company does not current have any direct competitors at this time, however, this does not necessarily mean competition does not exist in terms of bidding for the same acquisitions targets.

Employees

Currently, we have no employees in the Company, except for three (3) advisors which one of them is the sole Officer and Director of the Company. Each of the advisors spends on an average of forty percent (40%) of their available time on Company matters.

Other than engaging and/or retaining independent consultants to assist us in various administrative and marketing related needs, we do not anticipate a significant change in the number of our employees, if any, unless we are able to obtain adequate financing to complete one or more acquisitions. Currently, our officers / directors do not have any employment agreements with us.

Subsidiaries

As of December 31, 2012, we do not have any operating subsidiaries.

Intellectual Property

We do not currently own any intellectual property.

Patents, Trademarks, and Copyrights

We do not currently have any filed patents, trademarks or copyrights.

Item 1A. Risk Factors.

This information is not required for smaller reporting companies.

Item 1B. Unresolved Staff Comments.

This information is not required for smaller reporting companies.

Item 2. Properties.

Executive Offices

The Company s mailing address is 228 Park Avenue S. #56101, New York, including a physical office for the Company s books and records located in Orlando, Florida, provided by an affiliate of the Company free of charge. The Company does not anticipate the need to move their executive offices within the next (12) months, unless the Company completes one or more acquisitions, and requires different office space to accommodate additional staff members. The increased costs of such new executive offices are currently unknown. We do not own any real property.

Item 3. Legal Proceedings.

We do not know of any material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market for Securities

Our common shares are quoted on the Over-The-Counter Pink marketplace under the trading symbol MKHD . Our shares have been quoted on the Over-The-Counter Pink marketplace since October 3, 2007. We began to trade our shares of common stock on May 25, 2010 with an open share price of $.50. For the periods ending March, 2011, June 30, 2011, September 30, 2011, and December 31, 2011, we had a per share price high of $0.18 and a low of $0.18, high $0.12 and a low of $0.12, high of $0.12 and a low of $0.12, and high of $0.05 and a low of $0.05, respectively. For the periods ending March 31, 2012, June 30, 2012, September 30, 2012, and December 31, 2012, we had a per share price high of $0.02 and a low of $0.02, high $0.02 and a low of $0.02, high of $0.02 and a low of $0.02, and high of $0.03 and a low of $0.03, respectively.

Our transfer agent is Island Stock Transfer, of 15500 Roosevelt Boulevard, Suite 301, Clearwater, FL 33760; telephone number 727.289.0010; facsimile: 727.289.0069.

Holders of our Common Stock

As of October 7, 2013, there were approximately 189 shareholders of record. Because shares of our common stock are held by depositaries, brokers and other nominees, the number of beneficial holders of our shares is substantially larger than the number of stockholders of record.

Dividend Policy

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1.

We would not be able to pay our debts as they become due in the usual course of business; or

2.

Our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

We have not declared any dividends and we do not plan to declare any dividends in the foreseeable future.

Recent Sales of Unregistered Securities

On July 27, 2009, we completed a private offering of 6,058,536 shares of our common stock at a price of $0.00046 per share to a total of eleven (11) purchasers for total proceeds of $2,753.88. Also on July 27, we completed a private offering of 33,000,000 shares of our common stock at a price of $0.011 per share to Birch First Trust for total proceeds of $37,500. We completed these offerings pursuant to Rule 506 of Regulation D of the Securities Act.

On January 21, 2010, we issued a series of Stock Purchase Warrant Agreements for the purchase of a certain numbers of shares of the Company s Common Stock. The Stock Purchase Warrant Agreements were executed in order to arrange for necessary future financings of the Company to execute on its business plan as set forth in the Post Effective Amendment, which was effective as of September 28, 2009. The issuance of the above referenced Warrants was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On August 16, 2010, we issued 1,100,000 shares of restricted common stock for services rendered by a contractor to the Company. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On January 10, 2011, we issued 11,116,690 shares of restricted common stock to Birch First Advisors, LLC for the purchase of 54.34% controlling ownership interest in Mount Knowledge USA, Inc. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

During the first quarter of 2011, we issued 206,897 shares of restricted common stock for services rendered by a contractor to the Company. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On April 8, 2011, we issued 2,280,000 shares of restricted common stock for the purchase of 100% ownership interest of Language Key Asia Ltd and its subsidiaries (1,800,000 shares to the original owners and 480,000 shares to employees) pursuant to the Definitive Agreement executed on December 31, 2010. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On June 30, 2011, we issued 4,795,694 shares of restricted common stock restricted stock in exchange for 4,795,694 shares of restricted common stock of MTK USA held by Blue Fire Consulting Group Ltd., including a sixty (60) month warrant for the purchase of 1,198,924 shares of restricted stock of the Company at $.50 per share pursuant to a Securities Purchase Agreement entered into on June 30, 2011. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On June 30, 2011, we issued 1,433,333 shares of restricted common stock in exchange for 1,433,333 shares of restricted common stock of MTK USA held by Uptick 20 S.A., including a sixty (60) month warrant for the purchase of 358,333 shares of restricted stock of the Company at $.50 per share pursuant to a Securities Purchase Agreement entered into on June 30, 2011. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On September 12, 2011, the Company issued a total of 25,000 shares of restricted common stock for services rendered by a contractor to the Company pursuant to an executed consulting agreement. The fair value of the services received during this period was calculated as the market price at the date of grant and the date service is provided with a total value of $3,500. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On June 20, 2012, we issued 24,978,806 shares of common stock of Company to a total of 63 shareholders of MTK USA in exchange for 24,978,806 shares of common stock of MTK USA, pursuant to the one or more Securities Purchase Agreements. In addition, we issued a total of 63 warrants to purchase shares of the Company s common stock at an exercise price of $0.50, in the aggregate amount of 6,244,702 shares of Company Common Stock. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On June 20, 2012, we issued 4,237,640 shares of common stock of Company to Jensen International Inc., respectively, in exchange for an aggregate amount of 4,237,640 shares common stock of MTK USA, pursuant to the one or more Securities Purchase Agreements. In addition, we issued a total of one warrant to purchase shares of the Company s common stock at an exercise price of $0.50, in the aggregate amount of 1,059,410 shares of Company Common Stock. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On July 5, 2012, we issued a total of 2,500,000 shares of our common stock of the Company, at a price of $0.02 per share to a total of three (3) purchasers for total proceeds of $50,000. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On August 09, 2012, we completed a private offering of 2,500,000 shares of our common stock at a price of $0.02 per share to a total of two (2) purchasers for total proceeds of $50,000. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On October 04, 2012, we completed a private offering of 100,000 shares of our common stock at a price of $0.02 per share with one (1) purchaser for total proceeds of $2,000. The issuance of the above referenced shares was completed

pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On October 31, 2011, the Company issued a total of 62,500 shares of restricted common stock of the Company to four (4) separate related parties for services rendered to the Company by Source Capital Group Inc. The fair value of the services received during this period was calculated as the market price ($0.06) at the date of grant and the date service is provided with a total value of $3,750.

On December 04, 2012, we completed a private offering of a total of 5,000,000 shares of our common stock at a price of $0.02 per share with one (1) purchaser for total proceeds of $100,000. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On December 14, 2012, we completed a private offering of a total of 1,000,000 shares of our common stock at a price of $0.02 per share with one (1) purchaser for total proceeds of $20,000. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On March 1, 2013, we issued a total of 1,000,000 shares of our common stock of the Company, at a price of $0.02 per share, to a total of one (1) purchaser for total proceeds of $20,000. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On March 15, 2013, the Company issued a total of 62,500 shares of restricted common stock of the Company to four (4) separate related parties for services rendered to the Company by Source Capital Group Inc. The fair value of the services received during this period was calculated as the market price ($0.18) at the date of grant and the date service is provided with a total value of $11,250. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On March 15, 2013, we issued a total of 238,654 shares of our common stock at a price of $0.15 per share to a total of three (3) parties (vendors), in exchange for the settlement of a total of $35,795 of outstanding Company obligations . The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On June 18, 2013, the Company executed Stock Purchase Agreement (the Stock Purchase Agreement) with George Kaufman (the Investor or Holder) for the sale of 100,000 shares of the Company's Series A preferred stock (the Preferred Shares) at a price of $0.20 per share, with rights and preferences as set forth in the Certificate of Designation, Preferences and Rights of Series A Preferred Stock of the Company dated on or above February 3, 2011, filed with the State of Nevada, including, but not limited to, the right to convert held Preferred Shares into common stock of the Company at a ratio of one-to-two (1:2), for total proceeds of $20,000.

The number of shares of Preferred Stock of the Company issued to Investor pursuant to the Agreement is subject to adjustments from time to time as set forth in Section 6(a), Make Whole Shares; Conversion Rate Adjustments, of the Certificate of Designation of Series A Preferred Stock, attached as Exhibit A, of the Stock Purchase Agreement. Notwithstanding anything to the contrary in Section 6(a) therein, if the shares of Preferred Stock held by Holder are converted into shares of common stock of the Company, pursuant to the terms and condition of the Certificate of Designation of Series A Preferred Stock, at the option of the Investor and/or as a result of the closing of a pending transaction with Forum Mobile Inc. (OTC:FRMB) (the Forum Transaction), then the Company agrees to further adjust the total number of shares of common stock of the Company issued to Investor in manner which will represent a total of one percent (1%) of the post-merged entity in proposed Forum Transaction.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On July 27, 2009, we completed a private offering of 33,000,000 shares of our common stock at a price of $0.0011 per share to Birch First Trust, an affiliate to the Company controlled by Pier S. Bjorklund, an advisor to the Company,

for total proceeds of $37,500. We completed these offerings pursuant to Rule 506 of Regulation D of the Securities Act.

Also on January 21, 2010, we issued a series of Stock Purchase Warrant Agreements to Birch First Advisors, LLC, an affiliate of Birch First Trust and an affiliate to the Company for the purchase of 1,000,000 share of shares of the Company s Common Stock at $0.15 per share and 1,000,000 share of shares of the Company s Common Stock at $0.20 per share.

On January 10, 2011, we issued 11,116,690 shares of restricted common stock to Birch First Advisors, LLC for the purchase of 54.34% controlling ownership interest in Mount Knowledge USA, Inc. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On July 29, 2011, we issued 750,000 shares of restricted common stock (250,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, a total of 250,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company, and a total of 250,000 shares to Simon G. Arnison, Chief Technology Officer, Secretary and Director of the Company) for services rendered by contractors to the Company. The fair value of the services to be received by the Company during the aforementioned period pertaining to the share compensation will be calculated at the market price of the Company s publicly traded shares on the date of execution of each agreement for a total value of $75,000 based on a per share market price of $0.10. In addition, the Company granted a cashless warrants for the total purchase of 3,600,000 shares of restricted stock of the Company; a total of 1,200,000 shares to Birch First Advisors, LLC, a total of 1,200,000 shares to Practical Business Advisors, LLC, and 1,200,000 shares to Simon G. Arnison, respectively, pursuant to three separate warrant stock purchase agreements entered into on July 31, 2011. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On November 14, 2011, we issued 25,309,307 shares of restricted common stock of MTK USA to three (3) separate contractors of MTK USA, a total of 100,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, a total of 100,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company, and, a total of 25,109,307 shares to non-related parties for contracted services to MTK USA at a par value of $0.0001 per share. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On December 30, 2011, we issued 100,000 shares of restricted common stock of the Company to Ucandu Learning Centres Inc. as a payment in full to settle any and all unpaid payments due Ucandu on the date of execution of the Separation and Settlement Agreement. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On December 30, 2011, we issued 225,000 shares of restricted common stock of the Company to three (3) to three (3) separate contractors of the Company, a total of 75,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, a total of 75,000 shares to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company, and a total of 75,000 shares to Simon G. Arnison, an individually and a former officer of the Company as a payment in full to settle any and all unpaid payments due Ucandu on the date of execution of the Separation and Settlement Agreement. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

On June 20, 2012, we issued 45,500,000 shares of common stock of Company to Access Alternative Group S.A., respectively, in exchange for an aggregate amount of 45,500,000 shares common stock of MTK USA, pursuant to the one or more Securities Purchase Agreements. In addition, we issued a total of one warrant to purchase shares of the Company s common stock at an exercise price of $0.50, in the aggregate amount of 11,375,000 shares of Company Common Stock. The issuance of the above referenced shares was completed pursuant to an exemption from registration at Section 4(2) of the Securities Act of 1933.

Securities Authorized for Issuance Under Equity Compensation Plans

We do not have any equity compensation plans.

Item 6. Selected Financial Data.

Not required for smaller reporting companies.

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operation.

The following discussion should be read in conjunction with our audited financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this annual report. Our audited consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

Company Overview

Mount Knowledge Holdings, Inc. is a software development and sales company focused on providing innovative technology solutions to the global marketplace.

For more details on the Company and its operations, please refer to History and Company Overview sections in Item 1. Business section, hereinabove in this filing.

Plan of Operations

Over the 12-months of 2013, we must raise capital and complete certain milestones as described below.

Milestones

The Company anticipates identifying and completing one or more acquisitions and/or mergers over the next 6-12 months, beginning in the third quarter of 2013, for the purposes of obtaining operations and revenues.

Requirements and Utilization of Funds

To implement our plan of operations, including some or all of the above described milestones (objectives), we anticipate the need to continue to raise capital (equity) in an amount between $500K and $2.5 million in equity from restricted stock sales or other acceptable financing options over the remaining 6 months of 2013 on terms and conditions to be determined. Management may elect to seek subsequent interim or bridge financing in the form of debt (corporate loans) as may be necessary.

Proceed

We foresee the proceeds from capital raised to be allocated as follows: (a) legal, audit, SEC filings and compliance fees; (b) working capital (general and administrative); (c) financing costs; (d) acquisition research and due diligence; (e) new business development and marketing; and (f) reserve capital for costs of acquisition and market expansion.

Financial Condition, Liquidity and Capital Resources

As of December 31, 2012, we had $233 cash and cash equivalents. We had limited operations to date and we did not have any revenues during the twelve-month period ended December 31, 2012. We are illiquid and need cash infusions from investors and/or current shareholders to support our proposed marketing and sales operations.

Management believes this amount will not satisfy our cash requirements for the next 12 months and as such we will need to either raise additional proceeds and/or our officers and/or directors will need to make additional financial commitments to our company, neither of which is guaranteed. We plan to satisfy our future cash requirements, primarily the working capital required to execute on our objectives, including marketing and sales of our product, and to offset legal and accounting fees, through financial commitments from future debt/equity financings, if and when possible.

Management believes that we may generate some revenues within the next twelve (12) months, from acquisitions, but that these sales revenues may not satisfy our cash requirements during that period. We have no committed source for funds as of this date. No representation is made that any funds will be available when needed. In the event that funds cannot be raised when needed, we may not be able to carry out our business plan, may never achieve sales, and could fail to satisfy our future cash requirements as a result of these uncertainties.

If we are unsuccessful in raising the additional proceeds from officers and/or directors, we may then have to seek additional funds through debt financing, which would be extremely difficult for an early stage company to secure and may not be available to us. However, if such financing is available, we would likely have to pay additional costs associated with high-risk loans and be subject to above market interest rates.

At such time as these funds are required, management would evaluate the terms of such debt financing and determine whether the business could sustain operations and growth and manage the debt load. If we cannot raise additional proceeds via a private placement of our common stock or secure debt financing we would be required to cease business operations. As a result, investors in our common stock would lose all of their investment.

The staged development of our business will continue over the next 12 months. Other than engaging and/or retaining independent consultants to assist the Company in various administrative and marketing related needs, we do not anticipate a significant change in the number of our employees, if any, unless we are able to obtain adequate financing.

	Year Ended December 31		For the Development Stage Period, From April 1, 2012 To December 31
	2012	2011	2012
	$	$	$
Sales revenue	-	-	-
Cost of goods sold	-	-	-
Gross profit	-	-	-
Operating expenses			
General and administrative expenses	231,385	2,150,863	101,878
Total operating expenses	231,385	2,150,863	101,878
Loss from operations	(231,385)	- (2,150,863)	(101,878)
Other income	-	1,000	-
Interest expense	(89,440)	(48,991)	(69,395)
Change in fair value derivative liability	2,852,455	(4,812,705)	2,558,175
Gain on debt extinguishment	12,633	-	12,633
Net loss from continuing operations	2,544,264	(7,011,559)	2,339,535
Discontinued operations			
Income (loss) from discontinued operations	5,096	(1,070,684)	-
Gain (loss) on disposal of subsidiary	174,736	(3,482)	-
Net Loss	2,724,096	(8,085,725)	2,339,535

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next 12 months unless we obtain additional capital to pay our expenses. This is because we have not generated any revenues and no substantial revenues are anticipated in the near-term. Accordingly, we must raise cash from sources other than from the sale of our products.

Results of Operations

The following summary of our results of operations should be read in conjunction with our audited financial statements for the year ended December 31, 2012 which are included herein.

Our operating results for the years ended December 31, 2012 and 2011, respectively are summarized as follows:

Revenues

We had marginal revenues to date, and do not anticipate increasing earning revenues in the immediate future.

Expenses

Our expenses for the years ended December 31, 2012 and 2011 are outlined in the table below. All expenses for predecessor entity are included in income (loss) from discontinued operations.

Operating Expenses			
General and administrative expenses	231,385	2,150,863	101,878
Total operating expenses	231,385	2,150,863	101,878
Loss from operations	(231,385)	(2,150,863)	(101,878)
Other income	-	1,000	-
Interest expense	(89,440)	(48,991)	(69,395)
Change in fair value of derivative liability	2,852,455	(4,812,705)	2,558,175
Gain on debt extinguishment	12,633	-	12,633
Net loss from continuing operations	2,544,264	(7,011,559)	2,339,535
Discontinued operations			
Income (loss) from discontinued operations	5,096	(1,070,684)	-
Gain on disposal of subsidiary	174,736	(3,482)	-
Net Loss	2,724,096	(8,085,725)	2,339,535

General and Administrative

The decrease in our general and administrative expenses for the year ended December 31, 2012 compared to December 31, 2011 was primarily due to the disposition of our operating subsidiaries. For the purposes of this disclosure, general and administrative fees include the Company s professional fees.

Professional fees include our accounting and auditing expenses incurred in connection with the preparation and audit of our financial statements and professional fees that we pay to our legal counsel. Our accounting and auditing expenses were incurred in connection with the preparation of our audited financial statements and unaudited interim financial statements and our preparation and filing of a registration statement with the SEC. Our legal expenses represent amounts paid to legal counsel in connection with our corporate organization. Legal expenses will be ongoing during fiscal 2012 and 2013, respectively, as we are subject to the reporting obligations of the Securities Exchange Act of 1934, as amended.

	Year Ended December 31, 2012	**Year Ended December 30, 2011**	**Increase/Decrease**

	$	$	
Cash Flows from Operating Activities	(380,954)	(1,224,154)	(68.9)%
	$	$	
Cash Flows from Investing Activities	(2,100)	(41,574)	(94.9)%
	$	$	
Cash Flows from Financing Activities	322,000	1,217,225	(73.5)%
	$	$	
Net change in cash	(63,221)	(20,670)	(200.1)%

Liquidity and Capital Resources

Working Capital

	December 31, 2012	December 31, 2011	Percentage Increase/Decrease
	$	$	
Current Assets	2,333	215,537	(98.9)%
	$	$	
Current Liabilities	3,370,377	6,289,788	(46.4)%
	$	$	
Working Capital Deficit	(3,368,044)	(6,074,251)	(44.6)%

Cash Flows

We anticipate that we will incur approximately $250,000 for operating expenses, including professional, legal and accounting expenses associated with our reporting requirements under the Exchange Act during the next twelve months. Accordingly, we will need to obtain additional financing in order to complete our business plan.

Cash Used in Operating Activities

We used net cash in operating activities in the amount of $(380,954) during the year ended December 31, 2012 and $(1,310,554) during the year ended December 31, 2011. Cash used in operating activities was funded by cash from financing activities. The decrease in operating activities in 2012 compared to 2011 was due to the disposal of all the Company s operating subsidiaries.

Cash Used in Investing Activities

We used net cash in investing activities in the amount of $(2,100) during the year ended December 31, 2012 and $(41,574) was used or provided in investing activities during the years ended December 31, 2011.

Cash Provided by Financing Activities

We generated $322,000 net cash from financing activities during the year ended December 31, 2012 compared to net cash from financing activities in the amount of $1,217,225 during the year ended December 31, 2011. Cash generated by financing activities during 2012 is attributable mainly to capital stock sales, issued notes, and related party borrowings of $322,000. The decrease in the net cash from financing activities in 2012 compared to 2011 was due to the disposal of all the Company s operating subsidiaries during 2011 and 2012.

Disclosure of Outstanding Share Data

As of December 31, 2012, we had 190,695,096 shares of common stock issued and outstanding.

Going Concern

The financial statements accompanying this report have been prepared on a going concern basis, which implies that our company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our company has not generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the continued financial support from our shareholders, the ability of our company to obtain necessary equity financing to achieve our operating objectives, and the attainment of profitable operations.

As of December 31, 2012, we had accumulated losses of $9,335,888 since inception and a working capital deficit of $3,368,044. We do not have sufficient working capital to enable us to carry out our stated plan of operation for the next twelve months. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should our company be unable to continue as a going concern.

Due to the uncertainty of our ability to meet our current operating expenses and the capital expenses noted above in their report on the financial statements for the year ended December 31, 2012, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Future Financings

We anticipate continuing to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned activities. There is no assurance that the Company will able to obtain financing to carry on our legal, accounting and reporting needs.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Application of Critical Accounting Estimates

The financial statements of our company have been prepared in accordance with generally accepted accounting principles in the United States (GAAP). Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment.

The financial statements have been prepared within the framework of the significant accounting policies summarized below:

Mineral Property and Exploration Costs

Until abandonment of its mineral property on January 23, 2009, we were an exploration stage mining company and had not realized any revenue from its operations. We were primarily engaged in the acquisition, exploration and development of mining properties. Exploration costs are expensed as incurred regardless of the stage of development or existence of reserves.

Costs of acquisition are capitalized subject to impairment testing, in accordance with ASC Topic 360, Property, Plant and Equipment Subsequent Measurement , (formerly SFAS 144), when facts and circumstances indicate impairment may exist, as defined in Note 3 *, Newly Adopted Accounting Policies And Recent Accounting Guidance* .

We regularly performed evaluations of any investment in mineral properties to assess the recoverability and/or the residual value of its investments in these assets. Also, long-lived assets were reviewed for impairment whenever events or circumstances change which indicate the carrying amount of an asset may not be recoverable.

Management periodically reviewed the carrying value of its investments in mineral leases and claims with internal and external mining related professionals. A decision to abandon, reduce or expand a specific project was based upon many factors including general and specific assessments of mineral deposits, anticipated future mineral prices, anticipated future costs of exploring, developing and operating a production mine, the expiration term and ongoing expenses of maintaining mineral properties and the general likelihood that the Company will continue exploration on such project.

The Company did not set a pre-determined holding period for properties with unproven deposits; however, properties which had not demonstrated suitable metal concentrations at the conclusion of each phase of an exploration program were re-evaluated to determine if future exploration was warranted, whether there has been any impairment in value and that their carrying values was appropriate.

If an area of interest is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against operations in the year of abandonment or determination of value. The amounts recorded as mineral leases and claims represent costs to date and do not necessarily reflect present or future values.

Recent Accounting Pronouncements

We do not expect the adoption of any recently issued accounting pronouncements to have a significant impact on our financial position, results of operations or cash flows.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable because we are a smaller reporting company.

Item 8. Financial Statements and Supplementary Data.

MOUNT KNOWLEDGE HOLDINGS, INC.
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders

Mount Knowledge Holdings, Inc. (A Development Stage Company)

We have audited the accompanying consolidated balance sheets of Mount Knowledge Holdings, Inc. (the Company) as of December 31, 2012 and 2011, and the related consolidated statements of operations and other comprehensive loss, stockholder's deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audits also include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mount Knowledge Holdings, Inc. as of December 31, 2012 and 2011, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company had an accumulated deficit of $9,335,888 as of December 31, 2012. These considerations raise substantial doubt about the Company s ability to continue as a going concern. Management s plans regarding those matters are also described in Note 2 which contemplates continued operations of the Company, which in turn is dependent upon the Company s ability to raise additional capital, obtain

financing and to succeed in its future operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Anton & Chia LLP

Newport Beach, CA

October 19, 2013

MOUNT KNOWLEDGE HOLDINGS, INC.

(A Development Stage Company)

Consolidated Financial Statements

December 31, 2012 and 2011

(Stated in US dollars)

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MOUNT KNOWLEDGE HOLDINGS, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Stated in US dollars)

	December 31, 2012	December 31, 2011
Assets		
Current Assets		
	$	$
Cash	233	63,454
Prepaid expenses and other assets	-	10,000
Assets held for sale	-	142,083
Due from related party	2,100	-
Total Current Assets	2,333	215,537
	$	$
Total Assets	2,333	215,537
Liabilities And Stockholders' Deficit		
Current Liabilities		
	$	$
Accounts payable and accrued liabilities	226,309	180,822
Liabilities for assumption	-	280,525
Other payables	-	51,960
Due to related parties	-	176,900
Notes payable	550,000	600,000
Derivative liability	2,594,068	4,999,571
Total Current Liabilities	3,370,377	6,289,778
Total Liabilities	3,370,377	6,289,778
Stockholders' Deficit		
Preferred stock, $0.0001 par value, 100,000,000 shares authorized, 50,000,000 shares, designated as Series A convertible preferred stock, $0.0001 par value, 8,888,888 issued at December 31, 2012 and December 31, 2011 and 16,097,296 and 9,873,505 outstanding at December 31, 2012 and December 31, 2011	1,610	987
Common stock, $0.0001 par value, 200,000,000 shares authorized, 190,695,096 and 110,978,650 issued and outstanding at December 31, 2012 and December 31, 2011	19,070	11,097
Additional paid-in capital	5,845,951	5,279,274
Common stock to be issued	122,000	-

Accumulated other comprehensive loss	(20,788)	(18,621)
Deficit, prior to development stage	(11,735,422)	(12,062,989)
Retained earnings, development stage	2,399,535	-
Total Stockholders Deficit for Mount Knowledge Holdings, Inc.	(3,368,044)	(6,790,252)
Non-controlling interest	-	716,011
Total Stockholders' Deficit	(3,368,045)	(6,074,241)
	$	$
Total Liabilities And Stockholders' Deficit	2,333	215,537

The accompanying notes are an integral part of these consolidated financial statements.

MOUNT KNOWLEDGE HOLDINGS, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE (LOSS)
(Stated in US dollars)

	Year Ended December 31		For The Development Stage Period, From April 1, 2012 To December 31
	2012	**2011**	**2012**
	$	$	$
Sales revenue	-	-	-
Cost of goods sold	-	-	-
Gross profit	-	-	-
Operating expenses			
General and administrative expenses	231,385	2,150,863	101,878
Total operating expenses	231,385	2,150,863	101,878
Loss from operations	(231,385)	(2,150,863)	(101,878)
Other income	-	1,000	-
Interest expense	(89,440)	(48,991)	(69,395)
Change in fair value of derivative liability	2,852,455	(4,812,705)	2,558,175
Gain on debt extinguishment	12,633	-	12,633
Net Income (loss) from continuing operations	2,544,264	(7,011,559)	2,399,535
Discontinued operations			
Income (Loss) from discontinued operations	5,096	(1,070,684)	-
Gain (Loss) on disposal of subsidiary	174,736	(3,482)	-
Net Income (Loss)	2,724,096	(8,085,725)	2,399,535
Net loss attributable to non-controlling interest	(3,004)	(422,708)	-
	$	$	$
Net Income (Loss) Attributable to Common Shareholders	2,727,100	(7,663,017)	2,399,535
Comprehensive Income (Loss)			
Net Income (Loss)	2,724,096	(8,085,725)	2,399,535
Foreign currency translation adjustments	(2,167)	(13,974)	(2,167)
Comprehensive Income (Loss)	2,721,929	(8,099,699)	2,397,368

Comprehensive loss attributable to non-controlling interest	(3,004)	(422,708)	-
	$	$	$
Comprehensive Income (Loss) Attributable To Common Shareholders	2,724,933	(7,676,991)	2,397,368
Weighted Average Number of Common Shares Outstanding- Basic and Diluted	152,788,733	104,616,814	
Net Income (Loss) from Continuing Operations Per Common Share - Basic and Diluted	$ 0.02	$ (0.06)	
Net Income (Loss) from Discontinuing Operations Per Common Share - Basic and Diluted	0.00	(0.01)	
Net Income (Loss) Per Common Share - Basic and Diluted	0.02	(0.07)	

The accompanying notes are an integral part of these consolidated financial statements.

MOUNT KNOWLEDGE HOLDINGS, INC.

(A Development Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS DEFICIT

(Stated in US dollars)

	Preferred Stock		Common Stock								
	Shares	**Par**	**Shares**	**Par**	**Additional Paid-In Capital**	**Accumulated Other Comprehensive (Loss)**	**Subscription Received**	**Deficit, Retained prior to Development Stage**	**Earnings, Development Stage**	**Non-Controlling Interest**	**Total Stockholders Deficit**
Balances at December 31, 2010	**8,888,888**	**$889**	**99,600,226**	**$9,960**	**4,265,625**	**$(4,647)**	**$-**	**$(4,399,972)**	**$-**	**$(193,806)**	**$(321,951)**
Stock issued for consulting fee	-	-	4,669,397	466	794,519	-	-	-	-	-	794,985
Stock-based compensation	-	-	480,000	48	95,952	-	-	-	-	-	96,000
Stock and warrants issued in exchange for shares of subsidiary	--	-	6,229,027	623	123,276	-	-	-	-	(310,765)	(186,866)
Make-whole preferred shares on convertibility	984,617	98	-	-	(98)	-	-	-	-	-	-
Stock issued by subsidiary:											
- for cash	-	-	-	-	-	-	-	-	-	552,165	552,165
- for debt	-	-	-	-	-	-	-	-	-	1,014,354	1,014,354
- for services	-	-	-	-	-	-	-	-	-	76,771	76,771
Foreign currency translation adjustment	-	-	-	-	-	(13,974)	-	-	-	-	(13,974)
Net loss	-	-	-	-	-	-	-	(7,663,017)	-	(422,708)	(8,085,725)

Balances at December 31, 2011	**9,873,505**	**$987**	**110,978,650**	**$11,097**	**5,279,274**	**$(418,621)**	**$-**	**$(12,062,989)**	**$-**	**$716,011**	**$(6,074,241)**
Shares and warrants issued for stock exchange	-	-	74,716,446	7,472	1,860,440	-	-	-	-	(1,867,911)	-
Share exchange effect on non-controlling interest	-	-	-	-	(1,453,540)	-	-	-	-	1,154,904	(298,636)
Debt settlement with intellectual property	-	-	-	-	60,900	-	-	-	-	-	60,900
Stock issued for cash	-	-	5,000,000	500	99,500	-	-	-	-	-	100,000
Share subscriptions received	-	-	-	-	-	-	122,000	-	-	-	122,000
Make-whole preferred shares on convertibility	6,223,791	623	-	-	(623)	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	(2,167)	-	327,566	2,399,535	(3,004)	2,721,930
Balances at December 31, 2012	**16,097,296**	**$ 1,610**	**190,695,096**	**$ 19,076**	**$ 5,845,951**	**$ (420,788)**	**$ 122,000**	**$ (11,735,423)**	**$ 2,399,535**	**$ -**	**$ (3,368,047)**

The accompanying notes are an integral part of these consolidated financial statements.

MOUNT KNOWLEDGE HOLDINGS, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in US dollars)

	Year Ended December 31		For The Development Stage Period, From April 1, 2012 To December 31
	2012	**2011**	**2012**
Operating Activities:			
Net income (loss) attributable to common shareholders	$ 2,727,100	$ (7,663,017)	$ 2,399,535
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Net loss attributable to non-controlling interest in subsidiary	(3,004)	(422,708)	-
Shares issued for services	-	794,985	-
Subsidiary shares issued for cash	-	-	-
Subsidiary shares issued for services	-	316,771	-
Share-based compensation	-	96,000	-
(Gain) on debt extinguishment	(12,633)	-	(12,633)
Change in fair value of derivative liability	(2,852,455)	4,812,705	(2,558,175)
(Gain) Loss on disposal of subsidiaries	(174,736)	3,482	-
Changes in operating assets and liabilities:			
Changes in assets held for sale	46,294	782,418	-
Prepaid expenses and other assets	-	-	-
Other assets	-	(10,000)	-
Accounts payable and accrued liabilities	56,440	80,210	69,395
Other payable	(51,960)	(15,000)	-
Due to/from related party	(116,000)	-	(116,000)
Net cash used in operating activities	(380,954)	(1,224,154)	(217,878)
Investing Activities:			
Advance/loans to related party	(2,100)	41,574	(2,100)

Net cash provided by (used in) investing activities	(2,100)	41,574	(2,100)
Financing Activities:			
Proceeds from related parties	-	160,060	-
Proceeds from note payable	100,000	505,000	-
Repayment to note payable	-	-	-
Proceeds from share issuances	100,000	-	100,000
Subsidiary shares issued for cash	-	552,165	-
Share subscriptions received	122,000	-	122,000
Net cash provided by financing activities	322,000	1,217,225	222,000
Effect of exchange rate changes on cash	(2,167)	(13,974)	(2,167)
Net Change in Cash	(63,221)	20,671	(145)
Cash, at beginning of period	63,454	42,783	378
Cash, at end of period	$ 233	$ 63,454	$ 233
Supplemental Disclosure of Cash Flow Information:			
Interest expense paid	$ -	$ 1,124	$ -
Income taxes paid	$ -	$ 6,686	$ -
Non-Cash Investing and Financing Activities			
Conversion of note payable to equity	$ -	$ 774,354	$ -
Common stock issued in exchange for shares of Mount Knowledge USA Inc.	$ (446,953)	$ (186,866)	$ (446,953)
Warrants issued in exchange for shares of Mount Knowledge USA Inc.	$ 446,953	$ 186,866	$ 446,953

The accompanying notes are an integral part of these consolidated financial statements.

MOUNT KNOWLEDGE HOLDINGS, INC.

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2012 and 2011

Note 1 - Business, Basis of Presentation and Significant Accounting Policies

Organization

Mount Knowledge Holdings, Inc. (MKHD , or the Company , or Successor Company) was incorporated as Auro Capital Corp. under the laws of the State of Nevada on March 16, 2006. On January 25, 2010, the Company filed an amendment and restatement to the Articles of Incorporation of the Company with the State of Nevada, which were approved by the Board of Directors on October 20, 2009 by written consent in lieu of a special meeting in accordance with the Nevada corporation law, changing its name to Mount Knowledge Holdings, Inc. and increasing the number of authorized common and preferred shares.

On October 24, 2011, MKA sold 100% ownership interest of Language Key Asia Ltd., Hong Kong (LKA) and all of its subsidiaries, except for LKTR. Prior to the sale on October 24, 2011, the corporate structure of LKA consisted of the following:

(a) 100% ownership interest of Mount Knowledge Asia Ltd., Hong Kong (MKA);

(i)

100% ownership interest of LKA;

(1)

100% ownership interest of Language Key Corporate Training Solutions Ltd., Hong Kong (LKCTS);

(a)

100% ownership interest of LKTR; and

(b)

100% ownership interest of Language Key China Ltd., China WOFE (LKCH)

(2)

100% ownership interest of LKPUB.

(b) 66.47% ownership interest of MTK USA

(c) 49.00% ownership interest of MTK TECH

On December 30, 2011, the Company disposed its 49.00% ownership interest in Mount Knowledge Technologies Inc., a Canadian corporation (MTK TECH), pursuant to a Separation and Settlement Agreement dated December 30, 2011 between the Company and Ucandu Learning Centres Inc. and Mr. Erwin Sniedzins, the Company s former Chairman.

At December 31, 2011, the corporate structure of the Company, after the sale and disposition of certain operating subsidiaries during the fourth quarter of fiscal year 2011, consisted of the following:

(a) 100% ownership interest of Mount Knowledge Asia Ltd., Hong Kong (MKA); and its 100% ownership interest of The Language Key Training Ltd., Hong Kong (LKTR).

(b) 60.62% ownership interest of MTK USA.

In February 2012, the Company sold Language Key Training Ltd., its Hong Kong subsidiary (LKTR) for a nominal cash consideration to Software Sans Frontiere SA, a Belize corporation, for consideration representing the assumption of all of the liabilities of LKTR. The trademark and associated course training materials were returned to the original seller whose obligation was settled by the payment of $15,000 prior to disposition.

On February 24, 2012, MKA sold 100% ownership interest of LKTR. After the LKTR sale, the corporate structure of the Company consisted of the following:

(a) 100% ownership interest of MKA;

(b) 66.47% ownership interest of MTK USA

Beginning April 1, 2012, the Company became classified as a development stage company.

On December 28, 2012, the Company sold its remaining subsidiary companies, comprising MKA and MTK USA

At December 31, 2012, the corporate structure of the Company consisted of only its own corporate accounts, with no ownership in any subsidiary companies.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S, generally accepted accounting principles (US GAAP). The Company s functional currency is US dollar. The LK Group s functional currencies are the Chinese Renminbi (RMB¥) and Hong Kong dollar (HKD$); however the accompanying financial statements have been translated and presented in United States Dollars (USD$).

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, all of which had been disposed of by December 28, 2012. Intercompany balances and transactions have been eliminated in preparing the accompanying financial statements.

Development Stage Activities

The Company complies with Financial Accounting Standards Codification (ASC) 915 and Securities and Exchange Commission Act Guide 7 for its characterization of the company as a development stage enterprise.

Use of Estimates

In preparing these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Assets Held for Sale

The Company considers assets to be assets held for sale when all of the following criteria are met:

.

management commits to a plan to sell the assets;

.

it is unlikely that the disposal plan will be significantly modified or discontinued;

.

the assets are available for immediate sale in their present condition;

.

actions required to complete the sale of the property have been initiated;

.

sale of the property is probable and the completed sale is expected to occur within one year; and

.

the assets are actively being marketed for sale at a price that is reasonable given its current market value.

Upon designation as an asset held for sale, the Company records the carrying value of each disposal group at the lower of its carrying value or its estimated fair value, less estimated costs to sell, and we cease depreciation.

Fair Value of Financial instruments

The Financial Accounting Standards Board issued ASC (Accounting Standards Codification) 820-10 (SFAS No. 157), Fair Value Measurements and Disclosures" for financial assets and liabilities. FASB ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. FASB ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

-

Level 1: Quoted prices in active markets for identical assets or liabilities.

-

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

-

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

All of the Company s financial instruments are recorded at fair value due to their term of maturity.

Financial Instruments and Concentration of Risk

The fair value of financial instruments, which consist of cash, accounts payable and accrued liabilities and loans payable, were estimated to approximate their carrying values due to the immediate or relatively short maturity of these instruments. Unless otherwise noted, it is management s opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments.

Basic and Diluted Loss per Share

In accordance with the Accounting Standards Codification (ASC) subtopic 260-10 (formerly SFAS No. 128 Earnings Per Share), the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At December 31, 2012 and December 31, 2011, the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

Foreign Currency Translation

Mount Knowledge Holdings, Inc. s functional currency is the U.S. dollar.

While Language Key Asia Ltd. presents its consolidated financial results and accompanying notes in U.S. dollar terms, its functional currency for its operations in The People s Republic of China (PRC) is the Chinese Renminbi, and its functional currency for its operations in Hong Kong is the Hong Kong dollar.

Transactions in Renminbi and Hong Kong dollars are translated into U.S. dollars as follows:

i) monetary items at the exchange rate prevailing at the balance sheet date;

ii) non-monetary items at the historical exchange rate;

iii) revenue and expense at the average rate in effect during the applicable accounting period.

Translation adjustments resulting from this process are recorded in Stockholders Equity as a component of Accumulated Other Comprehensive Income (Loss). Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are recorded in the Statement of Operations.

Investment in Unconsolidated Subsidiary

The Company has investments in a certain subsidiary of which the Company does not have control and therefore does not require consolidation. The investment is accounted for under the equity method.

Comprehensive Income

The Company had adopted ASC220, *Reporting Comprehensive Income,* which establishes standards for reporting and displaying comprehensive income, its components, and accumulated balances in a full-set of general-purpose financial statements. The Company s accumulated other comprehensive income represents the accumulated balance of foreign currency translation adjustments.

Share-based Payments

The Company accounts for share-based payments in accordance with the authoritative guidance issued by the FASB on stock compensation, which establishes the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Under the provisions of the authoritative guidance, share-based compensation expense is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite employee service period (generally the vesting period). The Company estimates the fair value of share-based payments using the Black-Scholes option-pricing model. Additionally, share-based awards to non-employees are expensed over the period in which the related services are rendered at their fair value.

Revenue Recognition

The Company and its subsidiaries recognize revenues from training sales equally over the duration of training contracts. Revenues recognized for training courses that commence prior to an invoice being issued are classified on the Company s balance sheet as unbilled revenues.

Related Parties

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Derivative Liability

Pursuant to ASC 815, Derivatives and Hedging , on March 31, 2011 and at the end of subsequent quarterly periods, the Company recorded mark-to-market adjustments based on the fair value of the derivative liability on those dates, which resulted as a contribution of $2,852,455 and charge of $4,812,705 for 2012 and 2011, respectively, to operations. The fair value of the derivative liability was determined using the Black Scholes option pricing model, using the following data and assumptions:

	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Quoted market price	$0.175	$0.120	$0.120	$0.049
Conversion price	$0.50	$0.50	$0.50	$0.50
Expected volatility	337%	347%	381%	436%
Expected dividends	$nil	$nil	$nil	$nil
Expected term	3 year	3 year	3 year	3 year
Risk-free interest rate	0.26%	0.19%	0.12%	0.11%

As of December 31, 2012, the number of common shares that could be potentially issued to settle the conversion of the preferred stock is 9,304,904 common shares.

The following table sets forth, by level, with the fair value hierarchy, the Company s financial assets and liabilities, measured at fair value on December 31, 2012.

	Level 1	Level 2	Level 3	Total
Assets				
None	$ -	$ -	$ -	$ -
Liabilities				
Derivative Financial instruments Convertible Preferred Stock	$ -	$ -	$ 691,904	$ 691,904
Derivative Financial instruments - Warrants	$ -	$ -	$ 1,902,164	$ 1,902,164

Balance at December 31, 2010	$ -
Derivative liability related to preferred stock conversion feature	483,570
Derivative liability related to warrants	76,305
Change of derivative liability related to previous issued warrants	4,439,696
Balance at December 31, 2011	$ 4,999,571
Derivative liability related to preferred stock conversion feature	208,334
Derivative liability related to warrants issued	803,202
Change of derivative liability related to 2011 warrants issued	(3,417,039)
Balance at December 31, 2012	$ 2,594,068

The following table summarizes the derivative liabilities included in the balance sheets at December 31, 2012:

Recently Issued Accounting Pronouncements

-

Adopted

Effective January 2012, the Company adopted ASU No. 2011-05, Presentation of Comprehensive Income (ASU 2011-05) . ASU 2011-05 is intended to increase the prominence of items reported in other comprehensive income and to facilitate convergence of accounting guidance in this area with that of the IASB. The amendments require that all non-owner changes in shareholders equity be presented in a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued ASU No. 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (ASU 2011-12). ASU 2011-12 defers the provisions of ASU 2011-05 that require the presentation of reclassification adjustments on the face of both the statement of income and statement of other comprehensive income. Amendments under ASU 2011-05 that were not deferred under ASU 2011-12 will be applied retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this update did not have a material impact on the consolidated financial statements and related disclosures.

-

Not Adopted

In December 2011, the FASB issued ASU No. 2011-11: Balance Sheet (topic 210): Disclosures about Offsetting Assets and Liabilities, which requires new disclosure requirements mandating that entities disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. This ASU is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Entities should provide the disclosures required retrospectively for all comparative periods presented. We are currently evaluating the impact of adopting ASU 2011-11 on the consolidated financial statements and related disclosures.

In February 2013, the FASB issued ASU No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive (ASU 2013-02) . This guidance is the culmination of the FASB s deliberation on reporting

reclassification adjustments from accumulated other comprehensive income (AOCI). The amendments in ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income. However, the amendments require disclosure of amounts reclassified out of AOCI in its entirety, by component, on the face of the statement of operations or in the notes thereto. Amounts that are not required to be reclassified in their entirety to net income must be cross-referenced to other disclosures that provide additional detail. This standard is effective prospectively for annual and interim reporting periods beginning after December 15, 2012. The Company is evaluating the effect, if any, the adoption of ASU 2013-02 will have on its consolidated financial statements and related disclosures.

In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Top 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The objective of ASU No. 2013-11 is to provide guidance on the financial statement presentation of an unrecognized tax benefit when a net loss carryforward, similar tax loss, or tax credit carryforward exists. The amendments in this standard is effective for all entities that have unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists for fiscal years, and interim periods beginning after December 15, 2013. We are evaluating the effect, if any, adoption of ASU No. 2013-11 will have on our consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company s present or future financial statements.

Note 2 - Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company incurred net income of $2,724,096 for the year ended December 31, 2012. In addition, the Company had a working capital deficit of $3,368,044 and deficit of $9,335,887 as of December 31, 2012. These conditions raise substantial doubt as to the Company s ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent upon its ability to obtain financing. Management has plans to seek additional capital through debt, and private and public offerings of its common stock. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue as a going concern.

Note 3 - Investments in Unconsolidated Subsidiary

On December 16, 2010, the Company acquired 49% of the ownership interest in Mount Knowledge Technologies Inc. (formerly known as 1827281 Ontario Inc.) formed on June 16, 2010 as a technology development company to oversee new technological advancements of the Company s Intellectual Property acquired on December 29, 2010. Ucandu Learning Centres Inc (Ucandu), a company owned by Erwin Sniedzins, the Company s chairman and director, owns the remaining 51% of Mount Knowledge Technologies Inc. The ownership structure of Mount Knowledge Technologies Inc. enables it to seek small business development incentive programs and other private and public research initiatives available in Canada. The investment in Mount Knowledge Technologies Inc. is recorded by the Company using the equity method of accounting.

Subsequently, on December 28, 2010, the Company entered into a five-year Option Agreement with Ucandu to purchase the remaining 510,000 shares of common stock of MTK Tech (51%) for an exercise price of 100,000 shares of the Company s common stock, at the Company s discretion. As of April 15, 2011, the Company had not exercised

the Option with Ucandu

During the year ended December 31, 2011, the ownership interest in Mount Knowledge Technologies Inc. was disposed of, resulting in a loss of $490.

Note 4 Notes Payable

(a) During the second half of the year ended December 31, 2011, the Company entered into one securities purchase agreement (the Securities Purchase Agreement) with one party, and seven separate joinder agreements adjoining each other party to the original Securities Purchase Agreement (collectively, referred to as the Lenders), pursuant to which the Company issued a total of eight separate promissory notes in principal amounts totaling $450,000. The notes mature one year from the closing date and accrue interest at a rate of 15% per annum on the unpaid and unconverted principal amount and such interest is payable on the maturity date. Amounts outstanding under the notes are convertible, in whole or in part, into shares of the Company s common stock at the option of the holder thereof at any time and from time to time, at a conversion price of $0.15 per share. Subject to certain exceptions, payments due under the notes rank senior to all other indebtedness of the Company and its subsidiaries.

Under the terms of the purchase agreement, the holder of the notes is entitled to certain piggy back registration rights if at any time after the closing date the Company proposes to file a registration statement under the Securities Act of 1933, as amended (the Securities Act), with respect to an offering of its equity securities or securities or other obligations exercisable, exchangeable for, or convertible into its equity securities.

Promissory Notes

(a) January 11, 2012, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, pursuant to which the Company issued to Vukota Capital Management Inc., an Ontario, Canada company (the Lender), a promissory note in the principal amount of $100,000. The note matures one year from the closing date.

Bridge Financing - Forbearance of Promissory Notes Vukota Capital Management Inc.

On November 30, 2012, Vukota Capital Management Inc., an Ontario, Canada company (the Lender) executed a Forbearance Agreement with the Company, in which the Lender agreed, that during the period commencing on the date of execution of the Agreement and ending on and including December 31, 2013 (the "Forbearance Period"), the Lender would not file suit or take any other action to foreclose on the collateral or file suit or take any other action to enforce its rights under the Securities Purchase Agreement dated as of September 14, 2012 (as amended, supplemented or otherwise modified from time to time, including Amendment No. 1 to Securities Purchase Agreement dated on or about November 8, 2011, collectively referred to as the "Securities Purchase Agreement"), and those certain promissory notes dated as of September 14, 2012, and on subsequent dates thereafter, (as amended, supplemented or otherwise modified from time to time, all of which were joined to the Securities Purchase Agreement with the effective date of September 14, 2012, by the execution of those certain Joinder Agreements to Securities Purchase Agreement, by each and every Lender, separately (as amended, supplemented or otherwise modified from time to time, the "Joinder Agreements,") and, together with that certain Stock Pledge Agreement dated as of September 14, 2012 (as amended, supplemented or otherwise modified from time to time) by which Birch First Advisors, LLC pledged as collateral 18,261,690 common stock shares to the note holders under the securities purchase agreement. This limited forbearance does not extend to any other default or events of default under any other provision of the transaction documents or any of the other rights and remedies available to the Lender under the transaction documents.

Upon the earlier of (i) the occurrence of a forbearance default and (ii) the expiration of the Forbearance Period, the Lender s agreement to forbear shall automatically be deemed terminated and Lender shall be entitled to immediately and without notice exercise all of its rights and remedies under the credit agreements and all transaction documents.

(b) During 2010, the Company received loans totaling $869,354 from third parties. On December 31, 2010, these advances were converted to notes payable, which are unsecured, bear interest at 5% per annum beginning December 31, 2010 and mature in 2012. In March 2011, $719,354 of these advances was converted into 4,795,694 common shares of MTK USA with a total remaining balance of $150,000 in Notes Payable. As of December 31, 2011, the remaining notes payables balance in MTK USA was $150,000. On June 18, 2012, the remaining principal balance amounted to $150,000 and accrued interest amounted to $10,950 were extinguished by 4,237,640 common shares of MTK USA which was later exchanged by 4,237,640 common shares of MKHD and warrants pursuant to which the creditor can purchase 1,059,410 shares of MKHD common stock at an exercise price of $0.50.

(c) On February 17, 2012, LKTR executed a Separation and Settlement Agreement with Foxglove International Enterprises Ltd., a BVI company, to settle a promissory note in the face value amount of $65,776, for the safe return and the release the language trademarks and acknowledgement of copyright of training content and transfer of ownership and right of use.

Note 5 - Related Party Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended December 31, 2012 and the year ended December 31, 2011, the related parties consisted of the following:

(1) The Language Key China Ltd. Guangzhou (LKGZ), branch office of LKA s China subsidiary;

(2) Mr. Jeff Tennenbaum, former CFO of LKA;

(3) Birch First Advisors, LLC, an affiliate and consultant to the Company;

(4) Birch First Global Investments, Inc., an affiliate to the Company;

(5) Practical Business Advisors, LLC, a company controlled by Daniel A. Carr, the Company s former President, CEO, Treasurer, and Director;

(6) The Language Key China Ltd. Shanghai.

(7) The Language Key Asia Ltd.

(8) The Language Key Publishing Ltd.

Due from related parties consists of the following:

	December 31, 2012	December 31, 2011
The Language Key China Ltd. Shanghai	$ -	$ 67,619
The Language Key Asia Ltd.	-	4,676
The Language Key Publishing Ltd.	-	1,340
The Language Key China Ltd. Guangzhou	-	11,816
Birch First Advisors, LLC	2,100	-
	-	85,451
Less: Due From Related Parties included in Assets Held For Sale	-	(85,451)

Total Due From Related Parties	$ 2,100	$ -

Due to related party consists of the following:

	December 31, 2012	December 31, 2011
Practical Business Advisors, LLC	$ -	$ -
Mr. Jeff Tennenbaum	-	6,526
Birch First Global Investments, Inc.	-	176,900
	-	183,426
Less: Due To Related Parties included in Liabilities Held For Sale	-	(6,526)
Total Due To Related Parties	$ -	$ 176,900

Settlement of Outstanding Debt

On December 28, 2012, as amended on September 30, 2013, the Company executed a Separation and Settlement Agreement with Birch First Global Investments Inc., a US Virgin Islands company, to settle loans made to the Company in a total amount of $60,900, in exchange for the transfer of ownership interest and all rights to the intellectual property referred to as ECO Learning Platform (English Communications Online), an online modular based course training software technology, including any and all computer program source code, trademarks, logos, documentation and other related materials.

As at December 31, 2012 and December 31, 2011, the amounts owing to Birch First Global Investments, Inc. totaled $nil and $176,900, respectively. This represented a payable for loans to the Company provided by an affiliate of the Company.

Note 6 Stockholders Deficit

Authorized Shares

As of December 31, 2012 and December 31, 2011, the Company s authorized shares consisted of the following:

100,000,000 preferred shares with 50,000,000 designated as Series A convertible, par value $0.0001;

200,000,000 common shares, par value $0.0001.

Series A Convertible Preferred Stock

By resolution of the Board of Directors, on February 4, 2011, the Company was granted a Certificate of Designation for Nevada Profit Corporations by the Nevada Secretary of State, whereby the Company established a series of the Company s preferred stock, consisting of 50,000,000 shares of its preferred stock, par value $0.0001 per share, designated as Series A Convertible Preferred Stock , having the voting rights, designations, preferences, limitations,

restrictions, options, conversion rights and other special or relative rights set forth in the Certificate of Designation. Voting rights will be equal to those of common shares.

On February 1, 2011, 8,888,888 shares of preferred stock were issued as partial consideration in the acquisition of Mount Knowledge USA, Inc. This Certificate of Designation provides for conversion rate adjustments, whereby if at any time following February 1, 2011, the Company sells or grants any option to purchase or otherwise disposes of or issues any common stock entitling any person to acquire shares of common stock at a price that is lower than $1 (dilutive issuance), then, in order to maintain anti-dilution, the Company will issue additional shares of convertible preferred stock (make whole shares) to the holders of outstanding shares of convertible preferred stock. Conversion rates are defined to be two shares of common stock per share of convertible preferred stock, with quarterly conversion dates, and the quarterly conversion period are to commence on February 1, 2013 and terminating on February 1, 2014.

Also, after February 1, 2014, at the option of the holder of convertible preferred stock, the holder may elect to convert, on any conversion date, all or any portion of their respective shares into fully paid and non-assessable shares of common stock.

Due to there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion option embedded in the convertible preferred stock, the conversion feature is classified as a derivative liability and recorded at fair value.

Common Stock Mount Knowledge Holdings Inc.

Year ended December 31, 2012

Share Subscriptions Received

The Company issued shares of its common stock in the first quarter of 2013 for the following funds and share subscriptions received in 2012:

(a) On October 4, 2012, the Company accepted a private offering of 100,000 shares of its common stock at a price of $0.02 per share with 1 purchaser, for total proceeds of $2,000.

(b) On December 4, 2012, the Company accepted a private offering of a total of 5,000,000 shares of its common stock at a price of $0.02 per share with 1 purchaser, for total proceeds of $100,000.

(c) On December 14, 2012, the Company accepted a private offering of a total of 1,000,000 shares of its common stock at a price of $0.02 per share with 1 purchaser, for total proceeds of $20,000.

2012 Issuances of Common Stock

(a) On July 5, 2012, the Company completed a private offering of 2,500,000 shares of its common stock at a price of $0.02 per share to a total of 3 purchasers, for total proceeds of $50,000.

(b) On August 9, 2012, the Company completed a private offering of 2,500,000 shares of its common stock at a price of $0.02 per share to a total of 2 purchasers, for total proceeds of $50,000.

(c) On June 20, 2012, the Company closed on its offer to purchase 24,978,806 shares of common stock, par value $0.0001 per share, of Mount Knowledge USA, Inc. from a total of 63 shareholders (collectively, referred to as the MTK USA Shareholders) of Mount Knowledge USA, Inc. (MTK USA), pursuant to the executed Securities Purchase Agreement, representing the 63 MTK Shareholders as a group, including separate Joinder Agreements, all individually executed with each participating MTK USA Shareholder, and collectively made a part thereof to the executed Securities Purchase Agreement.

In exchange for the MTK Securities, the Company issued 24,978,806 shares of its common stock, par value $0.0001 per share, including, for every four shares of MTK USA securities sold to the Corporation, the MTK USA Shareholders were issued a warrant to purchase one share of the Corporation s common stock at an exercise price of $0.50, in the aggregate amount of 6,244,702 shares of Company common stock, (together with the Company common shares and the Company warrant).

(d) In addition, on June 20, 2012, the Company entered into two (2) separate Securities Purchase Agreements with Access Alternative Group S.A. (Access) and with Jensen International Inc. (Jensen), respectively, also shareholders of MTK USA, pursuant to which the Company acquired MTK USA common shares of MTK USA Common Stock, in the aggregate amount of 49,737,640 shares.

In exchange for the MTK USA Securities, the Company issued 45,500,000 and 4,237,640 Company Common Shares of Company Common Stock to Access and Jensen, respectively, including, for every four shares of MTK USA Securities sold to the Corporation, Access and Jensen were issued a Company warrant to purchase one share of the Corporation s common stock at an exercise price of $0.50, in the aggregate amount of 12,434,410 shares of Company common stock, together the Company Securities.

As a result of the all the transactions contemplated by the agreements referenced hereinabove, the Company owns 100% of the outstanding shares of MTK USA Common Stock, from the prior ownership of approximately 53%. As of December 28, 2012, the Company sold 100% of the ownership interest in MTK USA to Sans Software Frontiere S.A. (SSF), in exchange to SSF assuming any and all assets and liabilities of the MTK USA on the date of disposition.

Year ended December 31, 2011

(a) On December 30, 2011, the Company entered into a separation and settlement agreement with four related parties who had previously entered into independent contractor agreements for services. The Company issued a total of 325,000 shares of restricted common stock to these parties as settlement of $204,000 owing for services. The related warrant purchase agreements for a total share of 3,600,000 that had been in effect were extinguished and cancelled.

(b) On October 31, 2011, the Company issued a total of 62,500 shares of restricted common stock of the Company to four separate related parties for services rendered to the Company by Source Capital Group Inc. The fair value of the services received during this period was calculated as the market price ($0.06) at the date of grant and the date service is provided with a total value of $3,750.

(c) On September 12, 2011, the Company issued a total of 4,400,000 shares of restricted common stock for services rendered by a contractor to the Company pursuant to the executed consulting agreement dated August 11, 2010. The fair market value of the services received during this period was calculated as the market price at the date of completion for a total value of $616,000 ($0.14 per share).

(d) On September 12, 2011, the Company issued a total of 25,000 shares of restricted common stock for services rendered by a contractor to the Company pursuant to an executed consulting agreement. The fair value of the services received during this period was calculated as the market price at the date of grant and the date service is provided with a total value of $3,500.

(e) On July 29, 2011, the Company issued a total of 750,000 shares of restricted common stock of the Company to three separate contractors of the Company, a total of 250,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, a total of 250,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, the former Chief Executive Officer and Director of the Company, and a total of 250,000 shares to Simon G. Arnison, the former Chief Technology Officer, Secretary and Director of the Company, pursuant to three separate independent contractors agreements entered into on July 31, 2011. The fair value of the services to be received by the Company during the aforementioned period pertaining to the share compensation was calculated at the market price of the Company s publicly traded shares on the date of execution of each agreement, for a total value of $67,500, based on a per share market price of $0.09.

(f) On June 30, 2011, the Company exchanged 4,795,694 shares of restricted common stock of the Company for 4,795,694 shares of restricted common stock of MTK USA held by Blue Fire Consulting Group Ltd., including a sixty month warrant for the purchase of 1,198,924 shares of restricted stock of the Company at $.50 per share pursuant to a Securities Purchase Agreement entered into on June 30, 2011.

(g) On June 30, 2011, the Company exchanged 1,433,333 shares of restricted common stock of the Company for 1,433,333 shares of restricted common stock of MTK USA held by Uptick 20 S.A., including a sixty month warrant for the purchase of 358,333 shares of restricted stock of the Company at $.50 per share pursuant to a Securities Purchase Agreement entered into on June 30, 2011.

(h) During the first quarter of 2011, the Company issued a total of 241,380 shares of restricted common stock for services rendered by a contractor to the Company pursuant to an executed consulting agreement. The fair value of the services received during this period was calculated as the market price at the date of grant and the date service is provided with a total value of $63,276.

Common Stock Mount Knowledge USA Inc.

Year ended December 31, 2012

On June 18, 2012, the remaining principal balance of notes payable amounted to $150,000 and accrued interest amounted to $10,950 were extinguished by 4,237,640 common shares of MTK USA which was later exchanged by 4,237,640 common shares of MKHD and warrants pursuant to which the creditor can purchase 1,059,410 shares of MKHD common stock at an exercise price of $0.50.

Year ended December 31, 2011

(a) On November 14, 2011, MTK USA issued the following shares of its common stock:

(i) 12,500,000 shares to Access Alternative Group S.A as settlement of outstanding compensation for services rendered, recorded at fair value of $240,000;

(ii) 11,137,640 shares to Access Alternative Group S.A. as settlement of a loan for $55,000; and

(iii) 2,541,667 shares to seven separate contractors of MTK USA, of which 100,000 shares were issued to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, 100,000 shares were issued to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, former President, Chief Executive Officer and Director of the Company, and the balance of 2,541,667 shares to non-related parties for contracted services to MTK USA. These shares were recorded at fair value of $31,771,

(b) During the three months ended June 30, 2011, MTK USA issued the following shares of its common stock:

(i) 1,069,999 shares at a value of $0.15 per share to four individual investors for cash proceeds of $160,500; and

(ii) 300,000 shares, at a value of $0.15 per share to three independent contractors for services rendered totaling $45,000.

(c) During the three months ended March 31, 2011, MTK USA issued the following shares of its common stock:

(i) 2,611,667 shares, at a value of $0.15 per share to nine individual investors for cash proceeds of $391,750; and

(ii) MTK USA converted $719,354 of note payable owed to Blue Fire Consulting Group into 4,795,694 common shares of MTK USA.

All shares issued were recorded by the Company as an addition to non-controlling interest.

Share Purchase Warrants

Year ended December 31, 2012

(i) Shareholders of MTK USA were issued a warrant to purchase one share of the Corporation s common stock at an exercise price of $0.50, in the aggregate amount of 6,244,702 shares of Company common stock, (together with the Company common shares and the Company warrant).

(ii) In exchange for MTK USA Securities, the Company issued 45,500,000 and 4,237,640 Company Common Shares of Company Common Stock to Access and Jensen, respectively, including, for every four shares of MTK USA Securities sold to the Corporation, Access and Jensen were issued a Company warrant to purchase one share of the Corporation s common stock at an exercise price of $0.50, in the aggregate amount of 12,434,410 shares of Company common stock, together the Company Securities.

Year ended December 31, 2011

During 2011 the Company granted the following warrants to purchase common stock of the Company:

(a) On July 29, 2011, the Company granted a cashless warrants for the total purchase of 3,600,000 shares of restricted stock of the Company with an exercise price of $0.20; a total of 1,200,000 shares to Birch First Advisors, LLC, a total of 1,200,000 shares to Practical Business Advisors, LLC, and 1,200,000 shares to Simon G. Arnison, respectively, pursuant to three separate warrant stock purchase agreements entered into on July 31, 2011. The terms of each warrant agreement is based on a vesting period of three years, with 400,000 shares exercisable each year provided that each respective contractor, separately, is still engaged with the Company. The shares granted in each warrant were subject to a vesting and distribution schedule on a pro-rata basis, in the event of early termination by either Contractor or Company. Subsequently, the warrants granted by the Company were cancelled (unvested) as of December 30, 2011, pursuant to terms and conditions of three (3) separation and settlement agreements between the Company and each of the parties represented herein above. No expenses related to these warrants were recorded for the year ended December 31, 2011.

(b) On June 30, 2011, a total of 1,577,257 warrants with an exercise price of $0.50 per share were issued by the Company pursuant to 2 separately executed Securities Purchase Agreements entered into on June 30, 2011 (1,198,924 and 358,333 shares respectively).

A summary of the common stock warrant activity for the year ended December 31, 2012 and for the year ended December 31, 2011 is as follows:

		Weighted Average

	Number Of Shares	Exercise Price
Balance at December 31, 2010	24,000,000	$ 0.18
Granted June 30, 2011	1,198,924	0.50
Granted June 30, 2011	358,333	0.50
Granted July 29, 2011	3,600,000	0.20
Cancelled December 30, 2011	(3,600,000)	(0.20)
Balance at December 31, 2011	25,557,257	0.19
Granted June 20, 2012	6,244,702	0.50
Granted June 20,2012	12,434,410	0.50
Balance at December 31, 2012	44,236,369	$ 0.32

The range of exercise prices and the weighted average remaining life of the warrants outstanding at December 31, 2012 were $0.18 to $0.50 and 0.97 years, respectively.

Note 7 Discontinued Operations

a) Disposal of Hong Kong Holding Company and Its Subsidiaries

On October 24, 2011, Mount Knowledge Asia sold Language Key Asia (LKA) and all of its subsidiaries (the LK Subsidiaries), except for The Language Key Training Ltd. (LKTR) to Software Sans Frontiere SA, a Belize corporation, for consideration of US $10 and assumption of all of the liabilities of the LK Subsidiaries. Their historical operating results were reported as part of discontinued operations for all periods presented in the accompanying consolidated statement of operations. The net loss on disposal of subsidiaries was $2,992, which was reported as part of discontinued operations for the year ended December 31, 2011.

b) Sale of Subsidiary in Quarter 1, 2012 Language Key Training Ltd.

In February 2012, the Company sold Language Key Training Ltd., its Hong Kong subsidiary (LKTR) for a nominal cash consideration to Software Sans Frontiere SA, a Belize corporation, for consideration representing the assumption of all of the liabilities of LKTR. The trademark and associated course training materials were returned to the original seller whose obligation was settled by the payment of $15,000 prior to disposition. The net gain on disposal of subsidiaries was $174,736, which was reported as part of discontinued operations for the year ended December 31, 2012.

The Company s management made the decision to sell the LKTR due to ongoing losses and failed restructuring efforts as a result of the lack of available financing for Hong Kong and China based educational companies. At December 31, 2011, the assets and liabilities of LKTR were classified as assets held for sale and liabilities for assumption at the lower of their carrying value or fair value less cost to sell as they met criteria of held for sale. There had been no impairments related to LKTR.

The carrying amounts of the major classes of assets and liabilities held for sale related to LKTR is as follows:

	December 31, 2012	December 31, 2011
Cash and equivalents	$	4,428
	-	
Accounts and other receivables	-	2,426
Unbilled revenue	-	12,757
Corporate tax recoverable	-	10,273
Due from related parties	-	85,451
Property and equipment	-	13,113
Other assets	-	13,635
Total assets held for sale	$	142,083
	-	

	December 31, 2012	December 31, 2011
Accrued liabilities	$	33,307
	-	
Other payables	-	240,692
Due to related parties	-	6,526
Total liabilities for assumption	$	280,525
	-	

c) Sale of Subsidiaries - Mount Knowledge Asia Ltd. and Mount Knowledge USA Inc.

On December 28, 2012, the Company sold Mount Knowledge Asia Ltd., (MKA), a Hong Kong corporation, and Mount Knowledge USA Inc., a Nevada corporation (MTK USA) to Software Sans Frontiere SA, a Belize corporation, for consideration of Hong Kong $10 and assumption of all of the liabilities of each subsidiary, respectively. At December 28, 2012, these companies had no liabilities. The Company s management made the decision to sell MKA and MTK USA due to ongoing losses and failed restructuring efforts as a result of the lack of available financing for either of the companies.

Note 8 Contingent Liabilities and Contractual Obligations

(a) Award of Claim

On February 6, 2012, the Labour Tribunal of Hong Kong awarded Dirk Haddow (Haddow), a former director and officer of LKA, a judgment against LKA and LKTR in the sum of HKD $1,135,245, regarding a salary claim. This obligation is no longer considered a contingent liability of the Company, pursuant to the settlement of claims described below.

(b) Marketing Affiliate Agreement

On February 14, 2012, Mount Knowledge Asia Ltd. (MKA), a Hong Kong corporation and wholly owned subsidiary of the Company, entered into a Marketing Affiliate Agreement with Language Key Ltd., a Hong Kong corporation (LKL) non-related to the Company and/or any of its related companies, in which LKL agreed to market and sell licenses of an online software application referred to as ECO Learning (English Communications Online) developed and owned by the Company under certain terms and conditions.

(c) Definitive Agreement to Purchase Forum Mobile-Israel Ltd. - Execution of Letter of Intent

On November 13, 2012, the Board of Directors of the Company approved the execution of a non-binding Letter of Intent to purchase 100% of the ownership interest of Forum Mobile-Israel Ltd. (FM), from Forum Mobile Inc., a Delaware company publicly-traded on the US Over-the-Counter Stock Exchange (FRMB) in a share exchange merger transaction.

As a condition of the Letter of Intent, both parties agreed to keep confidential certain terms and conditions of the pending transaction, contingent upon further negotiations and execution of a Definitive Agreement, to be executed on or before December 31, 2012, with a subsequent date of closing, to be mutually agreed to by both parties.

Note 9 Income Taxes

United States

The Company incorporated in United States, and is subject to tax on income or capital gain under the current laws of the United States.

Taxation in the income statement represents the provision for US profits tax for the period. US profits tax is calculated at 34% of the estimated assessable profit for the tax period.

Prior to the acquisitions of MKT USA and Language Key Asia Ltd, the Company had minimal operations and generated no revenue. Consequently, the Company incurred net operating losses through December 31, 2012 and 2011.

Hong Kong

The Company s subsidiary, LKA is incorporated in Hong Kong, and is subject to tax on income or capital gain under the current laws of the Hong Kong. LKA's subsidiaries are subject to income tax as described below.

Taxation in the income statement represents the provision for Hong Kong profits tax for the period. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the period.

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. Income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss, it is not accounted for.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilized.

The People's Republic of China (PRC)

Beginning January 1, 2008, the new Enterprise Income Tax (EIT) law has replaced the old laws for Domestic Enterprises (DES) and Foreign Invested Enterprises (FIEs). The new standard EIT rate of 25% replaces the 33% rate applicable to both DES and FIEs.

The new EIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. Such withholding income tax was exempted under the previous income tax regulations.

LKA s subsidiary, The Language Key China Ltd., as an enterprise established in Shanghai, PRC, was entitled to a preferential enterprise tax rate of 18% prevailing in Pudong Economic Zone for all years before 2008, and the following preferential rates started on January 1, 2008:

*

Year	**Tax Rate**
2008	18%
2009	20%
2010	22%
2011	24%
2012	25%
2013 and thereafter	25%

The income tax expense in the consolidated statements of operations consisted of:

	Year ended December 31, 2012	Year ended December 31, 2011
Hong Kong Enterprise Income Tax	$ -	-
PRC Enterprise Income Tax	-	-
Income taxes, net	$ -	-

A reconciliation between the income tax computed at the U.S. statutory rate and the Company's provision for income tax in Hong Kong is as follows:

	Year Ended December 31 2012	Year Ended December 31 2011
U.S Federal income tax statutory rate	34.0%	34.0%

U.S Federal income tax statutory rate	(34.0)%	(34.0)%
Hong Kong Statutory rate	0.0%	16.5%
Loss not subject to income tax	0.0%	(16.5)%
Effective tax rate	0.0%	0.0%

A reconciliation between the income tax computed at the U.S. statutory rate and the Company's provision for income tax in the PRC is as follows:

	Year ended December 31,2012	Year ended December 31,2011
U.S. statutory rate	34.0%	34.0%
Foreign income not recognized in the U.S.	(34.0)%	(34.0)%
PRC preferential enterprise income tax rate	0.0%	25.0%
Tax holiday and relief granted to the Subsidiary	0.0%	(1.0)%
Loss not subject to income tax	0.0%	(24.0)%
Other	0.0%	0.0%
Effective tax rate	0.0%	0.0%

Significant components of the Company s deferred income tax assets are as follows:

	December 31,	
	2012	2011
Deferred tax assets	$ 1,750,130	$ 1,501,282
Valuation allowance	(1,750,130)	(1,501,282)
Net deferred tax assets	$ -	$ -

Accounting for Uncertainty in Income Taxes

The Company adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2007. The provisions clarify the accounting for uncertainty in income taxes recognized in an enterprise s financial statements in accordance with the standard Accounting for Income Taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provisions of Accounting for Uncertainty in Income Taxes also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company may from time to time be assessed interest or penalties by major tax jurisdictions. In the event it receives an assessment for interest and/or penalties, it will be classified in the financial statements as tax expense.

Based on the Company s evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

Note 10- Concentration

Major Customers

The Company had no major customers during the years ended December 31, 2012 and 2011.

Note 11- Operation Risks

Lack of Insurance

The Company could be exposed to liabilities or other claims for which the Company would have no insurance protection. The Company does not currently maintain any business interruption insurance, products liability insurance, or any other comprehensive insurance policy except for property insurance policies with limited coverage. As a result, the Company may incur uninsured liabilities and losses as a result of the conduct of its business. There can be no guarantee that the Company will be able to obtain additional insurance coverage in the future, and even if it can obtain additional coverage, the Company may not carry sufficient insurance coverage to satisfy potential claims. Should uninsured losses occur, any purchasers of the Company's common stock could lose their entire investment.

Country Risk

The Company has significant operating risk in the PRC. The operating results of the Company may be adversely affected by changes in the political and social conditions in the PRC and by changes in Chinese government policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things. The Company can give no assurance that those changes in political and other conditions will not result in have a material adverse effect upon the Company s business and financial condition.

Exchange Risk

The Company cannot guarantee the relative Renminbi, Hong Kong dollar, and U.S. dollar exchange rates will remain steady, therefore the Company could post the same profit for two comparable periods and post higher or lower profit depending on the relative movements in the price of these currencies. The exchange rate could fluctuate depending on changes in the political and economic environments without notice.

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable. A significant portion of the Company's cash balances are on deposit at financial institutions in the PRC, the currency of which is not free trading. Foreign exchange transactions are required to be conducted through institutions authorized by the Chinese government and there is no guarantee that Chinese currency can be converted to U.S. or other currencies.

Note 12 Subsequent Events

(a) Settlement of Employment Claim of Key Executive of Subsidiary

On January 15, 2013, the Company, Mount Knowledge Asia, Ltd., and Haddow executed a Mutual Indemnification and Release Agreement in which all parties agreed to resolve all claims either Party may have against the other under, including but not limited to, any promises or commitments, verbal or written during the business dealing with each other prior to the date of this Agreement, and otherwise resolve their disputes on an amicable basis. The Release Agreement included the release of any and all contingent liabilities, whether acknowledged or denied, relating to: (a) the Company s corporate guarantee of Haddow s USD$50,000.00 short-term note payable to Language Key Asia Ltd. s China subsidiary, and/or (b) Haddow s salary claim judgment against LKA and LKTR in the sum of HK$1,135,245.43.

(b) Definitive Agreement to Purchase Forum Mobile-Israel Ltd.

On March 19, 2013, the Company entered into a Definitive Agreement with Forum Mobile Inc., a Delaware company publicly-traded on the US Over-the-Counter Stock Exchange (FRMB), pursuant to which the Company has agreed to purchase, from FRMB, 100% of the ownership interest in FM, in the form of a share exchange, in consideration for the issuance of common and preferred shares of the Company to FRMB, upon which FM will become a wholly owned subsidiary of the Company at closing.

The primary terms and conditions of the Agreement are as follows:

At closing,

(i) FRMB will assign, transfer, convey and deliver the all of the outstanding shares of FM (the FM Shares) to an escrow agent, and

(ii) in consideration and exchange therefore the Company shall issue and deliver to FRMB, a number of shares of:

(A) common stock, par value $0.0001 per share of the Company, equal to 4 shares of common stock of the Company, for 1 fully diluted share of common stock of the Company held by the existing stockholders of the Company immediately prior to the closing, and

(B) Series A preferred stock, par value $0.0001 per share of the Company, equal to 4 shares of preferred stock of the Company, for every 1 fully diluted share of preferred stock held by the existing stockholders of the Company immediately prior to the closing, in such amounts to be determined at closing.

Upon closing, FRMB will become the majority owner of the Company.

The Agreement sets forth certain closing conditions, including, but not limited to: (a) interim financing, and (b) a certain number of shares of the Company held by the Company controlling shareholder, placed into escrow, subject to certain subsequent financings, and other provisions which will be determined prior to and disclosed upon a closing. There can be no guarantee that these conditions will be met and that the transaction described above will close.

(c) 2013 Cash Sales of Unregistered Securities Common Stock

On March 1, 2013, the Company completed a private offering of 1,000,000 shares of its common stock at a price of $0.02 per share to 1 purchaser, for total proceeds of $20,000.

(d) Stock Issuance for Contracted Services

On March 15, 2013, the Company issued a total of 62,500 shares of restricted common stock of the Company to four (4) separate related parties for services rendered to the Company by Source Capital Group Inc., and 1,750,000 shares to one contractor for services rendered to the Company, respectively. The fair value of the services received during this period was calculated as the market price ($0.18) at the date of grant and the date service is provided with a total value of $11,250 and $315,000.

Separately, the Company issued a total of 150,000 shares of restricted common stock of the Company to an officer and director of the Company for services rendered. The fair value of the services received during this period was calculated as the market price ($0.18) at the date of grant and the date service is provided with a total value of $27,000.

(e) Vendor Settlements

On March 15, 2013, the Company issued a total of 238,654 shares of its common stock at a price of $0.15 per share to a total of three (3) vendors, in exchange for the settlement of a total of $35,795 of outstanding Company obligations.

(f) Bridge Financing - Promissory Notes

On May 30, 2013, the Company entered into a joinder agreement to the original Securities Purchase Agreement executed on September 14, 2011, pursuant to which the Company had issued to the Dalen Family Trust, a Canadian Trust, a promissory note in the principal amount of $40,000. The note matures one year from the Closing Date and is adjoined to the Forbearance Agreement dated November 30, 2012, extending the due date of the notes to December 31, 2013.

(g) 2013 Sales of Unregistered Securities Preferred Stock

On June 18, 2013, the Company executed a Stock Purchase Agreement with an investor for the sale of 100,000 shares of the Company's Series A preferred stock at a price of $0.20 per share, with rights and preferences as set forth in the Certificate of Designation, Preferences and Rights of Series A Preferred Stock of the Company dated on or above February 3, 2011, filed with the State of Nevada, including, but not limited to, the right to convert held preferred shares into common stock of the Company at a ratio of one-to-two, for total proceeds of $20,000.

The number of shares of preferred stock of the Company issued to the investor pursuant to this Agreement is subject to adjustments from time to time as set forth in the Stock Purchase Agreement. Notwithstanding anything to the contrary in the Stock Purchase Agreement, if the shares of preferred stock held by the investor are converted into shares of common stock of the Company, at the option of the Investor and/or as a result of the closing of a pending transaction with Forum Mobile Inc., then the Company agrees to further adjust the total number of shares of common stock of the Company issuable to Investor in a manner which will represent a total of 1% of the post-merged entity in the proposed Forum transaction.

Item 9. Changes In and Disagreements With Accountants On Accounting and Financial Disclosure.

We had no changes in or disagreements with accountants on accounting and financial disclosure in 2012 or 2011.

Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Our principal executive and principal financial officers have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a 15(e) and 15d 15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods required under the SEC s rules and forms and that the information is gathered and communicated to our management, including our principal executive officer, principal accounting officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure.

Our principal executive officer, principal accounting officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on this evaluation, our principal executive officer, principal accounting officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report.

Management s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting 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 assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. Based on this assessment, management concluded that the Company did not maintain effective internal controls over financial reporting as a result of the identified material weakness in our internal control over financial reporting described below. In making this assessment, management used the framework set forth in the report entitled Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring.

This annual report does not include an attestation report of the Company s independent registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to attestation by our registered public accounting firm pursuant to Rule 308(b) of Regulation S-K, which permits the Company to provide only management s report in this Annual Report.

Identified Material Weaknesses and Management s Remediation Initiatives

A material weakness in our internal control over financial reporting is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Management identified the following material weaknesses during its assessment of internal controls over financial reporting as of December 31, 2012:

The Company lacks an audit committee with an independent financial expert. The Company is planning to form an audit committee and hopes to do so within the next fiscal year.

The Company s accounting department lacks sufficient employees to maintain a segregation of duties. The Company is planning to hire a controller and any necessary additional accounting personnel necessary to mitigate these issues.

(b) **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting in our most recent fiscal quarter.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our directors, executive officers and key employees are listed below. The number of directors is determined by our board of directors. All directors hold office until the next annual meeting of the board or until their successors have been duly elected and qualified. Officers are elected by the board of directors and their terms of office are, except to the extent governed by employment contract, at the discretion of the board of directors.

EXECUTIVE OFFICERS AND DIRECTORS

Name of Executive Officer and Director	Age	Office
Erwin Sniedzins [1]	66	Chairman
Daniel A. Carr [2]	52	President, Chief Executive Officer, Chief Financial Officer, Treasurer and Director
Simon Arnison [3]	47	Chief Technology Officer, Secretary and Director
James D. Beatty [4]	___	President, Chief Executive Officer, Chief Financial Officer, Treasurer and Director

[1]Mr. Sniedzins resigned as the Chairman of the Company on December 30, 2011.

[2] Mr. Carr resigned as the President and CEO and a Director of the Company on March 31, 2012.

[3] Mr. Arnison resigned as the Chief Technology Officer, Secretary and a Director of the Company on December 30, 2011.

[4] Mr. Beatty was appointed as a Director of the Company on March 30, 2012. Mr. Beatty was appointed as President and CEO of the Company on March 31, 2012.

Set forth below is a brief description of the background and business experience of our Directors and Officers for the past five years.

Erwin Sniedzins Chairman, Founder and Director

Erwin E. Sniedzins is the Chairman of Mount Knowledge Holdings, Inc., the founding Chairman and Director of Mount Knowledge USA, Inc., a marketing and sales company and Chairman, President and Director of Mount Knowledge Inc., a Canadian research and development company; Inventor, Author, Publisher, Philanthropist, Poet, Lecturer, Professor, Motivational Speaker, Martial Arts Enthusiast and Global Traveler.

Mr. Sniedzins has held senior management positions at Xerox with extensive sales/marketing and business development and new product launch experience. He created Mount Knowledge , with patent pending Syntality , Real Time Self-Learning ; in 2001 he created an unique marketing interactive software product, selling 50,000 CDs to Sears (Eatons) and 30,000 CDs to Unilever (Lipton s); organized, in 1991, a Mt. Everest expedition to raise International awareness and $1.1 M for Rett Syndrome; created a National Everfitness program that went out to 18,000 schools in Canada; authored, produced and published a best seller, *Who s Who in Toronto: A Celebration of this City* ;

Daniel A. Carr - President & CEO, Treasurer and Director

Mr. Carr is currently the President, CEO and Director of Mount Knowledge Holdings, Inc. and Mount Knowledge USA, Inc., a marketing and sales company and Manager of Practical Business Advisors, LLC, a management and advisory services company. Mr. Carr has over 30 years of experience and leadership, including financial positions in over 14 companies providing hi-tech development, manufacturing, wholesale distribution, on-line financial services, and IT infrastructure. Dan s leadership style is firm yet fair and he believes in continuous process improvement within any organization.

Due to his time management practices and his enjoyment of multi-tasking, he has successfully run as many as five organizations at the same time. While well trained and seasoned in the various aspects of business, Dan is equally as comfortable in the Board Room as he is on a manufacturing floor or a shipping dock. His skills range from strategic planning to sales and marketing to detailed operations execution. Having the ability to relate to people of all levels within an organization, Dan is often called upon by clients to provide leadership and perform problem solving for special situations and projects. Rounding out Dan s skills, he is an excellent writer and public speaker. His written works have been translated and used globally and he is frequently asked to speak in various venues both nationally and around the world.

Simon Arnison Executive Vice President, CTO, Secretary and Director

Simon Arnison is the current Chief Technology Officer and Director of Mount Knowledge Holdings, Inc. and Mount Knowledge USA, Inc., a marketing and sales company and current Chief Technology Officer and Director of 1827281 Ontario Inc., a Canadian research and development company.

Mr. Arnison has over 23 years of executive and management experience in the software, multimedia, educational products and PC marketplace in both Europe and North America, and is former founder and CEO of Classwave Wireless, and former founder and CTO of Innotech. Mr. Arnison has been a pioneer and visionary in the wireless and Java marketplace and has written and presented on these fields for various publications and events.

James D. Beatty - President & CEO, Treasurer and Director

From July 1982 to the present, Mr. Beatty has been the President and Chief Executive Officer of Trinity Capital Corporation, a private Canadian merchant bank. From January 2005 to March 2011, Mr. Beatty has also been the Chairman of Canary Resources Inc., a U.S. publicly traded coal bed methane company operating in Eastern Kansas and Western Missouri. From March 2006 until June 2008, Mr. Beatty served as Chairman of First Metals Inc. a Canadian base metals producer listed on the Toronto Stock Exchange.

Other than engaging and/or retaining independent consultants to assist us in various administrative and marketing related needs, we do not anticipate a significant change in the number of our employees, if any, unless we are able to obtain adequate financing. Currently, our officers / directors do not have any employment agreements with us.

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

Significant Employees

We have no significant employees other than the director and officer described above.

Family Relationships

There are no family relationships among our directors or officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as

defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in Certain Relationships and Related Transactions, none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the Commission.

Audit Committee

For the year ended December 31, 2011, the Company did not have an audit committee. However, the Company intends to establish a new and independent auditing committee consisting of a minimum of three members in accordance with a new corporate governance policy to be adopted by the Company in 2012 in order to comply with the rules and regulations of the Sarbanes-Oxley Act of 2002.

Audit Committee Financial Expert

Our board of directors has determined that it does not have an audit committee member that qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. We believe that the audit committee to be formed will have members capable of collectively analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. In addition, we believe that retaining an independent director who would qualify as an audit committee financial expert would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated revenues to date.

Code of Ethics

We adopted a Code of Ethics applicable to all of our directors, officers, employees and consultants, which is a "code of ethics" as defined by applicable rules of the SEC. Our Code of Ethics is attached as an exhibit to our annual report on Form 10-KSB filed on February 13, 2008. If we make any amendments to our Code of Ethics other than technical, administrative, or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of our Code of Ethics to our chief executive officer, chief financial officer, or certain other finance executives, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies in a Current Report on Form 8-K filed with the SEC.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the SEC initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports that they file.

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that all filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with.

Item 11. Executive Compensation.

The particulars of compensation paid to the following persons:

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our principal executive officers;

.

each of our three most highly compensated executive officers who were serving as executive officers at the end of the year ended December 31, 2012; and

.

of the three additional individuals for whom disclosure would have been provided under serving as our executive officer at the end of the most recently completed financial year, who we will collectively refer to as the named executive officers, for our years ended December 31, 2012 and 2011, are set out in the following summary compensation table:

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($) [4]	Non-equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Daniel A. Carr [1]	2012	-	-	-	-	-	-	-	-
President, Chief Officer and Chief Financial Officer	2011	-	-	25,000	-	-	-	49,600	74,600
James D. Beatty [2]	2012	-	-	-	-	-	-	-	-
President, Chief Officer and Chief Financial Officer	2011	-	-	-	-	-	-	-	-

(1)

Daniel A. Carr was our president, chief executive officer, chief financial officer and a director since January 21, 2010 until his resignation in March 31, 2012. Mr. Carr did not receive direct compensation as an executive officer or director. However, Mr. Carr did receive compensation in the form of consulting fees paid to Practical Business Advisors, LLC (PBA), a company controlled by Daniel A. Carr in the amount of $8,000.00 per month as of December 31, 2010 from Mount Knowledge USA, Inc., a company controlled by the Company, which was later cancelled and re-contracted directly with the Company on the same cash compensation basis, including the issuance of 250,000 shares of restricted common stock of the Company. On December 30, 2011, the Company cancelled the Agreement with PBA and settled any and all outstanding balances owed to PBA in exchange for 75,000 shares of common stock

of the Company.

(2)

James D. Beatty was appointed our president, chief executive officer, chief financial officer and a director on March 30, 2012 and, therefore, received no compensation in 2010 and 2011, respectively.

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive stock options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our board of directors from time to time. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

Outstanding Equity Awards at Fiscal Year-End

As at December 31, 2012, we had not adopted any equity compensation plan and no stock, options, or other equity securities were awarded to any of our executive officers.

Aggregated Options Exercised in the Year Ended December 31, 2012 and Year End Option Values

There were no stock options exercised during the year ended December 31, 2012.

Repricing of Options/SARS

We did not re-price any options previously granted during the year ended December 31, 2012.

Director Compensation

We do not pay our directors any fees or other compensation for acting as directors. We have not paid any fees or other compensation to any of our directors for acting as directors to date.

Employment Contracts

We presently do not have any employment agreements.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

As of December 31, 2012, there were 190,695,096 shares of our common stock outstanding. The following table sets forth certain information known to us with respect to the beneficial ownership of our common stock as of that date by (i) each of our directors, (ii) each of our executive officers, and (iii) all of our directors and executive officers as a group. Except as set forth in the table below, there is no person known to us who beneficially owns more than 5% of our common stock.

Name and Address of Beneficial Owner	**Number of Shares Beneficially Owned (1)**	**Percentage of Class (2)**
Birch First 205 Worth Avenue, Ste. 201 Palm Beach, Florida 33480	56,942,226 (4)	28.5%
Access Alternative Group S.A. P.O. Box CB-13997 Nassau, The Bahamas	28,898,170 (5)	14.5%
Vantech Securities Ltd. P.O. Box CB-13997 Nassau, The Bahamas	550,000 (5)	0.002
James D. Beatty	100,000 (6)	0.001%

46 Tennington Park Avenue

Toronto, ON M4N 2C6

Directors, Officers and Beneficial Owners as a group (3 persons)	**43.003%**

(1)

Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

(2)

The percentage of class is based on 190,695,096, shares of common stock issued and outstanding as of December 31, 2012.

(3)

Total share count for Directors, Officers and Beneficial Owners as a Group takes into consideration a 22 for 1 forward stock split (the Forward Split) of the Company s issued and outstanding common stock completed on January 21, 2010.

(4)

A total of 54,561,690 shares of common stock of the Company registered in the name of Birch First Global Investments, Inc., a U.S. Virgin Islands corporation controlled by Pier S. Bjorklund, as its President, and a total of 2,380,536 shares registered in the name of Birch First Advisors, LLC, a Delaware limited liability company controlled by Pier S. Bjorklund, as its Manager, collectively referred to herein as Birch First .

(5)

A total of 28,898,170 shares of common stock of the Company registered in the name of Access Alternative Group S.A., a Bahamas corporation controlled by Robert Montgomery, as its President, and a total of 550,000 shares registered in the name of Vantech Securities Ltd., a Bahamas corporation controlled by Pier S. Bjorklund, Robert Montgomery, as its President.

(6)

100,000 shares of restricted common stock of the Company are held by James D. Beatty, the President and CEO and a director of the Company, pursuant to the issuance on March 15, 2013, however, this position was not held on December 31, 2012.

Changes in Control

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change of control of our company.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Since commencement of our fiscal year ended December 31, 2012, several parties had a material interest, direct or indirect, in one or more transactions with us or in any presently proposed transaction(s) that has or will materially affect us, in which our company is a participant and the amount involved exceeds the lesser of $120,000 or 1% of the average of our company s total assets for the last two completed fiscal years:

(i)

Any of our directors or officers;

(ii)

Any person proposed as a nominee for election as a director;

(iii)

Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;

(iv)

Any of our promoters; and

(v)

Any member of the immediate family (including spouse, parents, children, siblings and in- laws) of any of the foregoing persons

(vi)

Related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a)

At December 31, 2011, the Company was indebted of $217,348 (2010 - $25,537) to related parties, being non- interest bearing demand loan advances from an entity controlled by the Company s director.

(b)

On July 29, 2011, the Company issued a total of 750,000 shares of restricted common stock of the Company to three separate contractors of the Company, a total of 250,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company, a total of 250,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company, and a total of 250,000 shares to Simon G. Arnison, Chief Technology Officer, Secretary and Director of the Company, pursuant to three separate independent contractors agreements entered into on July 31, 2011. The fair value of the services to be received by the Company during the aforementioned period pertaining to the share compensation will be calculated at the market price of the Company s publicly traded shares on the date of execution of each agreement for a total value of $75,000 based on a per share market price of $0.10.

(c)

In addition, the Company granted a cashless warrants for the total purchase of 3,600,000 shares of restricted stock of the Company; a total of 1,200,000 shares to Birch First Advisors, LLC, a total of 1,200,000 shares to Practical Business Advisors, LLC, and 1,200,000 shares to Simon G. Arnison, respectively, pursuant to three separate warrant stock purchase agreements entered into on July 31, 2011. The terms of each warrant agreement is based on a vesting period of three years, with 400,000 shares exercisable each year provided that each respective contractor, separately, is still engaged with the Company. The shares granted in each warrant are subject to a vesting and distribution schedule on a pro-rata basis, in the event of early termination by either Contractor or Company.

(d)

On August 10, 2011, LKA s CEO advanced a $50,000 Short-term Note Payable to its subsidiary in China in order to satisfy its 2010 Corporate Income Tax Liability. The Note matured on August 31, 2011, and the Company expects to repay it in full by that date.

(e)

On November 14, 2011, MTK USA issued a total of 26,179,307 shares of restricted common stock of MTK USA to the following:

(i)

12,500,000 shares to Access Alternative Group S.A. as settlement of compensation for services, recorded at fair value of $240,000;

(ii)

11,137,640 shares to Access Alternative Group S.A. as settlement of a loan for $55,000;

(iii)

100,000 shares to Birch First Advisors, LLC, an entity controlled by an affiliate of the Company;

(iv)

100,000 share to Practical Business Advisors, LLC, an entity controlled by Daniel A. Carr, President, Chief Executive Officer and Director of the Company; and

(v)

a total of 2,341,667 shares to non-related parties for contracted services to MTK USA.

The 2,541,667 shares above in items (iii), (vi) and (v) were recorded at fair value of $31,771.

On December 20, 2011, Haddow filed a claim against LKA and LTKR with the Labour Tribunal of Hong Kong, for unpaid salaries of approximately HKD$1,135,245.43, (the Salary Claim), pursuant to the Employment Agreement executed by Haddow and LKA on or about December 21, 2010.

On December 30, 2011, Mount Knowledge Holdings, Inc. (the Corporation), and its wholly-owned subsidiary, Mount Knowledge USA, Inc., a Nevada corporation (MTK USA), executed a Separation and Settlement Agreement (the Separation and Settlement Agreement) by and between Ucandu Learning Centres Inc., an Ontario corporation (Ucandu), Mount Knowledge Inc., an Ontario corporation (MTK Canada), 1827281 Ontario Inc. D/B/A Mount Knowledge Technologies Inc., an Ontario corporation (MTK Tech), and Erwin Sniedzins (Sniedzins), pursuant to which the parties agreed to the following:

(1)

The Company, Ucandu and Sniedzins cancelled the Intellectual Property Purchase Agreement, dated as of December 28, 2010, pursuant to which Sniedzins and Ucandu sold certain software commonly referred to between the parties as the Real-Time Self Learning Systems , which included all copyrights, patents, trademarks, service marks and trade secrets therein (collectively, with the Software, the Intellectual Property) to the Company (the IP Agreement). Pursuant to the execution of the Separation and Settlement Agreement, and the cancellation of the IP Agreement therein, the Company agreed to return the Intellectual Property to Ucandu and Sniedzins, effectively immediately;

(2)

The Company and Ucandu terminated, effective immediately, the Independent Contractor Agreement dated as of December 28, 2010, pursuant to which the Company engaged Ucandu to provide sales and marketing and technology services to the Company (the Contractor Agreement). Pursuant to the execution of the Separation and Settlement Agreement, and the cancellation of the Contractor Agreement therein, the Company agreed to pay Ucandu a total of 100,000 shares of Common Stock of the Company as a payment in full to settle any and all unpaid payments due Ucandu on the date of execution of the Separation and Settlement Agreement;

(3)

The Company and Ucandu cancelled, effective immediately, the Option Agreement pursuant to which Ucandu granted to the Company an option (the Option) to purchase 510,000 shares of MTK Tech (the Ucandu MTK Tech Shares) from Ucandu (the Option Agreement);

(4)

Sniedzins resigned as a member of the Board of Directors (the Board) of the Company and the Board accepted Sniedzins resignation, effective immediately; and

(5)

MTK USA was a named party only to mutually releases set forth in the Separation and Settlement Agreement.

On December 30, 2011, the Company executed three (3) separate and identical Separation and Settlement Agreements (the Separation and Settlement Agreements) with Birch First Advisors, LLC, a Delaware limited liability company (Birch), Practical Business Advisors, LLC, a Michigan limited liability company (Practical), and Simon G. Arnison, individually (Arnison), respectively, pursuant to which the parties agreed to the following:

(1)

The Company and Birch, Practical, and Arnison terminated, effective immediately, each of their respective Independent Contractor Agreements, all individually dated December 28, 2010, pursuant to which the Company engaged Birch, Practical, and Arnison, individually, to provide administrative, management and/or technology services to the Company, as determined by the Company (the Contractor Agreements). Pursuant to the execution of each of the Separation and Settlement Agreement, and the cancellation of each of the Contractor Agreements therein, the Company agreed to issue Birch, Practical, and Arnison, each a total of 75,000 shares of Common Stock of the Company, as a payment in full to settle any and all unpaid payments due to Birch, Practical, and Arnison, respectively, as of the date of execution of each of the Separation and Settlement Agreements.

(2)

Arnison resigned as Vice President, Chief Technology Officer and as a member of the Board of the Company and the Board accepted Arnisons resignation, effective immediately.

The fair value of the settlements totaling 325,000 shares was calculated as the market price ($0.05) at the date of grant and the date service is provided with a total value of $16,250.

Director Independence

Our common stock is quoted on the OTC bulletin board interdealer quotation system, which does not have director independence requirements. Under NASDAQ rule 4200(a)(15), a director is not considered to be independent if he or she is also an executive officer or employee of the corporation. Our sole director, James D. Beatty, whom succeeded Daniel A. Carr on March 30, 2012, is also our chief executive officer, president and treasurer. As a result, we do not have any independent directors.

As a result of our limited operating history and limited resources, our management believes that we will have difficulty in attracting independent directors. In addition, we would be likely be required to obtain directors and officers insurance coverage in order to attract and retain independent directors. Our management believes that the costs associated with maintaining such insurance is prohibitive at this time.

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of our company. A copy of our company s Audit Committee Charter is filed as an exhibit to this annual report.

Transactions with Independent Directors

Our sole director, James D. Beatty, is also our chief executive officer, president and treasurer. As a result, we do not have any independent directors.

Board of Directors

Our board of directors currently acts with one member consisting of James D. Beatty. We have determined that Mr. Beatty is not independent as that term is defined in National Instrument 52-110 due to the fact that they were all directors and officers.

Our board of directors facilitates its exercise of independent supervision over management by endorsing the guidelines for responsibilities of the board as set out by regulatory authorities on corporate governance in the United States. Our board s primary responsibilities are to supervise the management of our company, to establish an appropriate corporate governance system, and to set a tone of high professional and ethical standards.

The board is also responsible for:

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selecting and assessing members of the Board;

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choosing, assessing and compensating the Chief Executive Officer of our company, approving the compensation of all executive officers and ensuring that an orderly management succession plan exists;

.

reviewing and approving our company s strategic plan, operating plan, capital budget and financial goals, and reviewing its performance against those plans;

.

adopting a code of conduct and a disclosure policy for our company, and monitoring performance against those policies;

.

ensuring the integrity of our company's internal control and management information systems;

.

approving any major changes to our company s capital structure, including significant investments or financing arrangements; and

.

reviewing and approving any other issues which, in the view of the Board or management, may require Board scrutiny.

Orientation and Continuing Education

We have an informal process to orient and educate new recruits to the board regarding their role of the board, our committees and our directors, as well as the nature and operations of our business. This process provides for an orientation with key members of the management staff, and further provides access to materials necessary to inform them of the information required to carry out their responsibilities as a board member. This information includes the most recent board approved budget, the most recent annual report, the audited financial statements and copies of the interim quarterly financial statements.

The board does not provide continuing education for its directors. Each director is responsible to maintain the skills and knowledge necessary to meet his or her obligations as directors.

Nomination of Directors

The board is responsible for identifying new director nominees. In identifying candidates for membership on the board, the board takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the board. As part of the process, the board, together with management, is responsible for conducting background searches, and is empowered to retain search firms to assist in the nominations process. Once candidates have gone through a screening process and met with a number of the existing directors, they are formally put forward as nominees for approval by the board.

Assessments

The board intends that individual director assessments be conducted by other directors, taking into account each director s contributions at board meetings, service on committees, experience base, and their general ability to contribute to one or more of our company s major needs. However, due to our stage of development and our need to deal with other urgent priorities, the board has not yet implemented such a process of assessment.

Item 14. Principal Accountant Fees and Services.

Audit fees

The aggregate fees billed for the two most recently completed fiscal periods ended December 31, 2012 and December 31, 2011 for professional services rendered by MaloneBailey LLP (predecessor accountants) and Anton & Chia LLP for the audit of our annual consolidated financial statements, quarterly reviews of our interim consolidated financial statements and services normally provided by the independent accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended December 31, 2012	Year Ended December 31, 2011
Audit Fees and Audit Related Fees	25,000	50,000
Tax Fees	-	-
All Other Fees	-	-
Total	**25,000**	**50,000**

In the above table, audit fees are fees billed by our company s external auditor for services provided in auditing our company s annual financial statements for the subject year. Audit-related fees are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of our company s financial statements. Tax fees are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. All other fees are fees billed by the auditor for products and services not included in the foregoing categories.

Policy on Pre-Approval by Audit Committee of Services Performed by Independent Auditors

The board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

The board of directors has considered the nature and amount of fees billed by Anton & Chia LLP and believes that the provision of services for activities unrelated to the audit is compatible with maintaining Anton & Chia LLP.

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PART IV

Item 15. Exhibits, Financial Statement Schedules.

Exhibit Number	Description
3.1(a)	Amended and Restated Articles of Incorporation [incorporated by reference to Exhibit 3.4 of the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 10, 2010]
3.1(b)	Certificate of Designation of Series A Convertible Preferred Stock filed with the Nevada Secretary of State on February 4, 2011 [incorporated by reference to Exhibit 3.1 of the Company s Current Report on Form 8-K with the SEC on February 8, 2011]
3.2	Amended and Restated Bylaws [incorporated by reference to Exhibit 3.5 of the Company s Annual Report on Form 10-K filed with the SEC on February 10, 2010]
10.1	Share Cancellation Agreement by and between Mount Knowledge Holdings, Inc. (f/k/a Auror Capital Corp.) and Jealax Consulting Inc. dated January 20, 2010 [incorporated by reference to Exhibit 10.2 of the Company s Current Report on Form 8-K filed with the SEC on January 26, 2010]
10.2	Warrant Agreements by and between Mount Knowledge Holdings, Inc. (f/k/a Auror Capital Corp.) and each of Access Alternative Group S.A., Birch First Advisors, LLC, Breakwater International, Inc., Brisbane Management Ltd., Cherrywood Corp., Crestway Corp., Crystal Resource Corporation, European Marketing Group Inc., High Tempo Ltd., Jensen International Inc., Mount Knowledge, Inc., Scandivest, LLC, and Vantech Securities Ltd. [incorporated by reference to Exhibit 10.4 of the Company s Current Report on Form 8-K filed with the SEC on January 26, 2010]
10.3(a)	Letter of Intent by and among Mount Knowledge Holdings, Inc., Mount Knowledge USA, Inc. and its shareholders dated April 26, 2010 (the April 26 MTKUSA LOI) [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on April 27, 2010]
(b)	Extension of the April 26 MTKUSA LOI by and among Mount Knowledge Holdings, Inc., Mount Knowledge USA, Inc. and its shareholders dated June 30, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on July 2, 2010]
(c)	Extension of the April 26 MTKUSA LOI by and among Mount Knowledge Holdings, Inc., Mount Knowledge USA, Inc. and its shareholders dated September 10, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on September 14, 2010]
(d)	Extension of the April 26 MTKUSA LOI by and among Mount Knowledge Holdings, Inc., Mount Knowledge USA, Inc. and its shareholders dated October 26, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on October 26, 2010]
10.4(a)	Letter of Intent by and among Mount Knowledge Holdings, Inc., Language Key Training Ltd. and its shareholders dated May 6, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on May 7, 2010]
(b)	

	Amended Letter of Intent by and among Mount Knowledge Holdings, Inc., Language Key Training Ltd. and its shareholders dated June 28, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on July 1, 2010]
10.5(a)	Definitive Agreement by and among Mount Knowledge Holdings, Inc., The Language Key Training Ltd., Dirk Haddow, Mark Wood, Chris Durcan and Jeff Tennenbaum dated October 5, 2010 (the LK Definitive Agreement) [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on October 8, 2010]
(b)	Amendment No.1 to the LK Definitive Agreement by and among Mount Knowledge Holdings, Inc., The Language Key Training Ltd., Dirk Haddow, Mark Wood, Chris Durcan and Jeff Tennenbaum dated October 29, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on October 29, 2010]
(c)	Amendment No.2 to the LK Definitive Agreement by and among Mount Knowledge Holdings, Inc., The Language Key Training Ltd., Dirk Haddow, Mark Wood, Chris Durcan and Jeff Tennenbaum dated December 31, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on January 5, 2011]

10.6	Subscription Agreement by and among Mount Knowledge Holdings, Inc., Mount Knowledge Asia, Ltd., and Language Key Asia, Ltd. dated December 31, 2010 [incorporated by reference to Exhibit 10.2 of the Company s Current Report on Form 8-K filed with the SEC on January 5, 2011]
10.7	Share Exchange Agreement by and among Mount Knowledge Holdings, Inc., Mount Knowledge Asia, Ltd.,, Language Key Asia, Ltd., Dirk Haddow, Mark Wood, Chris Durcan and Jeff Tennenbaum dated December 31, 2010 [incorporated by reference to Exhibit 10.3 of the Company s Current Report on Form 8-K filed with the SEC on January 5, 2011]
10.8	Promissory Note by Language Key Training Ltd, in favor of Foxglove International Enterprises Ltd. dated December 31, 2010 [incorporated by reference to Exhibit 10.4 of the Company s Current Report on Form 8-K filed with the SEC on January 5, 2011]
10.9	Use of Existing Training Content Agreement by and between Language Key Asia Ltd., a Hong Kong company, and The Language Key Ltd., a British Virgin Islands company, dated December 31, 2010 [incorporated by reference to Exhibit 10.5 of the Company s Current Report on Form 8-K filed with the SEC on January 5, 2011]
10.10	Master Software License by and between Mount Knowledge Holdings, Inc. and Mount Knowledge, Inc. dated January 21, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the Securities and Exchange Commission (the SEC) on January 26, 2010]
10.11	Master License Cancellation Agreement by and between Mount Knowledge Holdings, Inc. and Mount Knowledge, Inc. dated December 27, 2010 [incorporated by reference to Exhibit 10.4 of the Company s Current Report on Form 8-K filed with the SEC on January 3, 2011]
10.12	Intellectual Property Purchase Agreement by and among Mount Knowledge Holdings, Inc., Erwin Sneidzins and Ucandu Learning Centres Inc. dated December 28, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on January 3, 2011]
10.13	Independent Contractor Agreement by and between Mount Knowledge Holdings, Inc. and Ucandu Learning Centres Inc. dated December 28, 2010 [incorporated by reference to Exhibit 10.2 of the Company s Current Report on Form 8-K filed with the SEC on January 3, 2011]
10.14	Option Agreement between Mount Knowledge Holdings, Inc. and Mount Knowledge Technologies, Inc. dated December 28, 2010 [incorporated by reference to Exhibit 10.3 of the Company s Current Report on Form 8-K filed with the SEC on January 3, 2011]

10.15	Definitive Agreement by and among Mount Knowledge Holdings, Inc., Birch First Advisors, LLC and Mount Knowledge USA, Inc. dated December 31, 2010 [incorporated by reference to Exhibit 10.1 of the Company s Current Report on Form 8-K filed with the SEC on January 7, 2011]
10.16	Share Purchase Agreement between Mount Knowledge Asia Ltd. and Sans Software Frontiere S.A. dated October 24, 201, for the sale of Language Key Asia Ltd. (LKA), and all of its related subsidiaries (LK Entities), except Language Key Training Ltd. (LKTR) [incorporated by reference to Exhibit 10.16 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.17	Share Purchase Agreement between Mount Knowledge Asia Ltd. and Sans Software Frontiere S.A. dated February 6, 2012, for the sale of Language Key Training Ltd. [incorporated by reference to Exhibit 10.17 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.18	Placement and M&A Agreement between Mount Knowledge Holdings, Inc. and Chardan Capital Markets dated May 21, 2012 [incorporated by reference to Exhibit 10.18 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.19	Share Purchase Agreement between Mount Knowledge Holdings Inc. and Sans Software Frontiere S.A. dated December 28, 2012, for the sale of Mount Knowledge Asia Ltd. [incorporated by reference to Exhibit 10.19 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.20	Share Purchase Agreement between Mount Knowledge Holdings Inc. and Sans Software Frontiere S.A. dated December 28, 2012, for the sale of Mount Knowledge USA Inc. [incorporated by reference to Exhibit 10.20 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.21	Separation and Settlement Agreement between Mount Knowledge Holdings Inc. and Birch First Global Investments Inc. dated December 28, 2012 [incorporated by reference to Exhibit 10.21 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.22	Mutual Indemnification and Release Agreement between Mount Knowledge Holdings Inc. and Mount Knowledge Asia Ltd and Dirk Haddow and Matthew John Bentley [incorporated by reference to Exhibit 10.22 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.20	Stock Purchase Agreement between Mount Knowledge Holdings Inc. and George Kaufman [incorporated by reference to Exhibit 10.16 of the Company s Current Report on Form 10-K filed with the SEC on July 26, 2013]
10.21	Amendment No. 1 to the Separation and Settlement Agreement between Mount Knowledge Holdings Inc. and Birch First Global Investments Inc. dated September 30, 2013. *
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14.1	Code of Ethics [incorporated by reference to Exhibit 14.1 of the Company s Annual Report on Form 10-KSB filed with the SEC on February 13, 2008]
21.1	Subsidiaries
31.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant Section 906 Certifications under Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Schema
101.CAL*	XBRL Taxonomy Calculation Linkbase
101.DEF*	XBRL Taxonomy Definition Linkbase
101.LAB*	XBRL Taxonomy Label Linkbase
101.PRE*	XBRL Taxonomy Presentation Linkbase

In accordance with SEC Release 33-8238, Exhibit 32.1 is being furnished and not filed.

*XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of this annual report or purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOUNT KNOWLEDGE HOLDINGS, INC.

By:

/s/ James D. Beatty
James D. Beatty
President, Treasurer, Chief Executive Officer
and Chief Financial Officer
(Principal Executive Officer, Principal Accounting Officer
and Principal Financial Officer)

Date: December 31 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons on behalf of the registrant and in the capacities and on the dates indicated have signed this report below.

By:

/s/ James D. Beatty
James D. Beatty
President, Treasurer, Chief Executive Officer
and Chief Financial Officer
(Principal Executive Officer, Principal Accounting Officer
and Principal Financial Officer)

Date: December 31, 2013

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IN WITNESS WHEREOF, each Purchaser and the Company have caused their respective signature page to this Amendment to be duly executed as of the date first written above.

Purchaser:

BIRCH FIRST GLOBAL INVESTMENTS INC.

By:

/s/ Pier S. Bjorklund
Name: Pier S. Bjorklund

Title: President