Mount Knowledge Holdings, Inc.
Form 10-Q/A
September 10, 2013

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q /A**

**Amendment No. 1**

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2012**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE EXCHANGE ACT

For the transition period from __________ to __________

**MOUNT KNOWLEDGE HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Nevada** | **000-52664** | **98-0534436** |
| (State or other jurisdiction of incorporation or organization) | Commission File Number | (I.R.S. Employer Identification No.) |

**228 Park Avenue S #56101, New York, NY 10003-1502**

(Address of principal executive offices) (zip code)

**(917) 289-0944**

(Registrant s telephone number, including area code)

**29445 Beck Rd., Suite A-106, Wixom, Michigan 48393**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has 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 [X]  No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 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 [X]  No [ ]

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

| | |
|---|---|
| Large accelerated filer [ ] | Accelerated filer [ ] |
| Non-accelerated filer [ ] (Do not check if a smaller reporting company) | Smaller reporting company [X] |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [ X ]

Indicate the number of shares outstanding of each of the issuer s classes of common stock. As of August 5, 2013 there were 199,996,251 shares, par value $.0001, of common stock.

**Explanatory Note**

This Amendment No. 1 (this "Amendment") to our Quarterly Report on Form 10-Q for the period ended March 31, 2012, originally filed with the Securities and Exchange Commission on September 5, 2013 (the "Original Form 10-Q"), is being filed to furnish Exhibit 101 to the Original Form 10-Q in accordance with Rule 405 of Regulation S-T. Exhibit 101 to this report provides the condensed consolidated financial statements and related notes from the Form 10-Q formatted in XBRL (eXtensible Business Reporting Language).

No other changes have been made to the Form 10-Q. 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-Q.

**MOUNT KNOWLEDGE HOLDINGS, INC.**

**FORM 10-Q**

**March 31, 2012**

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**PART I-- FINANCIAL INFORMATION**



**PART II-- OTHER INFORMATION**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q (this "Report") contains "forward-looking statements." Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as anticipate, believe, estimate, intend, could, should, would, ma might, will, expect, predict, project, forecast, potential, continue negatives thereof or simila Forward-looking statements speak only as of the date they are made, are based on various underlying assumptions and current expectations about the future and are not guarantees. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievement to be materially different from the results of operations or plans expressed or implied by such forward-looking statements.

We cannot predict all of the risks and uncertainties. Accordingly, such information should not be regarded as representations that the results or conditions described in such statements or that our objectives and plans will be achieved and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. These forward-looking statements are found at various places throughout this Report and include information concerning possible or assumed future results of our operations, including statements about potential acquisition or merger targets; business strategies; future cash flows; financing plans; plans and objectives of management; any other statements regarding future acquisitions, future cash needs, future operations, business plans and future financial results, and any other statements that are not historical facts.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. All subsequent written and oral forward-looking statements concerning other matters addressed in this Report and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Report.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

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## PART I- FINANCIAL INFORMATION

### Item 1. Financial Statements

## MOUNT KNOWLEDGE HOLDINGS, INC.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## MARCH 31, 2012 AND DECEMBER 31, 2011

**(Stated in US dollars)**

**MOUNT KNOWLEDGE HOLDINGS, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

**(Stated in US dollars)**

| | MARCH 31, 2012 (Unaudited) | DECEMBER 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | **$** | $ |
| Cash | **378** | 63,454 |
| Prepaid expenses and other assets | **10,000** | 10,000 |
| Assets held for sale | **-** | 142,083 |
| **Total Current Assets** | **10,378** | 215,537 |
| Investment in non-consolidated subsidiary | **-** | 490 |
| | **$** | $ |
| **TOTAL ASSETS** | **10,378** | 216,027 |
| **LIABILITIES AND STOCKHOLDERS' DEFICIT** | | |
| – | | |
| **Current Liabilities** | **$** | $ |
| Accounts payable and accrued liabilities | **156,865** | 116,715 |
| Liabilities for assumption | **-** | 280,525 |
| Other payables | **-** | 51,960 |
| Due to related parties | **176,900** | 177,900 |
| Notes payable | **700,000** | 600,000 |
| **Total Current Liabilities** | **1,033,765** | 1,227,100 |
| **Total Liabilities** | **1,033,765** | 1,227,100 |
| **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 and outstanding at December 31, 2011 and December 31, 2010 | **889** | 889 |
| Common stock, $0.0001 par value, 200,000,000 shares authorized, 110,313,133 and 112,113,133 issued and outstanding at March 31, 2012 and December 31, 2011 | **11,031** | 11,211 |
| Additional paid-in capital | **5,220,221** | 5,580,041 |
| Accumulated other comprehensive loss | **(18,621)** | (18,621) |
| Deficit | **(7,359,038)** | (7,349,728) |
| **Total Stockholders Deficit for Mount Knowledge Holdings, Inc.** | **(2,145,518)** | (1,776,208) |

| | | |
|---|---|---|
| Non-controlling interest | **1,122,131** | 765,135 |
| **Total Stockholders' Deficit** | **(1,023,387)** | (1,011,073) |
| **TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT** | **$ 10,378** | $ 216,027 |

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

**MOUNT KNOWLEDGE HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE LOSS**

**(Stated in US dollars)**

**(Unaudited)**

| | THREE MONTHS ENDED MARCH 31 | |
|---|---|---|
| | **2012** | **2011** |
| | **$** | $ |
| **Sales revenue** | **-** | - |
| **Cost of goods sold** | **-** | - |
| **Gross profit** | **-** | - |
| **Operating expenses** | | |
| General and administrative expenses | **162,506** | 481,063 |
| **Total operating expenses** | **162,506** | 481,063 |
| **Loss from operations** | **(162,506)** | (481,063) |
| Other income | **1,000** | 4,889 |
| Interest expense | **(40,150)** | (294) |
| **Net Loss from continuing operations** | **(201,656)** | (476,468) |
| **Discontinued operations:** | | |
| Income (loss) from discontinuing operations | **5,096** | (298,593) |
| Gain on disposal of subsidiaries | **184,246** | - |
| **Net Loss** | **(12,314)** | (775,061) |
| Net income (loss) attributable to non-controlling interest | **(3,004)** | 178,021 |
| | **$** | $ |
| **Net Loss Attributable to Common Shareholders** | **(9,310)** | (597,040) |
| | $ | $ |
| **Net Loss** | (12,314) | (775,061) |
| Foreign currency translation adjustments | **-** | (3,468) |
| **Comprehensive loss** | **(12,314)** | (778,529) |
| Comprehensive income (loss) attributable to non-controlling interest | **(3,004)** | 178,021 |
| **Comprehensive loss attributable to common shareholders** | **$** | $ |

| | | |
|---|---|---|
| | **(9,310)** | (600,508) |
| Weighted Average Number of Common Shares Outstanding- Basic and Diluted | **110,313,133** | 86,633,536 |
| Net Loss from Continuing Operations per Common Share | **$** | **$** |
| Basic and Diluted | **(0.00)** | **(0.01)** |
| Net Income (loss) from Discontinued Operations per Common Share | **$** | **$** |
| Basic and Diluted | **0.00** | **(0.00)** |
| Net Loss per Common Share - Basic and Diluted | **$ (0.00)** | **$ (0.01)** |

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

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**MOUNT KNOWLEDGE HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Stated in US dollars)**

**(Unaudited)**

| | THREE MONTHS ENDED MARCH 31 2012 | 2011 |
|---|---|---|
| **Operating Activities:** | $ | $ |
| Net loss | **(9,310)** | **(597,040)** |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Net loss attributable to non-controlling interest in subsidiary | **(3,004)** | **(178,021)** |
| Depreciation expense | - | 3,442 |
| Shares issued for consulting service provided | - | 63,276 |
| Share-based compensation | - | 23,671 |
| Gain on disposal of subsidiary | **(184,246)** | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | - | 1,621 |
| Unbilled revenue | - | (59,331) |
| Other receivables | - | (4,410) |
| Changes in assets held for sale | **46,294** | - |
| Prepaid expenses and other assets | - | (18) |
| Accounts payable and accrued liabilities | **40,150** | 48,244 |
| Deferred revenue | - | 15,262 |
| Taxes payable | - | 1,366 |
| Other payable | **(51,960)** | (26,287) |
| Wages payable | - | 62,515 |
| Due to/from related party | **(1,000)** | 77,504 |
| Net cash used in operating activities | **(163,076)** | (568,206) |
| | | |
| **Investing Activities:** | | |
| Purchase of equipment | - | (6,093) |
| Advance/loans to related party | - | - |
| Net cash used in investing activities | - | (6,093) |
| | | |
| **Financing Activities:** | | |
| Proceeds from related parties | - | 30,695 |
| Repayment to note payable | - | (20,186) |
| Proceeds from note payable | **100,000** | - |
| Proceeds from share issuances to non-controlling interests | - | 391,705 |
| Net cash provided by financing activities | **100,000** | 402,214 |
| | | |
| Effect of exchange rate changes on cash | - | 53,515 |
| | | |
| **Net Change in Cash** | **(63,076)** | (118,570) |

| | | |
|---|---|---|
| **Cash, at beginning of period** | **63,454** | 288,872 |
| **Cash, at end of period** | **$ 378** | $ 170,302 |
| **Supplemental Disclosure of Cash Flow Information:** | | |
| Interest expense paid | **$ -** | $ - |
| Income taxes paid | **$ -** | $ 6,686 |
| **Non-Cash Investing and Financing Activities** | | |
| Conversion of note payable to equity | **$ -** | $ 719,354 |

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

**MOUNT KNOWLEDGE HOLDINGS, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

**(UNAUDITED)**

**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 of 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

*Basis of Presentation*

These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ( GAAP ) for interim financial information and the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments of a normal recurring nature and considered necessary for a fair presentation of its financial condition and results of operations for the interim periods presented in this Quarterly Report on Form 10-Q have been included. Operating results for the interim periods are not necessarily indicative of financial results for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company s Annual Report on Form 10-K for the year ended December 31, 2011.

The accompanying interim condensed consolidated 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 condensed consolidated financial statements have been translated and presented in United States Dollars ( USD$ ).

*Consolidation*

The accompanying interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany balances and transactions have been eliminated in preparing the accompanying condensed consolidated financial statements.

*Use of Estimates*

In preparing these condensed consolidated 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 amount 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.

*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 March 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.

*Accounts Receivable*

The Company records an Account Receivable when it issues an invoice for a particular training contract. Accounts Receivable is reduced by the collection of payments from clients for such invoices. Invoices issued prior to the start of a training course, and therefore in advance of the recognition of any revenue associated with that training course, are classified on the Company s balance sheet as Deferred Revenues. The Company currently does not maintain an Allowance for Doubtful Accounts due to its good collections history with its clients.

*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.

*Recently Issued Accounting Pronouncements*

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on its financial position, results of operations or cash flows.

**NOTE 2 - GOING CONCERN**

The accompanying interim condensed 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 loss of $12,314 for the three months ended March 31, 2012. In addition, the Company had a working capital deficit of $1,023,387 and deficit of $7,355,569 as of March 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 and become successful in marketing products under the license agreement described above. Management has plans to seek additional capital through debt, and private and public offerings of its common stock. The condensed consolidated 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 - INVESTMENT 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.) ( MTK Tech ) 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 ( Sniedzins ), owns the remaining 51% of MTK Tech. The ownership structure of MTK Tech enables it to seek small business development incentive programs and other private and public research initiatives available in Canada. The investment in MTK Tech 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.

On December 30, 2011, the Company executed a Separation and Settlement Agreement with Ucandu, Mount Knowledge Inc., MTK Tech, and 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, which included all copyrights, patents, trademarks, service marks and trade secrets therein (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 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. 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, as well as transfer of all MTK Tech shares owned by the Company;

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

(4) Sniedzins resigned as a member of the Board of Directors of the Company.

**NOTE 4 NOTES PAYABLE**

(a) During the second half of the year ended December 31, 2011, the Company entered into one (1) securities purchase agreement (the Securities Purchase Agreement ) with one party, and seven (7) 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 (8) 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) On 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.

(b) On November 30, 2012, the parties executed a forbearance agreement to forbear any legal action on the existing default of the promissory notes until December 31, 2013. The Company expects the repayment or conversion of the notes on or before the expiration of the forbearance period.

(c) 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 $150,000 in Notes Payable was converted into 4,237,640 common shares of MTK USA.

(d) 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 three months ended March 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:

| | **March 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 | **-** | - |
| | **-** | 85,451 |
| Less: Due From Related Parties included in Assets Held For Sale | **-** | (85,451) |
| Total Due From Related Parties | **$ -** | **$ -** |

Due to related party consists of the following:

| | **March 31, 2012** | December 31, 2011 |
|---|---|---|
| | **$** | $ |
| Practical Business Advisors, LLC | **-** | 1,000 |
| Mr. Jeff Tennenbaum | **-** | 6,526 |
| Birch First Global Investments, Inc. | **176,900** | 176,900 |
| | **176,900** | 184,426 |
| Less: Due To Related Parties included in Liabilities Held For Sale | **-** | (6,526) |

| | | |
|---|---|---|
| Total Due To Related Parties | **$ 176,900** | $ 177,900 |

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As at March 31, 2012 and December 31, 2011, the amounts owing to Birch First Global Investments, Inc. totaled $176,900 and $176,900, respectively. This represented a payable for loans to the Company provided by an affiliate of the Company. The balances due to Practical Business Advisors, LLC as at March 31, 2012 and December 31, 2011 represents a cash advance from the related party for the amount of $nil and $1,000.

**NOTE 6 STOCKHOLDERS DEFICIT**

*Authorized Shares*

As of March 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.

*Common Stock Mount Knowledge Holdings Inc.*

Three months ended March 31, 2012

No common stock of the Company was issued during the three months ended March 31, 2012.

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.*

Three months ended March 31, 2012

No common stock of MTK USA was issued during the three months ended March 31, 2012.

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*

Three months ended March 31, 2012

No share purchase warrants of the Company were issued during the three months ended March 31, 2012.

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 three months ended March 31, 2012 (no activity) and for the year ended December 31, 2011 is as follows:

| | Number Of Shares | Weighted Average 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 and March 31, 2012 | 25,557,257 | $ 0.19 |

The range of exercise prices and the weighted average remaining life of the warrants outstanding at March 31, 2012 were $0.15 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 representing the 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 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 and liabilities held for sale 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 LKA and LKTR are as follows:

| | **March 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 |

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| | March 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 |

**NOTE 8 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS**

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.

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.

**NOTE 9 SUBSEQUENT EVENTS**

(a) 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). 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) 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 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.

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(c) Subsequent 2012 Sales of Unregistered Securities

(i) 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.

(ii) 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 45,500,000 and 4,237,640 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.

(iii) 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.

(iv) On August 09, 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.

(v) On October 04, 2012, the Company completed 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.

(vi) On December 04, 2012, the Company completed 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.

(vii) On December 14, 2012, the Company completed 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.

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

(i) 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.

(ii) Definitive Agreement

On March 19, 2013, the Company entered into a Definitive Agreement with 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.

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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.

(e) 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 representing the assumption of all of the liabilities of each subsidiary, respectively. The Company s management made the decision to sell the 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.

(f) Settlement of Outstanding Debt

On December 28, 2012, 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 $92,900.00, 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

*The following discussion provides information which management believes is relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read along with our financial statements and notes thereto. This section includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. See Cautionary Note Regarding Forward-Looking Statements.*

*As used in this quarterly report, the terms we, us, our, the Company Successor Company and MKHD mean Mount Knowledge Holdings, Inc., unless the context clearly requires otherwise.*

**General**

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 July 27, 2009, the Company changed its previous business plan to an educational software development and sales company.

Today, we are a software development and sales company engaged in the business of acquiring innovative technologies. We currently have no operating subsidiaries and operate on a limited basis from 2 major cities in the US and Canada.

Previously, the Company, through our wholly owned subsidiary, Mount Knowledge Asia Ltd. ( MKA ), acquired and operated Language Key Asia Ltd. ( LKA ) and the Language Key Group of companies ( LK Group ) which included Language Key Corporate Training Solutions Ltd. (a Hong Kong corporation, and formerly The Language Key China Ltd., established on August 21, 2002, LKCTS ), The Language Key Training Ltd. (a Hong Kong corporation established on March 21, 2003, LKTR ), The Language Key China Ltd. (a Wholly Owned Foreign Enterprise registered in Shanghai, China established on October 11, 2002, LKCH ), and Language Key Publishing Ltd. Each of the LK Group companies were a direct, wholly owned subsidiary of LKA, providing custom business English and communications skills courses, soft skills workshops, executive coaching and other related services to public and private sector clients, including government entities in Hong Kong and other Fortune 500 corporations. We acquired LKA on December 31, 2010 and, as a result, we were no longer considered a development stage enterprise under SFAS No. 7 Accounting and Reporting by Development Stage Enterprises.

October 24, 2011, MKA sold LKA and all of its subsidiaries, except for LKTR (the LK Subsidiaries ) to Software Sans Frontiere SA, a Belize corporation ( SSF ), for consideration representing the assumption of all of the liabilities of the LK Subsidiaries. Congruently, LKTR became a direct subsidiary of MKA. 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.

During the period ending March 31, 2012, the Company decided to further its corporate restructuring plan and, on February 24, 2012, we sold LKTR to SSF for consideration representing the assumption of all the liabilities of LKTR. In addition, the LK 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. Subsequently, on December 28, 2012, we sold MKA and our US subsidiary, Mount Knowledge USA, Inc. ( MTK USA ), to SSF for consideration representing the assumption of all the liabilities of both MKA and MTKUSA.

On March 19, 2013, the Company entered into a Definitive Agreement with 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.

**Corporate Structure**

The Company is a platform company that was established for the purpose of acquiring and operating market-leading global technology development companies. As of March 31, 2012, the corporate structure of the Company consisted of the following:

(a)

100% ownership interest of MKA;

(b)

66.47% ownership interest of MTK USA

Currently, the Company has no subsidiaries.

**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 March 31, 2012, we had $378 cash. We had limited operations and revenues during the three-month period ended March 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.

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

*Basis of Presentation*

For management discussion and analysis purposes, the operational data provided represents the financial results of the Company for the three months ended March 31 2012 and 2011, respectively.

The following table represents sales of our products and services for the three months ended March 31, 2012 and 2011:

**THREE MONTHS ENDED MARCH 31**