

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

FORM 20-F/A

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15D OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number: 000-50492

LiveReel Media Corporation

(Exact name of Registrant as specified in its charter)

Canada

(Jurisdiction of incorporation or organization)

2300 Yonge Street, Suite 1710, PO Box 2408,

Toronto, Ontario M4P 1E4, Canada

(Address of principal executive offices)

Jason D. Meretsky, T: 416-593-6543, F: 416-480-2803,

2300 Yonge Street, Suite 1710, PO Box 2408,

Toronto, Ontario M4P 1E4, Canada

(Name, Telephone, Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.: **None**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Common shares without par value

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act : **None**

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report

Common shares without par value – 23,521,744 as at June 30, 2012

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

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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 (Section 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP

International Financial Reporting Standards as issued by the
International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, Indicate by check mark which financial statement item the registrant has elected to follow

Item 17: Item 18:

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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FORWARD-LOOKING STATEMENTS

This annual report includes "forward-looking statements." All statements, other than statements of historical facts, included in this annual report that address activities, events or developments, which we expect or anticipate, will or may occur in the future are 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.

The words "believe", "intend", "expect", "anticipate", "project", "estimate", "predict" and similar expressions are also intended to identify forward-looking statements.

These forward-looking statements address, among others, such issues as:

- Future earnings and cash flow,
- Expansion and growth of our business and operations, and
- Our prospective operational and financial information.

These statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in particular circumstances. However, whether actual results and developments will meet our expectations and predictions depends on a number of risks and uncertainties, which could cause actual results to differ materially from our expectations, including the risks set forth in "Item 3-Key Information-Risk Factors" and the following:

- Fluctuations in prices of our products and services,
- Potential acquisitions and other business opportunities,
- General economic, market and business conditions, and
- Other risks and factors beyond our control.

Consequently, all of the forward-looking statements made in this annual report are qualified by these cautionary statements. We cannot assure you that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected effect on us or our business or operations.

Unless the context indicates otherwise, the terms "LiveReel Media Corporation", "the "Company", "LiveReel", "we", "us", "our" and "registrant" are used interchangeably in this Annual Report and mean LiveReel Media Corporation and its subsidiary.

FOREIGN PRIVATE ISSUER STATUS AND CURRENCIES AND EXCHANGE RATES

Foreign Private Issuer Status

LiveReel Media Corporation is a Canadian corporation incorporated under the Federal Business Laws of Canada. Approximately 97% of its common stock is held by non-United States citizens and residents and our business is administered principally outside the United States; As a result, we believe that we qualify as a "foreign private issuer" for continuing to report regarding the registration of our common stock using this [Form 20-F/A](#) annual report format.

Currency

The financial information presented in this Annual Report is expressed in Canadian dollars ("CDN \$") and the financial data in this Annual Report is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Such financial data conforms in all material respects with accounting principles generally accepted in the United States ("U.S. GAAP").

All dollar amounts set forth in this report are in Canadian dollars, except where otherwise indicated.

PART I

ITEM 1 - IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2 - OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 - KEY INFORMATION

(A) SELECTED FINANCIAL DATA

This Report includes consolidated financial statements of the Company for the years ended June 30, 2012 and 2011 and a consolidated statement of financial position as at July 1, 2010. These financial statements and the consolidated statement of financial position as at July 1, 2010 were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of financial statements, including IFRS 1 (First-time adoption of IFRS). As disclosed in Note 2(a) of the consolidated financial statements for the fiscal year 2012, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at July 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 2(a) of the consolidated financial statements for the fiscal year 2012 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows. Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

The following is a selected financial data for the Company for each of the last two fiscal years 2011 through 2012 on a consolidated basis. The data is extracted from the audited financial statements of the Company for each of the said years, prepared in accordance with IFRS as issued by the IASB. Selected financial data for the fiscal years 2009 through 2010 are not presented since the related audited financial statements were prepared in accordance with Canadian GAAP and are therefore not comparable.

Summary of Financial Information in Accordance with International Financial Reporting Standards (IFRS) (Canadian \$)

Operating data – Fiscal year ended June 30

	2012	2011
Revenue	\$ -	\$ -
Net Loss	(161,139)	(250,554)
Net loss per Share (1)	(0.01)	(0.01)
Working Capital (Deficit)	(208,191)	(64,844)
Total Assets	37,217	77,156
Capital Stock (2)	7,880,660	7,880,660
Warrants (2)	-	-
Shareholders' Equity (Deficit)	(208,191)	(64,844)
Weighted Average Number of Shares Outstanding	23,521,744	21,227,300

(1) The inclusion of the Company's stock options and share purchase warrants in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation. Consequently, there is no difference between basic loss per share and diluted loss per share.

(2) During the fiscal 2006, 6,193,600 warrants were issued in connection with various private placements and the acquisition of certain theatrical film properties. During the 2010 fiscal year, 3,900,000 options were exercised for gross proceeds of US\$39,000. During fiscal 2011, 5,900,000 warrants were exercised at US \$0.01 per warrant for gross proceeds of US\$59,000 and 293,600 warrants expired during the fiscal 2011 year.

The Company has not declared or paid any dividends in any of its last two fiscal years.

Exchange Rates

In this Annual Report on Form 20-F/A, unless otherwise specified, all monetary amounts are expressed in Canadian dollars. The exchange rates used herein were obtained from Bank of Canada; however, they cannot be guaranteed.

On September 28, 2012, being the last day of September 2012, the exchange rate, based on the noon buying rates, for the conversion of Canadian dollars into United States dollars (the "Noon Rate of Exchange") was \$1.0166.

The following table sets out the high and low exchange rates for each of the last six months.

2012	September	August	July	June	May	April
High for period	\$ 1.0299	\$ 1.0139	\$ 0.9986	\$ 0.9825	\$ 1.0164	\$ 1.0197
Low for period	\$ 1.0099	\$ 0.9938	\$ 0.9790	\$ 0.9599	\$ 0.9663	\$ 0.9961

The following table sets out the average exchange rates for the five most recent financial years calculated by using the average of the Noon Rate of Exchange on the last day of each month during the period.

	<u>Year Ended June 30,</u>				
	2012	2011	2010	2009	2008
Average for the year	0.9963	1.0013	1.0555	1.1662	1.0104

(B) CAPITALIZATION AND INDEBTEDNESS

Not applicable

(C) REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable

(D) RISK FACTORS

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry that may have a material adverse impact on, or constitute risk factors in respect of, the Company's future financial performance.

THE COMPANY HAS AN UNSUCCESSFUL OPERATING HISTORY

The Company is not profitable and has had no significant revenues since its inception in March 1997. While one of the film properties acquired by the Company in fiscal 2005 and the film that was financed in fiscal 2007 have now been developed into feature films for which the Company holds certain distribution rights, it is not clear whether this will generate any revenue for the Company. The Company has operated at a loss to date and in all likelihood will continue to sustain operating expenses in the foreseeable future. There is no assurance that the Company will ever be profitable.

The Company's consolidated financial statements for the year ended June 30, 2012 have been prepared assuming that the Company will continue as a going concern, however, there can be no assurance that the Company will be able to do so. The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

WE MAY CHOOSE INVESTMENT STRATEGIES THAT ARE UNSUCCESSFUL

The controlling shareholder of the Company changed in April 2010. A new Board of Directors was appointed. They will continue to utilize excess cash in our business to pursue additional investment opportunities outside the film industry in order to potentially increase our return to shareholders. The Company is not limited to any particular industry or type of business, and we may choose to stay within the film industry. We have not yet identified or selected any additional specific investment opportunity. Accordingly, there is no current basis for you to evaluate the possible merits or risks of the investment opportunity which we may ultimately decide to pursue.

UNCERTAINTY REGARDING AUDIENCE ACCEPTANCES OF PROGRAMS

The television and motion picture industries have always involved a substantial degree of risk. There can be no assurance of the economic success of any motion picture or television program as revenue derived depends on audience acceptance, which cannot be accurately predicted. Audience acceptance is a factor not only of the response to the television program's or motion picture's artistic components but also to the reviews of critics, promotions, the quality and acceptance of other competing programs released into, or channels existing in, the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, public tastes generally and other intangible factors, all of which could change rapidly and many of which are beyond the Company's control. A lack of audience acceptance for any of the films licensed, co-produced or distributed by the Company could have an adverse effect on its businesses, results of operations, prospects and financial condition.

UNAUTHORIZED OR PIRATED USE MAY ADVERSELY AFFECT REVENUE

Technological advances and the conversion of motion pictures into digital formats have made it easier to create, transmit and "share" high quality unauthorized copies of motion pictures in theatrical release, on videotapes and DVDs, from pay-per-view through unauthorized set-top boxes and other devices and through unlicensed broadcasts on free TV. As a result, users may be able to download and distribute unauthorized or "pirated" copies of copyrighted motion pictures over the Internet. As long as pirated content is available to download digitally, some consumers may choose to digitally download pirated motion pictures rather than pay for legitimate motion pictures or to purchase pirated DVD's of motion pictures or of boxed sets of television series from unauthorized vendors.

CHANGES IN REGULATIONS AND INCENTIVES MAY ADVERSELY AFFECT THE BUSINESS OF THE COMPANY

The Company plans to co-produce with or license its scripts and other intellectual property to other entities which are expected to rely heavily on grants and labor rebates available for Canadian contents under the current regulations of Federal and Provincial governments of Canada.

Any significant changes in these regulations that result in reduced grants and rebates or elimination thereof may significantly affect the Company's ability to produce and or license its scripts and in turn its ability to generate revenue.

THE COMPANY MAY NOT BE ABLE TO ACHIEVE AND MAINTAIN ITS COMPETITIVE POSITION

The entertainment industry is highly capital intensive and is characterized by intense and substantial competition. A number of the Company's competitors are well established, substantially larger and have substantially greater market recognition, greater resources and broader distribution capabilities than the Company. New competitors are continually emerging. Increased competition by existing and future competitors could materially and adversely affect the Company's ability to implement its business plan profitably. The lack of availability of unique quality content could adversely affect its business.

FOREIGN EXCHANGE RISK

The Company has foreign exchange risk because its functional currency is the Canadian dollar and a significant part of its revenue may be generated from overseas countries. An adverse move in foreign exchange rates between the Canadian dollar and the currencies of these countries could have an adverse effect on its operating results. The Company does not hedge against this risk.

THE COMPANY'S COMMON SHARES ARE CONSIDERED TO BE PENNY STOCK, WHICH MAY ADVERSELY AFFECT THE LIQUIDITY OF ITS COMMON SHARES

The common shares of the Company would be classified as "penny stock" as defined in Reg. § 240.3a51-1 promulgated under the *Securities Exchange Act of 1934* (the "1934 Act"). In response to perceived abuse in the penny stock market generally, the 1934 Act was amended in 1990 to add new requirements in connection with penny stocks. In connection with effecting any transaction in a penny stock, a broker or dealer must give the customer a written risk disclosure document that (a) describes the nature and level of risk in the market for penny stocks in both public offerings and secondary trading, (b) describes the broker's or dealer's duties to the customer and the rights and remedies available to such customer with respect to violations of such duties, (c) describes the dealer market, including "bid" and "ask" prices for penny stock and the significance of the spread between the bid and ask prices, (d) contains a toll-free telephone number for inquiries on disciplinary histories of brokers and dealers, and (e) define significant terms used in the disclosure document or the conduct of trading in penny stocks. In addition, the broker-dealer must provide to a penny stock customer a written monthly account statement that discloses the identity and number of shares of each penny stock held in the customer's account, and the estimated market value of such shares. The extensive disclosure and other broker-dealer compliance related to penny stocks may result in reducing the level of trading activity in the secondary market for such stocks, thus limiting the ability of the holder to sell such stock.

MARKET PRICE FOR THE COMPANY'S COMMON SHARES HAS BEEN VOLATILE IN THE PAST AND MAY DECLINE IN THE FUTURE

In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly small-cap companies like ours, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Our shares may continue to experience significant market price and volume fluctuations in the future in response to factors, which are beyond our control.

THE COMPANY MAY NEED TO RAISE ADDITIONAL FINANCING TO MEET FUTURE OPERATING NEEDS AND IMPLEMENT ITS NEW BUSINESS STRATEGY

The Company is in the business of film production, financing and distribution, which requires significantly high level of liquidity.

The Company hopes to earn sufficient revenue from distribution and scripts licensing to meet its operating needs and to raise additional equity funds through private placements of its securities with sophisticated investors.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

The Company has significant debts mostly with its largest shareholder. The failure of the Company to pay its debts when due may result in the creditors realizing on the assets of the Company.

If the Company is unable to achieve the expected revenue and or to obtain financing and cannot pay its debts as they become due, it may be forced to solicit a buyer or be forced into bankruptcy by its creditors.

DIVIDENDS

All of the Company's available funds will be invested to finance the growth of the Company's business and therefore investors cannot expect and should not anticipate receiving a dividend on the Company's common shares in the foreseeable future.

DILUTION

The Company may in the future grant to some or all of its own and its subsidiaries' directors, officers, insiders and key consultants options to purchase the Company's Common Shares as non-cash incentives to those people. Such options may be granted at exercise prices equal to market prices at time when the public market is depressed or at exercise prices which may be substantially lower than the market prices. To the extent that significant numbers of such options may be granted and exercised, the interests of the then existing shareholders of the Company may be subject to additional dilution.

The Company is currently without a source of revenue and therefore does not cover our operating costs and will most likely be required to issue additional securities to finance its operation and may also issue substantial additional securities to finance the development of any or all of its projects. These actions will cause further dilution of the interests of the existing shareholders.

SHARES ELIGIBLE FOR FUTURE SALE MAY DEPRESS OUR STOCK PRICE

At June 30, 2012, we had approximately 23,521,744 shares of common stock outstanding of which approximately 18,767,200 are restricted securities under Rule 144 promulgated under the Securities Act.

Sales of shares of common stock pursuant to an effective registration statement or under Rule 144 or another exemption under the U.S. Securities Act could have a material adverse effect on the price of our common stock and could impair our ability to raise additional capital through the sale of equity securities.

YOUR RIGHTS AND RESPONSIBILITIES AS A SHAREHOLDER WILL BE GOVERNED BY CANADIAN LAW AND DIFFER IN SOME RESPECTS FROM THE RIGHTS AND RESPONSIBILITIES UNDER U.S. LAW

We are incorporated under Canadian law. The rights and responsibilities of holders of our shares are governed by our Articles and By-Laws and by Canadian law. These rights and responsibilities may differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations.

CHANGING REGULATIONS OF CORPORATE GOVERNANCE AND PUBLIC DISCLOSURE CAN CAUSE ADDITIONAL EXPENSES AND FAILURE TO COMPLY MAY ADVERSELY AFFECT OUR REPUTATION AND THE VALUE OF OUR SECURITIES

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and new and changing provisions of Canadian securities laws, including Bill 198, are creating uncertainty because of the lack of specificity and varying interpretations of the rules. As a result, the application of the rules may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Any failure to comply with applicable laws may materially adversely affect our reputation and the value of our securities.

ITEM 4 - INFORMATION ON THE COMPANY

(A) HISTORY AND DEVELOPMENT OF THE COMPANY

The Company was originally incorporated under the *Business Corporation Act* (Ontario) on March 18, 1997 as a result of an amalgamation under the name "Biolink Corp." The Company went through several name changes and changes in its business activities. The Company changed its name from Noble House Entertainment Inc. to LiveReel Media Corporation effective October 12, 2006. The Company's wholly-owned subsidiary changed its name from Noble House Film & Television Inc. to LiveReel Productions Corporation ("LRPC") effective August 10, 2006. On October 26, 2006, LiveReel completed its continuance under the jurisdiction of the *Business Corporation Act* (Canada) from being governed by the *Ontario Business Corporation Act* (Ontario).

The Company is a "reporting issuer" in the Province of Ontario, Canada which is governed by the Ontario Securities Commission. Its common shares are currently listed and traded on the Over-the-Counter Bulletin Board (OTCBB) of the National Association of Securities Dealers (NASD) under the trading symbol "LVRLF".

The Company's business plan continued to evolve in fiscal 2012. During most of fiscal 2006, management focused on three major activities: development and licensing of film properties, providing production consulting including pre and postproduction and sales exploitation of films. However, following successful completion of two private placements in April 2006 and June 2006, in which the Company raised approximately \$3 million, there was a change in management and composition of the board of directors.

The new management, while maintaining the overall business focus on feature film production and distribution, began adopting a new approach to focus on financing feature film productions as a producer or co-producer with others. These feature films will be produced by independent production companies, to be selected by management from time to time. The Company anticipates continuing to utilize consultants with expertise in the industry to assist in selecting content and assisting in production and distribution efforts on projects the Company chooses to be associated with.

During fiscal 2007, the Company began to explore the financing aspect of the entertainment industry more extensively than in the past. The Company entered into a bridging loan agreement which called for advances of up to \$1.8 million to an independent production company involved in the production of a feature film, *The Poet*. All amounts drawn under the bridging facility plus interest were repaid in the three months ended December 31, 2006. The production company is owned by a former director and officer of the Company and a former officer of its wholly owned subsidiary.

In the three month period ended December 31, 2006, the Company entered into additional financing agreements to provide up to \$625,000 in financing in exchange for financing fees and/or interest payments and the right to share in future net revenues of *The Poet*. After a series of advances and repayments under this second facility, as at June 30, 2007, the amount advanced was approximately \$226,000 and the Company was obligated for further advances of an additional \$114,000 under the financing agreement. In fiscal 2007, management also received Board of Director approval to utilize excess cash in our business to pursue additional investment opportunities outside the film industry in order to potentially increase our return to shareholders. Management is not limited to any particular industry or type of business with respect to what it considers as investment opportunities.

At the start of the second quarter of fiscal 2008, the Company took write-downs on its investments in film properties and advances to various production companies due to less success than previously anticipated in the largest markets in the world for its film properties. It further wrote down its investments in the fourth quarter based on actual and/or expected collections as of the end of the year.

The Company has had no significant revenue since its incorporation. As a result of the limited success to date in the film financing business, the Company is focused on preserving its cash by minimizing operating expenses, and looking to investment opportunities both within and outside of the film industry.

In April 2010, the controlling shareholder of the business changed and a new Board of Directors and new CEO were appointed. The former chief executive officer resigned and his consulting contracts were cancelled without any penalty or further financial commitments. The new management, while maintaining the overall business focus on feature film production and distribution, has focused its efforts on identifying for purchase other active business interests both inside and outside of the film industry. To date, the Company has not yet identified or selected any additional specific investment opportunity or business.

On July 15, 2010, the Company granted an option to a third party with whom it negotiated at arm's length to purchase either its wholly owned subsidiary, LRPC, or to sell LRPC's assets and assume its liabilities for \$1.00. The third party has the right to exercise the option at any time after July 15, 2011 until July 15, 2012. The Company also has an option in which it can force the third party to buy the subsidiary or its assets and assume its liabilities at any time until July 15, 2012. This option and put expired unexercised.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

The Company's principal business office is located at 2300 Yonge Street, Suite 1710, PO Box 2408, Toronto, Ontario M4P 1E4, Canada and its telephone number is 416-593-6543.

(B) BUSINESS OVERVIEW

The Company's business plan continues to become an integrated entertainment company focused on films and television properties. During most of fiscal 2006, management focused on three major activities: development and licensing of film properties, providing production consulting including pre and postproduction and sales exploitation of films. However, following successful completion of two private placements in April 2006 and June 2006, in which the Company raised approximately \$3 million, there was a change in management and composition of the board of directors.

The new management, while maintaining the overall business focus on feature film production and distribution, began adopting a new approach. The Company focused on financing feature film productions as a producer or co-producer with others.

In fiscal 2007, management also received Board of Director approval to utilize excess cash in our business to pursue additional investment opportunities outside the film industry in order to potentially increase our return to shareholders. The Company experienced considerable losses with exchange traded securities investments in fiscal 2009 and subsequent to the end of 2009, no further investment of short term cash has occurred.

During the last quarter of fiscal 2010, there was a change in the management of the Company. The chief executive officer resigned and his consulting contracts were cancelled without any penalty or further financial commitments. The new management, while maintaining the overall business focus on feature film production and distribution, has focused its efforts on identifying for purchase other active business interests, both within and outside of the film industry. To date, the Company has not yet identified or selected any additional specific investment opportunity or business.

(C) ORGANIZATIONAL STRUCTURE

As at June 30, 2012, the Company had only one wholly-owned subsidiary, LiveReel Productions Corporation, as explained above in (A).

(D) PROPERTY PLANTS AND EQUIPMENT

The Company does not own or lease any real property.

Effective March 31, 2010, the Company moved its registered office to 2300 Yonge Street, Suite 1710, PO Box 2408, Toronto, Ontario M4P 1E4, Canada. It is not charged monthly rent under this arrangement.

ITEM 5 - OPERATING AND FINANCIAL REVIEW AND PROSPECTS

(A) OPERATING RESULTS

The following discussion should be read in conjunction with the Audited Consolidated Financial Statements of the Company and notes thereto contained elsewhere in this report.

Results of operations

	Year ended June 30	2012 in CDN \$	2011 in CDN \$
Income		-	-
Expenses		(161,139)	(250,554)
Net loss for year		(161,139)	(250,554)
Deficit at end of year		(8,454,342)	(8,293,203)

Overview

The following were the key events in the year ended June 30, 2012 –

1. On July 21, 2011 the Company entered into unsecured loan agreements with its largest shareholder, Mad Hatter Investments Inc., and another related entity, 1057111 Ontario Limited, in the aggregate principal amount of \$50,000. The loans have a term of approximately 12 months ending July 31, 2012, accrue interest at 10% per annum until maturity, and each are convertible at the option of the holder into common shares of the Company at \$0.10 per share.
2. On November 15, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the principal amount of \$50,000. The loan has a term to maturity of the earlier of 18 months or upon the sale or change of control of the Company, accrues interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share. The loan is secured against the assets of the Company.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months maturing September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

The following were the key events in the year ended June 30, 2011 –

1. On July 15, 2010, the Company granted an option to a third party with whom it negotiated at arm's length to purchase either its wholly owned subsidiary, LRPC, or to sell LRPC's assets and assume its liabilities for \$1.00. The third party has the right to exercise the option at any time after July 15, 2011 until July 15, 2012. The Company also has an option in which it can force the third party to buy the subsidiary or its assets and assume its liabilities at any time until July 15, 2012. The option and put option expired unexercised.

2. On October 4, 2010, the Company cancelled 100,000 options previously issued to the Chief Financial Officer.
3. On November 20, 2010, 5,900,000 warrants were exercised at \$0.01 USD per warrant resulting in proceeds of \$60,062 CDN. In addition, 293,600 previously issued warrants expired on November 30, 2010.

Income

| No income was realized in the years ended June 30, 2012 and 2011.

Expenses

The overall analysis of the expenses is as follows:

	Year Ended June 30, 2012	Year Ended June 30, 2011
Consulting expenses	\$ 52,500	\$ 165,000
Professional fees	56,395	40,410
Office and general	16,325	15,786
Foreign exchange loss	312	8,220
Shareholder information	18,652	20,428
Bank charges and interest	860	710
Accretion on debt	16,095	-
	<u>\$ 161,139</u>	<u>\$ 250,554</u>

Consulting Expenses

No consulting fees were paid to the largest shareholder of the Company in the fiscal year ended June 30, 2012 (2011 - \$120,000), of which \$60,000 of fees paid in fiscal 2011 have been accrued and remain unpaid.

The Chief Executive Officer of the Company received consulting fees of \$30,000 in the fiscal year ended June 30, 2012 (2011 - \$30,000).

The Chief Financial Officer of the Company received consulting fees of \$22,500 in the fiscal year ended June 30, 2012 (2011 - \$15,000).

Professional Fees

Professional fees in the twelve months ended June 30, 2012 were comprised of legal fees of \$37,395 (2011 - \$21,910) and audit and related fees of \$19,000 (2011 - \$18,500). Legal fees relate primarily to the review of the Company's various public filings and general corporate matters. Professional fees also include \$15,754 paid to a law firm affiliated with the Chief Executive Officer for legal services provided during the year ended June 30, 2012 (2011 - \$17,594;).

Office and General

These costs include insurance, rent, telephone, travel, and other general and administration costs.

Insurance costs for the twelve months ended June 30, 2012 of \$15,120 (2011 - \$14,400) relate to a directors and officers insurance policy.

Foreign Exchange Loss

Exchange loss for the twelve months ended June 30, 2012 and 2011 related entirely to the translation of US dollar balances and transactions into Canadian dollars at the relevant measurement date compared to the prior year's measurement date as the Canadian dollar strengthened against the US dollar.

Shareholder Information

Shareholder information costs in the twelve months ended June 30, 2012 comprised annual general meeting costs of \$4,680 (2011 - \$9,442), transfer agent fees of \$4,990 (2011 - \$5,070) and regulatory and related filing fees of \$8,982 (2011 - \$5,916).

Warrants

As at June 30,	2012		2011		2010	
	# of warrants	Fair value	# of warrants	Fair value	# of warrants	Fair value
Issued and outstanding at end of year	-	\$ -	-	\$ -	6,193,600	\$1,146,081

On November 20, 2010, 5,900,000 warrants were exercised at US\$0.01 per warrant resulting in proceeds of \$60,062. In addition, 293,600 previously issued warrants expired on November 30, 2010. The fair value of the expired warrants were reclassified to Contributed Surplus and the fair value of the exercised warrants was reclassified to Capital Stock as a result of the November 2010 transactions.

The shares issuable upon exercise of the warrants issued are restricted in terms of their salability in accordance with the regulations of the U.S. Securities and Exchange Commission.

(B) LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As at June 30, 2012, the Company had a negative net working capital position of \$208,191 compared to a negative net working capital position of \$64,844 as of June 30, 2011. Cash on hand as at June 30, 2012 was \$13,771 compared to \$8,596 in cash as at June 30, 2011.

The working capital position has declined by approximately \$143,000 on a year over year basis due to the financing of the operating loss of the business in the twelve months ended June 30, 2012.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

Operating cash flow

During fiscal 2012, operating activities required a net cash flow of \$94,825 which was spent on corporate operations (2011 -\$195,472).

The operating cash requirement was met through cash on hand in the Company and financing activities as described below.

Investment cash flows

The Company had no investment activities during the year.

Financing cash flows

During fiscal 2012, the Company incurred cash flows from financing activities of \$100,000 from the above-noted loans (2011 - \$60,062 from the proceeds received from the exercise of 5,900,000 warrants as described above).

(C) RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Company has not spent any funds on research and development during the fiscal years 2012, and 2011.

(D) TREND INFORMATION

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than the nature of the business (Refer to the heading entitled "Risk Factors").

(E) OFF-BALANCE SHEET ARRANGEMENTS

At June 30, 2012 and 2011, the Company did not have any off balance sheet arrangements, including any relationships with unconsolidated entities or financial partnerships to enhance perceived liquidity.

LiveReel and its wholly owned subsidiary, LRPC, have made arrangements with various production companies to provide scripts/screenplay, production consulting and distribution services for which it will be compensated by way of a percentage of the net proceeds from the sale/distribution of feature films. Certain of the production companies are owned by persons who were previously director/executives in LiveReel or its subsidiary.

In all such cases, LiveReel does not record any production costs nor will it record any losses that may be sustained by such production companies on the feature films made with the help of LiveReel on the ground that LiveReel has not given any guarantee or is otherwise not responsible for any production costs or any other liabilities of the production companies.

(F) CONTRACTUAL OBLIGATIONS

The Company has no contractual commitments that cannot be cancelled with 30 days' notice.

(G) SAFE HARBOR

Statements in Item 5 of this Annual Report on Form 20-F/A that are not statements of historical fact, constitute “forward-looking statements.” See “Forward-Looking Statements” on page 1 of this Annual Report. The Company is relying on the safe harbor provided in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in making such forward-looking statements.

ITEM 6 - DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

(A) DIRECTORS AND SENIOR MANAGEMENT

Mr. Jason Meretsky joined the board on March 31, 2010. He also assumed the role of Chief Executive Officer and corporate secretary effective the same date. Mr. Meretsky has served as a corporate and securities attorney with Meretsky Law Firm based in Toronto, Canada since July 2009 as well as participated in various other entrepreneurial pursuits. Prior to that, he served as Executive Vice President, Corporate Development of Avid Life Media Inc., a Canadian based online media company (2008 - 2009) and Vice President and General Counsel of Enghouse Systems Limited (TSX: ESL), a public enterprise technology company (2004 - 2008). Prior thereto, Mr. Meretsky practiced corporate and securities law as a partner with Goodman and Carr LLP, a Toronto based law firm. Mr. Meretsky also serves on the board of directors of CECO Environmental Corp. (since May 2010) (Nasdaq: CECE), an air pollution control technology company, and Biosign Technologies Inc. (TSXV: BIO), a provider of biomedical systems including intelligent systems for non-invasive monitoring of common health risks associated with blood pressure, life style, and medication. Mr. Meretsky also acts as Chairman of the Board of Sphere 3D Inc. (TSXV: ANY), a software emulation and virtualization technology company, and is involved with several inactive private companies, including President, Secretary and Director of Primera Realty Corporation (since 1992) and Chief Executive Officer and Director of Home Staging Corporation and its subsidiaries (since 2009). Mr. Meretsky completed the Joint J.D./M.B.A Program from the Schulich School of Business at York University and from Osgoode Hall Law School, and is a member in good standing of the Law Society of Upper Canada.

Mr. Stephen Wilson became a director and Chief Financial Officer and corporate secretary on September 14, 2006. He resigned in his capacity of corporate secretary and director on March 31, 2010 but retained the chief financial officer role. Mr. Wilson has held various senior financial and operating positions in a number of private and public companies over the last 15 years in both Canada and the United States. He has extensive experience in mergers and acquisitions and raising capital for high growth companies. He is a graduate of the University of Michigan and a chartered accountant.

Ms. Janice Barone joined the board as independent director on March 31, 2010. Ms. Barone has over 20 years of banking and financial service experience. Currently, Ms. Barone is the Executive Finance Assistant of Icarus Investment Corp., a private investment holding company (2009 – present). From 2006 to 2009, Ms. Barone was the Personal Assistant to the Chairman and CEO of Kaboose Inc. (TSX:KAB), a family focused online media company which was previously listed on the Toronto Stock Exchange. Prior thereto, Ms Barone had various roles in personal and corporate banking at HSCB and its predecessors banks (1995 – 2004).

Ms. Diana van Vliet joined the board as an independent director on March 31, 2010. She has been employed in the investment banking business since 1987 and has experienced in retail and institutional account care, back office operations, compliance and syndication. Ms. Van Vliet has worked as Corporate Secretary with LDL Corp., a private investment firm since April 2003.

(B) COMPENSATION

The compensation payable to directors and officers of the Company and its subsidiary is summarized below:

1. General

The Company does not compensate directors for acting solely as directors. Except as described below, the Company does not have any arrangements pursuant to which directors are remunerated by the Company or its subsidiary for their services in their capacity as directors, other than options to purchase shares of the Company which may be granted to the Company's directors from time to time and the reimbursement of direct expenses.

The Company does not have any pension plans.

2. Statement of Executive Compensation

Mr. Jason Meretsky has a consulting contract calling for the payment of monthly fees of \$2,500 and can be terminated with one month's notice. From time to time, Mr. Meretsky provides legal services to the Corporation. For the fiscal year ended June 30, 2012, a law firm affiliated with Mr. Meretsky was paid \$15,754 for legal services (inclusive of disbursements) (2011 - \$17,594; 2010 – Nil). Mr. Meretsky has no options.

Mr. Stephen Wilson's consulting contract of \$5,000 monthly ceased as of May 31, 2010, and thereafter he is paid on a per work basis. For the fiscal year ended June 30, 2012, Mr. Wilson received consulting fees of \$22,500 in the fiscal year ended June 30, 2012 (2011 - \$15,000; 2010 – \$55,000). Mr. Wilson has no options.

The following table and accompanying notes set forth all compensation paid by the Company to all persons who served as Company directors and senior management during the fiscal year ended June 30, 2012. The information is provided for the fiscal years ended 2012, 2011 and 2010.

Name and principal position	ANNUAL COMPENSATION				LONG-TERM COMPENSATION			
	Year	Fee (\$)	Bonus (\$)	Other annual compensation (\$)	Awards	Payouts		All other compensation
					Securities under options/ SARs Granted (1) (#)	Shares or units subject to resale restrictions (\$)	LTIP (2) payouts (\$)	
Jason Meretsky, CEO and Secretary	2012	30,000	-	-	-	-	-	-
	2011	30,000	-	-	-	-	-	-
	2010	7,500	-	-	-	-	-	-
Stephen Wilson, CFO	2012	22,500	-	-	-	-	-	-
	2011	15,000	-	-	-	-	-	-
	2010	55,000	-	-	-	-	-	-

Notes:

- (1) "SAR" means stock appreciation rights
(2) "LTIP" means long term incentive plan

Long Term Incentive Plan (LTIP) Awards

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company's securities) was paid or distributed to the Named Executive Officers during the most recently completed fiscal year.

Defined Benefit or Actuarial Plan Disclosure

There is no pension plan or retirement benefit plan that has been instituted by the Company and none are proposed at this time.

(C) BOARD PRACTICES

Directors may be appointed at any time in accordance with the by-laws of the Company and then re-elected annually by the shareholders of the Company. Directors receive no compensation for serving as such, other than the reimbursement of direct expenses and the grant of stock options, at the discretion of the board of directors. None of the existing directors have been granted any stock options. Officers are elected annually by the Board of Directors of the Company and serve at the discretion of the Board of Directors.

The Company has not set aside or accrued any amount for retirement or similar benefits to the directors.

Mandate of the Board

The Board has adopted a mandate, in which it has explicitly assumed responsibility for the stewardship of LiveReel. In carrying out its mandate the Board holds at least four meetings annually. The frequency of meetings, as well as the nature of the matters dealt with, will vary from year to year depending on the state of our business and the opportunities or risks, which we face from time to time. The Board held a total of 4 meetings during our fiscal year ended June 30, 2012. To assist in the discharge of its responsibilities, the Board has designated two standing committee: a Corporate governance Committee and an Audit Committee, as more particularly discussed below.

Corporate Governance Committee

The Company does not currently have a Corporate Governance Committee. The directors determined that, in light of the Company's size and resources, setting up such a committee would not be practical for the Company at this time. The Company has, however, set up an Independent Review Committee of the Board to review and approve all non-arms' length contracts. This Committee has the same composition as the Audit Committee, and is currently comprised of the two independent directors - Ms. Janice Barone and Ms. Diana van Vliet.

Audit Committee

The members of the Audit Committee consist of Ms. Janice Barone and Ms. Diana van Vliet, both independent directors and Jason Meretsky, who is not independent. While Mr. Meretsky would not be considered an independent director under an objective test in that he serves as a consultant in the capacity of the Company's chief executive officer since March 31, 2010; however, the board of directors has made a subjective determination that no relationships exist which would interfere with the exercise of independent judgment in Mr. Meretsky carrying out the responsibilities of a director.

The audit committee is charged with overseeing the Company's accounting and financial reporting policies, practices and internal controls. The committee reviews significant financial and accounting issues and the services performed by and the reports of our independent auditors and makes recommendations to our Board of Directors with respect to these and related matters.

The Company's Audit Committee's charter was detailed in the annual report for fiscal 2005 and became effective on August 2, 2005.

The Audit Committee assists the Board in fulfilling its responsibilities for our accounting and financial reporting practices by:

- reviewing the quarterly and annual consolidated financial statements and management discussion and analyses;
- meeting at least annually with our external auditor;
- reviewing the adequacy of the system of internal controls in consultation with the chief executive and financial officer;
- reviewing any relevant accounting and financial matters including reviewing our public disclosure of information extracted or derived from our financial statements;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- pre-approving all non-audit services and recommending the appointment of external auditors; and
- reviewing and approving our hiring policies regarding personnel of our present and former external auditor

Compensation Committee

The Company does not currently have a Compensation Committee. The directors determined that, in light of the Company's size and resources, setting up such a committee would be too expensive for the Company at this time. The Company has, however, set up an Independent Review Committee of the Board to review and approve all non-arms' length contracts. This Committee has the same composition as the Audit Committee, and is currently comprised of the two independent directors - Ms. Janice Barone and Ms. Diana van Vliet.

(D) EMPLOYEES

The Company presently has no permanent employees. It uses the services of consultants from time to time.

(E) SHARE OWNERSHIP

The Corporation had the following plans as at June 30, 2012:

1. 2006 Stock Option Plan covering three million options.
2. 2006 Consultant Stock Compensation Plan covering one million shares.

1,000,000 options were granted under the 2006 Stock Option Plan on February 9, 2007 at a strike price of \$0.15 per share. On the same date, the board of directors increased the number of options available to be granted under the plan to 3,000,000. On July 22, 2008, the board of directors agreed to increase the size of the option pool under the 2006 Stock Option Plan to 4,000,000 options.

The objective of these Plans is to provide for and encourage ownership of common shares of the Company by its directors, officers, consultants and employees and those of any subsidiary companies so that such persons may increase their stake in the Company and benefit from increases in the value of the common shares. The Plans are designed to be competitive with the benefit programs of other companies in the industry. It is the view of management that the Plans are a significant incentive for the directors, officers, consultants and employees to continue and to increase their efforts in promoting the Company's operations to the mutual benefit of both the Company and such individuals and also allow the Company to avail of the services of experienced persons with minimum cash outlay.

The following table sets forth the share ownership of those persons listed in subsection 6.B above and includes details of all warrants held by such persons at September 30, 2012:

Name	# of Common shares held at September 30, 2012	# of Warrants	Exercise price - in US\$	Expiry date(s)	# of options held at September 30, 2012	Expiry date
Jason Meretsky	Nil	Nil	N/A	N/A	N/A	N/A
J. Stephen Wilson	Nil	Nil	N/A	N/A	N/A	N/A

As of June 30, 2012, the Company had 23,521,744 shares of common stock outstanding. There are no outstanding options or warrants to purchase common stock outstanding.

ITEM 7 - MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

(A) MAJOR SHAREHOLDERS

The Company's securities are recorded on the books of its transfer agent in registered form. The majority of such shares are, however, registered in the name of intermediaries such as brokerage houses and clearing-houses on behalf of their respective clients. The Company does not have knowledge of the beneficial owners thereof.

As at September 30, 2012, Intermediaries like CDS & Co, of Toronto, Canada and Cede & Co of New York, USA held approximately 7.6% of the issued and outstanding common shares of the Company on behalf of several beneficial shareholders whose individual holdings details were not available.

The following table shows the record and, where known to us, the beneficial ownership of our shares by each shareholder holding at least 5% of our common shares as of September 30, 2012. As used herein, the term beneficial ownership with respect to a security is defined by Rule 13d-3 under the Securities Exchange Act of 1934.

Name of shareholder	No. of shares held	% of issued shares
Mad Hatter Investments Inc. (1)	13,692,588	58.2%
Snapper Inc.	795,000	5.8%

- (1) Does not include LDL Corp., LEO Capital Inc. and 1530403 Ontario Inc., each which is related to Mad Hatter Investments Inc., own 549,385 (or 2.3%), 950,000 (or 4.0%) and 475,000 (or 2.0%) of the issued and outstanding Common Shares, respectively.

All of the Company's shareholders have the same voting rights.

At September 30, 2012, the Company had 23,521,744 shares of common stock outstanding, which, as per the details provided by the Transfer Agents, were held by approximately 358 record holders (excluding the beneficial shareholders held through the intermediaries) of which 8 shareholders are based in the United States (including the beneficial shareholders held through the intermediaries) and hold an aggregate of 508,998 shares or 2.9% of common stock.

The Registrant is a publicly owned Canadian corporation, the shares of which are owned by Canadian residents, U.S. residents, and residents of other countries. The Registrant is not owned or controlled directly or indirectly by another corporation (other than an indicated in the chart above) or any foreign government. There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

(B) RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions during the year ended June 30, 2012 are as follows:

1. Consulting fees include \$30,000 paid to the new Chief Executive Officer for services rendered during the period July 1, 2011 to June 30, 2012 (2011 - \$30,000). A law firm related to the Chief Executive Officer was paid for legal services of \$15,754 (inclusive of disbursements) in the year ended June 30, 2011 (2011 - \$17,594).
2. Consulting fees include \$22,500 paid to the existing Chief Financial Officer for services rendered during the period (2011 - \$15,000).
3. No consulting fees were paid to the controlling shareholder of the Company for services rendered during the period July 1, 2011 to June 30, 2012 (2011 - \$120,000) of which \$60,000 earned in the year ended June 30, 2011 have been accrued and remain unpaid as of June 30, 2012.

4. On July 21, 2011 the Company entered into unsecured loan agreements with its largest shareholder, Mad Hatter Investments Inc., and another related entity, 1057111 Ontario Limited, in the aggregate principal amount of \$50,000. The loans have a term of approximately 12 months ending July 31, 2012, accrue interest at 10% per annum until maturity, and each are convertible at the option of the holder into common shares of the Company at \$0.10 per share.
5. On November 15, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the principal amount of \$50,000. The loan has a term of to maturity of the earlier of 18 months or upon the sale or change of control of the Company, accrues interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share. The loan is secured against the assets of the Company.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

Indebtedness to Company of Directors, Executive Officers and Senior Officers

None of the directors, consultants, executive officers and senior officers of the Company or any of its subsidiaries, proposed nominees for election or associates of such persons is or has been indebted to the Company at any time for any reason whatsoever, including the purchase of securities of the Company or any of its subsidiaries.

(C) INTERESTS OF EXPERTS AND COUNSEL

Not applicable

ITEM 8 - FINANCIAL INFORMATION

(A) CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Information regarding our financial statements is contained under the caption "[Item 18. Financial Statements](#)" below.

Legal Proceedings

The Company is not currently involved in any litigation nor is it aware of any litigation pending or threatened.

Dividend Policy

Since its incorporation, the Company has not declared or paid, and has no present intention to declare or to pay in the foreseeable future, any cash dividends with respect to its Common Shares. Earnings will be retained to finance further growth and development of the business of the Company. However, if the Board of Directors declares dividends, all Common Shares will participate equally in the dividends, and, in the event of liquidation, in the net assets, of the Company.

(B) SIGNIFICANT CHANGES

On July 15, 2010, the Company granted an option to a third party with whom it negotiated at arm's length to purchase either its wholly owned subsidiary, LRPC, or to sell LRPC's assets and assume its liabilities for \$1.00. The third party has the right to exercise the option at any time after July 15, 2011 until July 15, 2012.

The Company also has an option in which it can force the third party to buy the subsidiary or its assets and assume its liabilities at any time until July 15, 2012. This option and put expired unexercised.

During the fiscal year ended June 30, 2012, the Company entered into the following loan arrangements:

1. On July 21, 2011 the Company entered into unsecured loan agreements with its largest shareholder, Mad Hatter Investments Inc., and another related entity, 1057111 Ontario Limited, in the aggregate principal amount of \$50,000. The loans have a term of approximately 12 months ending July 31, 2012, accrue interest at 10% per annum until maturity, and each are convertible at the option of the holder into common shares of the Company at \$0.10 per share.
2. On November 23, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the principal amount of \$50,000. The loan has a term to maturity of the earlier of 18 months or upon the sale or change of control of the Company, accrues interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share. The loan is secured against the assets of the Company.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

ITEM 9 - THE OFFER AND LISTING

(A) OFFER AND LISTING DETAILS

The Company's common shares began trading on the OTCBB on April 27, 2005. Prior to that date, the Company's shares were traded "Over-the Counter" on the Canadian Unlisted Board ("CUB") for a brief while in 2000. No real-time quotes or trades were available to the public. There is no record of quotations under the CUB.

The following tables set forth the reported high and low sale prices for the common shares of the Company as quoted on OTCBB.

The following table outlines the annual high and low market prices for each of the fiscal years since the trading date of April 27, 2005:

<u>Fiscal year ended June 30</u>	<u>High in US \$</u>	<u>Low in US\$</u>
2012	0.08	0.02
2011	0.02	0.01
2010	0.02	0.01
2009	0.08	0.01
2008	0.06	0.02
2007	1.70	0.06
2006	2.15	0.61
2005 (April 28, 2005 to June 30, 2005)	0.65	0.54

The following table outlines the high and low market prices for each fiscal financial quarter for each of the quarters since April 27, 2005 and any subsequent period:

<u>Fiscal Quarter ended</u>	<u>High in US \$</u>	<u>Low in US\$</u>
September 30, 2012	0.18	0.08
June 30, 2012	0.08	0.062
March 31, 2012	0.06	0.06
December 31, 2011	0.08	0.02
September 30, 2011	0.18	0.11
June 30, 2011	0.01	0.01
March 31, 2011	0.01	0.01
December 31, 2010	0.01	0.01
September 30, 2010	0.0275	0.01
June 30, 2010	0.006	0.006
March 31, 2010	0.015	0.006
December 31, 2009	0.08	0.08
September 30, 2009	0.01	0.01
June 30, 2009	.015	0.015
March 31, 2009	0.08	0.012
December 31, 2008	0.08	0.012
September 30, 2008	0.02	0.01
June 30, 2008	0.03	0.02
March 31, 2008	0.04	0.03
December 31, 2007	0.06	0.04
September 30, 2007	0.06	0.06
June 30, 2007	0.11	0.10
March 31, 2007	0.15	0.10
December 31, 2006	0.50	0.12
September 30, 2006	1.70	0.30
June 30, 2006	0.85	2.15
March 31, 2006	1.20	0.20
December 31, 2005	0.65	0.35
September 30, 2005	0.61	0.56

The following table outlines the high and low market prices for each of the most recent six months:

<u>Month</u>	<u>High in US \$</u>	<u>Low in US \$</u>
September 2012	\$0.075	\$0.06
August 2012	\$0.075	\$0.075
July 2012	\$0.08	\$0.08
June 2012	\$0.08	\$0.062
May 2012	\$0.08	\$0.062
April 2012	\$0.08	\$0.062

(B) PLAN OF DISTRIBUTION

Not applicable

(C) MARKETS

The Company's common shares were traded briefly during the fiscal 2000 "over-the-counter" on the Canadian Unlisted Board ("CUB") with the trading symbol "FEPR" and CUSIP #32008X 10 2. The CUB system was implemented in November 2000 but has currently been discontinued. It was only available to traders and brokers for reporting trades that they had arranged in unlisted and unquoted equity securities in Ontario. No real-time quotes or trades were available to the public. There is no record of quotations under the CUB.

Since April 27, 2005, the Company's common shares began trading on OTCBB of the NASD under a trading symbol "NHSEF".

The Company received a new CUSIP number and changed its trading and listing symbol to "LVRLF" effective December 1, 2006.

(D) SELLING SHAREHOLDERS

Not applicable.

(E) DILUTION

Not applicable

(F) EXPENSES OF THE ISSUE

Not applicable

ITEM 10 - ADDITIONAL INFORMATION

(A) SHARE CAPITAL

This Form 20F/A is being filed as an Annual Report under the Exchange Act and, as such, there is no requirement to provide any information under this section.

(B) MEMORANDUM AND ARTICLES OF ASSOCIATION

Following approval by the shareholders in a special meeting held on October 4, 2006 as explained in item 8(B) above, the Company applied for authorization to continue from being governed by the Business Corporations Act (Ontario) and was granted approval on October 26, 2006 to continue under the jurisdiction of the *Business Corporation Act (Canada)*. An application for authorization to continue is included in Exhibits 1.1 and 1.2 hereof, which exhibits have been incorporated by reference into this report.

New by-laws were adopted in the special meeting of shareholders on October 4, 2006 in compliance with the requirements of the *Business Corporation Act* (Canada). The new by-laws were included in Exhibit 1.3 thereof, which exhibit has been incorporated by reference into this report.

(C) MATERIAL CONTRACTS

All material contracts entered into in last two fiscal years were in the ordinary course of its business.

(D) EXCHANGE CONTROLS

Limitations on the ability to acquire and hold shares of the Company may be imposed by the *Competition Act* (Canada) (the "Competition Act"). This legislation permits the Commissioner of Competition to review any acquisition of a significant interest in us. This legislation grants the Commissioner jurisdiction, for up to three years, to challenge this type of acquisition before the Competition Tribunal if the Commissioner believes that it would, or would be likely to, result in a substantial lessening or prevention of competition in any market in Canada.

The Competition Act requires that any person proposing to acquire any of the assets in Canada of an operating business file a notification with the Competition Bureau where (a) "size of the parties" threshold - the parties to the transaction, together with their respective affiliates, have (i) assets in Canada the value of which exceeds \$400 million in the aggregate, or (ii) annual gross revenues from sales in, from or into Canada that exceed \$400 million in the aggregate; and (b) "size of the transaction" threshold - the aggregate value of those assets, or the gross revenues from sales in or from Canada generated from those assets, would exceed an annually established threshold (2012 - \$77 million), based on the book value of the subject assets or Company in Canada, or gross revenues from sales in or from Canada generated from those assets or by the Company). For the purposes of the Competition Act, asset values and gross revenues are to be determined as of the last day of the period covered by the most recent audited financial statements in which the assets or gross revenues are accounted for.

In the case of share acquisitions, an additional "shareholding threshold" must be exceeded. This legislation requires any person who intends to acquire shares to file a notification with the Competition Bureau if certain financial thresholds are exceeded, and that person would hold more than 20% of our voting shares as a result of the acquisition. If a person already owns 20% or more of our voting shares, a notification must be filed when the acquisition would bring that person's holdings over 50%. Where a notification is required, the legislation prohibits completion of the acquisition until the expiration of a statutory waiting period, unless the Commissioner provides written notice that he does not intend to challenge the acquisition.

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities. However, any such remittance to a resident of the United States may be subject to a withholding tax pursuant to the *Income Tax Act* (Canada). For further information concerning such withholding tax, see "Taxation" below.

Except as may be provided under the *Investment Canada Act* (the "ICA"), there are no specific limitations under the laws of Canada or in the Articles of the Company with respect to the rights of non-residents of Canada to hold and/or vote securities of the Company.

The ICA requires each individual, government or agency thereof, corporation, partnership, trust or joint venture that is not a "Canadian" as defined in the ICA (a "non-Canadian") making an investment to acquire control of a Canadian business, the gross assets of which exceed certain defined threshold levels, to file an application for review with the Investment Review Division of Industry Canada. The threshold level for non-Canadians who are World Trade Organization investors (as defined in the ICA) is in excess of \$250 million, subject to an annual adjustment on the basis of a prescribed formula in the ICA to reflect inflation and real growth within Canada.

In the context of the Company, in essence, three methods of acquiring control of a Canadian business are regulated by the ICA: (i) the acquisition of all or substantially all of the assets used in carrying on business in Canada; (ii) the acquisition, directly or indirectly, of voting shares of a Canadian corporation carrying on business in Canada; (iii) the acquisition of voting shares of an entity which controls, directly or indirectly, another entity carrying on business in Canada. An acquisition of a majority of the voting interests of an entity, including a corporation, is deemed to be an acquisition of control under the ICA. However, under the ICA, there is a rebuttable presumption that control is acquired if one-third of the voting shares of a Canadian corporation or an equivalent undivided interest in the voting shares of such corporation are held by a non-Canadian person or entity. An acquisition of less than one-third of the voting shares of a Canadian corporation is deemed not to be an acquisition of control. An acquisition of less than a majority, but one-third or more, of the voting shares of a Canadian corporation is presumed to be an acquisition of control unless it can be established that on the acquisition the Canadian corporation is not, in fact, controlled by the acquirer through the ownership of voting shares. Certain transactions relating to the acquisition of common shares would be exempt from review from the ICA, including:

- (a) acquisition of common shares by a person in the ordinary course of a person's business as a trader or dealer in securities;
- (b) acquisition of control of a Canadian corporation in connection with the realization of security granted for a loan or other financial assistance and not for any purpose related to the provisions of the ICA; and
- (c) acquisition of control of a Canadian corporation by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of the corporation, through the ownership of voting interests, remains unchanged.

In addition, if less than a majority of voting interests of a Canadian corporation are owned by Canadians, the acquisition of control of any other Canadian corporation by such corporation may be subject to review unless it can be established that the corporation is not in fact controlled through the ownership of voting interests and that two-thirds of the members of the board of directors of the corporation are Canadians.

Where an investment is reviewable under the ICA, it may not be implemented unless it is likely to be of net benefit to Canada. If an applicant is unable to satisfy the Minister responsible for Industry Canada that the investment is likely to be of net benefit to Canada, the applicant may not proceed with the investment. Alternatively, an acquiror may be required to divest control of the Canadian business that is the subject of the investment.

In addition to the foregoing, the ICA requires formal notification to the Canadian government of all other acquisitions of control of Canadian businesses by non-Canadians. These provisions require a foreign investor to give notice in the required form, which notices are for information, as opposed to review purposes.

(E) TAXATION

Canadian Federal Income Tax Consequences

We consider that the following general summary fairly describes the principal Canadian federal income tax considerations applicable to holders of our common shares who, for purposes of the

Income Tax Act (Canada) (the "ITA"), deal at arm's length with the Company, hold such shares as capital property, do not carry on business in Canada, have not been at any time residents of Canada for purposes of the ITA and are residents of the United States ("U.S. Residents") under the Canada-United States Income Tax Convention (1980) (the "Convention").

This summary is based upon the current provisions of the ITA, the Income Tax Regulations (the "Regulations"), the current publicly announced administrative and assessing policies of the Canada Revenue Agency (formerly Canada Customs and Revenue Agency), and all specific proposals (the "Tax Proposals") to amend the ITA and Regulations publicly announced prior to the date hereof by the Minister of Finance (Canada). This description is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign tax considerations which may differ significantly from those discussed herein.

The following discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of our common shares and no opinion or representation with respect to any Canadian federal, provincial or foreign tax consequences to any such holder or prospective holder is made. Accordingly, holders and prospective holders of our common shares should consult with their own tax advisors about the Canadian federal, provincial and foreign tax consequences of purchasing, owning and disposing of our common shares.

Dividends

Dividends, including stock dividends, paid or credited or deemed to be paid or credited on our common shares to a U.S. Resident will be subject to withholding tax at a rate of 25%. The Convention provides that the normal 25% withholding tax rate will generally be reduced to 15% on dividends paid on shares of a corporation resident in Canada for federal income tax purposes (such as the Company) to U.S. Residents, and also provides for a further reduction of this rate to 5% where the beneficial owner of the dividends is a corporation which is a resident of the United States and owns at least 10% of the voting shares of the corporation paying the dividend. These Convention reductions are not available to beneficial owners who are a U.S. LLC corporation.

Capital Gains

The Convention provides that a U.S. Resident will not be subject to tax under the ITA in respect of any capital gain on the disposition of our common shares unless such shares constitute taxable Canadian property of the U.S. Resident and the U.S. Resident is not entitled to the benefits of the Convention with regards to capital gains. Our common shares will constitute taxable Canadian property if at any time during the five year period immediately preceding the disposition of our common shares, the U.S. Resident, or persons with whom the U.S. Resident did not deal at arm's length, or the U.S. Resident together with persons with whom the U.S. resident did not deal at arm's length owned 25% or more of the issued shares of any class of our capital stock.

Where a U.S. Resident realizes a capital gain on a disposition of shares that constitute "taxable Canadian property", the Convention relieves the U.S. Resident from liability for Canadian tax on such capital gains unless:

- (a) the value of the shares is derived principally from "real property" in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production,
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding the disposition, was resident in Canada at any time during the 10 years immediately preceding the disposition and the shares were owned by him when he ceased to be resident in Canada, or
- (c) the shares formed part of the business property of a "permanent establishment" or pertained to a fixed base used for the purpose of performing independent personal services that the shareholder has or had in Canada within the 12 months preceding the disposition.

These Convention benefits are generally not available to beneficial owners who are a U.S. LLC corporation.

U.S. Federal Income Tax Consequences

The following is a summary of the anticipated material U.S. federal income tax consequences to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of our common shares ("Common Shares").

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the acquisition, ownership, and disposition of Common Shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. federal, U.S. state and local, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares.

Scope of this Disclosure

Authorities

This summary is based on the *Internal Revenue Code of 1986*, as amended (the "Code"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the Internal Revenue Service ("IRS"), published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "Canada-U.S. Tax Convention"), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Annual Report. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Common Shares that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the U.S., (b) a corporation, or any other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the U.S. or any state in the U.S., including the District of Columbia, (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income, or (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

Non-U.S. Holders

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of Common Shares other than a U.S. Holder. This summary does not address the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares to non-U.S. Holders. Accordingly, a non-U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. federal, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any tax treaties) of the acquisition, ownership, and disposition of Common Shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares to U.S. Holders that are subject to special provisions under the Code, including the following U.S. Holders: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a “functional currency” other than the U.S. dollar; (e) U.S. Holders that are liable for the alternative minimum tax under the Code; (f) U.S. Holders that own Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (g) U.S. Holders that acquired Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (h) U.S. Holders that hold Common Shares other than as a capital asset within the meaning of Section 1221 of the Code; or (i) U.S. Holders that own, directly or indirectly, 10% or more, by voting power or value, of our outstanding shares. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal, U.S. state and local, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares.

If an entity that is classified as partnership (or “pass-through” entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences to such partnership (or “pass-through” entity) and the partners of such partnership (or owners of such “pass-through” entity) generally will depend on the activities of the partnership (or “pass-through” entity) and the status of such partners (or owners). Partners of entities that are classified as partnerships (or owners of “pass-through” entities) for U.S. federal income tax purposes should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

Tax Consequences Other than U.S. Federal Income Tax Consequences Not Addressed

This summary does not address the U.S. state and local, U.S. federal estate and gift, or foreign tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Shares. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the U.S. state and local, U.S. federal estate and gift, and foreign tax consequences of the acquisition, ownership, and disposition of Common Shares. (See “Taxation—Canadian Federal Income Tax Consequences” above).

U.S. Federal Income Tax Consequences of the Acquisition, Ownership, and Disposition of Common Shares

Distributions on Common Shares

General Taxation of Distributions

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to the Common Shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of our current or accumulated "earnings and profits". To the extent that a distribution exceeds our current and accumulated "earnings and profits", such distribution will be treated (a) first, as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares and, (b) thereafter, as gain from the sale or exchange of such Common Shares. (See more detailed discussion at "Disposition of Common Shares" below).

Reduced Tax Rates for Certain Dividends

For taxable years beginning after December 31, 2002 and before January 1, 2011, a dividend paid by us generally will be taxed at the preferential tax rates applicable to long-term capital gains if (a) we are a "qualified foreign corporation" (as defined below), (b) the U.S. Holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on Common Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date" (i.e., the first date that a purchaser of such Common Shares will not be entitled to receive such dividend).

We generally will be a "qualified foreign corporation" under Section 1(h)(11) of the Code (a "QFC") if (a) we are incorporated in a possession of the U.S., (b) we are eligible for the benefits of the Canada-U.S. Tax Convention, or (c) the Common Shares are readily tradable on an established securities market in the U.S. However, even if we satisfy one or more of such requirements, we will not be treated as a QFC if we are a "passive foreign investment company" (as defined below) for the taxable year during which we pay a dividend or for the preceding taxable year. In 2003, the U.S. Department of the Treasury (the "Treasury") and the IRS announced that they intended to issue Treasury Regulations providing procedures for a foreign corporation to certify that it is a QFC. Although these Treasury Regulations were not issued in 2004, the Treasury and the IRS have confirmed their intention to issue these Treasury Regulations. It is expected that these Treasury Regulations will obligate persons required to file information returns to report a distribution with respect to a foreign security issued by a foreign corporation as a dividend from a QFC if the foreign corporation has, among other things, certified under penalties of perjury that the foreign corporation was not a "passive foreign investment company" for the taxable year during which the foreign corporation paid the dividend or for the preceding taxable year.

We do not believe that we were a “passive foreign investment company” for the taxable year ended June 30, 2008. (See more detailed discussion at “Additional Rules that May Apply to U.S. Holders” below). There can be no assurance that the IRS will not challenge the determination made by us concerning our “passive foreign investment company” status or that we will not be a “passive foreign investment company” for the current or any future taxable year. Accordingly, there can be no assurances that we will be a QFC for the current or any future taxable year, or that we will be able to certify that it is a QFC in accordance with the certification procedures issued by the Treasury and the IRS.

If we are not a QFC, a dividend paid by us to a U.S. Holder, including a U.S. Holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the dividend rules.

Distributions Paid in Foreign Currency

The amount of a distribution paid to a U.S. Holder in foreign currency generally will be equal to the U.S. dollar value of such distribution based on the exchange rate applicable on the date of receipt. A U.S. Holder that does not convert foreign currency received as a distribution into U.S. dollars on the date of receipt generally will have a tax basis in such foreign currency equal to the U.S. dollar value of such foreign currency on the date of receipt. Such a U.S. Holder generally will recognize ordinary income or loss on the subsequent sale or other taxable disposition of such foreign currency (including an exchange for U.S. dollars).

Dividends Received Deduction

Dividends paid on the Common Shares generally will not be eligible for the “dividends received deduction.” The availability of the dividends received deduction is subject to complex limitations that are beyond the scope of this discussion, and a U.S. Holder that is a corporation should consult its own financial advisor, legal counsel, or accountant regarding the dividends received deduction.

Disposition of Common Shares

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of Common Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder’s tax basis in the Common Shares sold or otherwise disposed of. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Common Shares are held for more than one year. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Common Shares generally will be treated as “U.S. source” for purposes of applying the U.S. foreign tax credit rules. (See more detailed discussion at “Foreign Tax Credit” below).

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses and net capital losses are subject to complex limitations. For a U.S. Holder that is an individual, estate, or trust, capital losses may be used to offset capital gains and up to US\$3,000 of ordinary income. An unused capital loss of a U.S. Holder that is an individual, estate, or trust generally may be carried forward to subsequent taxable years, until such net capital loss is exhausted.

For a U.S. Holder that is a corporation, capital losses may be used to offset capital gains, and an unused capital loss generally may be carried back three years and carried forward five years from the year in which such net capital loss is recognized.

Foreign Tax Credit

A U.S. Holder who pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income (including "passive income," "high withholding tax interest," "financial services income," "general income," and certain other categories of income). Dividends paid by us generally will constitute "foreign source" income and generally will be categorized as "passive income" or, in the case of certain U.S. Holders, "financial services income." However, for taxable years beginning after December 31, 2006, the foreign tax credit limitation categories are reduced to "passive income" and "general income" (and the other categories of income, including "financial services income," are eliminated). The foreign tax credit rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the foreign tax credit rules.

Information Reporting: Backup Withholding Tax

Payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from certain sales or other taxable dispositions of, Common Shares generally will be subject to information reporting and backup withholding tax, at the rate of 28%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax.

However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the information reporting and backup withholding tax rules.

Additional Rules that May Apply to U.S. Holders

If we are a "controlled foreign corporation," or a "passive foreign investment company" (each as defined below), the preceding sections of this summary may not describe the U.S. federal income tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Shares.

Controlled Foreign Corporation

We generally will be a "controlled foreign corporation" under Section 957 of the Code (a "CFC") if more than 50% of the total voting power or the total value of our outstanding shares are owned, directly or indirectly, by citizens or residents of the U.S., domestic partnerships, domestic corporations, domestic estates, or domestic trusts (each as defined in Section 7701(a)(30) of the Code), each of which own, directly or indirectly, 10% or more of the total voting power of our outstanding shares (a "10% Shareholder").

If we are a CFC, a 10% Shareholder generally will be subject to current U.S. federal income tax with respect to (a) such 10% Shareholder's pro rata share of the "subpart F income" (as defined in Section 952 of the Code) of the Company and (b) such 10% Shareholder's pro rata share of our earnings invested in "United States property" (as defined in Section 956 of the Code). In addition, under Section 1248 of the Code, any gain recognized on the sale or other taxable disposition of Common Shares by a U.S. Holder that was a 10% Shareholder at any time during the five-year period ending with such sale or other taxable disposition generally will be treated as a dividend to the extent of the "earnings and profits" of the Company that are attributable to such Common Shares. If we are both a CFC and a "passive foreign investment company" (as defined below), we generally will be treated as a CFC (and not as a "passive foreign investment company") with respect to any 10% Shareholder.

We do not believe that LiveReel has previously been, or currently is a CFC. However, there can be no assurance that we will not be a CFC for the current or any future taxable year.

Passive Foreign Investment Company

We generally will be a “passive foreign investment company” under Section 1297 of the Code (a “PFIC”) if, for a taxable year, (a) 75% or more of our gross income for such taxable year is passive income or (b) 50% or more of the assets held by us either produce passive income or are held for the production of passive income, based on the fair market value of such assets (or on the adjusted tax basis of such assets, if we are not publicly traded and either is a “controlled foreign corporation” or makes an election). “Passive income” includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

For purposes of the PFIC income test and asset test described above, if we own, directly or indirectly, 25% or more of the total value of the outstanding shares of another foreign corporation, we will be treated as if it (a) held a proportionate share of the assets of such other foreign corporation and (b) received directly a proportionate share of the income of such other foreign corporation. In addition, for purposes of the PFIC income test and asset test described above, “passive income” does not include any interest, dividends, rents, or royalties that are received or accrued by us from a “related person” (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

We do not believe that LiveReel has previously been, or currently are a PFIC. However, there can be no assurance that the IRS will not challenge our determination concerning our PFIC status or that we will not be a PFIC for the current or any future taxable year.

Default PFIC Rules Under Section 1291 of the Code

If we are a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership, and disposition of Common Shares will depend on whether such U.S. Holder makes an election to treat the Company as a “qualified electing fund” or “QEF” under Section 1295 of the Code (a “QEF Election”) or a mark-to-market election under Section 1296 of the Code (a “Mark-to-Market Election”).

A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a “Non-Electing U.S. Holder.”

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code with respect to (a) any gain recognized on the sale or other taxable disposition of Common Shares and (b) any excess distribution paid on the Common Shares. A distribution generally will be an “excess distribution” to the extent that such distribution (together with all other distributions received in the current taxable year) exceeds 125% of the average distributions received during the three preceding taxable years (or during a U.S. Holder’s holding period for the Common Shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of Common Shares, and any excess distribution paid on the Common Shares, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the Common Shares. The amount of any such gain or excess distribution allocated to prior years of such Non-Electing U.S. Holder's holding period for the Class Common Shares (other than years prior to the first taxable year of the Company during such Non-Electing U.S. Holder's holding period and beginning after December 31, 1986 for which we was not a PFIC) will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year. A Non-Electing U.S. Holder will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year. Such a Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible. The amount of any such gain or excess distribution allocated to the current year of such Non-Electing U.S. Holder's holding period for the Common Shares will be treated as ordinary income in the current year, and no interest charge will be incurred with respect to the resulting tax liability for the current year.

If we are a PFIC for any taxable year during which a Non-Electing U.S. Holder holds Common Shares, we will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether we cease to be a PFIC in one or more subsequent years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Common Shares were sold on the last day of the last taxable year for which the Company was a PFIC.

QEF Election

A U.S. Holder that makes a QEF Election generally will not be subject to the rules of Section 1291 of the Code discussed above. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each taxable year in which we are a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by us.

However, a U.S. Holder that makes a QEF Election may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a QEF Election generally also (a) may receive a tax-free distribution from us to the extent that such distribution represents "earnings and profits" of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as “timely” if such QEF Election is made for the first year in the U.S. Holder’s holding period for the Common Shares in which we were a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such first year. However, if we were a PFIC in a prior year, then in addition to filing the QEF Election documents, a U.S. Holder must elect to recognize (a) a gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if the Common Shares were sold on the qualification date or (b) if we were also a CFC, such U.S. Holder’s pro rata share of the post-1986 “earnings and profits” of the Company as of the qualification date. The “qualification date” is the first day of the first taxable year in which we were a QEF with respect to such U.S. Holder. The election to recognize such gain or “earnings and profits” can only be made if such U.S. Holder’s holding period for the Common Shares includes the qualification date. By electing to recognize such gain or “earnings and profits,” such U.S. Holder will be deemed to have made a timely QEF Election. In addition, under very limited circumstances, a U.S. Holder may make a retroactive QEF Election if such U.S. Holder failed to file the QEF Election documents in a timely manner.

A QEF Election will apply to the taxable year for which such QEF Election is made and to all subsequent taxable years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent taxable year, we cease to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those taxable years in which we are not a PFIC. Accordingly, if we become a PFIC in another subsequent taxable year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any such subsequent taxable year in which we qualify as a PFIC. In addition, the QEF Election will remain in effect (although it will not be applicable) with respect to a U.S. Holder even after such U.S. Holder disposes of all of such U.S. Holder’s direct and indirect interest in the Common Shares. Accordingly, if such U.S. Holder reacquires an interest in the Company, such U.S. Holder will be subject to the QEF rules described above for each taxable year in which we are a PFIC.

Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the availability of, and procedure for making, a QEF Election. U.S. Holders should be aware that there can be no assurance that we will satisfy record keeping requirements that apply to a QEF, or that we will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in event that we are a PFIC and a U.S. Holder wishes to make a QEF Election.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Common Shares are marketable stock. The Common Shares generally will be “marketable stock” if the Common Shares are regularly traded on (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange ensure active trading of listed stocks.

A U.S. Holder that makes a Mark-to-Market Election generally will not be subject to the rules of Section 1291 of the Code discussed above. However, if a U.S. Holder makes a Mark-to-Market Election after the beginning of such U.S. Holder's holding period for the Common Shares and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Common Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each taxable year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares as of the close of such taxable year over (b) such U.S. Holder's tax basis in such Common Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the lesser of (a) the excess, if any, of (i) such U.S. Holder's adjusted tax basis in the Common Shares over (ii) the fair market value of such Common Shares as of the close of such taxable year or (b) the excess, if any, of (i) the amount included in ordinary income because of such Mark-to-Market Election for prior taxable years over (ii) the amount allowed as a deduction because of such Mark-to-Market Election for prior taxable years.

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior taxable years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior taxable years).

A Mark-to-Market Election applies to the taxable year in which such Mark-to-Market Election is made and to each subsequent taxable year, unless the Common Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the availability of, and procedure for making, a Mark-to-Market Election.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Common Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Common Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if we are a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example under Section 1298(b)(6) of the Code, a U.S. Holder that uses Common Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Common Shares.

The PFIC rules are complex, and each U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular investor. Consequently, potential investors are urged to seek independent tax advice in respect of the consequences to them of the acquisition of common stock having regard to their particular circumstances.

(F) DIVIDEND AND PAYING AGENTS

Not applicable

(G) STATEMENT BY EXPERTS

Not applicable

(H) DOCUMENTS ON DISPLAY

The documents concerning the Company referred to in this Annual Report may be inspected at the Company's office at 2300 Yonge Street, Suite 1710, Toronto, Ontario, Canada, M4P 1E4. The Company may be reached at (416) 593-6543. Documents filed with the Securities and Exchange Commission ("SEC") may also be read and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms.

The Company is subject to reporting requirements as a "reporting issuer" under applicable securities legislation in Canada and as a "foreign private issuer" under the Securities Exchange Act of 1934 (the "Exchange Act"). As a result, we must file periodic reports and other information with the Canadian securities regulatory authorities and the Securities and Exchange Commission.

A copy of this Form 20-F/A Annual Report and certain other documents referred to in this Annual Report and other documents filed by us may be retrieved from the system for electronic document analysis and retrieval ("SEDAR") system maintained by the Canadian securities regulatory authorities at www.sedar.ca or from the Securities and Exchange Commission electronic data gathering, analysis and retrieval system ("EDGAR") at www.sec.gov/edgar.

(I) SUBSIDIARY INFORMATION

The documents concerning the Company's subsidiaries referred to in this Annual Report may be inspected at the Company's office at 2300 Yonge Street, Suite 1710, Toronto, Ontario, Canada, M4P 1E4.

ITEM 11 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to foreign currency exchange rates. The Company's excess cash is held at a Canadian chartered bank in U.S. and Canadian currencies and bears interest at various rates on monthly balances as at June 30, 2012.

The carrying value of cash and other current assets, accounts payable and accrued liabilities, and amounts due to related parties approximate fair values.

The Company never entered into and did not have at the end of the years ended June 30, 2012 and 2011, any foreign currency hedge contracts or commodity contracts, and the Company does not trade in such instruments. We do not use derivative financial instruments.

The Company has no debt instruments subject to interest payments, sales contracts, swaps, derivatives, or forward agreements or contracts, or inventory.

The Company periodically accesses the capital markets with the issuance of new shares to fund operating expenses and new projects.

ITEM 12 - DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not required since this is an annual report.

PART II

ITEM 13 - DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14 - MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

No modifications or qualifications have been made to the instruments defining the rights of the holders of our Common Shares and no material amount of assets securing our securities has been withdrawn or substituted by us or anyone else (other than in the ordinary course of business).

As explained earlier, we have moved the jurisdiction of our company from Ontario Business Corporation Act to Canada Business Corporation act and have revised the by-laws which govern rights of the security holders. We do not believe that these changes have materially affected or modified the said rights.

ITEM 15 - CONTROLS AND PROCEDURES

A. Evaluation of Our Disclosure Controls and Internal Controls

Under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation 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") as of the end of the period covered by this annual report (the "Evaluation Date").

Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective such that the information relating to the Company, including our consolidated subsidiary, required to be disclosed in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control over Financial Reporting

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in Canada. It is our management's responsibility to establish and maintain adequate internal control over financial reporting for the Company. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. In evaluating the effectiveness of our internal control over financial reporting, our management used the criteria set for the by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this report.

C. Changes in Internal Controls

There have been no changes in the Company's internal controls over financial reporting that occurred during the year ended June 30, 2012 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 16 - [RESERVED]

ITEM 16A - AUDIT COMMITTEE FINANCIAL EXPERTS

As at the Company's financial year ended June 30, 2012, the audit committee consisted of three directors, one of whom, Mr. Jason Meretsky would be qualified as an audit committee financial expert, as that term is defined under Section 407 of the Sarbanes-Oxley Act of 2002. Mr. Jason Meretsky's background is described under Item 6(A) Directors and senior management.

He would not be considered an independent director under an objective test in that he serves as a consultant of the Company acting in capacity of the chief executive officer of the Company; however, the Board of Directors has made a subjective determination that no relationships exist which would interfere with Mr. Meretsky's exercise of independent judgment in carrying out the responsibilities of a director.

The other two members of the audit committee are Ms. Janice Barone and Ms. Diana van Vliet, both of whom would be considered independent directors.

ITEM 16B CODE OF ETHICS

On February 9, 2007, the Company adopted a Code of Ethics that applies to its principal executive officer and principal financial officer, or persons performing similar functions. A copy of our Code of Ethics will be provided to any person requesting same without charge. To request a copy of our Code of Ethics, please make a written request to our chief financial officer, Live Reel Media Corporation, 2300 Yonge Street, Suite 1710, PO Box 2408, Toronto, Ontario, Canada, M4P 1E4.

ITEM 16C PRINCIPAL ACCOUNTANT'S FEES AND SERVICES

The following outlines the expenditures for accounting fees for the last two fiscal years ended:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Audit Fees	15,000	18,500
Audit Related Fees	2,500	-
Tax Fees	-	-
All Other Fees	1,500	-

Under our existing policies, the audit committee must pre-approve all audit and non-audit related services provided by the auditors.

ITEM 16D EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable

ITEM 16E PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable

ITEM 16F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable

ITEM 16G CORPORATE GOVERNANCE

Our securities are listed on the Over The Counter Bulletin Board of NASDAQ. There are no significant ways in which our corporate governance practices differ from those followed by domestic companies under the listing standards of that exchange except for proxy delivery requirements. The OTC Bulletin Board, administered by NASDAQ requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies be solicited pursuant to a proxy statement that conforms to the proxy rules of the U.S. Securities and Exchange Commission. As a foreign private issuer, the Company is exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

PART III

ITEM 17 - FINANCIAL STATEMENTS

Not applicable

ITEM 18 - FINANCIAL STATEMENTS

See the Consolidated Financial Statements and Exhibits listed in Item 19 hereof and filed as part of this Annual Report. These consolidated financial statements were prepared in accordance with International Reporting Financial Standards as issued by the International Accounting Standards Board and are expressed in Canadian dollars. For a history of exchange rates in effect for Canadian dollars as against U.S. dollars, see Item 3(A) Exchange Rates of this Annual Report.

ITEM 19 -- EXHIBITS

(a)Financial Statements -

<u>Description of Document</u>	<u>Page No.</u>
Cover Sheet	F-1
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Report of Independent Registered Public Accounting Firm dated October 26, 2012	F-3
Consolidated Statements of Financial Position as at June 30, 2012,2011 and July 1, 2010	F-4
Consolidated Statements of Operations and Comprehensive Loss for the Fiscal Years Ended June 30, 2012 and 2011	F-5
Consolidated Statements of Cash Flows for the Fiscal Years Ended June 30, 2012 and 2011	F-6
Consolidated Statements of Changes in Equity for the Fiscal Years Ended June 30, 2012, 2011 and 2010	F-7
Notes to the Consolidated Financial Statements	F-8

b)Exhibits

The following documents are filed as part of this Annual Report on Form [20-F/A](#)

- 1.1 Application for Authorization to continue in another jurisdiction dated October 20, 2006.- **Incorporated herein by reference** to Exhibit 1.1 to the Company's Registration Statement on Form 20-F filed on December 26, 2006.
- 1.2 Articles of Incorporation of the Company - **Incorporated herein by reference** to Exhibit 1.1 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.3 By-Laws of the Company - **Incorporated herein by reference** to Exhibit 1.3 to the Company's Registration Statement on Form 20-F filed on December 26, 2006.
- 1.4 Certificate of name change from Minedel Mining & Development Company Limited to Minedel Mines Limited - **Incorporated herein by reference** to Exhibit 1.3 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.5 Certificate of name change from Minedel Mines Limited to Havelock Energy & Resources Inc. - **Incorporated herein by reference** to Exhibit 1.4 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.6 Certificate of name change from Havelock energy & Resources Inc. to Municipal Ticket Corporation - **Incorporated herein by reference** to Exhibit 1.5 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.7 Certificate of name change from Municipal Ticket Corporation to I.D.Investment Inc. - **Incorporated herein by reference** to Exhibit 1.6 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.8 Certificate of amalgamation. to Biolink Corporation - **Incorporated herein by reference** to Exhibit 1.7 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.9 Certificate of name change from Biolink Corp. to First Empire Entertainment.com Inc. - **Incorporated herein by reference** to Exhibit 1.8 to the Company's Registration Statement on Form 20-F filed on March 12, 2004.
- 1.10 Certificate of name change from First Empire Entertainment.com Inc. to First Empire Corporation Inc. - **Incorporated herein by reference** to Exhibit 19 to the Company's Annual Report on Form 20-F filed on March 12, 2004.
- 1.11 Certificate of name change from First Empire Corporation Inc. to Noble House Entertainment Inc. dated November 4, 2004 - **Incorporated herein by reference** to Exhibit 1.10 to the Company's Annual Report on Form 20-F filed on December 1, 2005.
- 1.12 Articles of Amendment dated November 19, 2004 consolidating the common shares of the Company on the basis of one new common share in exchange for every two old common shares - **Incorporated herein by reference** to Exhibit 1.11 to the Company's Annual Report on Form 20-F filed on December 1, 2005.

- 1.13 Certificate of name change from First Empire Music Corp. to Noble House Film & Television Inc. dated January 21, 2005 - **Incorporated herein by reference** to Exhibit 1.12 to the Company's Annual Report on Form 20-F filed on December 1, 2005.
- 1.14 Certificate of name change from Noble House Film & Television Inc. to LiveReel Productions Corporation dated August 10, 2006 - **Incorporated herein by reference** to Exhibit 1.14 to the Company's Registration Statement on Form 20-F filed on December 26, 2006.
- 1.15 Certificate of name change from Noble House Entertainment Inc. to LiveReel Media Corporation dated October 12, 2006 - **Incorporated herein by reference** to Exhibit 1.15 to the Company's Registration Statement on Form 20-F filed on December 26, 2006.
- 2.(a). Specimen Common Share certificate - **Incorporated herein by reference** to Exhibit 2(a) to the Company's Annual Report on Form 20-F filed on December 1, 2005.
- 2.(b)(i) Unsecured loan agreement with Mad Hatter Investments Inc. dated July 21, 2011 - **Incorporated herein by reference** to Exhibit 2(b)(i) to the Company's Registration Statement on Form 20-F filed on November 25, 2011.
- 2.(b)(ii) Unsecured loan agreement with 1057111 Ontario Limited dated July 21, 2011 - **Incorporated herein by reference** to Exhibit 2(b)(ii) to the Company's Registration Statement on Form 20-F filed on November 25, 2011.
- 2.(b)(iii) Secured loan agreement with Enthrive Inc. dated November 15, 2011 - **Incorporated herein by reference** to Exhibit 2(b)(iii) to the Company's Registration Statement on Form 20-F filed on November 25, 2011.
- 2.(b)(iv) Unsecured loan agreement with Billidan Family Trust dated September 17, 2012 - **Incorporated herein by reference** to Exhibit 2(b)(iv) to the Company's Registration Statement on Form 20-F filed on October 29, 2012.
- 4.(b) Offer to Purchase dated November 30, 2004 regarding acquisition of film properties from Noble House Production Inc. - **Incorporated herein by reference** to Exhibit 1.12 to the Company's Annual Report on Form 20-F filed on December 1, 2005.
- 4.(c) 2006 Consultant Stock Compensation Plan and 2006 Stock Option Plan - **Incorporated herein by reference** to Form S-8 filed on March 9, 2006.
11. Code of Ethics.
- 12 The certifications required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))
- 13.a The Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 14(a)(i) Corporate Governance Charter - **Incorporated herein by reference** to Exhibit 14 (a)(i) to the Company's Registration Statement on Form 20-F filed on December 26, 2006
- 14(a)(ii) Audit Committee Charter - **Incorporated herein by reference** to Exhibit 14 (a)(ii) to the Company's Registration Statement on Form 20-F filed on December 26, 2006

99.1 Management's Discussion and Analysis for June 30, 2012

SIGNATURES

The Company hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

| Dated at Toronto, Ontario, Canada, this February 7, 2013.

LIVEREEL MEDIA CORPORATION

Per: (signed) Jason D. Meretsky
Title: Chief Executive Officer

LIVEREEL MEDIA CORPORATION

Consolidated Financial Statements

For the Years Ended June 30, 2012 and 2011

(Expressed in Canadian Dollars)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of LiveReel Media Corporation

We have audited the accompanying consolidated financial statements of LiveReel Media Corporation, which comprise the consolidated statements of financial position as at June 30, 2012, June 30, 2011 and July 1, 2010 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years ended June 30, 2012 and June 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We were not engaged to perform an audit of the Company's 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of LiveReel Media Corporation as at June 30, 2012, June 30, 2011 and July 1, 2010, and its financial performance and its cash flows for the years ended June 30, 2012 and June 30, 2011 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the company incurred a net loss of \$161,139 during the year ended June 30, 2012 and, of that date, had an accumulated deficit of \$8,454,342. These conditions along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that raise substantial doubt about the Company's ability to continue as a going concern.

/s/ "SCHWARTZ LEVITSKY FELDMAN LLP"

Toronto, Ontario
October 26, 2012

Chartered Accountants
Licensed Public Accountants

LiveReel Media Corporation

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	<u>Note</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u> (Note 2)	<u>July 1, 2010</u> (Note 2)
Assets				
Current Assets				
Cash		\$ 13,771	\$ 8,596	\$ 144,006
Other assets	6	<u>23,446</u>	<u>68,560</u>	<u>39,323</u>
Total Assets		<u><u>37,217</u></u>	<u><u>77,156</u></u>	<u><u>183,329</u></u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	7	\$ 147,105	\$ 142,000	\$ 57,681
Convertible notes payable	8	<u>98,303</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u><u>245,408</u></u>	<u><u>142,000</u></u>	<u><u>57,681</u></u>
Shareholders' Equity (Deficiency)				
Capital stock	9	7,880,660	7,880,660	6,728,846
Contributed surplus		347,699	347,699	293,370
Equity component of debt	8	17,792	-	-
Warrants reserve	10	-	-	1,146,081
Accumulated deficit		<u>(8,454,342)</u>	<u>(8,293,203)</u>	<u>(8,042,649)</u>
Total Shareholders' Equity (Deficiency)		<u><u>(208,191)</u></u>	<u><u>(64,844)</u></u>	<u><u>125,648</u></u>
Total Liabilities and Shareholders' Equity		<u><u>\$ 37,217</u></u>	<u><u>\$ 77,156</u></u>	<u><u>\$ 183,329</u></u>

Going Concern (Note 1)

Related Party Transactions (Note 13)

Commitments and contingencies (Note 14)

Subsequent event (Note 16)

Approved by the Board "/s/ Jason Meretsky" Director "/s/ Janice Barone" Director
(signed) (signed)

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

LiveReel Media Corporation

Unaudited Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	For the Years Ended June 30,	
		2012	2011 (Note 2)
Revenue			
Interest income		\$ -	\$ -
		<u>\$ -</u>	<u>\$ -</u>
Expenses			
Professional fees	13	56,395	40,410
Consulting	13	52,500	165,000
Shareholders information		18,652	20,428
Office and general		16,325	15,786
Accretion on debt		16,095	-
Bank charges and interest		860	710
Foreign exchange loss		312	8,220
		<u>161,139</u>	<u>250,554</u>
Net loss and comprehensive loss		<u>\$ (161,139)</u>	<u>\$ (250,554)</u>
Net loss per share - basic and diluted	11	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding		23,521,744	21,227,300

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

LiveReel Media Corporation

Unaudited Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Years Ended June	
	2012	2011
		(Note 2)
Cash flows from operating activities		
Net loss for the year	\$ (161,139)	\$ (250,554)
Adjustment for non-cash items:		
Accretion on convertible note payable	16,095	-
Changes in working capital items:		
Other assets	45,114	(29,237)
Accounts payable and accrued liabilities	5,105	84,319
	<u>(94,825)</u>	<u>(195,472)</u>
Cash flows from financing activities		
Note payable	100,000	-
Exercise of warrants	-	60,062
Proceeds from shares issued to exercise stock options	-	-
	<u>100,000</u>	<u>60,062</u>
Increase (decrease) in cash	<u>5,175</u>	<u>(135,410)</u>
Cash, beginning of year	8,596	144,006
Cash, end of year	\$ <u>13,771</u>	\$ <u>8,596</u>

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

LiveReel Media Corporation

Unaudited Consolidated Statement of Changes in Equity (Expressed in Canadian Dollars)

For the Years Ended June 30, 2012, 2011 and 2010

	Number of Shares	Share Capital	Warrants Reserve	Contributed Surplus	Equity Component of Debt	Accumulated Deficit	Shareholders' Equity (Deficiency)
Balance July 1, 2010	17,621,744	\$6,728,846	\$ 1,146,081	\$ 293,370	\$ -	\$ (8,042,649)	\$ 125,648
Net loss for the year	-	\$ -	\$ -	\$ -	\$ -	\$ (250,554)	\$ (250,554)
Value of warrants exercised	-	\$1,091,752	\$(1,091,752)	\$ -	\$ -	\$ -	\$ -
Shares issued on exercise of warrants	5,900,000	\$ 60,062	\$ -	\$ -	\$ -	\$ -	\$ 60,062
Value of warrants expired	-	\$ -	\$ (54,329)	\$ 54,329	\$ -	\$ -	\$ -
Balance June 30, 2011	23,521,744	\$7,880,660	\$ -	\$ 347,699	\$ -	\$ (8,293,203)	\$ (64,844)
Equity component of debt issued	-	\$ -	\$ -	\$ -	\$ 17,792	\$ -	\$ 17,792
Net loss for the year	-	\$ -	\$ -	\$ -	\$ -	\$ (161,139)	\$ (161,139)
Balance June 30, 2012	23,521,744	\$7,880,660	\$ -	\$ 347,699	\$ 17,792	\$ (8,454,342)	\$ (208,191)

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

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

1. NATURE OF OPERATIONS AND GOING CONCERN

LiveReel Media Corporation (the "Company") is an entertainment company engaged in the financing, development, licensing, production and distribution of feature films, television series, television movies and non-fiction programming. The Company's registered office is 2300 Yonge Street, Suite 1710, P.O. Box 2408, Toronto, Ontario, M4P 1E4.

Management has prepared these consolidated financial statements in accordance with International Financial Reporting Standards applicable to a going concern, which contemplates that assets will be realized and liabilities discharged in the normal course of business as they come due. The Company has accumulated significant losses since its inception and has incurred significant costs trying to establish its presence in various ventures. To this point, all operational activities and the overhead costs have been funded from the available cash and by equity and debt issuances. These conditions indicate the existence of a material uncertainty that raise substantial doubt about the Company's ability to continue as a going concern.

The Company has incurred a net loss of \$161,139 during the year, has a working capital deficit of approximately \$208,000 and an accumulated deficit of approximately \$8.45 million. The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. The Company has facilitated funding for its fiscal year through the issuance of short-term debt (see Note 8) to assist with the Company's working capital requirements. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Currently, the Company is focused on preserving its cash by minimizing operating expenses, and looking to investment opportunities both within and outside of the film industry. It will continue to look to its largest shareholder for continued financial support if necessary.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements are the Company's first financial statements prepared in accordance with IFRS, with July 1, 2010 being the date of transition to IFRS.

The consolidated financial statements were approved by the Company's board of Directors and authorized for issue on October 26, 2012.

As there were no adjustments to the financial statements on the Company's transition to IFRS, no transition table has been prepared by the Company.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

A summary of the impact of IFRS on the Company's financial statements is as follows:

Shareholders' Equity (Deficiency)	June 30, 2011	July 1, 2010
As previously reported under GAAP	\$ (64,844)	\$ 125,648
IFRS Adjustments	-	-
As reported under IFRS	<u>\$ (64,844)</u>	<u>\$ 125,648</u>

Net Loss	June 30, 2011
As previously reported under GAAP	\$ (250,554)
IFRS Adjustments	-
As reported under IFRS	<u>\$ (250,554)</u>

No optional IFRS first time adoption elections were applied upon conversion.

(b) Basis of Presentation

These consolidated financial statements have been prepared on the historical cost basis. Historical Cost is based on the fair value of the consideration given in exchange for assets.

(c) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary – LiveReel Productions Corporation (“LRPC”). The subsidiary changed its name from Noble House Film & Television Inc. to LiveReel Productions Corporation effective August 10, 2006.

LRPC holds titles to the film properties and distribution rights acquired and is in the business of licensing, developing, producing and distributing films and television programs.

All intercompany balances and transactions have been eliminated on consolidation.

(d) Functional and Presentation Currency

These consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

(e) Financial instrument

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value through profit or loss which are initially measured at fair value.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	FVTPL
Financial liabilities:	Classification:
Amounts payable and accrued liabilities	Other financial liabilities
Note payable	Other financial liabilities

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment. Change in assumptions could significantly affect the estimates. The Company provides disclosure of the three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 include valuations using inputs based on observable market data, either directly or indirectly, other than the quoted prices. Level 3 valuations are based on inputs that are not based on observable market data.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or the counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying value is reduced through the use of an allowance account. When an amounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(f) Loss Per Share

Basic loss per share is calculated by dividing net loss (the numerator) by the weighted average number of common shares outstanding (the denominator) during the period. Diluted loss per share reflects the dilution that would occur if outstanding stock options and share purchase warrants were exercised or converted into common shares using the treasury stock method and are calculated by dividing net loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

The inclusion of the Company's stock options and share purchase warrants in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation. Consequently, there is no difference between basic loss per share and diluted loss per share.

(g) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in equity, in which case it is recognized in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax liabilities or assets are recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income taxes (continued)

In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Significant accounting judgements and estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting estimates based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include the valuation of financial instruments.

(i) Recent accounting policies

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company, except for IFRS 9 Financial Instruments, which becomes mandatory for the Company's 2015 consolidated financial statements and is expected to impact the classification and measurement of financial assets. The extent of the impact has not been determined.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under IFRS 10, control is the only basis for consolidation. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios. IFRS 10 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Company does not believe there will be any impact from this standard.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 11 Joint Arrangements

In May 2011, the IASB issued IFRS 11 Joint Arrangements. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities – Nonmonetary Contributions by Venturers. IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. The standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under IFRS 11, entities no longer have a choice to proportionately consolidate or equity account for interests in joint ventures. Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 Investment in Associates and Joint Ventures and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. This standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 12 Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12 Disclosure of Interests in Other Entities. IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates and unconsolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IAS 19 Employee Benefits

In June 2011, the IASB amended IAS 19 Employee Benefits. The amendments contain significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and enhance the disclosures for all employee benefits. Actuarial gains and losses are renamed "remeasurements" and will be recognized immediately in OCI. Remeasurements recognized in OCI will not be recycled through profit or loss in subsequent periods. The amendments also accelerate the recognition of past service costs whereby they are recognized in the period of a plan amendment. The annual expense for a funded benefit plan will be computed based on the application of the discount rate to the net defined benefit asset or liability. Enhanced disclosures will provide information about the characteristics of defined benefit plans and the risk that entities are exposed to through participation in those plans. The amended standard is effective for annual periods beginning on or after January 1, 2013.

IAS 27 Separate Financial Statements

In May 2011, the IASB amended IAS 27 Separate Financial Statements. The amendment removes the requirements for consolidated statements from IAS 27, which has been included in IFRS 10, and mandates that when a company prepares separate financial statements, investment in subsidiaries, associates and jointly controlled entities are to be accounted for using either the cost method or in accordance with IFRS 9 (or IAS 39 if IFRS 9 is not yet effective). In addition, this amendment determines the treatment for recognizing dividends, the treatment of certain group reorganizations, and some disclosure requirements. This amendment is effective for annual periods beginning on or after January 1, 2013.

IAS 28 Investments in Associates and Joint Ventures

In May 2011, the IASB amended IAS 28 Investments in Associates and Joint Ventures. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to 13. This amendment requires any retained portion of an investment in an associate or joint venture that has not been classified as held for sale to be measured using the equity method until disposal. After disposal, if the retained interest continues to be an associate or joint venture, the amendment requires for it to be continued to be accounted for under the equity method. The amendment also disallows the remeasurement of any retained interest in an investment upon the cessation of significant influence or joint control. This amended standard is effective for annual periods beginning on or after January 1, 2013.

3. CAPITAL MANAGEMENT

The Company includes equity, comprised of issued share capital, reserves and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying and evaluating qualifying transactions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or debt.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

4. FINANCIAL INSTRUMENTS AND RISK FACTORS

There has been no change with respect to the overall risk management objectives during the year ended June 30, 2012.

The Company's financial instruments consisting of cash, other assets, accounts payable and other accrued liabilities, approximate fair value due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. Cash is identified as Level 1.

As at June 30, 2012, the Company had a working capital deficit of \$ 208,191. The largest debt holders are related parties so the Company believes it has adequate funds to meet its on going obligations at this time.

The Company has exposure to Liquidity risk.

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>July 1, 2010</u>
Financial assets:			
FVTPL			
Cash	\$ 13,771	\$ 8,596	\$ 144,006
Other assets	23,446	68,560	39,323
Total	<u>\$ 37,217</u>	<u>\$ 77,156</u>	<u>\$ 183,329</u>
Financial liabilities:			
Other financial liabilities			
Accounts payable and accrued liabilities	\$ 147,105	\$ 142,000	\$ 57,681
Convertible notes payable	98,303	-	-
Total	<u>\$ 245,408</u>	<u>\$ 142,000</u>	<u>\$ 57,681</u>

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

6. OTHER ASSETS

	June 30, 2012	June 30, 2011	July 1, 2010
Taxes recoverable	\$ 13,207	\$ 53,359	\$ 24,831
Deposits and prepayments	10,239	15,201	14,492
	<u>\$ 23,446</u>	<u>\$ 68,560</u>	<u>\$ 39,323</u>

Deposits and prepayments include an extension of the Company's director's and officer's insurance policy entered into May 2012, which extended the coverage to June 2013. The costs of the policy are expensed on a straight line basis over the life of the policy.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the following:

	June 30, 2012	June 30, 2011	July 1, 2010
Accounts payable	\$ 77,565	\$ 85,310	\$ 5,141
Accrued liabilities	37,000	24,150	20,000
Production advances	(a) 32,540	32,540	32,540
	<u>\$ 147,105</u>	<u>\$ 142,000</u>	<u>\$ 57,681</u>

(a) Production advances were received from two production companies towards script and screen play development. The advances are unsecured and will be repaid by the Company when funds become available to do so. A former director and officer of the company and a former executive of its subsidiary are among the owners of one of the production companies, which advanced \$26,540 of the \$32,540 balance in 2006.

8. CONVERTIBLE NOTES PAYABLE

On July 21, 2011 the Company entered into two unsecured loan agreements. The first with its largest shareholder, Mad Hatter Investments Inc. in the amount of \$33,333 and the second with a related entity, 1057111 Ontario Limited (which is owned by the same person who owns Mad Hatter), in the amount of \$16,667. The loans are unsecured, bear interest at 10% per annum, have a term of twelve months maturing on July 31, 2012, and are convertible at the option of the holder into common shares of the company at \$0.10 per share.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

8. CONVERTIBLE NOTES PAYABLE (continued)

As a result of the conversion feature of the notes, the proceeds received have been allocated between debt and equity based on the estimated fair value of the debt component. As such, the convertible notes had initially been recorded on the balance sheet as a debt of \$43,510 which is calculated as the present value of the required interest and principal payments discounted at a rate approximating the interest rate that would have been applicable to unsecured non-convertible debt at the time the debenture was issued (estimated to be 26%) and is being accreted to the principal amount as additional interest over the term of the convertible debt. The difference of \$6,490 between the face amount of the notes and the initial estimated fair value of the debt component was reflected as the equity component of the debt.

On November 15, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the amount of \$50,000. The loan is secured against the assets of the Company, has a term to maturity of the earlier of eighteen months or upon the sale or change of control of the Company, bears interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share.

As a result of the conversion feature of the note, the proceeds received have been allocated between debt and equity based on the estimated fair value of the debt component. As such, the convertible note has initially been recorded on the balance sheet as a debt of \$38,698 which is calculated as the present value of the required interest and principal payments discounted at a rate approximating the interest rate that would have been applicable to unsecured non-convertible debt at the time the debenture was issued (estimated to be 26%) and is being accreted to the principal amount as additional interest over the term of the convertible debt. The difference of \$11,302 between the face amount of the note and the initial estimated fair value of the debt component was reflected as the equity component of the debt.

	Liability Component
Liability component as at July 1, 2010 and June 30, 2011	\$ -
Fair value of all debt components on recognition	82,208
Increase and accretion to fair value	16,095
Liability component as at June 30, 2012	\$ 98,303

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

9. CAPITAL STOCK

a) Authorized: Unlimited number of common shares

b) Issued:

	June 30, 2012		June 30, 2011	
	Common Shares	Amount	Common Shares	Amount
Beginning of year	23,521,744	\$ 7,880,660	17,621,744	\$ 6,728,846
Shares issued upon exercise of warrants		-	5,900,000	60,062
Value of warrants exercised		-	-	1,091,752
End of year	23,521,744	\$ 7,880,660	23,521,744	\$ 7,880,660

On November 20, 2010, 5,900,000 warrants were exercised at US\$0.01 per warrant resulting in proceeds of \$60,062. In addition, 293,600 previously issued warrants expired on November 30, 2010. The fair values of the warrants exercised were reclassified to Capital Stock as a result of the November 2010 transactions.

10. WARRANTS RESERVE

	As at June 30, 2012		As at June 30, 2011	
	# of warrants	Fair value	# of warrants	Fair value
Issued and outstanding at beginning of year	-	\$ -	6,193,600	\$ 1,146,081
Value of Warrants exercised			(5,900,000)	(1,091,752)
Value of Warrants expired			(293,600)	(54,329)
Balance end of year	-	-	-	-

(a) On November 20, 2010, 5,900,000 warrants were exercised at US\$0.01 per warrant resulting in proceeds of \$60,062. In addition, 293,600 previously issued warrants expired on November 30, 2010. The fair value of the expired warrants were reclassified to Contributed Surplus.

(b) The shares issuable upon exercise of the warrants issued are restricted in terms of their saleability in accordance with the regulations of the U.S. Securities and Exchange Commission.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

11. LOSS PER SHARE

Loss per share is calculated on the weighted average number of common shares outstanding during the year ended June 30, 2012, which were 23,521,744 shares (2011 – 21,227,300; 2010 – 14,696,744).

12. INCOME TAXES

The effective tax rate of Nil (2011 – Nil; 2010 - Nil) for income taxes varies from the statutory income tax rate of approximately 28.25% (2011 – 28.5%; 2010 - 31%) due to the fact that no tax recoveries have been recorded for losses incurred, as management has determined that it is more likely than not that the losses will be utilized before they expire.

The temporary differences that give rise to future income tax assets and future income tax liabilities are presented below:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Amounts related to tax loss and credit carry forwards	\$ 922,000	\$ 883,000	\$ 874,000
Net future tax assets	922,000	883,000	874,000
Less: Valuation allowance	<u>(922,000)</u>	<u>(883,000)</u>	<u>(874,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The tax effect (computed by applying the Canadian federal and provincial statutory rates) of the significant temporary differences, which comprise future tax assets and liabilities, are as follows:

Income tax recovery at statutory income tax rate	\$ (45,522)	\$ (70,782)	\$ (72,083)
Tax effect of:			
Permanent differences and other	2,360	-	(8,645)
Change in valuation allowance	43,162	70,782	80,728
Income Tax Recovery	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

12. INCOME TAXES (continued)

The Company has carry forward tax losses of approximately \$3.7 million, which may be applied against future taxable income and expire as detailed below. The benefit arising from these losses has not been recorded in the financial statements.

2015	204,000
2016	503,000
2027	536,000
2028	868,000
2029	911,000
2030	260,000
2031	251,000
2032	153,000
	<u>\$ 3,686,000</u>

13. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions for the year ended June 30, 2012 and balances as at that date, not disclosed elsewhere in the financial statements are:

- a) Consulting fees include \$30,000 (2011 - \$30,000; 2010 - \$7,500) of fees earned by the Chief Executive Officer for various consulting services rendered during the year.
- b) Consulting fees also include \$22,500 (2011 - \$15,000; 2010 - \$55,000) paid to the Chief Financial Officer for services rendered during the year.
- c) In the year ended June 30, 2011, the Company recorded \$120,000 (2010 - \$30,000) of fees earned by the largest shareholder for various consulting services. No such were fees were incurred during the year ended June 30, 2012.
- d) Legal fees in 2012 include \$15,754 (2011 - \$17,594; 2010 - nil) paid to a law firm affiliated with the Chief Executive Officer for legal services provided during the year.
- e) On July 21, 2011, the Company received funding from its largest shareholder, Mad Hatter Investments Inc. and a related entity, 1057111 Ontario Limited (which is owned by the same person who owns Mad Hatter) in the form of convertible notes as further described in Note 8 above.
- f) On November 15, 2011, the Company received funding from Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the form of a convertible note as further described in Note 8 above.

LiveReel Media Corporation

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2012 and 2011

14. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Company's wholly owned subsidiary, LRPC has entered into various film distribution, joint venture and co producing arrangements under which the Company will co-produce two films, in addition to its current wholly-owned slate of projects. Under these arrangements, co-producers, who will own 50% of the net revenue will contribute half of the development fees to LRPC toward the development of the projects. LRPC will utilize these fees, in conjunction with its own, in order to develop the projects and bring them to maturity. The extent of financial commitments required under these arrangements cannot be reasonably determined at this time.
- b) On July 15th, 2010, the Company granted an option to a third party with whom it negotiated at arm's length to purchase either its wholly owned subsidiary, LRPC, or to sell LRPC's assets and assume its liabilities for \$1.00. The third party has the right to exercise the option until July 15th, 2012. The Company also has an option in which it can force the third party to buy the subsidiary or its assets and assume its liabilities for a similar 24 month period.

15. SEGMENTED INFORMATION

The Company does not have any reportable segments at this time and all operations take place in Canada.

16. SUBSEQUENT EVENT

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into unsecured loan agreement with the Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of twelve months maturing September 17, 2013, bears interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

Subsequent to the fiscal year end, the option and put option granted as per Note 14 b) expired unexercised.

**LIVEREEL MEDIA CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE YEAR ENDED JUNE 30, 2012

Prepared as at October 26, 2012

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Management Discussion and Analysis

The following discussion and analysis by management of the financial results and condition of LiveReel Media Corporation for the year ended June 30, 2012 should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2012. The financial statements and the financial information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In this report, the words "us", "we", "our", "the Company" and "LiveReel" have the same meaning unless otherwise stated and refer to LiveReel Media Corporation and its subsidiaries.

Overview

Summary of Results

During fiscal 2007 and 2008, LiveReel entered into various agreements to finance films in exchange for certain distribution rights. However, these arrangements were concluded in the quarter ended September 30, 2008 when the last payment relating to the distribution of King of Sorrow for \$20,179 was received.

The Company announced in November 2008 it had received board authorization to invest some of its excess cash on hand in exchange traded securities. It pursued this strategy in the last six months of fiscal 2009, but due to market conditions, no such activities occurred in the fiscal 2010 and 2011. The Company continues to review different investment opportunities both inside and outside of the film industry.

Subsequent to the end of the quarter ended March 31, 2010, a new majority shareholder took over control of the Company. The four former directors resigned effective April 5, 2010 and a new Chief Executive Officer was appointed. It is the new board of directors and management team's intention to continue to review investment opportunities both inside and outside of the film industry.

On July 15th, 2010, the Company granted an option to a third party with whom it negotiated at arm's length to purchase either its wholly owned subsidiary, LiveReel Productions Corporation ("LRPC"), or to sell LRPC's assets and assume its liabilities for \$1.00. The third party has the right to exercise the option until July 15th, 2012. The Company also has an option in which it can force the third party to buy the subsidiary or its assets and assume its liabilities for a similar 24 month period. Both of the options expired unexercised by the third party or the Company.

On October 4, 2010, 100,000 options issued to the Chief Financial Officer were cancelled.

On November 20, 2010, 5,900,000 warrants were exercised at \$0.01 USD per warrant resulting in proceeds of \$60,062 CDN. In addition, 293,600 previously issued warrants expired on November 30, 2010.

On July 21, 2011, the Company entered into two unsecured loan agreements (1) with its largest shareholder, Mad Hatter Investments Inc. in the amount of \$33,333 and (2) with a related entity, 1057111 Ontario Limited, (which is owned by the same person who owns Mad Hatter) in the amount of \$16,667. The terms are both the same - loans have a term of approximately 12 months ending July 31, 2012, accrue interest at 10% per annum until maturity, and each are convertible at the option of the holder into common shares of the Company at \$0.10 per share.

On November 15, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the principal amount of \$50,000. The loan has a term of 18 months or upon the sale or change of control of the Company, accrues interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share. The loan is secured against the assets of the Company.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

The following table sets forth certain consolidated data for the past two years.

Selected consolidated data

Year ended June 30 (\$)	2012	2011
Revenue	-	-
Net loss for year	(161,139)	(250,554)
Loss per share	\$ (0.01)	\$ (0.01)
Working capital Surplus (Deficit)	(208,191)	(64,844)
Total assets	37,217	77,156
Capital stock	7,880,660	7,880,660
Warrants	-	-
Contributed surplus	347,699	347,699
Equity component of debt	17,792	-
Shareholders' equity (defecit)	(208,191)	(64,844)

The following table summarizes financial information for the 4th quarter of fiscal 2012 and the preceding seven quarters:

Quarters ended	Sept. 30, 2012	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	Dec. 31, 2010
Total Revenue	-	-	-	-	-	-	-	-
Earnings (Loss) from continuing operations	(22,249)	(65,034)	(29,375)	(48,403)	(18,327)	(70,010)	(50,326)	(67,797)
Net loss per share - basic and diluted	0.00	(\$0.01)	0.00	0.00	0.00	(\$0.01)	0.00	0.00

During the quarter ended June 30, 2012, losses were increased from the quarter ended March 31, 2012 due primarily to an increase of audit and related fees of \$19,000 as the Company accrued its estimated year end audit fees and legal fees of \$18,000 associated with general corporate matters.

During the quarter ended June 30, 2011, losses were increased from the quarter ended March 31, 2011 due primarily to an increase of audit fees of \$18,500 as the Company accrued its estimated year end audit fee.

On a year over year basis, the Company reduced its loss by approximately \$89,000, but the components of the loss are different. Consulting fees decreased by approximately \$112,500 as the controlling shareholder took no consulting fees in fiscal 2012 compared to \$120,000 in fiscal 2011. This decrease was partially offset by higher fees being paid to the CFO by \$7,500 as the Company transitioned its reporting to IFRS, and fees increased accordingly. Interest expense and accretion on debt increased by approximately \$16,000 in fiscal 2012 as the Company entered into two financing arrangements in fiscal 2012 totalling principal of \$100,000 and the Company needed to account for earned interest and the accounting for the debt and equity portion of the notes accordingly. This increase was offset by a reduction of approximately \$8,000 in foreign exchange losses as the Company had much less cash on hand in US dollars than in 2011, and hence, foreign exchange exposure was reduced.

Number of Common Shares

There are 23,521,744 common shares issued and outstanding as of June 30, 2012 and October 26, 2012, being the date of this report. There are no options or warrants outstanding as of June 30, 2012 and October 26, 2012, the date of this report.

	#	Exercise price (in US\$)	Expiry date
Shares issued and outstanding	<u>23,521,744</u>		

A total of 18,767,200 shares issued are subject to resale restrictions under U.S securities laws.

Business Environment

Risk Factors

The following is a brief discussion of those distinctive or special characteristics of our operations and industry that may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance.

THE COMPANY HAS AN UNSUCCESSFUL OPERATING HISTORY

Since March 1997, when it was incorporated in Ontario, Canada by amalgamating with two other Ontario entities, the Company has no significant revenues or earnings from operations since its incorporation. While one of the film properties acquired by the Company in fiscal 2005 and the film that was financed in fiscal 2007 have now been developed into feature films for which the Company holds certain distribution rights, it is not clear whether this will generate any revenue for the Company. The Company has operated at a loss to date and in all likelihood will continue to sustain operating losses in the foreseeable future. There is no assurance that the Company will ever be profitable.

INVESTMENT STRATEGY

The controlling shareholder of the Company changed in April 2010. A new Board of Directors were appointed. They will continue to utilize excess cash in our business to pursue additional investment opportunities outside the film industry in order to potentially increase our return to shareholders. We are not limited to any particular industry or type of business, and we may choose to stay within the film industry. We have not yet identified or selected any additional specific investment opportunity. Accordingly, there is no current basis for you to evaluate the possible merits or risks of the investment opportunity which we may ultimately decide to pursue.

UNCERTAINTY REGARDING AUDIENCE ACCEPTANCE OF PROGRAMS

The television and motion picture industries have always involved a substantial degree of risk. There can be no assurance of the economic success of any motion picture or television program as revenue derived depends on audience acceptance, which cannot be accurately predicted. Audience acceptance is a factor not only of the response to the television program's or motion picture's artistic components but also to the reviews of critics, promotions, the quality and acceptance of other competing programs released into, or channels existing in, the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, public tastes generally and other intangible factors, all of which could change rapidly and many of which are beyond the Company's control. A lack of audience acceptance for any of the films licensed, co-produced or distributed by the Company could have an adverse effect on its businesses, results of operations, prospects and financial condition.

UNAUTHORIZED OR PIRATED USE MAY ADVERSELY AFFECT REVENUE

Technological advances and the conversion of motion pictures into digital formats have made it easier to create, transmit and "share" high quality unauthorized copies of motion pictures in theatrical release, on videotapes and DVDs, from pay-per-view through unauthorized set-top boxes and other devices and through unlicensed broadcasts on free TV. As a result, users may be able to download and distribute unauthorized or "pirated" copies of copyrighted motion pictures over the Internet. As long as pirated content is available to download digitally, some consumers may choose to digitally download pirated motion pictures rather than pay for legitimate motion pictures or to purchase pirated DVD's of motion pictures or of boxed sets of television series from unauthorized vendors.

CHANGES IN REGULATIONS AND INCENTIVES MAY ADVERSELY AFFECT THE BUSINESS OF THE COMPANY

The Company plans to co-produce with or license its scripts and other intellectual properties to other entities which are expected to rely heavily on grants and labor rebates available for Canadian contents under the current regulations of Federal and Provincial governments of Canada.

Any significant changes in these regulations that result in reduced grants and rebates or elimination thereof may significantly affect the Company's ability to produce and or license its scripts and in turn its ability to generate revenue.

THE COMPANY MAY NOT BE ABLE TO ACHIEVE AND MAINTAIN ITS COMPETITIVE POSITION

The entertainment industry is highly capital intensive and is characterized by intense and substantial competition. A number of the Company's competitors are well established, substantially larger and have substantially greater market recognition, greater resources and broader distribution capabilities than the Company. New competitors are continually emerging. Increased competition by existing and future competitors could materially and adversely affect the Company's ability to implement its business plan profitably. The lack of availability of unique quality content could adversely affect its business.

FOREIGN EXCHANGE RISK

The Company has foreign exchange risk because its functional currency is the Canadian dollar and a significant part of its revenue may be generated from overseas countries. An adverse move in foreign exchange rates between the Canadian dollar and the currencies of these countries could have an adverse effect on its operating results. The Company does not hedge against this risk.

THE COMPANY'S COMMON SHARES ARE CONSIDERED TO BE PENNY STOCK, WHICH MAY ADVERSELY AFFECT THE LIQUIDITY OF ITS COMMON SHARES

The capital stock of the Company would be classified as "penny stock" as defined in Reg. § 240.3a51-1 promulgated under the Securities Exchange Act of 1934 (the "1934 Act"). In response to perceived abuse in the penny stock market generally, the 1934 Act was amended in 1990 to add new requirements in connection with penny stocks. In connection with effecting any transaction in a penny stock, a broker or dealer must give the customer a written risk disclosure document that (a) describes the nature and level of risk in the market for penny stocks in both public offerings and secondary trading, (b) describes the broker's or dealer's duties to the customer and the rights and remedies available to such customer with respect to violations of such duties, (c) describes the dealer market, including "bid" and "ask" prices for penny stock and the significance of the spread between the bid and ask prices, (d) contains a toll-free telephone number for inquiries on disciplinary histories of brokers and dealers, and (e) define significant terms used in the disclosure document or the conduct of trading in penny stocks. In addition, the broker-dealer must provide to a penny stock customer a written monthly account statement that discloses the identity and number of shares of each penny stock held in the customer's account, and the estimated market value of such shares. The extensive disclosure and other broker-dealer compliance related to penny stocks may result in reducing the level of trading activity in the secondary market for such stocks, thus limiting the ability of the holder to sell such stock.

MARKET PRICE FOR THE COMPANY'S COMMON SHARES HAS BEEN VOLATILE IN THE PAST AND MAY DECLINE IN THE FUTURE

In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly small-cap companies like ours, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Our shares may continue to experience significant market price and volume fluctuations in the future in response to factors, which are beyond our control.

THE COMPANY MAY NOT BE ABLE TO RAISE ADDITIONAL FINANCING TO MEET CURRENT OPERATING NEEDS AND IMPLEMENT ITS NEW BUSINESS STRATEGY.

The company is in the business of film production, financing and distribution, which requires significantly high level of liquidity.

The Company hopes to earn sufficient revenue from distribution and scripts licensing to meet its operating needs and to raise additional equity funds through private placements of its securities with sophisticated investors.

If the Company is unable to achieve revenue or obtain financing and cannot pay its debts as they become due, it may be forced to solicit a buyer or be forced into bankruptcy by its creditors.

DIVIDENDS

All of the Company's available funds will be invested to finance the growth of the Company's business and therefore investors cannot expect and should not anticipate receiving a dividend on the Company's common shares in the foreseeable future.

DILUTION

The Company may in the future grant to some or all of its own and its subsidiaries' directors, officers, insiders and key consultants options to purchase the Company's Common Shares as non-cash incentives to those people. Such options may be granted at exercise prices equal to market prices at time when the public market is depressed or at exercise prices which may be substantially lower than the market prices. To the extent that significant numbers of such options may be granted and exercised, the interests of the then existing shareholders of the Company may be subject to additional dilution.

The Company is currently without a source of revenue and therefore does not cover our operating costs and will most likely be required to issue additional securities to finance its operation and may also issue substantial additional securities to finance the development of any or all of its projects. These actions will cause further dilution of the interests of the existing shareholders.

SHARES ELIGIBLE FOR FUTURE SALE MAY DEPRESS OUR STOCK PRICE

At June 30, 2012, we had approximately 23.5 million shares of common stock outstanding of which approximately 18.8 million are restricted securities under Rule 144 promulgated under the Securities Act.

Sales of shares of common stock pursuant to an effective registration statement or under Rule 144 or another exemption under the US Securities Act could have a material adverse effect on the price of our common stock and could impair our ability to raise additional capital through the sale of equity securities.

YOUR RIGHTS AND RESPONSIBILITIES AS A SHAREHOLDER WILL BE GOVERNED BY CANADIAN LAW AND DIFFER IN SOME RESPECTS FROM THE RIGHTS AND RESPONSIBILITIES UNDER U.S. LAW

We are incorporated under Canadian law. The rights and responsibilities of holders of our shares are governed by our Articles and By-Laws and by Canadian law. These rights and responsibilities may differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations.

CHANGING REGULATIONS OF CORPORATE GOVERNANCE AND PUBLIC DISCLOSURE CAN CAUSE ADDITIONAL EXPENSES AND FAILURE TO COMPLY MAY ADVERSELY AFFECT OUR REPUTATION AND THE VALUE OF OUR SECURITIES

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and new and changing provisions of Canadian securities laws, are creating uncertainty because of the lack of specificity and varying interpretations of the rules. As a result, the application of the rules may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Any failure to comply with applicable laws may materially adversely affect our reputation and the value of our securities.

Forward Looking Statements

Certain statements contained in this report are forward-looking statements as defined in the U.S. Federal securities laws. All statements, other than statements of historical facts, included herein or incorporated by reference herein, including without limitation, statements regarding our business strategy, plans and objectives of management for future operations and those statements preceded by, followed by or that otherwise include the words "believe", "expects", "anticipates", "intends", "estimates" or similar expressions or variations on such expressions are forward-looking statements. We can give no assurances that such forward-looking statements will prove to be correct.

Each forward-looking statement reflects our current view of future events and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from any results expressed or implied by our forward-looking statements.

Important factors that could cause the actual results to differ from materially from our expectations are disclosed in more detail set forth under the heading "Risk Factors" in herein. Our forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Business Plan and Strategy

The Company's business plan continued to evolve in fiscal 2012. During most of fiscal 2007 and 2008, management focused on the financing and distribution of feature films.

However, in fiscal 2007, management also received Board of Director approval to utilize excess cash in our business to pursue additional investment opportunities outside the film industry in order to potentially increase our return to shareholders. Management is not limited to any particular industry or type of business with respect to what it considers as investment opportunities.

During fiscal 2009, the Company did deploy a portion of its excess cash by investing in exchange traded securities. It did have some success in the third quarter of fiscal 2009, but then incurred significant losses in the fourth quarter of fiscal 2009. As a result, the Company did not continue this practice in fiscal 2010.

In April 2010, the controlling shareholder of the business changed and a new Board of Directors and management team were appointed. The new management team has continued to pursue investment opportunities both inside and outside of the film industry.

On July 15th, 2010, the Company granted an option to a third party with whom it negotiated at arm's length to purchase either its wholly owned subsidiary, LRPC, or to sell LRPC's assets and assume its liabilities for \$1.00. The third party has the right to exercise the option until July 15th, 2012. The Company also has an option in which it can force the third party to buy the subsidiary or its assets and assume its liabilities for a similar 24 month period.

On July 21, 2011, the Company entered into two unsecured loan agreements (1) with its largest shareholder, Mad Hatter Investments Inc. in the amount of \$33,333 and (2) with a related entity, 1057111 Ontario Limited, (which is owned by the same person who owns Mad Hatter) in the amount of \$16,667. The terms are both the same - loans have a term of approximately 12 months ending July 31, 2012, accrue interest at 10% per annum until maturity, and each are convertible at the option of the holder into common shares of the Company at \$0.10 per share. Both of the options expired unexercised by the third party or the Company.

On November 15, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the principal amount of \$50,000. The loan has a term of 18 months or upon the sale or change of control of the Company, accrues interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share. The loan is secured against the assets of the Company.

Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

Currently, the Company is focused on preserving its cash by minimizing operating expenses, and looking to investment opportunities both within and outside of the film industry.

Results of Operations

	Year Ended June 30, 2012	Year Ended June 30, 2011
Income	\$ -	\$ -
Expenses	\$ (161,139)	\$ (250,554)
Net loss for period	\$ (161,139)	\$ (250,554)
Deficit at end of period	\$ (8,454,342)	\$ (8,293,203)

Overview

The following were the key events in the year ended June 30, 2012 –

- (a) On July 21, 2011, the Company entered into two unsecured loan agreements (1) with its largest shareholder, Mad Hatter Investments Inc. in the amount of \$33,333 and (2) with a related entity, 1057111 Ontario Limited, (which is owned by the same person who owns Mad Hatter) in the amount of \$16,667. The terms are both the same - loans have a term of approximately 12 months ending July 31, 2012, accrue interest at 10% per annum until maturity, and each are convertible at the option of the holder into common shares of the Company at \$0.10 per share.
- (b) On November 15, 2011, the Company entered into a secured loan agreement with Enthrive Inc., a related party by virtue of having certain common controlling shareholders, in the principal amount of \$50,000. The loan has a term of 18 months or upon the sale or change of control of the Company, accrues interest at 10% per annum until maturity, and is convertible at the option of the holder into common shares of the Company at \$0.10 per share. The loan is secured against the assets of the Company.
- (c) Subsequent to the fiscal year end, on September 17, 2012, the Company entered into an unsecured loan agreement with Billidan Family Trust, a related party to the Company's largest shareholder, in the aggregate principal amount of \$25,000. The loan has a term of 12 months ending September 17, 2013, accrues interest at 12% per annum until maturity, and may be prepaid at any time upon payment of a penalty of \$2,000.

The following were the key events in the year ended June 30, 2011 –

- (a) The Company cancelled 100,000 options issued to the Chief Financial Officer on October 4, 2010.
- (b) On November 20, 2010, 5,900,000 warrants were exercised at \$0.01 USD per warrant resulting in proceeds of \$60,062 CDN. In addition, 293,600 previously issued warrants expired on November 30, 2010.

Income

The Company's primary source of income historically has been earning interest income on excess cash balances. Cash balances were too low in the year ended June 30, 2012, and 2011. to earn any such income.

Expenses

The overall analysis of the expenses is as follows:

	Year Ended June 30, 2012	Year Ended June 30, 2011
Professional fees	\$ 56,395	\$ 40,410
Consulting expenses	52,500	165,000
Shareholders information	18,652	20,428
Office and general	16,325	15,786
Accretion on debt	16,095	-
Bank charges and interest	860	710
Foreign exchange loss	312	8,220
	<u>\$ 161,139</u>	<u>\$ 250,554</u>

Consulting Expenses

Consulting fees include \$30,000 (2011 - \$30,000) of fees earned by the Chief Executive Officer for various consulting services rendered in the year ended June 30, 2012.

Consulting fees also include \$22,500 (2011 - \$15,000) earned by the Chief Financial Officer for services rendered during the period.

In the year ended June 30, 2011, the Company also recorded \$120,000 of fees earned by the largest shareholder for various consulting services. No such were fees were incurred in the year ended June 30, 2012.

Professional Fees

Professional fees in the twelve months ended June 30, 2012 were comprised of legal fees of \$37,395 and audit and related fees of \$19,000. Legal fees relate primarily to the review of the Company's various public filings and general corporate matters. Legal fees in 2012 include \$15,754 paid to a law firm affiliated with the Chief Executive Officer for legal services provided in the year ended June 30, 2012.

Professional fees in the twelve months ended June 30, 2011 were comprised of legal fees of \$21,910 and audit fees of \$18,500. Legal fees relate primarily to the review of the Company's various public filings and general corporate matters. Legal fees in 2011 include \$17,594 paid to a law firm affiliated with the Chief Executive Officer for legal services provided in the year ended June 30, 2011.

Shareholder Information

Shareholder information costs in the twelve months ended June 30, 2012 comprised of annual general meeting fees of \$4,680, transfer agent fees of \$4,990 and regulatory and related filing fees of \$8,982.

Shareholder information costs in the twelve months ended June 30, 2011 comprised of annual general meeting fees of \$9,442, transfer agent fees of \$5,070 and regulatory and related filing fees of \$5,916.

Office and General

These costs include primarily insurance and other various small office expenses not categorized elsewhere in the financial statements.

Insurance costs for the twelve months ended June 30, 2012 of \$15,120 (2011 - \$14,400) relate to a directors and officers insurance policy entered into during the first quarter of fiscal 2007 for a twelve month period of time. It has been renewed every year since that time.

Accretion on Debt

In the year ended June 30, 2012, the Company incurred accretion charges associated with the accounting for its notes payable entered into in July and November 2011. Due to the conversion features of the notes, a portion of the debt is classified as debt and a portion as equity. The difference between the face amount of the debt and the amount recorded as a liability is accreted on a straight line basis over the term of the debt. No such charges were incurred in prior years.

Interest Expense and Bank Charges

The Company incurred bank charges and interest of \$860 (2011 - \$710) for various day to day banking services.

Foreign Exchange Loss

Exchange losses for the years ended June 30, 2012 and 2011 relate entirely to the translation of US dollar balances and transactions into Canadian dollars at the relevant measurement date compared to the prior year's measurement date as the Canadian dollar strengthened against the US dollar.

Liquidity and Capital Resources

Working Capital

As at June 30, 2012, the Company had a net working capital deficit position of \$208,191 compared to a working capital deficit position of \$64,844 as of June 30, 2011. Cash on hand as at June 30, 2012 was \$13,771 compared to \$8,596 in cash as at June 30, 2011.

The working capital position has declined by approximately \$143,000 on a year over year basis due to the financing of the operating loss of the business in the twelve months ended June 30, 2012.

With the financing completed subsequent to the end of the year of \$25,000 described above, and the continued backing of the Company's largest shareholder, the Company believes it has adequate cash on hand to meet its cash requirements in the upcoming fiscal year

Key Contractual Obligations

These are detailed in Note 14 – Commitments and Contingent Liabilities to the consolidated financial statements for the year ended June 30, 2012.

Off Balance Sheet Arrangements

As at June 30, 2012 and 2011, the Company did not have any off balance sheet arrangements, including any relationships with unconsolidated entities or financial partnerships to enhance perceived liquidity.

Transactions with Related Parties

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions for the year ended June 30, 2012 and balances as at that date, not disclosed elsewhere in the financial statements are:

- (a) Consulting fees include \$30,000 (2011 - \$30,000) of fees earned by the Chief Executive Officer for various consulting services rendered in the year ended June 30, 2012.
- (b) Consulting fees also include \$22,500 (2011 - \$15,000) paid to the Chief Financial Officer for services rendered during the period.
- (c) In the year ended June 30, 2011, the Company also recorded \$120,000 of fees earned by the largest shareholder for various consulting services. No such were fees were incurred in the year ended June 30, 2012.
- (d) Legal fees in 2012 include \$15,754 (2011 - \$17,594) paid to a law firm affiliated with the Chief Executive Officer for legal services provided in the year ended June 30.
- (e) On July 21, 2011, the Company received funding from its largest shareholder, Mad Hatter Investments Inc., in the amount of \$33,333, and a from company related to its its largest shareholder in the amount of \$16,667, in the form of convertible notes as further described in Note 8 of the consolidated financial statements.
- (f) On November 15, 2011, the Company received funding from a related party, by virtue of having certain common controlling shareholders, in the amount of \$50,000 in the form of a convertible note as further described in Note 8 of the consolidated financial statements.

Financial and Derivative Instruments

The Company's excess cash is held at a Canadian chartered bank and bears interest at various rates on monthly balances as at June 30, 2012.

Credit risk is minimized as all cash amounts are held with a large bank, which have acceptable credit ratings determined by a recognised rating agency.

The carrying value of all other cash and cash equivalent, trade receivables, all other current assets, accounts payable and accrued liabilities, and amounts due to related parties approximate fair values.

The Company never entered into and did not have at the end of the years ended June 30, 2012 and 2011, any foreign currency hedge contracts.

Critical Accounting Estimates

The Company's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The significant accounting policies used by the Company are the same as those disclosed in Note 2 to the Consolidated Financial Statements for the year ended June 30, 2012. Certain accounting policies require that management make appropriate decisions with respect to estimates and assumptions that affect the assets, liabilities, revenue and expenses reported by the Company. The Company's management continually reviews its estimates based on new information, which may result in changes to current estimated amounts.

International Financial Reporting Standards

Effective January 1, 2011, Canadian public companies were required to adopt IFRS which include comparatives for 2010. The Company's accounting policies are provided in Note 2 to the audited financial statements for the years ended June 30, 2012 and 2011.

There were no adjustments to the audited consolidated financial statements because of the transition to IFRS, and as a result, no transition table was provided in the audited consolidated financial statements prepared by the Company's management.

Evaluation of Disclosure Control and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, or the Exchange Act. This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission. Our management, including our Chief Executive Officer and Chief Financial Officer, together with the members of our Audit Committee have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

There were no changes to our internal control over financial reporting since June 30, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Outlook

Current Outlook

LiveReel currently has approximately \$14,000 in cash and it was able to secure an additional \$50,000 of financing with its largest shareholder during the first quarter of 2012 and an additional \$50,000 with a third party in the second quarter of fiscal 2012. It also received a tax refund of approximately \$53,000 in May 2012. It also secured an additional \$25,000 in financing subsequent to year end with a party related to the largest shareholder. Its significant debts are with its largest shareholder, and a related party to its largest shareholder. It has the backing of new shareholders with considerable financial strength and network and have taken an active approach to examining business opportunities within and outside of the entertainment industry that could enhance shareholder returns.

We are hopeful that the Company will succeed in improving the profitability of its business over time.

Public Securities Filings

Additional information, including the Company's annual information form in the [Form 20-F/A](#) annual report is filed with the Canadian Securities Administrators at www.sedar.com and with the United States Securities and Exchange Commission and can be viewed at www.edgar.com.

LIVEREEL MEDIA CORPORATION

CODE OF ETHICS

FOR

CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER OR CONTROLLER AND PERSONS PERFORMING SIMILAR FUNCTIONS

General Philosophy

The honesty, integrity and sound judgment of LiveReel Media Corporation (“LiveReel ” or the “Company”) Chief Executive Officer, Chief Financial Officer or Controller and persons performing similar functions (collectively the “Principal Officers”) is fundamental to our reputation and success. The professional and ethical conduct of the Principal Officers is essential to the proper functioning and success of LiveReel.

Applicability

This Code of Ethics shall apply to LiveReel's Principal Officers.

Standards of Conduct

To the best of their knowledge and ability, the Principal Officers shall:

- act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- provide full, fair, accurate, timely, and understandable disclosure in reports and documents that LiveReel files with, or submits to, the Securities and Exchange Commission (“Commission”) and in other public communications made by LiveReel;
- comply with applicable governmental laws, rules and regulations;
- promote the prompt internal reporting of violations of this Code of Ethics to LiveReel's board of directors and outside legal counsel;
- respect the confidentiality of information acquired in the course of employment;
- maintain the skills necessary and relevant to LiveReel's needs; and
- proactively promote ethical and honest behavior among employees of LiveReel and its subsidiary.

All Principal Officers are expected to adhere to the LiveReel Code of Ethics. Any violation of this Code of Ethics will be subject to appropriate discipline, up to and including dismissal from the Company and prosecution under the law. The board of directors shall have responsibility for administration of this Code of Ethics and shall have the sole and absolute discretionary authority to approve any deviation or waiver from this Code of Ethics for Principal Officers. In the event that a waiver of, modification of and/or change to this Code of Ethics is approved and granted, then the notice of the waiver, modification, and/or change shall be disclosed as may be required by SEC rules or the rules of any exchange on which the securities of the Company are then trading.

CERTIFICATION

I, Jason D. Meretsky certify that:

1. I have reviewed this annual report on Form 20-F/A of LiveReel Media Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2013

/s/ Jason D. Meretsky
Jason D. Meretsky
Chief Executive Officer

CERTIFICATION

I, J. Stephen Wilson certify that:

1. I have reviewed this annual report on Form 20-F/A of LiveReel Media Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f)) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2013

/s/ J. Stephen Wilson
J. Stephen Wilson
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report on Form 20-F/A of LiveReel Media Corporation for the year ended June 30, 2012, as filed with the Securities and Exchange Commission, I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The annual report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: February 7, 2013

/s/ Jason D. Meretsky
Jason D. Meretsky
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report on Form 20-F/A of LiveReel Media Corporation. for the year ended June 30, 2012, as filed with the Securities and Exchange Commission, I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The annual report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: February 7, 2013

/s/ J. Stephen Wilson
J. Stephen Wilson
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

LIVEREEL MEDIA CORPORATION

Reply to:
Telephone: (416) 795-1765
Email: steve.wilson@wealthserv.com

February 7, 2013

VIA EMAIL

Linda Cvrkel
Branch Chief
Securities and Exchange Commission
Washington, D.C. 20549

**RE: LiveReel Media Corporation (the "Company")
Form 20-F for the year ended June 30, 2012
Filed October 29, 2012
File No. 000-50492**

Dear Ms. Cvrkel:

We acknowledge receipt of your letter dated January 16, 2013 (the "**Letter**") as well as the additional comments provided by Ms. Effie Simpson of your office in our call on February 5, 2013. Please find enclosed our responses to your comments, which we have provided in BOLD below the comment which we have restated.

Item 3. Key Information

(A) Selected Financial Data, page 6

1. We note your disclosure indicating that you have presented Selected Financial Data prepared under IFRS for the fiscal years ended June 30, 2012 and 2011 and under Canadian GAAP for the fiscal years ended June 30, 2010, 2009 and 2008. In this regard, please note that it is not appropriate to present IFRS financial data alongside financial data that has been prepared in accordance with Canadian GAAP. Refer to Instructions 1 and 3 of General Instruction G of Form 20-F. Accordingly, please revise your selected financial data to:
 - Disclose that the information based on Canadian GAAP is not comparable to the information based on IFRS.
 - Revise the presentation of your selected financial data so that the Canadian GAAP and IFRS Selected Financial Data are not presented side-by-side.

2300 YONGE STREET
Suite 1710, P.O. Box 2408
Toronto, Ontario M4P 1E4

RESPONSE: We have made the suggested changes to the disclosure on pages 6 and 7 of the Form 20-F/A.

(D) Risk Factors, page 8

2. Please revise to provide a risk factor that the auditor's report contains an explanatory paragraph for the going concern uncertainty. You should state that the Company has incurred losses since inception and this raises substantial doubt about your ability to continue as a going concern.

RESPONSE: We have made the suggested changes to the disclosure on page 8 of the Form 20-F/A.

Item 5. Operating and Financial Review and Prospects

(A) Operating Results, page 15

3. This section appears to compare financial information prepared under IFRS with information that has been prepared under Canadian GAAP. Also, it appears that in the tables included in this section you have presented financial information presented under IFRS alongside financial information prepared under Canadian GAAP. As noted above, it is not appropriate to present your IFRS financial information alongside information that has been prepared in accordance with Canadian GAAP. Accordingly, please revise to eliminate this side by side presentation of IFRS and Canadian GAAP financial information. In addition, it is not appropriate to compare your operating results as determined in accordance with IFRS with those that were previously determined under Canadian GAAP. Please revise your discussion in this section to discuss your results of operations for the two most recent fiscal years prepared in accordance with IFRS as issued by the IASB. No part of your discussion should relate to financial statements prepared in accordance with Canadian GAAP. Refer to the guidance outlined in General Instruction G(e) of Form 20-F/A.

RESPONSE: We have made the suggested changes to the disclosure on pages 15 to 20 of the Form 20-F/A.

Item 17. Financial Statements, page 52

4. We note the disclosure on page 52 indicating that you have prepared the financial statements included in your Annual Report on Form 20-F in accordance with Item 17 of Form 20-F. Please note that compliance with Item 18 rather than Item 17 of Form 20-F is required for all issuer financial statements included in all Securities Act registration statements, Exchange Act registration statements on Form 20-F, and annual reports on Form 20-F. Please amend your annual report on Form 20-F to comply with Item 18 of Form 20-F. Also, all references to Item 17 of Form 20-F of your annual report on Form 20-F should be revised to reference Item 18 of Form 20-F.

RESPONSE: We have made the suggested changes to the disclosure on page 48 of the Form 20-F/A.

Report of Independent Registered Public Accounting Firm, page F-1

5. We note that the audit opinion refers to International Financial Reporting Standards rather than International Financial Reporting Standards as issued by the International Accounting Standards Board. Please note that the latter is required in order to omit the reconciliation of net income and stockholders' equity to US GAAP. Additionally, we note that your statement of compliance in the footnotes to the financial statements on page F-6 also does not assert compliance with IFRS as issued by the IASB. Please revise your annual report on Form 20-F to include a report of your independent registered accounting firm that asserts compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board or revise to provide a reconciliation of your net income and stockholders' equity to US GAAP for each period presented in your financial statements. Refer to the guidance outlined in Item 17c of Form 20-F. Also, if your financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, please revise the disclosure in the first paragraph of Note 2(a) to your financial statements to clearly state such compliance.

6. In addition, we note that the "Emphasis of Matter" paragraph is not presented in accordance with PCAOB standards regarding going concern uncertainties. Please refer to AU 341, paragraphs 12 and 13 and revise accordingly.

RESPONSE: We have made the suggested changes to the disclosure on the Report of Independent Registered Account Firm filed with the audited financial statements as well as the Company's MD&A.

* * * * *

Ms. Cvrkel
February 7, 2013
Page 4

As requested in the Letter, we hereby acknowledge the following:

- (a) the Company is responsible for the adequacy and accuracy of the disclosure in the filing;
- (b) staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- (c) the Company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

We trust the foregoing is acceptable. Should you have any further comments, please do not hesitate to contact the undersigned.

Yours truly,

/s/ J. Stephen Wilson
J. Stephen Wilson, CA
Chief Financial Officer

cc: Jason D. Meretsky
Warrant Goldberg, CA (Schwartz Levitsky Feldman LLP, auditors)
