

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ 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, 2010**

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 – 17,621,744 as at June 30, 2010

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

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (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: X 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 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 accounting principles generally accepted in Canada ("Can. GAAP"). Such financial data conforms in all material respects with accounting principles generally accepted in the United States ("U.S. GAAP") except as disclosed in Note 17 of the Notes to Consolidated Financial Statements contained herein.

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, 2010, 2009 and 2008. These financial statements were prepared in accordance with accounting principles generally accepted in Canada. Reference is made to Financial Statement Notes for a discussion of the material differences between Canadian GAAP and U.S. GAAP, and their effect on the Company's financial statements.

The following is a selected financial data for the Company for each of the last five fiscal years 2006 through 2010 on a consolidated basis. The data is extracted from the audited financial statements of the Company for each of the said years.

Financial data in accordance with Canadian GAAP (CDN \$) - Fiscal year ended June 30

	2010	2009	2008	2007	2006
Revenue	\$ -	\$ 4,901	\$ 40,012	\$ 72,697	\$ 7,052
Net Loss	(232,527)	(916,260)	(788,811)	(624,965)	(682,097)
Net loss per Share (1)	(0.02)	(0.07)	(0.06)	(0.04)	(0.07)
Working Capital (Deficit)	125,648	319,175	1,201,854	1,965,665	2,499,781
Total Assets	183,329	410,482	1,386,399	2,105,100	2,641,600
Capital Stock (2)	6,728,846	6,656,265	6,656,265	6,656,265	6,838,665
Warrants (2)	1,146,081	1,146,081	1,146,081	1,146,081	1,146,081
Shareholders' Equity (Deficit)	125,648	319,175	1,201,854	1,990,655	2,524,781
Weighted Average Number of Shares Outstanding	14,696,744	13,721,744	13,721,744	14,089,963	9,494,677

(1) The effect of potential share issuances pursuant to the exercise of warrants would be anti-dilutive and, therefore, basic and diluted losses per share are the same.

(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. The valuation of these warrants in 2006 and 2007 was applied to the capital stock and resulted in a negative amount which is not permitted under Canadian GAAP. These items were restated in the 2008 audited financial statements with no impact on shareholder's equity, the consolidated statement of operations, consolidated statement of cash flows and the basic and diluted loss per share. During the 2010 fiscal year, 3,900,000 options were exercised for gross proceeds of US\$39,000.

Financial data in accordance with U.S. GAAP (CDN \$) – Fiscal year ended June 30

	2010	2009	2008	2007	2006
Revenue	\$ -	\$ 4,901	\$ 40,012	\$ 72,697	\$ 7,052
Net Loss	(232,527)	(916,260)	(788,811)	(624,695)	(648,139)
Comprehensive Loss	(232,527)	(\$916,260)	(\$788,811)	(\$624,695)	(\$648,139)
Loss per Share	(\$0.02)	(\$0.07)	(\$0.06)	(\$0.04)	(\$0.07)
Total Assets	\$183,329	\$410,482	\$1,386,399	\$2,105,100	\$2,641,600
Shareholders' Equity (Deficit)	\$125,648	\$319,175	\$1,201,854	\$1,990,655	\$2,524,781

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

Exchange Rates

In this Annual Report on Form 20-F, 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 30, 2010, 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 \$1.0298.

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

<u>2010</u>	<u>September</u>	<u>August</u>	<u>July</u>	<u>June</u>	<u>May</u>	<u>April</u>
High for period	\$ 1.0260	\$ 1.0185	\$ 1.0306	\$ 1.0199	\$ 1.0134	\$ 0.9961
Low for period	\$ 1.0497	\$ 1.0642	\$ 1.0649	\$ 1.0606	\$ 1.0778	\$ 1.0201

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>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average for the year	1.0555	1.1662	1.0104	1.1323	1.1625

(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 incorporation 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.

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 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 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.

The Company has avoided obtaining debt financing but may have to pursue this option if it is unable to obtain equity financing on acceptable terms.

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, 2010, we had approximately 17,621,744 shares of common stock outstanding of which approximately 12,867,200 are restricted securities under Rule 144 promulgated under the Securities Act. We also have 6,193,000 shares of common stock issuable under presently exercisable warrants which have not yet been registered under the US 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.

OUR OFFICERS AND DIRECTORS RESIDE OUTSIDE OF UNITED STATES AND THERE IS A RISK THAT CIVIL LIABILITIES AND JUDGEMENTS MAY BE UNENFORCEABLE

All of the Company's directors and officers are residents of countries other than the United States, and all of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or enforce in the United States against such persons judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of United States federal securities laws or state securities laws.

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 2010. 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 in the final quarter of fiscal 2006 and continued with this strategy through fiscal 2009.

The Company plans 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.

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, 2010, 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 Financial Statements of the Company and notes thereto contained elsewhere in this report.

Results of operations

Year ended June 30	2010	2009	2008
	in CDN \$	in CDN \$	in CDN \$
Income	-	4,901	40,012
Expenses	(\$232,527)	(\$921,161)	(\$828,823)
Net loss for year	(\$232,527)	(\$916,260)	(\$788,811)
Deficit at end of year	(\$8,042,649)	(\$7,810,122)	(\$6,893,862)

Overview

The following were the key events in the year ended June 30, 2010 -

1. On March 31, 2010, the former CEO of the business exercised 3,900,000 stock options at a strike price of \$0.01 per share.
2. 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.
3. 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 following were the key events in the year ended June 30, 2009:

1. On July 22, 2008, the board of directors agreed to increase the size of the option pool to 4,000,000 options. In addition, the 900,000 options previously issued to Gregg Goldstein, CEO, were cancelled. Finally, a new grant of 3,900,000 options to Gregg Goldstein, CEO, at a strike price of \$0.01 per option, expiring July 22, 2013, and fully vested was approved. In addition, the conversion price of all previously issued warrants was reduced to US \$0.01 per warrant and the expiry date was extended to November 30, 2010 by the board of directors of the Company.
2. The Company received approximately \$20,000 from the distribution of King of Sorrow.
3. On November 13, 2008, the board of directors of the Company authorized management to be able to invest a portion of its excess cash on hand in exchange traded securities. These investments commenced in the third quarter of fiscal 2009, and resulted in a gain of

approximately \$31,000 during that quarter. However, in the fourth quarter the Company lost approximately \$886,000 on such investments. Subsequent to the end of the year, no further investment of short term cash has occurred, and the Company is re-assessing this strategy.

4. The Company showed a profit in the second and third quarters of fiscal 2009 primarily due to the positive foreign exchange impact on its US dollar denominated assets as the Canadian dollar weakened against the US dollar. This trend was reversed in the fourth quarter of the year, but the Company still had a significant foreign exchange gain for the year.

The following were the key events in the year ended June 30, 2008 -

1. The Company and its subsidiary had been involved in the financing of two feature films, King of Sorrow and The Poet. Advances totaling approximately \$476,000 were made through September 30, 2007. Such advances were expected to be recovered through the sales of these films in various territories throughout the world.

During fiscal 2007, King of Sorrow was sold in various territories, but had not been sold successfully into its largest potential market, the United States. This was due to a number of factors, and management had anticipated that it would be successful at two major trade shows in the United States in October and November 2007 that it was unable to attend in 2006. However, sales at those shows were much less than what had previously forecast, and as a result, a write down of the scripts for \$25,000 and other advances of \$93,243 was made in the first quarter of the 2008 fiscal year to approximate management's estimate of the net realizable value of the assets.

In addition, the production company in charge of The Poet entered into an agreement for international distribution in October 2007. Going to the same trade shows as discussed above, The Poet did have some commercial success in terms of obtaining advances from certain territories at the trade show. However, estimated revenues were such that management revised its projected future inflows from The Poet downward and resulted in taking a write down of all previous advances and advances in the first quarter of fiscal 2008 totaling \$283,667.

2. The Company continued to pay further advances totaling \$57,000 to fulfill its commitment to fund The Poet through December 31, 2007.
3. During the fourth quarter of fiscal 2008, the Company received payment of \$29,840 from distributing King of Sorrow which was applied to reduce this receivable. While the Company has entered into a new agreement with another party to attempt to sell the film internationally, the Company wrote off \$49,974 of the advance to \$20,179 effective June 30, 2008, which was received subsequent to year end.

Income

The Company's primary source of income in the year ended June 30, 2010, 2009 and 2008 was from interest earned on excess cash balances.

Expenses

The overall analysis of the expenses is as follows:

	Ended June 30, 2010	Ended June 30, 2009	Ended June 30, 2008
Loss on investments	\$ -	\$ 854,858	\$ -
Consulting expenses	92,500	60,000	60,000
Professional fees	48,883	59,354	60,645
Office and general	44,547	75,911	115,599
Foreign exchange loss (gain)	33,851	(175,838)	70,290
Shareholder information	11,137	11,610	10,292
Bank charges and interest	1,609	1,685	676
Stock based compensation	-	33,581	-
Writedown of production advances	-	-	426,884
Production advances	-	-	57,060
Amortization of investment in film and television programs	-	-	25,000
Promotion	-	-	2,377
	<u>\$ 232,527</u>	<u>\$ 921,161</u>	<u>\$ 828,823</u>

Loss on Investments

On November 13, 2008, the board of directors of the Company authorized management to be able to invest a portion of its excess cash on hand in exchange traded securities. These investments commenced in the third quarter of fiscal 2009, and resulted in a gain of approximately \$31,000 during that quarter. However, in the fourth quarter the Company lost approximately \$886,000 on such investments. During fiscal 2010, no further investment of short term cash has occurred.

Consulting Expenses

Consulting fees include \$55,000 paid to the existing Chief Financial Officer for services rendered during the period (2009 - \$ 60,000; 2008 – \$60,000). Consulting fees in 2010 also include \$30,000 of fees paid to an affiliate of the largest shareholder and \$7,500 to the new Chief Executive Officer for various consulting services rendered in the last three months of fiscal 2010. No such fees were paid in fiscal 2009 or 2008 to the latter two parties.

Professional Fees

Professional fees in the twelve months ended June 30, 2010 were comprised of legal fees of \$33,883 and audit fees of \$15,000. Legal fees relate primarily to the review of the Company's various public filings and general corporate matters.

Professional fees in the twelve months ended June 30, 2009 were comprised of legal fees of \$39,154 and accounting fees of \$20,200. Legal fees relate primarily to the review of the Company's various public filings and general corporate matters. Accounting fees were comprised of audit fees of \$18,000 and the balance of \$2,200 for various tax advice received during the year.

Professional fees in the twelve months ended June 30, 2008 were comprised of legal fees of \$28,795 and accounting fees of \$31,850. Legal fees relate primarily to the review of the Company's various public filings and general corporate matters. Accounting fees were comprised of audit fees of \$22,500 and the balance of \$9,350 for various tax advice received during the year.

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, 2010 of \$41,400 (2009 - \$47,761; 2008 - \$51,370) 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 was renewed in fiscal 2008, fiscal 2009 and fiscal 2010.

The Company also reimbursed the former CEO for various general and office expenses totalling in fiscal 2009 of approximately \$26,000 including costs for his rent, communications costs, health benefits and professional fees (2008 - \$60,600). No such costs were incurred in fiscal 2010.

Foreign Exchange Loss (Gain)

Exchange loss for the twelve months ended June 30, 2010 and 2008 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.

Exchange gain for the twelve months ended June 30, 2009 of approximately \$176,000 related entirely to the translation of US dollar balances and transactions into Canadian dollars at June 30, 2009 compared to the exchange rate used at June 30, 2008 as the Canadian dollar weakened against the US dollar. Most of the Company's excess cash is held in a US dollar account, and translated at the balance sheet date.

Stock Based Compensation

Stock based compensation is made up of the Company's common shares and options to acquire the Company's common shares being issued to various consultants and directors of the Company for services provided. The Company used this method of payment mainly to conserve its cash flow for business investments purposes. This method also allows the Company to avail the services of consultants with specialized skills and knowledge in the business activities of the Company without having to deplete its limited cash flow.

On July 22, 2008, the board of directors agreed to increase the size of the option pool to 4,000,000 options. In addition, the 900,000 options previously issued to Gregg Goldstein, CEO, were cancelled. Finally, a new grant of 3,900,000 options to Gregg Goldstein, CEO, at a strike price of \$0.01 per option, expiring July 22, 2013, and fully vested was approved. In addition, the conversion price of all previously issued warrants was reduced to US \$0.01 per warrant and the expiry date was extended to November 30, 2010 by the board of directors of the Company. This resulted in the recording of stock compensation of \$33,581 during fiscal 2009 as stock based compensation expense.

Shareholder Information

Shareholder information costs in the twelve months ended June 30, 2010 comprised transfer agent fees of \$5,546 and regulatory and related filing fees of \$5,591.

Shareholder information costs in the twelve months ended June 30, 2009 comprised transfer agent fees of \$4,787 and regulatory and related filing fees of \$6,823.

Shareholder information costs in the twelve months ended June 30, 2008 comprised transfer agent fees of \$3,843 and regulatory and related filing fees of \$6,449.

Write Down of Production Advances and Production Advances

The Company's and its subsidiary have been involved in the financing of two feature films, King of Sorrow and The Poet. Advances totaling approximately \$476,000 were made by September 30, 2007. Such advances were expected to be recovered through the sales of these films in various territories throughout the world.

During fiscal 2007, King of Sorrow was sold in various territories, but had not been sold successfully into its largest potential market, the United States. This was due to a number of factors, and management had anticipated that it would be successful at two major trade shows in the United States in October and November 2007 that it was unable to attend last year. However, sales at those shows were much less than what had previously forecast, and as a result, a write down of the scripts for \$25,000 and other advances of \$93,243 was made in the first quarter to approximate management's estimate of net realizable value of the assets.

In addition, the production company in charge of The Poet entered into an agreement for international distribution in October 2007. Going to the same trade shows as discussed above, The Poet did have some commercial success in terms of obtaining advances from certain territories at the trade show. However, estimated revenues were such that management revised its projected future inflows from The Poet downward and resulted in taking a write down of all previous advances and advances in the first quarter of fiscal 2008 totaling \$283,667.

During the quarter ended December 31, 2007, the Company expensed an additional \$57,000 in advances made to The Poet to fulfill its advance commitments for that film.

During the fourth quarter of fiscal 2008, the Company received payment of \$29,840 from distributing King of Sorrow which was applied to reduce this receivable. While the Company has entered into a new agreement with another party to attempt to sell the film internationally, the Company wrote off \$49,974 of the advance to \$20,186 effective June 30, 2008, which was received in the first quarter of fiscal 2009.

Amortization of Investments in Film and Television Programs

During fiscal 2006, LRPC was holding nine scripts at a carrying value of \$172,500 and four distribution contracts at a carrying value of \$60,000. At the year end of June 30, 2006, management decided to fully amortize all but one script and all distribution contracts because it has decided not to pursue development of these properties any further. The only script not amortized and kept at its carrying value of \$25,000 was that of King of Sorrow. The script has been developed into a feature film for which the Company held the certain distribution rights. As at June 30, 2007, management concluded that based on the estimates of the potential revenue that would be realized by the film, the

carrying value of the script was fully recoverable. This was written off in fiscal 2008 as discussed under write down of production advances above.

Promotion

During the twelve months ended June 30, 2008, these costs related to various meals and entertainment costs incurred by management. During the twelve months ended June 30, 2007, these costs related to the promotion of King of Sorrow. During the twelve months ended June 30, 2006, these costs related to sales, marketing, travel and related costs for visits to the UK and US for promotional efforts for certain films and discussions with the group of investors who participated in the private placement.

Warrants

During the fiscal years 2004 and 2006, 6,193,600 warrants were issued in connection with various private placements and the acquisition of certain theatrical film properties. These warrants together with common shares formed a Unit subscribed and paid for under the private placements and were combined with shares in the acquisition of the theatrical film properties. These warrants were originally valued at \$5,729,352 using the Black-Scholes valuation model.

On February 27, 2007, the conversion price of all previously issued warrants was reduced to US\$0.10 per warrant and the expiry date was extended to November 30, 2009 by the board of directors of the Company. The warrants were valued at \$486,395 using the Black-Scholes valuation model.

The valuation in 2006 and 2007 were applied to the capital stock and resulted in a negative amount, which is not permitted under CICA handbook section 3861.22.

Management has therefore revised the valuation of these warrants using the relative fair value method allowed under both the Canadian and US accounting standards. Based on the valuation method, the revised value of the warrants issued came to \$1,146,081. The excess value of \$4,583,271 was credited to capital stock. The valuation in 2007 was reversed from the financial statements previously issued.

These changes have no effect on the shareholder's equity, the consolidated statement of operations, consolidated statements of cash flows, and the basic and diluted loss per share.

(B) LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As at June 30, 2010, the Company had a net working capital position of \$125,648 compared to a working capital position of \$319,175 as of June 30, 2009. Cash on hand as at June 30, 2010 was \$144,006 compared to \$398,408 in cash as at June 30, 2009.

The working capital position has declined by approximately \$194,000 on a year over year basis due to the financing of the operating loss of the business in the twelve months ended June 30, 2010.

Operating cash flow

During fiscal 2010, operating activities required a net cash flow of \$293,402 which was spent on corporate operations.

The operating cash requirement was met through cash on hand in the Company.

Investment cash flows

The Company had no investment activities during the year.

Financing cash flows

The Company had no financing activities during the year.

(C) RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Company has not spent any funds on research and development during the fiscal years 2010, 2009, and 2008.

(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, 2010 and 2009, 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 can not be cancelled with 30 days notice.

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount. Related party transactions for the years ended June 30, 2010, 2009 and 2008 are discussed in Note 12 of the audited consolidated financial statements.

(G) SAFE HARBOR

Statements in Item 5 of this Annual Report on Form 20-F 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 Ltd. (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 has served on the board of directors of Homeserve Technologies Inc. (since 2002), which was previously listed on the Toronto Stock Exchange and provides services and technology products for business-to-business clients whose customers are engaged in the move or homeownership lifecycle, and also serves on its Audit Committee. 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 14 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.

(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. Mr. Meretsky is reimbursed separately through his law for any legal fees, none of which have been charged during the fiscal year ending June 30, 2010. Mr. Meretsky has no options.

Mr. Stephen Wilson has a consulting contract calling for the payment of monthly fees of \$5,000 until May 31, 2010, and thereafter on a per work basis. He is entitled to receive fees of \$5,000 for the period of June 1, 2010 to September 30, 2010. Mr. Wilson holds options to purchase 100,000 shares at an exercise price of \$0.15, which were granted by the Company in 2007.

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, 2010. The information is provided for the fiscal years ended 2010, 2009 and 2008.

Name and principal position	ANNUAL COMPENSATION				LONG-TERM COMPENSATION			
	Year	Fee	Bonus	Other annual compensation	Awards		Payouts	
					Securities under options/SARs Granted (1)	Shares or units subject to resale restrictions	LTIP (2) payouts	all other compensation
		(\$)	(\$)	(\$)	(#)	(\$)	(\$)	
Jason Meretsky, CEO and Secretary	2010	7,500	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
Stephen Wilson, CFO	2010	60,000	-	-	-	-	-	-
	2009	60,000	-	-	-	-	-	-
	2008	60,000	-	-	-	-	-	-

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, 2010. To assist in the discharge of its responsibilities, the Board has designated two standing committees: 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 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.

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, 2010:

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, 2010:

Name	# of Common shares held at September 30, 2010	# of Warrants	Exercise price - in US\$	Expiry date(s)	# of options held at September 30, 2010	Expiry date
Jason Meretsky	Nil	Nil	N/A	N/A	N/A	N/A
J. Stephen Wilson	Nil	Nil	N/A	N/A	100,000	Feb 9, 2012

As of June 30, 2010, the Company had 17,621,744 shares of common stock outstanding, 100,000 options to buy common stock, and 6,193,600 warrants to purchase common stock.

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, 2010, 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, 2010. 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)	13,263,250	75.3%
Snapper Inc.	795,000	5.8%

(1) Includes 1,400,000 shares issuable upon exercise of Warrants, issuable upon exercise prior to November 30, 2010.

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

At September 30, 2010, the Company had 17,621,744 shares of common stock outstanding, which, as per the details provided by the Transfer Agents, were held by 353 record holders (excluding the beneficial shareholders held through the intermediaries), 8 of which (including the beneficial shareholders held through the intermediaries), holding an aggregate of 508,998 shares or 2.9% of common stock, were in the United States.

The Registrant is a publicly owned Canadian corporation, the shares of which are owned by Canadian residents, US 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, 2010 are as follows:

1. Consulting fees include \$7,500 paid to the new Chief Executive Officer for services rendered during the period April 1, 2010 to June 30, 2010 (2009 – Nil; 2008 – Nil).
2. Consulting fees include \$55,000 paid to the existing Chief Financial Officer for services rendered during the period (2009 - \$60,000; 2008 – \$60,000).

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 17. 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.

ITEM 9 - THE OFFER AND LISTING

(A) OFFER AND LISTING DETAILS

The Company's common shares began trading on 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>	High in US \$	Low in US\$
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, 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 2010	0.02	0.02
August 2010	0.0275	0.01
July 2010	0.01	0.01
June 2010	0.01	0.01
May 2010	0.01	0.01
April 2010	0.01	0.01

(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 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 Canada Business Corporation Act. 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 Canada Business Corporation Act. The new by-laws was 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 \$400,000,000 in the aggregate, or (ii) annual gross revenues from sales in, from or into Canada that exceed \$400,000,000 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 (generally, \$50-million - 70-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 current threshold level for non-Canadians who are World Trade Organization investors (as defined in the ICA) is \$265,000,000 (in 2006). This amount is 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 acquirer 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 ("US 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 US 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 US 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 US LLC corporation.

Capital Gains

The Convention provides that a US 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 US Resident and the US 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 US Resident, or persons with whom the US Resident did not deal at arm's length, or the US Resident together with persons with whom the US 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 US resident realizes a capital gain on a disposition of shares that constitute "taxable Canadian property", the Convention relieves the US 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 US 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) and 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 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 US and Canadian currencies and bears interest at various rates on monthly balances as at June 30, 2010.

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, 2010 and 2009, 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 15T 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 registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to 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, 2010 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, 2010, 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, we adopted a Code of Ethics that applies to our 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, 2010</u>	<u>June 30, 2009</u>
Audit Fees	15,000	20,200
Audit Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-

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

Not applicable

PART III

ITEM 17 - FINANCIAL STATEMENTS

See the Financial Statements and Exhibits listed in Item 19 hereof and filed as part of this Annual Report. These financial statements were prepared in accordance with Canadian GAAP and are expressed in Canadian dollars. Such financial statements have been reconciled to U.S. GAAP (see Note 17 therein). 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 18 - FINANCIAL STATEMENTS

Not applicable.

ITEM 19 -- EXHIBITS

(a) Financial Statements -

<u>Description of Document</u>	<u>Page No.</u>
Cover Sheet	F-1
Index	F-2
Independent Auditor's Report dated September 9, 2010	F-3
Consolidated Balance Sheets as at June 30, 2010 and 2009	F-4
Consolidated Statements of Operations and Comprehensive Loss for the Fiscal Years Ended June 30, 2010, 2009 and 2008	F-5
Consolidated Statements of Cash Flows for the Fiscal Years Ended June 30, 2010, 2009 and 2008	F-6
Consolidated Statements of Shareholders' Equity for the Fiscal Years Ended June 30, 2010, 2009 and 2008	F-7
Notes to Consolidated Financial Statements	F-8

b) Exhibits

The following documents are filed as part of this Annual Report on Form 20-F

- 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.
- 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,

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 September 30, 2010.

LIVEREEL MEDIA CORPORATION

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