No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This amended and restated prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. ***These securities have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States unless an exemption from registration is available. See "Plan of Distribution".***

New Issue November 29, 2011

AMENDED AND RESTATED PROSPECTUS DATED NOVEMBER 29, 2011 AMENDING THE AMENDED AND RESTATED PROSPECTUS DATED OCTOBER 4, 2011 AMENDING AND RESTATING THE PROSPECTUS DATED JUNE 30, 2011

ANDELE CAPITAL CORPORATION

(to be renamed Network Media Group Inc. following completion of the Transaction)

$2,500,000

Public Offering of 12,500,000 Units at $0.20 each

and

20,000,000 Common Shares in connection with the Transaction

This amended and restated prospectus (the "Amended and Restated Prospectus") qualifies the distribution (the "Offering") of 12,500,000 units (the "Units" and together with up to 1,875,000 Units to be issued on exercise of the Over-Allotment Option described below, the "Offered Units") of Andele Capital Corporation ("Andele") at a price of $0.20 per Unit (the "Offering Price") and 20,000,000 common shares (each, a "Common Share") in the capital of Andele (the "Transaction Shares") to be issued at a deemed price equal to $0.20 per Common Share to holders of shares of Network Entertainment Inc. ("Network") in connection with the acquisition of up to all issued shares of Network by Andele (the "Transaction").

Each Unit consists of one Common Share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of Andele. Each Warrant will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at a price of $0.40 at any time before 5:00 p.m. (Vancouver time) on the day that is 12 months after the date of issuance, subject to the Warrant Acceleration.

The Offering Price and terms of this Offering have been determined by negotiation between Andele and Global Securities Corporation (the "Agent"). Completion of the Offering is subject to the sale of 12,500,000 Units. The funds received from the Offering will be held in trust, and will not be released until the Agent has received the entire $2,500,000 in proceeds from the sale of 12,500,000 Units and consents to the release of such proceeds. See "Plan of Distribution".

$0.20 per Offered Unit

	Price to Public	Agent's Fee(1)	Net Proceeds(2)
Per Offered Unit	$0.20	$0.014	$0.186
Total Offering(3)(4)(5)	$2,500,000	$175,000	$2,325,000

(1) Assumes full commission is paid on all proceeds; the Agent will be paid a cash commission equal to 7% of the aggregate gross proceeds from the sale of the Offered Units (the "Agent's Commission").

Andele will also grant non-transferable warrants to the Agent (the "Agent's Warrants") entitling the Agent to purchase that number of Common Shares as is equal to 7% of the number of Offered Units sold under the Offering. Each Agent's Warrant will be exercisable to purchase one Common Share at the Offering Price for a period of 12 months after the Closing, as herein defined.

This Amended and Restated Prospectus qualifies the distribution of 1,006,250 Agent's Warrants to be issued in connection with the Offering (assuming full exercise of the Over-Allotment Option described below). See "Plan of Distribution".

(2) Before deducting the expenses of the Offering, estimated to be approximately $503,000, which will be paid from the proceeds of the Offering.

(3) Andele has granted the Agent an option, exercisable in whole or in part in the sole discretion of the Agent not later than 30 days after the Closing of the Offering, to arrange for the sale of up to an additional 1,875,000Offered Units at the Offering Price, to cover over-allotments and for market stabilization purposes (the "Over-Allotment Option"). A purchaser who acquires Offered Units forming part of the Over-Allotment Option acquires those Offered Units under this Amended and Restated Prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, Andele will receive gross proceeds of $2,875,000 from the Offering (net proceeds of $2,673,750after deduction of the Agent's fee of $201,250 but excluding costs of the Offering).

(4) This Amended and Restated Prospectus also qualifies the distribution of the Common Shares and Warrants issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution".

(5) Unless an amendment to the final prospectus is filed and the "principal regulator" under National Policy 11-202 (the "Securities Regulatory Authority**")** has issued a receipt for the amendment, the latest date that the distribution period is to remain open is 90 days after the date the receipt for the final prospectus was issued by the Securities Regulatory Authority (being October 4, 2011) unless a receipt is issued for this Amended and Restated Prospectus, in which case the distribution must close within 90 days of the receipt for this Amended and Restated Prospectus, and in any case not later than 180 days from date of the final prospectus (being January 2, 2012).

The Offering and Offering Price were publicly disclosed on March 15, 2011 when the Issuer announced the Transaction.

The following table sets out securities issuable to the Agent:

Agent's Position	**Maximum Size or Number of Securities Held**	**Exercise Period**	**Exercise Price or Issue Price**
Over-Allotment Option[(1)]	1,875,000Units	30 days after closing	$0.20
Agent's Warrants[(1)]	1,006,250 Warrants	12 months after closing	$0.20
Other	Nil	—	—
Total Securities under Option to Agent	1,875,000Units and 1,006,250 Agent's Warrants	30 days after Closing, as to 1,875,000Units 12 months after Closing, as to 1,006,250 Agent's Warrants	$0.20

(1) This Amended and Restated Prospectus also qualifies the distribution of the Common Shares issuable upon exercise of the Over-Allotment Option and the 1,006,250 Common Shares issuable upon exercise of 1,006,250 Agent's Warrants to be issued in connection with the Offering (assuming full exercise of the Over-Allotment Option). See "Plan of Distribution".

The Common Shares are listed on the Exchange under the symbol "ADY.P". Andele will apply to list the Common Shares issued pursuant to the Offering, the Warrant Shares, the Transaction Shares and the Common Shares to be issued in connection with the exercise of the Agent's Warrants and the Finder's Fee on the Exchange upon completion of the Qualifying Transaction. Listing will be subject to all of the listing requirements of the Exchange. On January 31, 2011, the last trading day before trading was halted, the closing price on the Exchange of the Common Shares was $0.17. At the request of Andele, trading in the Common Shares has been halted since January 31, 2011 and has not resumed as at the date of this Amended

and Restated Prospectus. It is anticipated that upon completion of the Transaction, the Common Shares will resume trading.

Andele is a capital pool company and intends that the Transaction will constitute its Qualifying Transaction as such term is defined in the Exchange Corporate Finance Manual (the "Exchange Manual"). The Transaction was negotiated at arm's length and does not constitute a non-arm's length qualifying transaction as defined in the Exchange Manual.

Investment in the Units is speculative due to various factors, including the nature of Network's business. An investment in these securities should be made only by persons who can afford the total loss of their investment. See "Risk Factors".

The Agent conditionally offers the Offered Units for sale on a commercially reasonable efforts basis, without underwriter liability, subject to prior sale, if, as and when issued by Andele and delivered and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", and subject to approval of certain legal matters by McMillan LLP on behalf of Andele, Gowling Lafleur Henderson LLP on behalf of the Agent and Duhaime Law on behalf of Network.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right to close the subscription books at any time without notice is reserved. Subscriptions for 12,500,000 Units for total gross proceeds of $2,500,000 must be raised within 90 days of the issuance of a receipt for the final prospectus (being October 4, 2011), unless a receipt is issued for this Amended and Restated Prospectus, in which case the distribution must close within 90 days of the receipt for this Amended and Restated Prospectus, and in any case not later than , 180 days from the date of the issuance of a receipt for the final prospectus (being January 2, 2012), or such other time as may be consented to by the Agent and persons or companies that subscribed for Units within such period. If the Agent is unable to receive subscriptions for a total of 12,500,000 Units, all subscription monies will be returned to subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Certificates representing the Common Shares forming part of the Offered Units and the Warrants will be available for delivery on the Closing (see "Plan of Distribution"). It is expected that the closing of the Offering and the Transaction will take place no later than January 2, 2012.

The registered office of Andele is Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7. Its head office is Suite 2956 Starlight Way, Coquitlam, British Columbia, V3C 3P5.

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GLOSSARY

Agency Agreement	means the agency agreement dated June 30, 2011, as amended September 28, 2011, and November 29, 2011, entered into between the Agent and Andele relating to the Offering.
Agent	means Global Securities Corporation.
Agent's Commission	means the cash consideration payable to the Agent equal to 7% of the aggregate gross proceeds from the sale of the Offered Units.
Agent's Warrants	means the non-transferable share purchase warrants of Andele granted to the Agent as described under "Plan of Distribution".
Amended and Restated Prospectus	means this amended and restated prospectus.
Andele or Issuer	means Andele Capital Corporation, a corporation incorporated under the BCBCA.
BCBCA	means the *Business Corporations Act* (British Columbia).
Closing	means the concurrent closing of the Offering and Transaction, which will take place at the offices of McMillan LLP on the Closing Date.
Closing Date	means such date as Andele, Network and the Agent agree, but in any event no later than January 2, 2012.
Common Shares	means common shares of the Issuer and, after giving effect to the Transaction, of the Resulting Issuer.
company	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
CPC Agents' Options	means outstanding options to purchase 925,000 Common Shares at $0.10 each, granted by the Issuer to the Agent and its sub-agents, in their capacity as agent for the Issuer's initial public offering.
CPC Escrow Agreement	means the escrow agreement dated October 29, 2010 among the Issuer, certain Shareholders and Computershare Investor Services Inc., as escrow agent, providing for the escrow of 2,800,000 Common Shares.
CPC Options	means options to purchase 1,200,000 Common Shares granted to directors and officers of Andele.
Exchange	means the TSX Venture Exchange Inc.
Exchange Policy 2.4	means "Policy 2.4 – Capital Pool Companies" as set out in the Exchange Manual.

Exchange Requirements	means and includes the Articles, by-laws, policies, circulars, rules (including the Universal Market Integrity Rules) guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of a Regulation Services Provider or the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (Alberta) and rules and regulations thereunder as amended, the *Securities Act* (British Columbia) and rules and regulations thereunder as amended and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the Alberta Securities Commission or the British Columbia Securities Commission and all applicable provisions of the securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Issuer, of any other jurisdiction.
Final Exchange Bulletin	means the Exchange bulletin which is issued after the submission of all required documentation to the Exchange and after the Closing, and which evidences the final Exchange acceptance of the Transaction.
Finder	means 491345 B.C. Ltd., an arm's-length party to the Issuer.
Finder's Fee	means the fee payable to 491345 B.C. Ltd., or its nominee, as finder, in connection with the Transaction.
Founders	means the founders of the Issuer, namely Tony Chan, Wan Jung, Donald Gee and Brian Thurston.
GAAP	means generally accepted accounting principles.
IFRS	means International Financial Reporting Standards.
Name Change	means the change of the name of the Issuer to Network Media Group Inc., or such other name as may be acceptable to the directors of the Issuer and the applicable regulatory authorities.
Network	means Network Entertainment Inc., a company incorporated under the laws of British Columbia.
Network Founder	means Derik A. Murray, who, prior to the Closing, will own the majority of the Network Shares.
Network Lenders	means Rock On Investments Ltd. and Longfellow Industries (B.C.) Ltd.
Network Shares	means the shares with no par value in the capital of Network.
Network Subsidiaries	means the wholly-owned subsidiaries of Network, listed in "Andele and Network – Intercorporate Relationships of Network".
Non-Arm's Length Party	in relation to a company, means a promoter, officer, director or other insider or control person of that company and any associates or affiliates of any such Persons, or another entitle or an affiliate of that entity, if that entity or its affiliate have the same promoter, office, director, insider or control person as the company; and in relation to an individual, means any associate of the individual or any company of which the individual is a promoter, officer, director, insider or control person.

Non-Arm's Length Qualifying Transaction	means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.
Offered Units	means up to 14,375,000Units offered under this Amended and Restated Prospectus (including 1,875,000 Units issuable on exercise of the Over-Allotment Option).
Offering	means the offering of Offered Units pursuant to this Amended and Restated Prospectus.
Offering Price	means $0.20 per Offered Unit.
Over-Allotment Option	means the option granted by Andele to the Agent, exercisable not later than 30 days after the Closing, to arrange for the sale of up to an additional 1,875,000 Units at the Offering Price, to cover over-allotments.
Person	means a company or individual.
Pro Group	has the meaning assigned thereto in "Policy 1.1 – Interpretation" of the Exchange Manual.
Qualifying Transaction	means a transaction pursuant to which a capital pool company acquires significant assets by way of purchase, amalgamation, merger or arrangement with another company or by other means other than by cash in accordance with Exchange Requirements.
Resulting Issuer	means the Issuer, upon completion of the Transaction and issuance of the Final Exchange Bulletin.
Share Option Plan	means the Issuer's share purchase option plan described under "Information Concerning the Resulting Issuer – Options to Purchase Securities".
Shareholders	means Persons holding Common Shares.
Subscriber	means a subscriber for the Offered Units offered under this Offering.
Transaction	means the transactions contemplated in the Transaction Agreement, resulting in the Issuer's acquisition of up to all issued and outstanding Network Shares and constituting the Issuer's Qualifying Transaction.
Transaction Agreement	means the agreement dated March 10, 2011, as amended June 24, 2011, August 9, 2011 and September 30, 2011, entered into among Network, the Network Founder and the Issuer, providing for the acquisition of all issued and outstanding Network Shares by the Issuer.
U.S.	means the United States of America.
Value Escrow Agreement	means an escrow agreement to be entered into among Andele, Computershare Investor Services Inc., and certain Shareholders.

Warrant Acceleration	means the accelerated conversion of the Warrants within 30 days of the Issuer providing notice of same to the holders of the Warrants, in the event that the trading of the Common Shares on the Exchange closes at over $0.80 for 10 consecutive trading days.
Warrants	means the share purchase warrants issued pursuant to the Offering, each such Warrant entitling the holder thereof to purchase one Common Share at a price of $0.50 at any time before 5:00 p.m. (Pacific time) on the day that is 12 months after the date of issuance, subject to the Warrant Acceleration.
Warrant Shares	means the Common Shares issuable upon exercise of the Warrants.

Currency and Exchange Rates

All references to “dollar” or the use of the symbol “$” are to Canadian dollars, all references to “US dollars” or “US$” are to U.S. dollars.

FORWARD-LOOKING INFORMATION AND RISKS

This Amended and Restated Prospectus contains statements and information that, to the extent that they are not historical fact, may constitute “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Amended and Restated Prospectus uses words such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook”, and other similar expressions to identify forward-looking information. Forward-looking information is based in part, on assumptions that may change, thus causing actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking information. Such assumptions include the stability or improvement of general economic conditions, a stable workforce, validity of contractual rights, favourable publicity and consumer acceptance of the products, viability of the business model and stability of costs.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Andele, Network and the Resulting Issuer to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks include, but are not limited to, risks arising from general economic conditions and adverse industry events, risks arising from operations generally (such as the ability to secure raw materials, arrange for manufacture of products on a timely basis, and maintain an adequate workforce), reliance on contractual rights such as licences and leases in the conduct of business, reliance on independent licensees for sales of product, reliance on key personnel, adverse publicity concerning product quality or actions of licensees, consumer complaints, market acceptance of the products, possible failure of the business model or business plan, and fluctuations in the cost of materials and inventory.

Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking information in this Amended and Restated Prospectus, and, accordingly, investors should not place undue reliance on any such forward-looking information. Further, any forward-looking information speaks only as of the date on which such statement is made, and the Issuer undertakes no obligation to update any forward-looking statement or forward-looking information to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law including securities laws. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information.

For a more detailed discussion of certain of these risk factors, see “Risk Factors”.

USE OF MARKET AND INDUSTRY INFORMATION

This Amended and Restated Prospectus includes market and industry information that has been obtained from third party sources, including industry publications, as well as data prepared by management of Network on the basis of its knowledge of and experience in the industry in which Network operates (including management’s estimates and assumptions relating to the industry based on that knowledge). Network’s management’s knowledge of the industry has been developed through its experience and participation in the industry. Network’s management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Although third party sources have been selected with reasonable care, there is no assurance as to the accuracy or completeness of information from such sources. Certain third party sources refer to studies, research and surveys that have been conducted. Although the data from such sources is believed to be reliable, none of the Issuer, the Agent or Network’s management have independently verified any of the data from third party sources referred to in this Amended and Restated Prospectus or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources.

INFORMATION PERTAINING TO NETWORK

The information contained or referred to in this Amended and Restated Prospectus with respect to Network and its industry has been provided by management of Network. Management of Andele and the Agent have relied upon Network for the accuracy of the information provided by Network without independent verification.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Amended and Restated Prospectus.

Issuer: Andele Capital Corporation, a capital pool company.

Distribution: 12,500,000 Units for gross proceeds of $2,500,000 and 20,000,000 Transaction Shares. See "Plan of Distribution".

Offering Price: $0.20 per Offered Share.

Over-Allotment Option The Agent has been granted an option, exercisable not later than 30 days after the Closing of the Offering, to arrange for the sale of up to an additional 1,875,000Units at the Offering Price, to cover over-allotments and for market stabilization, if necessary. See "Plan of Distribution".

Agent's Compensation The Agent will receive a cash commission equal to 7% of the gross proceeds from the sale of the Offered Units. The Agent will also receive non-transferable share purchase warrants entitling the Agent to purchase that number of Common Shares as is equal to 7% of the number of Offered Units sold under the Offering. Each Agent's Warrant will be exercisable to purchase one Common Share at the Offering Price for a period of 12 months after the Closing. See "Plan of Distribution".

The Transaction The Transaction includes the Offering, and the acquisition by the Issuer of up to all issued and outstanding Network Shares in exchange for the Transaction Shares. The Transaction will constitute the Issuer's Qualifying Transaction under the policies of the Exchange. See "The Transaction".

Use of Proceeds After deduction of the Agent's Commission, net proceeds of $2,325,000 ($2,673,750 if the Over-Allotment Option is exercised in full), before deduction of the expenses of the Offering, will be added to the Issuer's working capital after completion of the Transaction (see "Use of Proceeds"). After payment of expenses of the Offering and the Transaction, the Resulting Issuer will use its working capital to carry on its business as disclosed herein. The Issuer intends to use such funds, in order of priority, as follows:

Principal Purpose	Amount to be Expended	
	No exercise of Over-Allotment Option	**Full Exercise of Over-Allotment Option**
Costs of Offering	$240,500	$240,500
Interim Financing of Projects in Production	$200,000	$200,000
Project Development	$175,000	$175,000
Payment of Debt	$1,105,420	$1,105,420
Unallocated Working Capital	$604,080	$952,830
TOTAL	$2,325,000	$2,673,750

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "Use of Proceeds".

Summary of Financial Information: The following table sets out selected financial information as at and for the periods indicated. Such information is derived from the financial statements of the Issuer and Network which are included in this Amended and Restated Prospectus. See “Selected Financial Information and Management’s Discussion and Analysis of Andele” and “Selected Financial Information and Management’s Discussion and Analysis of Network” as well as the financial statements included herein.

Andele

	Interim Period ended September 30, 2011 (Unaudited) $	**Incorporation (July 12, 2010) to December 31, 2010 (Audited) $**
Total Expenses	246,967	302,619
Net income (loss)	(243,049)	(302,619)
Cash	457,156	973,456
Assets at end of period	797,043	990,468
Liabilities	91,003	48,879
Shareholders’ Equity	706,040	941,589

Network

	Interim Period ended May 31, 2011 (Unaudited) $	**Year ended November 30, 2010 (Audited) $**	**Year ended November 30, 2009 (Audited) $**
Revenues	252,071	226,337	1,565,678
Total Expenses	693,263	962,900	1,688,310
Net income (loss)	(468,520)	(801,961)	(127,736)
Cash	80,869	26,511	84,546
Assets at end of period	1,947,563	1,283,378	1,291,145
Liabilities	3,556,504	4,036,119	3,241,925
Shareholders’ Equity (Deficiency)	(1,608,941)	(2,752,741)	(1,950,780)

Pro Forma

	Year Ended December 31, 2010 (Unaudited) $
Total Expenses	1,316,434
Net income (loss)	1,155,495
Cash	3,433,217
Assets at end of period	5,107,096
Liabilities	2,923,592
Shareholders’ Equity	2,183,504

Sponsor:	No sponsor has been retained in connection with the Qualifying Transaction as the Company has applied to the Exchange for an exemption from the sponsorship requirement.
Risk Factors:	An investment in the Offered Units should be considered highly speculative and investors may incur a loss on their investment. The current business of Network will be the business of the Resulting Issuer upon completion of the Transaction. Due to the nature of Network's business, an investment in Andele is subject to significant risks. Network's future development and operating results may be very different from those expected as at the date of this Amended and Restated Prospectus. For a detailed description of these and other risk factors see "Risk Factors".

ANDELE AND NETWORK

Corporate Structure of the Issuer

The Issuer was incorporated under the BCBCA on July 12, 2010.

The Registered Office of the Issuer is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7. The Head Office of the Issuer is at 2956 Starlight Way, Coquitlam, British Columbia, V3C 3P5.

Andele is a capital pool company, as defined in Exchange Policy 2.4, listed on the Exchange. Between July 23, 2010 and August 4, 2010, Andele completed an initial capital raise for aggregate gross proceeds of $140,000, through the private placement of 2,800,000 Common Shares at a per-share price of $0.05. On December 24, 2010, Andele completed its initial public offering and issued 10,000,000 Common Shares at a per-share price of $0.10, for aggregate gross proceeds of $1,000,000, which amount was raised to provide Andele with funds with which to identify and evaluate businesses or assets with a view towards completing a Qualifying Transaction.

On February 1, 2011 Andele announced a proposed Qualifying Transaction with Network pursuant to the terms of non-binding letter of intent dated January 31, 2011. On March 10, 2011 Andele entered into the Transaction Agreement.

On January 31, 2011 the Common Shares of Andele were halted on the Exchange at the Issuer's request, pending the announcement of the proposed Transaction. As of the date of this Amended and Restated Prospectus the Common Shares remain halted. It is anticipated that upon completion of the Transaction, the Common Shares will resume trading.

As at the date hereof and prior to the completion of the Transaction, Andele has not and will not have commenced any commercial operations and does not and will not have any tangible assets other than a minimal amount of cash. The Transaction is intended to constitute Andele's Qualifying Transaction. Pursuant to the Transaction Agreement, Andele will acquire Network. Network is at arm's length to Andele, and all terms of the Transaction Agreement were the result of arm's length negotiations between the parties.

Upon completion of the Transaction, the business of Network will be the business of the Resulting Issuer.

Business of the Issuer

To date the Issuer has not carried on any operations. The principal business of the Issuer has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and, having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the Exchange.

The Issuer has entered into the Transaction Agreement with Network and the Network Founder, pursuant to which the Issuer will acquire up to all of the issued and outstanding Network Shares in exchange for Common Shares.

Corporate Structure of Network

Network is a corporation organized under the laws of the Province of British Columbia. Network was incorporated under the *Company Act* (British Columbia) (the "Company Act") under the name "579608 B.C. Ltd." on February 4, 1999. On February 26, 1999 Network changed its name to Network Entertainment Inc. and the Memorandum of Network was altered accordingly. On February 21, 2006 Network transitioned from the Company Act to the BCBCA and, the shareholders of Network executed consent special resolutions to alter Network's Notice of Articles to remove the application of the Pre-existing Company provisions.

Network's registered office is is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7. The Head Office of the Issuer is at Suite 290, 23 Pender Street West, Vancouver, British Columbia, V6B 1R3.

Intercorporate Relationships of Network

Set forth below are the names and details of Network's subsidiaries:

Subsidiary	**Share structure**	**Percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by Network**	**Place of incorporation or continuance**	**Percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by Network**
Network Productions Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Media Ventures Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Two Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Three Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Four Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Five Inc.	1,000,000 Common Shares without par value and without special rights	100	British Columbia	100

Subsidiary	Share structure	Percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by Network	Place of incorporation or continuance	Percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by Network
	or restrictions attached			
Network Pictures Six Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Seven Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Eight Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Nine Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Ten Inc.	1,000,000 Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures Eleven Inc.	No Maximum Common Shares without par value and without special rights or restrictions attached	100	British Columbia	100
Network Pictures MTC Inc.	No Maximum Common Shares without par value and no special rights or restrictions attached	100	British Columbia	100
Network Pictures MTC Two Inc.	No Maximum Common Shares without par value and	100	British Columbia	100

Subsidiary	Share structure	Percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by Network	Place of incorporation or continuance	Percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by Network
	no special rights or restrictions attached			
Network Films Inc.	No Maximum Common Shares without par value and no special rights or restrictions attached	100	British Columbia	100
Network Pictures Twelve Inc.	No Maximum Common Shares without par value and no special rights or restrictions attached	100	British Columbia	100
Network Films Two Inc.	No Maximum Common Shares without par value and no special rights or restrictions attached	100	British Columbia	100

After completion of the Transaction, the Resulting Issuer will continue the business of Network and Network is expected to be a wholly-owned subsidiary of the Resulting Issuer.

THE TRANSACTION

On March 10, 2011, Network, the Network Founder and the Issuer entered into the Transaction Agreement in connection with the acquisition by the Issuer of up to all issued and outstanding Network Shares in exchange for an aggregate of 20,000,000 Common Shares. Upon the completion of the Transaction, the Resulting Issuer is expected to own 100% of the issued Network Shares and its business will be the business currently carried on (and to be continued) by Network. This Amended and Restated Prospectus assumes that Network will be a wholly-owned subsidiary of the Resulting Issuer upon Closing.

The Transaction Agreement

The Transaction Agreement contains customary representations, warranties and covenants of the parties, including covenants by the Issuer not to engage in any discussions or negotiations, or enter into any agreement or understanding with any third party in order to propose or effect any transaction similar to the Transaction, except with the consent of Network, and to obtain the approval of the Exchange in connection with the Transaction, including approval of the listing on the Exchange of the Common Shares to be issued in connection with the Transaction.

The completion of the Transaction will be conditional on obtaining all necessary regulatory and Shareholder approvals, and other conditions customary for a transaction of this type.

As part of the Transaction, each Network shareholder, including the Network Founder will sell all of their ownership interest in and to the Network Shares to Andele free and clear of all encumbrances and Andele will purchase all of the Network Shares, including the Network Debt Conversion Shares, for an aggregate purchase price of $4,000,000, payable by Andele issuing to the Network shareholders, including the Network Lenders, as the case may be, the Transaction Shares at a deemed price of $0.20 per Transaction Share on Closing on a pro rata basis based on the number of Network Shares and Network Debt Conversion Shares owned by each Network Shareholder or Network Lender.

Deposits, Loans and Advances

In accordance with Exchange policies, the Issuer advanced $25,000 to Network on January 31, 2011 as a refundable deposit. In addition, the Issuer advanced $200,000 to Network on May 5, 2011 by way of a secured loan.

Termination

The Transaction Agreement provides that it may be terminated by the mutual consent of the parties, by one party if any of the conditions set forth in the Transaction Agreement for its benefit has not been fulfilled or waived before the closing date, or by either party if the Exchange has rejected the Transaction as the Qualifying Transaction of Andele or if the Transaction is not completed by January 2, 2012 (or such other date as may be agreed to by the parties), and, in such event, each party will be released from all obligations under the Transaction Agreement.

Management

Under the terms the Transaction Agreement, new directors will be elected to the Board of the Resulting Issuer. See "Information Concerning the Resulting Issuer – Directors and Officers".

Under the terms of the Transaction Agreement, the current officers of the Issuer will resign on the Closing and will be replaced by the following as officers of the Resulting Issuer:

Office	**Name**
Chief Executive Officer	Derik A. Murray
President, Chief Operating Officer and Corporate Secretary	Paul Gertz
Chief Financial Officer	Donald Gee
Chairman	Tony Chan

The foregoing is a summary only of the Transaction Agreement and readers are referred to the Transaction Agreement, which is available for review available on the SEDAR website at www.sedar.com.

Finder's Fee

A Finder's Fee of $232,500 will be paid to the Finder at the closing of the Transaction, payable in Common Shares at a deemed price of $0.20 each (1,162,500 Common Shares). The payment of this Finder's Fee is subject to approval of the Exchange and, if required by the Exchange, escrow provisions.

Effect of the Transaction

The Transaction will result in the issuance of an aggregate of 20,000,000 Common Shares to shareholders of Network. Assuming completion of the Transaction but before issuance of Common Shares in connection with the Offering and the Finder's Fee, there will be an aggregate of 32,875,000 Common Shares issued on a non-diluted basis, of which former shareholders of Network and shareholders of the Issuer will own approximately 61% and 39% respectively.

Following completion of the Transaction (assuming full exercise of the Over-Allotment Option and including Common Shares issued in connection with the Finder's Fee) 48,412,500 Common Shares will be outstanding. Based on those assumptions, former shareholders of Network and shareholders of the Issuer will own approximately 41% and 59% respectively of the issued, non-diluted Common Shares (or 34% and 66% respectively of the fully-diluted Common Shares). In addition, Warrants to acquire 7,187,500 Common Shares at an exercise price of $0.40 each, 1,006,250 Agent's Warrants to acquire 1,006,250 Common Shares at an exercise price of $0.20 each, 925,000 CPC Agents' Options to acquire 925,000 Common Shares at an exercise price of $0.10 each and options to acquire 1,200,000 Common Shares at an exercise price of $0.10 each will be outstanding.

As a result of the Transaction:

- Network will be a wholly-owned subsidiary of the Resulting Issuer, and
- former shareholders of Network will hold approximately 43% of the issued, non-diluted, Common Shares of the Resulting Issuer (assuming the Over-Allotment Option is exercised in full).

For a discussion of the effect of the Offering, together with the Transaction, on Andele and its capitalization, see "Information Concerning the Resulting Issuer – Consolidated Capitalization".

DESCRIPTION OF THE RESULTING ISSUER'S BUSINESS

The business of the Resulting Issuer after completion of the Transaction will be the business currently operated by Network.

Founded in 1999 and headquartered in Vancouver, British Columbia, Network is an established television and film production company. Network's principal business is the development, financing, production, marketing and distribution of television series and specials, theatrical documentaries, online programming and various other forms of filmed entertainment.

Network produces factual/non-scripted television series, documentaries, biographies, docudramas, theatrical documentary films, online programming, and specialty sports and entertainment productions.

Network is focusing its efforts and resources on developing and producing productions for the American and international markets. To assist in this initiative, Network has retained an agent in Los Angeles, California. Network further intends to establish an office in Los Angeles in the first quarter of 2012 to facilitate the focus of its development and sales activities in the United States of America.

Network's business model is based on commercializing television, film and online productions through licensing, rights management, sponsorship, and development of integrated ancillary productions that maximize revenues through multi-channel distribution and marketing initiatives. The four main sources of Network's revenue are (1) licensing to television networks, distributors, and syndicators; (2) sponsorship sales; (3) online programming and distribution of original content; and (4) ancillary distribution through mediums such as DVD, video-on-demand, digital distribution, the internet, mobile networks, publishing and merchandising.

Three-Year History

Within the last three years, building on the company's successes in Canada, Network set it sights on the U.S. marketplace. Executing against that strategy, the company released the theatrical documentary *Facing Ali*, which chronicles the life and times of the legendary fighter Muhammad Ali through the powerful words of his most formidable opponents. Distributed by Lionsgate Films and broadcast in Prime Time in the U.S. on Spike Television and on CBC in Canada, the film went on a tour of film festivals throughout the U.S. and Canada in the summer and fall of 2009. *Facing Ali* was recognized by the Motion Picture Academy in November 2009, when it was shortlisted in the Best Documentary category for the 2010 Academy Awards.

Following upon the success of *Facing Ali*, Network secured its next project, a documentary on the life of the legendary Bruce Lee. Entitled *I am Bruce Lee*, Network is producing this legacy film in partnership with Bruce Lee Enterprises and Mr. Lee's daughter Shannon Lee. It is anticipated that the documentary will be broadcast by Spike Television in December of 2011 and distributed internationally by Fremantle Media. Network is also currently in production on *The Good Son*, a documentary film on the life of former lightweight boxing champion Ray "Boom Boom" Mancini.

Network's current development slate stands in excess of 20 properties, to which it has secured certain rights to several high profile brands and personalities around which it is currently creating programming concepts.

Settlement of Network Debt

Pursuant to debt settlement agreements entered into by Network with the Network Lenders (the "Debt Settlement Agreements") on April 11, 2011, Network issued 4,882,457 Network Shares ("Network Debt Conversion Shares") to the Network Lenders in proportion to the principal amount ("Principal Amount") and the interest (the "Interest Amount") that was owing to each Network Lender and obtained releases from each Network Lender releasing and discharging Network from all claims, demands, obligations, debts and other liabilities directly or indirectly related to the Principal Amounts and the Interest Amounts (the "Network Debt Settlement").

Significant Acquisitions and Dispositions

Focusing exclusively on its core development and production activities for its film, television and online properties, Network has not completed any significant corporate acquisitions or dispositions during the most recently completed financial year.

Narrative Description of the Business

Description of the Industry

Network's business consists of two main enterprises, namely, development/production and distribution of its film, television and online properties. Production of these properties encompass the development, financing and creation of filmed works and involves four distinct phases prior to the initial release of a film, television series or online content: development, pre-production, principal photography and post-production. Financing is sought concurrent with the development and pre-production phases.

Development & Production

Phase I - Development

During the development phase, Network will develop creative concepts for film, television or online programming that are either created internally or are acquired from external sources, which could include a treatment for unscripted programming, the rights to a novel, newspaper article, life story, short or other form of story, or an original screenplay. Once such concept is developed, or such rights are optioned, the concept series or story is further developed internally by Network principals or with outside writers and/or producers. The writing and revision of the creative materials is financed by Network. The costs of development may be offset, in part, by funds obtained from outside funding sources. On occasion, commitments will also be sought at this stage from key talent including actors, directors, principal cast or other key creative personnel as well as from certain organizations or brands that programming concepts can be built around.

This process is concurrent with the preparation of a budget and production schedule. By the completion of this phase, the estimated production costs have been itemized in the form of a production budget and all such costs will be matched by committed financing prior to approving production. A decision is then made whether or not to approve the series or picture for production.

Phase II - Pre Production/Financing Phase

Following approval for production, the project enters the pre-production phase. Pre-production may be sub-divided into two parts itself, the latter being known as "official preparation." It represents a relatively short time frame during which the bulk of the production crew is hired and allowed to prepare for execution of each of their respective tasks. Details are finalized on all aspects of production. The producer will hire creative and production personnel to the extent not previously committed, and will obtain all requisite insurance and completion bonds where applicable, plan shooting schedules, establish locations, secure studio facilities or stages, finalize the budget and prepare for the start of actual filming.

During this phase, co-financing agreements will also be finalized with broadcasters, studios, co-producers, financiers or distributors who have agreed to share the costs of production and in turn receive certain rights, which could include broadcast rights, distribution rights, and the right to share some portion of the project's revenue. Co-financing arrangements will often involve staggered payments over the course of production tied to key production milestones, or involve payment upon delivery of the finished project. Refundable tax credits, if obtained, are paid out over time. For this reason, appropriate bank lending arrangements and limited recourse security must be in place immediately upon closing of the financing deals to ensure cash flow meets expected project outflows. These bank lending arrangements typically take the form of loans against secured revenue streams, which could include license fees committed by broadcasters or studios, advances against distribution rights, and governmental tax credits.

Network's financing objective is to maximize a production's financial return for both Network and its investors. Before significant costs are incurred, Network will ensure that all of the production costs will be covered by a combination of (a) network, cable, syndication or other license fees from U.S. and/or Canadian broadcasters or theatrical distributors, (b) advances from distributors, (c) financial contributions by co-producers, if applicable, and (d) contributions from sponsors, incentive programs in Canada and elsewhere, if co-produced with a producer from a treaty country.

Incentive programs may include non-equity and equity investments in specific projects by (a) Telefilm Canada, either through its administration of the Canada Media Fund (formerly the Canadian Television Fund) or its own Feature Film Fund, (b) refundable tax credits or other incentives provided by the federal and provincial governments, (c) privately operated funding agencies, (d) foreign tax credits or other incentives in the case of treaty co-productions, and (e) the Digital Animation and Visual Effects tax credit for animation and computer-generated imagery initiatives. Many of these agencies will also assist in defraying costs of development with such amounts recaptured from production financing by them only if and when the project is produced. Policy objectives of the federal and provincial governments will often prescribe content requirements or labour input, private equity funds will often encourage one form of format programming over another while other investors will be highly selective as to what project they will support. Network will often combine several of these sources of funding to finance a given project.

In order to efficiently and effectively manage overhead, Network maintains a small core of senior management combined with the necessary administrative personnel to carry on the day-to-day operations of the business. Currently, in addition to Network's two principals, Network has two full-time and three part-time contractors. Management along with Network's vast network of producers, directors, writers, editors and event managers, provides the foundation required to execute any scope of production, from large-scale television productions to theatrical documentaries to online series. Once properties are confirmed and funded, additional personnel and crew are added to the team, based on specific allocations within financed production budgets in accordance with the project requirements. Network maintains a moderate and manageable infrastructure as the majority of Network's financial resources are deployed to its core business of acquiring, developing, producing and distributing its television, film, online and event programming initiatives.

Phase III - Principal Photography Phase

Principal photography is the phase of film production in which the production is filmed, with actors on set and cameras rolling. The length of principal photography for television productions, online series and feature films is dependent on the size and scope of the production. Principal photography on such production schedules typically run from one to three months for television and online series, and two to five months for feature films. The principal photography phase involves scheduling and choreographing an entire cast and crew. The majority of the costs of a production are incurred during this period. Network's productions are filmed on local, national and international locations.

Phase IV - Post Production Phase

The phase following production is post-production, in which the project is edited and music, dialogue and special visual or audio effects are added. In order to maximize on cost efficiencies, including favourable tax credits on post-production labour, Network completes all of its post-production work in Vancouver.

The custom for production budgets in Canada is to include within it fixed percentage amounts to recapture certain corporate overheads for the producer and fees, typically 10% for each such category. For example, a project budget of $4 million will incur producing company fees in the amount of $400,000 and overhead of $400,000. Certain other costs such as legal fees, interim financing, completion bonds and use fees or buy-outs, if applicable (which represent pre-payments of future residuals and royalties due to acting, writing, directing and musical talent) may also be recaptured, in whole or part, by the production company from production financing.

Distribution and Revenue Model

Network's revenue is generated from four main sources, including: (1) licensing to television networks, distributors, and syndicators which provide a fixed license fee payable in periodic installments; (2) sponsorship sales; (3) online programming and distribution of original content; and (4) ancillary distribution including DVD, digital distribution, Video-on-Demand, online, mobile, publishing and merchandising.

(1) Television Licensing

Commercial television licensing allows a fixed number of program telecasts over a prescribed period of time, in a specific territory for a specified license fee. Television license fees vary widely from several hundred thousand to millions of dollars, depending on whether the broadcaster is a conventional network or cable TV operator. Other determining factors include: the television or film productions market recognition (brand equity), attached brands (talent or organization), the creative direction of the project, and the number of times it may be broadcast for prime time or non-primetime telecasting.

Licensing opportunities include:

- Broadcast (Network) Television;
- Cable Television;
- Syndicated Television;
- Pay-Per-View and VOD; and
- Satellite Television.

(2) Sponsorship

Corporations worldwide utilize sports and entertainment as an integral component of their promotional, marketing, and branding strategy. Entertainment marketing allows corporations the ability to associate their brands and products with the excitement, passion, and admiration that fans reserve for their favourite sport, team, band, athlete or celebrity.

Several of Network's productions provide corporations with the opportunity to showcase their brand and integrate their existing marketing, sales and promotional campaigns into the production. Network's programming is very specific in its relationship to the sports and entertainment marketplace. This allows corporations an attractive advertising alternative and an opportunity to reach new audiences for their product.

For example, Network offers its corporate sponsors:

- A fully integrated sponsorship program that delivers non-traditional media assets, such as branded entertainment, product integration and product placement, as well as traditional media assets including: commercial inventory, billboards, banners, features, and customized programs throughout the principal media, being television, online programming, radio, print and onsite events;

- Category exclusivity and brand protection;

- Corporate branding showcased within all advertising media, program extensions and merchandise including: television and radio advertising, all print collateral, brochures, posters, invitations, tickets, and associated merchandise including uniforms, clothes, hats, books and DVDs;

- Inclusion in all public relations material, such as media releases and media kits;

- Exhibition/event branding, signage, product sampling, loyalty programs, and on site data capture;

- Online integration including: branding, advertising, sweepstakes, promotional messaging, editorial inclusion, and advertorial features; and

- Charitable association / fundraising and select auction opportunities.

Sponsorship revenue has not been a significant source of revenue over the last two fiscal years.

(3) Online Programming and Distribution

The media industry currently sits at a point of major transition, where online and mobile distribution platforms are revolutionizing the way content is consumed. This burgeoning market is driven by a younger and influential Y-Generation consumer who is demanding bitesized, on-demand entertainment, and fueled by the rapid proliferation of new distribution platforms, devices and screens.

Through its recent experience developing original concepts for YouTube, we believe that Network now has both a creative and business model in place to team original content with event-style programming specifically for online distribution and exploitation. Key to Network's strategy in this arena is the formation of partnerships with top 500 web communities (whose audiences exceed 20 to 40 million unique users) and Fortune 500 corporations and their flagship brands to create content for the global online environment.

Along those lines, Network is pursuing a two-pronged online strategy. On one side, Network is supporting its traditionally distributed projects, including theatrical films, television series, and special event programming, with leading edge social media strategies using social networks to engage fans and build audience awareness. The other prong of Network's online strategy is to create content specifically for the online audience, with financing and production plans that support the production of content directly for the web.

For its traditional television and film projects, Network "digitally extends" its productions through online initiatives that drive audiences to the shows and build fan engagement. In launching its Making the Cut series on prime time network television, Network created a website for the series that created awareness and drove viewers to the series. Through these efforts, Network built a community of fans throughout its first two seasons which we believe will assist in ensuring success for the third season of the series.

On its most recent theatrical project, Facing Ali, Network partnered with the marketing department of Lionsgate Films to create a digital effort to promote and draw audience attention by using existing channels of promotion and online activity for the picture's target fan base. These digital marketing efforts assisted in building online "buzz" for the film, which exposed it to a broader audience and was ultimately shortlisted for an Academy Award in 2010.

Going forward, the creation, development, financing and production of original online content will be one of Network's key initiatives. Network's business model includes entering into partnership agreements with existing websites that are generating significant traffic, but are not producing original content. Under an exclusive arrangement, Network intends to create original web content around the partner's site and brand, finance the production through sponsors and distributors, and then produce the content, claiming Canadian tax credits where applicable.

Online programming and distribution has not been a significant source of revenue over the last two fiscal year-ends.

(4) Ancillary Distribution

Network has consistently reformatted its core content from its television and film productions into ancillary productions and consumer offerings. The following represents past and future initiatives suited for Network's core content:

- DVD and digital download sales and rentals;
- Emerging licensing opportunities including Online, VOD and Mobile distribution initiatives;
- The creation of published works, exhibits, video games, t-shirts, posters, calendars and greeting cards;
- Music sold as soundtracks, CD's, music downloads, mechanical performance and sheet music publication;
- Non-traditional distribution to airlines, schools, public libraries, community groups, ships at sea, prisons and bases for the military forces; and
- Archival and stock footage sales to third parties.

Description of Distribution Vehicles

Theatrical Exhibition. Theatrical distribution of a motion picture involves the duplication and transportation of release prints, the promotion of the picture through advertising and publicity campaigns (e.g. trailers, television spots and newspaper ads) and the licensing of the motion picture to theatrical exhibitors. Films typically are released theatrically in international territories between one and three months following initial domestic theatrical release and in much the same manner. Key international territories are Australia, Brazil, France, Germany, Italy, Japan, Korea, Mexico, the United Kingdom and Spain. Films are generally dubbed in five or six languages and subtitled elsewhere.

Non-theatrical Rights. A distributor will license content for nontheatrical exhibition to airlines, ships, military installations, prisons, hotels and other governmental institutions.

Home Video/DVD. Home video distribution involves the marketing, promotion and sale and/or lease of DVDs to wholesalers, local, regional and national home video retailers (e.g. home video specialty stores, mass merchants, record stores and other outlets), which then sell or rent DVDs to consumers for private viewing.

Home video units may be sold or leased to wholesalers and retailers for either a fixed price or a percentage share of the rental revenue. In some instances, DVDs are sold to local wholesalers and then rented by consumers. In other instances, DVD titles are priced significantly lower to encourage direct purchase by consumers. The arrangements for international home video are similar to the domestic home video market though some additional costs are incurred with distribution (repackaging in a foreign language, IP protection), dubbing (in a foreign language) and reformatting (to international standards).

Television Markets

In general, feature films and television programming are distributed in television markets worldwide either through output agreements or on a film-by-film basis. Output agreements generally involve a film studio and a pay cable or satellite network operator agreeing that all eligible content produced by the film studio will be licensed to broadcasters for exhibition a certain number of times during the license period. Television networks, independent television stations and basic cable system operators generally license television series, individual films and film packages (consisting of theatrically released feature films and made-for-television movies) pursuant to agreements with distributors or syndicators that allow a fixed number of telecasts over a prescribed period of time for a specified cash license fee or for barter of advertising times.

Pay-Per-View. Pay-Per-View television allows cable television subscribers to purchase individual programs, including recently broadcast television series, motion pictures and live sporting, music or other events on a “per use” basis. The subscriber fees are typically divided among the program distributor, the pay-per-view operator and the cable system operator.

Video-On-Demand. Video-on-demand allows consumers to view a film or television program whenever they choose, or “on demand.” Unlike pay-per-view, video-on-demand offers viewers the ability to pause, rewind and fast-forward programs that they rent for a period of up to 24 hours.

Pay and Specialty Television. Pay Television allows cable television subscribers to view channels such as Showtime, HBO (each in the US), The Movie Network (in Canada) and other pay television network programming offered by cable system operators for a monthly subscription fees.

Broadcast, Cable and Satellite Television. Broadcast television allows viewers to receive, without charge, programming broadcast over the air via affiliates of the major networks, independent television stations and cable networks, and satellite networks. In certain areas, viewers may receive the same programming via cable transmission for which subscribers pay a basic cable television fee. Broadcasters or cable system operators pay fees to distributors for the right to air programming a specified number of times.

Ancillary Markets. Revenues may also be derived from licensing rights to perform musical works and other sound recordings embodied in a motion picture or television series, and rights to manufacture all video and other games, books, “making of” books about the film, dolls, clothing and similar commercial articles derived from characters or other elements of a motion picture or television program.

Principal Products or Services

Network utilizes a variety of distribution mediums depending on the type of product to be distributed and the target audience. The primary distribution channels are traditional distributorship relationships such as the one Network has with Lionsgate Films to distribute Facing Ali in the United States, digital distribution platforms such as the internet, and ancillary distribution channels such as DVD’s, digital downloads, and merchandising.

Network’s programming has been broadcast on numerous channels, including Spike Television, ESPN, ABC, CBC, Global Television, History Television, TSN, Biography Channel and Versus. Network will continue to focus on the television marketplace in conjunction with its natural extension into theatrical and online programming and the potential revenue streams that can be generated through ancillary distribution channels.

Network’s online distribution strategy involves developing content specifically for online audiences. Network has entered into partnership agreements with existing websites that are generating significant traffic yet not producing original content, to provide original web content around the site’s brand. The ancillary distribution channels involve reformatting Network’s core content from its television, film and online productions into ancillary productions and consumer offerings. The types of channels best suited for Network’s core content include DVD sales and rentals, digital downloads, merchandising, music, and monetizing library content in its raw form as future archival and stock footage sales to third parties.

Network's current market is primarily the North American audience and it is expected that future growth will result from Network's initiative to focus its sale efforts in the U.S. and International markets.

Network currently has over 20 projects in active development, the first four of which are anticipated to commence production in the next three to twelve months. These following four projects have been fully developed and marketing materials produced, including both print and filmed presentations, and are currently awaiting production commitments from buyers. No additional development funds will be required prior to the commencement of production for these particular projects, which are:

Stanley Cup Odyssey – The Third Dimension. This theatrical film, a profile of Canada's national sport, will premiere at the Hockey Hall of Fame's new 3D Theatre in Stereoscopic 3D and 5.1 Dolby Sound. The film combines 3D live action with visual effects designed specifically for hockey, archival footage of the greatest plays in Stanley Cup history that will be converted to 3D, and photo-realistic computer generated animation.

Bodyguard. In this unscripted television series, 8 aspiring bodyguards will be invited to one of the leading bodyguard academies in the world, CASS (Center for Advanced Security Studies), a state-of-the-art training center where they will live and train together, and compete for a contract with one of the world's elite Bodyguard Agencies.

HellFighters. This unscripted television series will follow a pre-eminent oil well blowout task force as they travel around the world fighting oil well fires and related disasters.

Making the Cut - Play for Your Country. The anticipated third season of Network's Making the Cut television series is being produced in partnership with Hockey Canada. Hockey players from across Canada will compete in a series of on-ice and off-ice challenges to win a spot on Team Canada and play in an international tournament in Europe.

With respect to the balance of Network's development slate, the funds available will be utilized to develop the projects to the stage where they can be presented to buyers. Such development will include, but not be limited to, the following:

- Optioning of rights required to produce the programming, which could include the rights to individual life stories, company's brands and trademarks;
- Engaging key talent;
- Creation of marketing materials, including print and video assets; and
- Travel costs for presentations to buyers.

Marketing Plans

Network generates revenue from the production and exploitation of its television, theatrical and online programming domestically and internationally in the form of license fees, distribution advances and/or distribution guarantees, sponsorship commitments, DVD/digital download royalties/revenues, publishing royalties and merchandising sales. Prior to entering into any production, Network management, in consultation with its agents in Los Angeles, make an initial assessment of the market demand for the proposed production and the projected revenues. The next step is to discuss the project with key distributors and/or broadcasters in North America and internationally to determine their level of interest, as well as a presentation (when applicable) to key corporate sponsors to elicit their involvement. Finally, management will determine if the project qualifies for any public and/or private subsidy and incentive programs which would generate additional funding. If all of the foregoing validates the project's viability, with the project having the desired market demand and profit margins, along with the potential for the integration of ancillary products to create brand awareness and earn additional revenue, then the project will be considered for production.

Network works closely with its broadcast and distribution partners to ensure it develops programming that is desirable, market driven, and has potential to deliver returns for its investors. With projects that are designed for sponsorship inclusion, Network's management and sales team will work to position the property with suitable corporate sponsors as an integral component of its production and financing blueprint.

Marketing Strategies

Network has achieved positive results in its primary market, television, as well as ancillary platforms including DVD and home entertainment, online content, literary publishing and radio broadcasts. Network will continue to focus on the television marketplace in conjunction with its natural extension into theatrical and online programming and the potential revenue streams that can be generated through exploitation of content on various platforms, including DVD, digital downloads, and mobile.

Future growth for Network will result from management's initiative to obtain greater access to U.S. and international markets, strategic domestic and foreign partnerships, and continued investment from the Canadian public sector funding agencies. Management is also focusing on identifying and obtaining alternate financing sources such as corporate sponsorship, and continuing to develop original content and market-driven programming.

Network's strategy of attaching sponsors and advertisers to its productions provides additional funding while delivering unique marketing opportunities for international brands. Network's productions complement the traditional role of an advertising or promotional campaign by further promoting brand awareness in the marketplace.

We believe that Network is well positioned to generate sponsorship and branded programming in the genre of sports. Companies are increasingly turning to sports as an integral component of their promotional, marketing and branding strategy.

Competitive Conditions

Film and television production and distribution is a highly competitive business. Network competes in North American and in international markets with motion picture and television production companies for the acquisition of literary properties, the services of performing artists, directors, producers and other creative and technical personnel and production financing. Network also competes with such firms for production and distribution rights and for placement of television series and feature films.

The list of film and television production companies in North America is extensive. To compete effectively, producing quality programming capable of being well received by a large target audience is of paramount importance. To be competitive in the film industry a company must have a stock of market driven proprietary properties and a track record of producing quality programming that garners creative success and on a cost effective basis. Within the Canadian marketplace, there are a number of mid-level film and television production companies, most of which are underfunded and almost entirely reliant on public financing augmented by smaller Canadian broadcast licensing arrangements in order to produce their programming. Few of these companies are operating in Network's current niche of entertainment and sports broadcast and event properties where Network's foothold is well defined. Within the U.S. marketplace, although the number of competitors increases, we believe that Network's creative concepts and production values are on par with U.S. production companies, as was most recently demonstrated by Facing Ali.

We believe that Network has an advantage over its U.S. competitors due to it's eligibility to receive Canadian federal and provincial funding incentives, including Canadian federal and provincial tax credits. The funding provided by the Canadian federal and provincial governments generally provides financing in the range of 25% to 30% of the production budgets. Network's competitive advantage is further bolstered by the following: a) by securing significant corporate sponsorship dollars to finance its productions, b) the cost advantages of producing in Canada as a result of lower labour costs, and c) the timeless nature of Network's productions which translate into derivative media and merchandising extensions thereby generating additional revenue streams.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF ANDELE

Selected Financial Information from Inception

Since incorporation, the Issuer has incurred costs in carrying out its initial public offering, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer. The following table sets out selected historical financial information for the Issuer for the period from incorporation to December 31, 2010 and for the nine month period ended September 30, 2011.

This summary of financial information should be read in conjunction with Andele's financial statements, including the notes thereto, included elsewhere in this Amended and Restated Prospectus.

Income Statement Data	**Period ended September 30, 2011**	**Incorporation (July 12, 2010) to December 31, 2010**
	(unaudited) $	(audited) $
Total Expenses	246,967	302,619
Net Income (Loss)	(243,049)	(302,619)

Balance Sheet Data	**Period ended September 30, 2011**	**As at December 31, 2010**
	(unaudited) $	(audited) $
Cash	457,156	973,456
Total Assets	797,043	990,468
Total Liabilities	91,003	48,879
Shareholders' Equity	706,040	941,589

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") of the financial condition, changes in financial condition and results of operations of the Issuer for the period from incorporation (July 12, 2010) to December 31, 2010 and for the nine month period ended September 30, 2011 should be read in conjunction with the financial statements and notes thereto for such period included in this Amended and Restated Prospectus.

The Issuer was incorporated on July 12, 2010 under the BCBCA.

Nine Months Ended September 30, 2011

Results of Operations

During the period, the Issuer had no major operations except professional fees of $206,764 (2010 - $1,656) which is mainly related to the Qualifying Transaction. The Issuer incurred $9,131 (2010 - $Nil) for office and miscellaneous expenses and $30,892 (2010 - $2,000) for transfer agent and filing fees.

There is no comparative period as the Issuer was incorporated on July 12, 2010.

Liquidity and Capital Resources

The Issuer's working capital was $638,540 as at September 30, 2011 (December 31, 2010 - $941,589).

The Issuer manages its capital structure and makes adjustments to it, based on available funds to the Issuer. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of common shares may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Issuer. These restrictions apply until completion of a qualifying transaction by the Issuer. Management believes the Issuer's working capital is sufficient for the Issuer to meet its ongoing obligations and meet its objective of completing the Qualifying Transaction.

The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Issuer had cash balances of $457,156 (December 31, 2010 - $990,468) and current liabilities of $91,003 (December 31, 2010 - $48,879).

Outstanding Share Data

The total number of common shares outstanding as of September 30, 2011 was 12,875,000.

Stock and Agent's Options

As at September 30, 2011, 1,200,000 stock options were outstanding and exercisable at a price of $0.10 until December 30, 2015.

As at September 30, 2011, 925,000 agents options were outstanding and exercisable at a price of $0.10 until December 30, 2012.

Off-Balance Sheet Arrangements

As at September 30, 2011, the Issuer does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

As at September 30, 2011, accounts payable and accrued liabilities include $1,278 (December 31, 2010 - $607) due to a director and officer of the Issuer.

Critical Accounting Estimates

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

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the inputs used in measurement for warrants in the unaudited interim statement of financial position;

- the inputs used in measurement for share based payments expense in the unaudited interim statement of comprehensive loss; and

- the $nil provision for income taxes which is included in the unaudited interim statements of comprehensive loss and recognition of deferred income tax assets and liabilities included in the unaudited interim statement of financial position at September 30, 2011.

Change In Accounting Policies

During the nine months ended September 30, 2011, the Issuer adopted the following new accounting policies:

Transition to and Initial Adoption of IFRS

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian generally accepted accounting principles ("Canadian GAAP") for publicly accountable enterprises, including the Issuer, effective for fiscal years beginning on or after January 1, 2011.

The unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Previously, the Issuer prepared its annual and interim financial statements in accordance with Canadian GAAP.

The accounting policies set out below have been applied consistently to all periods presented in the unaudited interim financial statements. They also have been applied in preparing an opening IFRS balance sheet at July 12, 2010 for the purposes of the transition to IFRS, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards (IFRS 1).

The unaudited interim financial statements have been prepared on the basis of IFRS that are expected to be effective or available for early adoption by the Issuer on December 31, 2011, the Issuer's first annual reporting date under IFRS. The Issuer has made certain assumptions about the accounting policies expected to be adopted when the first IFRS annual financial statements are prepared for the year ended December 31, 2011.

Impact of Adopting IFRS on the Issuer's Business

As management had anticipated, given the business of the Issuer as a Capital Pool Company and given the limited number of transactions that the Issuer has entered into since incorporation, the impact on the adoption of IFRS had no impact on the Issuer's financial position, financial performance and cash flows. Specifically, the main areas of accounting focus for the Issuer to date have been, and will continue to be prior to the consummation of a Qualifying Transaction, the issuance of share capital, the recording of share based payments and the recording of cash transactions for which there are very few or no significant differences between IFRS and Canadian GAAP.

The adoption of IFRS has resulted in some changes to the Issuer's accounting systems and business processes; however the impact has been minimal. The Issuer has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Issuer 's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies.

The Board of Directors and Audit Committee have been regularly updated through the Issuer's IFRS transition process, and are aware of the key aspects of IFRS affecting the Issuer.

First-time Adoption of IFRS

The Issuer did not use the exemptions listed in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Issuer’s opening IFRS statement of financial position as at the transition date are consistent with those that were made under Canadian GAAP.

Impact of Adopting IFRS on the Issuer’s Accounting Policies

The Issuer has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available for early adoption on December 31, 2011, the Issuer’s first annual IFRS reporting date. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Issuer’s accounting policies on adoption of IFRS.

Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Issuer's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited interim financial statements.

Impact of Adopting IFRS on the Issuer’s Financial Statements

Transition date unaudited statement of financial position

The Issuer’s transition date IFRS unaudited statement of financial position is included as comparative information in the unaudited interim statements of financial position in the financial statements. The changes in accounting policies resulting from the Issuer’s adoption of IFRS had no impact on the unaudited interim statement of financial position as at the transition date of July 12, 2010.

Comparative unaudited financial statements

The changes in accounting policies resulting from the Issuer’s adoption of IFRS had no impact on the unaudited statement of financial position as at December 31, 2010.

Accounting Policies Applied on Adoption of IFRS

The policies set out below have been applied in preparing the financial statements for the nine months ended September 30, 2011 and in the preparation of an opening IFRS balance sheet at July 12, 2010 (the Issuer’s date of transition). No comparative information is presented in the unaudited interim financial statements as the Issuer was incorporated on July 12, 2010.

Basis of presentation

The unaudited interim financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The unaudited interim financial statements have been prepared in Canadian dollars, which is the Issuer's functional and presentation currency.

Cash

Cash includes cash on hand with a Canadian chartered bank and funds held in trust with the Issuer's corporate counsel.

Financial instruments

i. Financial Assets

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

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

ii. Financial Liabilities

All financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

iii. Other Financial Liabilities

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

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

iv. De-Recognition of Financial Liabilities

The Issuer recognizes financial liabilities when the obligations are discharged, cancelled or expire.

v. Impairment of Financial Assets

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

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

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

vi. Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the unaudited interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of June 30, 2011 and December 31, 2010, none of the Issuer's financial instruments are recorded at fair value on the unaudited interim statement of financial position.

Impairment of Non-Financial Assets

At the end of each reporting period, the Issuer reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long lived assets that are not amortized are subject to an annual impairment assessment.

Share Based Payment Transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Issuer. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Income Taxes

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Issuer does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Loss Per Share

The Issuer presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Issuer by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Significant Accounting Judgements and Estimates

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

The critical areas include stock based compensation and income tax valuation allowance.

Deferred Share Issuance Costs

The Issuer deferred direct and incremental costs incurred in connection with the issuance of share capital pursuant to its proposed Offering as a non-current asset and will charge the costs against share capital when the Offering is completed.

New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2011 reporting period. The following standards are assessed not to have any impact on the Issuer's financial statements:

- IFRS 9, Financial Instruments – effective for accounting periods commencing on or after January 1, 2013;
- Amendments to IFRS 7 Financial Instruments: Disclosure for amendments enhancing disclosures about transfers of financial assets – effective for annual periods beginning on or after July 1, 2011; and
- Amendments to IAS 12 Income Taxes: Limited scope amendment (recovery of underlying assets) – effective for annual periods beginning on or after January 1, 2012.Issuer recognizes financial liabilities when the obligations are discharged, cancelled or expire.

Capital Management

The Issuer's capital structure consists of items in shareholders' equity. The Issuer's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Issuer will be able to raise funds in the future.

Financial Risk Factors

The Issuer's risk exposures and the impact on the Issuer's financial instruments are summarized below:

Credit Risk

The Issuer's credit risk is primarily attributable to cash. The Issuer has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Issuer had cash balances of $457,156 (December 31, 2010 - $973,456) and current liabilities of $91,003 (December 31, 2010 - $48,879).

The Issuer has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Issuer will be able to obtain the required financing in the future on acceptable terms. The ability of the Issuer to arrange additional financing in the future will depend, in part, on the prevailing market conditions. With the economy slowly recovering from recession, the Issuer may continue to face significant challenges in 2011.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to change in market interest rate. The Issuer has cash and no interest-bearing debt and therefore is not exposed to risk in the event of interest rate fluctuations.

Foreign Currency Risk

The Issuer is not exposed to foreign currency risk.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements, and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Issuer, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Year Ended December 31, 2010

Results of Operations

During the period, the Issuer had minimal operations and was concentrated on completing its initial public offering. On December 30, 2010, the Issuer granted 1,200,000 incentive stock options to directors and officers resulting in stock based compensation of $269,139. Other major expenses incurred during that period are $17,003 in professional fees and $15,266 in transfer agent and filing fees.

Liquidity and Capital Resources

The Issuer's working capital was $941,589 as at December 31, 2010 and was $855,184 as at April 30, 2011.

The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2010, the Issuer had cash balances of $973,456, receivables of $17,012 and current liabilities of $48,879.

Outstanding Share Data

The total number of common shares outstanding as of December 31, 2010 was 12,800,000.

Stock Options

As at December 31, 2010, 1,200,000 stock options were outstanding and exercisable at a price of $0.10 until December 30, 2015.

As at December 31, 2010, 1,000,000 agents options were outstanding and exercisable at a price of $0.10 until December 30, 2012.

Related Party Transactions

As at December 31, 2010, accounts payable and accrued liabilities include $607 due to a director and officer of the Issuer.

Off- Balance Sheet Transactions

The Issuer has not entered into any off-balance sheet arrangements.

Significant Accounting Policies

The financial statements of the Issuer have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses reported during the year. Actual results may differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period which they actually become known.

Significant accounts that require estimates as the basis for determining the stated amounts include future income taxes and stock based compensation.

Income taxes

Income taxes are accounted for using the asset and liability method. Under this method current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for the differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized, using the substantially enacted tax rates expected to be in effect when the differences reverse.

Basic and diluted loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. Potential issuable common shares were not included in the calculation as their inclusion would be anti-dilutive. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

Stock-based compensation

The Issuer accounts for stock-based compensation expense using the fair value based method determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Issuer's common shares and an expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the Issuer's stock. The value of such awards is charged to the statement of operations over the vesting period of the stock awards with an offsetting credit to contributed surplus except for options granted as consideration for share issue costs which are charged to share capital.

Consideration paid for shares on exercise of the stock options will be credited to share capital together with the amount of any contributed surplus that arose as a result of the grant of the exercised stock option.

Financial instruments - recognition and measurement

All financial instruments are designated into one of the five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets, or other financial liabilities. Financial instruments, included on the balance sheet are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments and liabilities are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Amortization of premiums or discounts and losses due to impairment are included in current year net earnings (loss).

The Issuer classified its cash as held-for-trading which is measured at fair value. Receivable, accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

Comprehensive income

Comprehensive income is the change in the Issuer's shareholders' equity that results from transactions and other events from other than the Issuer's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

Comprehensive income and its components are presented in a separate financial statement that is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity. The presentation of "accumulated other comprehensive loss" in the shareholders' equity section of the balance sheet is not required because the closing balance is $Nil.

Recent accounting pronouncements

<u>Business combinations</u>

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replaces CICA Handbook Sections 1591 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Issuer's business combinations with acquisition dates on or after January 1, 2011 and will apply if the Issuer completes it Qualifying Transaction with Network Entertainment Inc.

<u>International Financial Reporting Standards ("IFRS")</u>

In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement of comparative amounts reported by the Issuer for the period ending December 31, 2010. The conversion to IFRS will impact the Issuer's policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Issuer continues to monitor the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

Changes in Accounting Policies including Initial Adoption

The Issuer has adopted a three-phase IFRS implementation plan that is comprised of following:

- *Phase One Scoping Analysis* - This phase was conducted during the third and fourth quarter of 2010 to analyze the Issuer's existing Canadian GAAP accounting policies and determine what are the key differences and options available under IFRS.

- *Phase Two In-depth Analysis* – This phase was commenced in Q4 2010 and will conclude during Q1 2011. The goal of phase to is to determine the impact and specific changes required under the adoption of each IFRS standard.

- *Phase Three Implementation* – This phase is in progress with planned completion in Q1 of 2011. This phase will result in the preparation of the Issuer's IFRS opening balance sheet and draft note disclosures.

At this point, the Issuer's IT, accounting and financial reporting systems are not expected to be significantly impacted. Further, the Issuer has in place internal and disclosure control procedures to ensure continued effectiveness during this transition period.

Based on the work completed under phase one, phase two and phase three of the implementation plan, the Issuer believes that IFRS will have a significant impact on its current financial position and will result in more extensive note disclosure and analysis of balances and transactions. What management believes to be the key differences and their potential impact based on the work performed to date is as follows:

IFRS Standard	**Canadian GAAP currently applied by the Issuer**	**Difference under IFRS**	**Analysis and preliminary conclusions**
IFRS 2 – Share based payments	Stock based compensation is determined based on the fair value of the awards issued and is recorded over the award's vesting period.	IFRS applies the same basic principles for determining the expense; however, IFRS requires the fair value to be adjusted for an anticipated forfeiture rate. Under Canadian GAAP, an option exists to account for award forfeitures as they occur.	Management expects the expense for stock based compensation under IFRS to differ from that under the Issuer's current GAAP dependent on the timing and frequency of award forfeitures. Management expects this difference not to be material.

In addition to the above differences, IFRS 1 – *First-time adoption of international financial reporting standards* ("IFRS 1") provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Issuer plans to elect to take the following IFRS 1 optional exemptions:

- *IFRS 2- Share-based payments* - The Issuer will take the election and only reassess the fair value of options that were granted and that have not vested as of the date of transition, January 1, 2011.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Issuer's disclosure controls and procedures used for the financial statements and MD&A as at December 31, 2010. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. Additional disclosures pertaining to the Issuer's material change reports, press releases and other information are available on the SEDAR website at **www.sedar.com**.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF NETWORK

Selected Financial Information

The following discussion should be read in conjunction with the audited consolidated financial statements of Network for the financial years ended November 31, 2010 and 2009 and for the nine month period ended August 31, 2011 and 2010.

This summary of financial information should be read in conjunction with Network's financial statements, including the notes thereto, included elsewhere in the Amended and Restated Prospectus.

	Period ended August 31, 2011 (Unaudited) $	**November 30, 2010 (Audited) $**	**November 30, 2009 (audited) $**
Net sales or total revenues	449,327	226,337	1,565,678
Income from continuing operations	(607,126)	(736,563)	(122,632)
Net income or loss, in total	(638,461)	(801,961)	(127,736)
Total assets	1,474,306	1,283,378	1,291,145
Total long term financial liabilities	1,050,195	2,257,516	1,952,359
Cash dividends declared	Nil	Nil	Nil
Net Loss Per Common Share basic and diluted	(0.06)	(8,020)	(1,277)

Management's Discussion and Analysis

The following MD&A of the financial condition, changes in financial condition and results of operations of Network for the years ended November 30, 2010 and 2009 and for the nine month period ended August 31, 2011 and 2010 should be read in conjunction with the financial statements and notes thereto for such periods included in this Amended and Restated Prospectus.

NineMonths Ended August 31, 2011 and 2010

Principal Business and Corporate History

Network was incorporated under the Company Act under the name "579608 B.C. Ltd." on February 4, 1999. On February 26, 1999 Network changed its name to Network Entertainment Inc. and the Memorandum of Network was altered accordingly. On February 21, 2006 Network transitioned from the Company Act to the BCBCA and, the shareholders of Network executed consent special resolutions to alter Network's Notice of Articles to remove the application of the pre-existing Company Act provisions.

Network develops, produces and exploits film and television properties in addition to providing selected production services to third parties.

Results of Operations

Revenues for the nine months ended August 31, 2011 were $449,327 compared to $154,682 for the nine months ended August 31, 2010, resulting in an increase of $294,645 or 190%. Revenues for the three months ended August 31, 2011 were $197,256 compared to $110,242 for the three months ended August 31, 2010, resulting in an increase of $87,014 or 79%.

The revenues during the nine months ended August 31, 2011 were associated with music royalties received from previously released film productions and the production fees associated with the production entitled *"Mancini – The Good Son"*. The revenues were recorded on a percentage of completion basis as estimated by the costs incurred to the period end in relation to the estimated final costs of the associated production.

Operating expenses include such items as advertising, insurance, office and general, accounting/legal/professional fees, rent/utilities, salaries/wages, telephone, and travel. In the nine months ended August 31, 2011 Network reported total operating expenses of $1,056,453, an increase of $311,204 over the nine month period ended August, 31, 2010. The increase is primarily due to the production service expenses associated with the production entitled "*Mancini – The Good Son*", the increase in staffing levels and additional the professional fees associated with completing the public transaction.

Changes in select categories are:

1. *Interest on Loans* – increase due to the higher long term debt balances carried during the period.

2. *Production Services* – increased due to the third party services required to complete the production entitled "Mancini – The Good Son".

3. *Professional Fees* – decreased in relation to the amount of legal work required in 2010 to restructure the share capital of Network.

4. *Salaries and Wages* – increased due to the additional staff brought with the increase in corporate and production activities.

Other items include non-operational expenses and revenues such as foreign exchange gains or losses and write-off of development costs. Net losses relating to other items during the nine months ended August 31, 2011 were $31,335, a decrease of $4,772 from the nine month period ended August 31, 2010.

Net loss for the nine months ended August 31, 2011 was $638,461 or $(0.06) per share, compared to the net loss of $626,674 or $(6,267) per share for the nine months ended August 31, 2010. Net loss for the three months ended August 31, 2011 was $169,941 or $(0.01) per share, compared to the net loss of $123,594 or $(1,236) per share for the three months ended August 31, 2010.

Liquidity and Capital Resources

Working capital

As at August 31, 2011, Network had cash of $164,953 and had a negative working capital of $1,871,246, compared to cash of $26,511 and negative working capital of $1,054,151 as at November 30, 2010. Network's cash increased through the receipt of production funding received in the period and working capital position decreased as a result of the operating losses incurred during the period and because portions of the long term debt became current within the period. In addition, Network deferred revenues received in the period, adding to the negative working capital calculation.

Cash flow

Network's principal sources of cash were provided by operations and the increase in debt incurred. Network's principal uses of cash have been to fund working capital, repay debt and to develop its slate of projects.

Outstanding Share Data

The total number of common shares outstanding as of August 31, 2011 was 20,000,000.

Stock Options

As at August 31, 2011 there were 47,840 stock options outstanding. The options have an exercise price of $0.01 per share and will expire on December 1, 2011 or will be cancelled on or before the Closing Date.

Related Party Transactions

During the nine months ended August 31, 2011, Network paid the following to the President and Director of Network and/or a company controlled by the President and Director:

a) Salaries and management fees totaling $90,000 (2010 - $90,000); and

b) Production services for licensing fee totaling $nil (2010 - $43,000).

Subsequent Events

Events subsequent to August 31, 2011:

a) In September 2011, Network repaid $49,719 (plus accrued interest) owed by way of a promissory note.

b) In November 2011, Network received an additional $150,000 interim production loan from four individual companies. The loan bears interest 10% per annum and is repayable upon demand or the earlier of the receipt of tax credits, 18 months from delivery of the project or if alternate financing is received. The loan is secured by tax credits receivable and a general security agreement over the assets of the production company, as well as a corporate guarantee of and a general security agreement over the assets of a subsidiary company.

Off- Balance Sheet Transactions

Network has not entered into any off-balance sheet arrangements.

Disclosure Controls and Procedures

Management has assessed the effectiveness of Network's disclosure controls and procedures used for the financial statements and MD&A as at August 31, 2011. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Years Ended November 30, 2010 and 2009

Results of Operations

Year ended November 30, 2010

Revenues decreased by $1,339,341 or 86% to $226,337 during the year ended November 30, 2010. The revenue decrease was attributed to the fact that during the 2009 yearend Network completed and released *Facing Ali* and recorded all of the funding associated with producing the picture upon completion. No such productions were released in the 2010 yearend and Network's revenue for the year was predominantly in regards to third party contract work.

Operating expenses include such items as advertising, insurance, office and general, accounting/legal/professional fees, rent/utilities, salaries/wages, telephone, and travel. Network reported total operating expenses of $962,900, a decrease of $725,410 over the prior year. The decrease was due to Network being in a phase where it develops projects and not in actual production of a property. Overhead costs were minimized due to the lower level of activity during this period.

Changes in select categories are:

1. *Amortization of film properties* – decreased from $1,076,276 to $122,989 during the year. Because Network's amortization of film properties is associated with the gross revenues of the capitalized project, the decrease in revenues received from *Facing Ali* has caused a decrease in amortization.

2. *Interest on loans* – increased to $247,257 from $161,921 attributed to the additional working capital and tax credit loans received by Network during the year.

3. *Office and general* – decreased to $45,733 from $54,839 due to the fact that the production of Facing Ali in 2009 incurred and capitalized a large portion of the general and office costs normally expensed by Network. With no production in 2010, these costs were expensed as normal operating costs.

4. *Salaries and wages* – increased to $159,659 from $61,197 was for the same reason that office and general expenses increased (i.e. *Facing Ali* capitalizing the costs).

Other items include non-operational expenses and revenues such as interest income, foreign exchange gains or losses, bad debts, and write-off of development costs. Net losses relating to other items during the fiscal year ended 2010 were $65,398, an increase of $60,294 from the prior year. The increased loss is mainly due to interest income received from the federal government on the payment of film tax credits associated with a production completed in 2008. In addition, Network wrote-off $60,543 of deferred development costs on projects that were deemed to be doubtful in whether they would ultimately go into production.

Net loss for the fiscal year ended November 30, 2010 was $801,961 or $(8,020) per share, compared to losses of $127,736 or $(1,277) per share for the fiscal year ended November 30, 2009. The increased losses were associated with Network being in a development phase in 2010 as apposed to a production phase as it was in 2009. Network's efforts were focused on getting other future productions properly developed and partners committed to financing the productions rather than the actual production of a property.

Liquidity and Capital Resources

Working capital

As at November 30, 2010, Network had cash of $26,511 and had a negative working capital of $1,054,151, compared to cash of $84,546 and negative working capital of $579,138 as at November 30, 2009. Network's cash and working capital position decreased as a result of the operating losses incurred during the year.

Cash flow

Network's principal sources of cash were provided by operations and the increase in debt incurred. Network's principal uses of cash have been to fund working capital, repay debt and to develop its slate of projects.

Outstanding Share Data

The total number of common shares outstanding as of November 30, 2010 was 100.

Stock Options

As at November 30, 2010 there were 4,200,000 stock options outstanding. The options have an exercise price of $0.01 per share and will expire on December 1, 2011.

Related Party Transactions

During the year, Network paid the following to the President and Director of Network and/or a company controlled by the President and Director:

a) Salaries and management fees totaling $120,000 (2009 - $120,000) and

b) Production services for licensing fee totaling $43,000 (2009 - $nil).

Subsequent Events

For events subsequent to November 30, 2010, please see below as well as "Six Months Ended May 31, 2011 and 2010 – Subsequent Events".

Events subsequent to February 28, 2011:

a) On April 11, 2011, the shareholders of Network approved an increase in the authorized share structure from 1,000,000 common shares without par value to 20,000,000 common shares without par value.

b) On April 11, 2011, Network issued 1,284,650 common shares at $0.20 per common share for proceeds of $256,930. The subscription proceeds were received during prior periods and included in long-term debt at November 30, 2010.

c) On April 11, 2011, Network issued 2,025,315 common shares in full settlement of debt in the amount of $405,063.

d) On April 11, 2011, Network issued 2,857,142 common shares upon the conversion of a convertible debenture of $500,000.

e) On April 11, 2011, Network issued 4,152,160 common shares upon the exercise of stock options at $0.01 per share in exchange for services valued at $41,522.

f) On April 11, 2011, Network repurchased 4 common shares at $50,000 per common share and issued 800,000 common shares at $0.25 per common share to the same shareholder.

g) On April 11, 2011, Network issued 8,000,000 common shares to the President and Director of the Company as consideration for obtaining rights to a series of programs valued at $400,000.

h) On April 11, 2011, Network issued 880,637 common shares as consideration for the repayment of amounts owing to the President and Director of the Company in the amount of $8,806.

i) Network entered into the Transaction Agreement.

Off- Balance Sheet Transactions

Network has not entered into any off-balance sheet arrangements.

Disclosure Controls and Procedures

Management has assessed the effectiveness of Network's disclosure controls and procedures used for the financial statements and MD&A as at November 30, 2010. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Significant Accounting Policies

The financial statements of Network have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies.

Going concern

Management of Network has prepared these consolidated financial statements in accordance with Canadian GAAP applicable to a going concern, which contemplates that assets will be realized and liabilities discharged in the normal course of business as they come due.

Network has a negative working capital of $1,054,151 and an accumulated deficit of $2,938,282. Network's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. No provision has been made in these financial statements for any adjustments to the net recoverable value of assets should Network not be able to continue as a going concern.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions. These may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenue and expenses during the reporting period. Significant areas that involve estimates include the amortization of film and television properties, amortization of capital assets, calculation of the fair value of stock-based compensation and the valuation allowance on future income tax. Since estimates and assumptions are limited by the relevance of historical data and uncertainty of future events, actual results could differ from those estimates.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange at the consolidated balance sheet date. Non-monetary assets and liabilities and revenue and expenses arising from transactions denominated in foreign currencies are translated at rates of exchange at the date of the transaction. Foreign exchange gains and losses arising from foreign currency translation or transactions are included in income. For each year presented, Network has no long-term monetary assets or liabilities denominated in a foreign currency.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the respective fiscal years. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share purchase options and warrants are used to repurchase common shares at the average market price during the year. Diluted loss per share and weighted average number of common shares exclude all dilutive potential shares since their effect is anti-dilutive.

Revenue recognition

Revenue is earned primarily from the production and distribution of film and television programs.

Revenue from the sale of film and television program rights and license arrangements is recognized only when persuasive evidence of a sale or arrangement with a customer exists, the film or series episode is complete and the contractual delivery arrangements have been satisfied, the license period has commenced, the arrangement fee is fixed or determinable, collection of the arrangement fee is reasonably assured, and other conditions as specified in the respective agreements have been met.

Cash payments received are recorded as deferred revenue until all foregoing conditions of revenue recognition have been met.

Revenue from contract film and television production services for third parties is recognized using the percentage of completion method based upon the proportion of costs incurred in the current period to the project’s total expected costs.

Government financing and incentives

Network claims federal and provincial Canadian film or video production refundable tax credits related to specific production expenditures. Tax credits are recorded on a net basis as a reduction in production costs for associated productions developed by Network. Federal and provincial refundable income tax credits are considered receivable when conditions for eligibility of production assistance have been met, the qualified expenditures have been incurred and there is reasonable assurance that the credits will be realized.

Investment in film and television productions

Investment in film and television productions represents the unamortized cost of film and television projects which are in development and completed proprietary film and television programs that have been produced by Network.

Costs of producing film and television programs are capitalized and amortized using the individual film forecast method, whereby capitalized costs are amortized, and ultimate participation costs are accrued, in the proportion that current revenue bears to management’s estimate of ultimate revenue expected to be recognized from the exploitation, exhibition or licensing of the film or television program.

For film and television programs produced by Network, capitalized costs include all direct production, an allocation of directly attributable overhead and financing costs incurred during production that are expected to benefit future periods. Financing costs are capitalized to the costs of a film or television program until the film or television program is complete.

Revenue projections are prepared on a production by production basis and are reviewed periodically for changes in current market conditions. For all properties, revenue estimates include licensing of television broadcast rights, sale of Blu-ray and DVDs, box office receipts, and online exploitation. Estimates of future revenue involve measurement uncertainty and it is therefore possible that reductions in the carrying value of investment in film and television productions may be required as a consequence of changes in management’s future revenue projections.

<u>Productions in progress</u>

Productions in progress represent the accumulated costs of productions that have not been completed or delivered by Network, as well as productions in development. Development costs are incurred prior to the production process and are capitalized. Upon commencement of production, development costs are charged to production costs. Development costs are written off if the property has been held for three years and has not been set for production or earlier when it has been determined that such costs cannot be recovered.

<u>Impairment</u>

The valuation of investment in film and television productions is reviewed on a production by production basis. When an event or change in circumstances indicates that the fair value of a production is less than its unamortized cost, the fair value of the production is determined using management’s estimates of future revenues and costs under a discounted cash flow approach. A write-down is recorded equivalent to the amount by which the unamortized costs exceed the estimated fair value of the production.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is charged over the estimated useful lives of the assets at the following annual rates:

Computer equipment	30% declining balance
Computer software	100% declining balance
Furniture and equipment	20% declining balance

Additions during the year are amortized at one-half of the normal rates.

Impairment of long-lived assets

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the net asset exceeds the fair value of the asset.

Income taxes

Network follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the consolidated financial statement carrying values of existing assets and liabilities and their respective income tax bases. Changes in the net future tax asset or liability are included in income. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The effect of a change in tax rates on future tax assets and liabilities is included in income in the period that includes the substantive enactment date. Future income tax assets are evaluated and if their realization is not considered "more likely than not", a valuation allowance is provided.

Stock-based compensation

Network follows a fair value based method of accounting for all stock-based compensation and other stock-based payments. The fair value of all share purchase options is expensed over the vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. Network uses the Black-Scholes option valuation model to calculate the fair value of share purchase options.

Financial instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Network's financial instruments consist of accounts receivable, accounts payable and accrued liabilities and interim production financing, approximate their fair values because of the short-term nature of those instruments.

Network undertakes transactions denominated in United States dollars and, as such, is exposed to price risk due to fluctuations in foreign exchange rates. Network does not use derivative instruments to reduce its exposure.

Recent accounting pronouncements

Business combinations, consolidated financial statements and non-controlling interest

In January 2010, the AcSB finalized the following:

CICA 1582 Business Combinations, this section is effective January 1, 2011 and applies prospectively to business combinations for which the acquisition date is on or after the first annual reporting period of the corporation beginning on or after January 1, 2011. Early adoption is permitted. Network does not anticipate the adoption of this standard will impact the financial results.

CICA 1601 Consolidated Financial Statements carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interest.

CICA 1602 Non-controlling Interests provides guidance on the treatment of non-controlling interests after acquisition in a business combination. Both CICA 1061 and 1602 are effective January 1, 2011. Network does not anticipate the adoption of this standard will impact Network's consolidated financial statements.

International Financial Reporting Standards (IFRS)

On September 30, 2009, the Accounting Standards Board approved the final accounting standards for private enterprise in Canada. The new standards were released in December 2009 and were available for early adoption for Network's year ending November 30, 2010. Network has opted not to adopt in the current year, however, will be required to adopt these standards for Network's year ending November 30, 2011. Management is determining the impact on the financial statements and is determining the appropriate adoption timeframe for these new standards. In the event that Network does not adopt the private enterprise accounting standards, management is considering the impact on the financial statements of adopting IFRS.

DESCRIPTION OF SECURITIES TO BE DISTRIBUTED

The authorized capital of the Issuer consists of an unlimited number of Common Shares without nominal or par value. As of the date hereof, there are 12,875,000 Common Shares issued and outstanding, 1,200,000 Options outstanding and 925,000 CPC Agent's Warrants outstanding. Holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per Common Share at meetings of the Shareholders and, upon liquidation, to participate equally in such assets of the Issuer as are distributable to the Shareholders.

PLAN OF DISTRIBUTION

The Offering

The Offering consists of 12,500,000 Units, at an Offering Price of $0.20 each, to raise gross proceeds of $2,500,000. After deduction of the Agent's fee of $175,000, net proceeds to the Issuer are expected to be $2,325,000 before deduction of other expenses of the Offering.

The Issuer engaged the Agent as its exclusive agent for the purposes of the Offering. Pursuant to the Agency Agreement, the Issuer, through the Agent, offers for sale to the public under this Amended and Restated Prospectus, on a commercially reasonable efforts basis, the Offered Units at the Offering Price, subject to prior sale if, as and when issued. Subscriptions will be payable in cash against delivery of certificates representing the Common Shares and Warrants. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Completion of the Offering is subject to the sale of 12,500,000 Units. The funds received from the Offering will be held by the Agent in trust, and will not be released until the Agent has received the entire $2,500,000 in proceeds from the sale of 12,500,000 Units and consents to the release of such proceeds.

The Offering Price was established through negotiation between Andele and the Agent. The Agent will agree to use commercially reasonable efforts to secure subscriptions for Offered Units in the provinces of British Columbia and Alberta. This Amended and Restated Prospectus qualifies the distribution of the Offered Units to the subscribers in those jurisdictions. The Agent may, in connection with the Offering and in its sole discretion, retain one or more licensed dealers, brokers and investment dealers ("Selling Firms") as sub-agents and may receive subscriptions for Offered Units from such Selling Firms.

The Agent is not obligated to purchase any Common Shares in connection with this Offering. The duties and obligations of the Agent under this Offering are subject to the Agency Agreement, which may be terminated at any time in the Agent's discretion on the basis of its assessment of the state of the financial markets, and may also be terminated upon the occurrence of certain other events.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right to close the subscription books at any time without notice is reserved. Subscriptions for 12,500,000 Units for total gross proceeds of $2,500,000 must be raised within 90 days of the issuance of a receipt for the final prospectus (being October 4, 2011), unless a receipt is issued for this Amended and Restated Prospectus, in which case the distribution must close within 90 days of the receipt for this Amended and Restated Prospectus, and in any case not later than , 180 days from the date of the issuance of a receipt for the final prospectus (being January 2, 2012), or such other time as may be consented to by the Agent and persons or companies that subscribed for Units within such period. If the Agent is unable to receive subscriptions for a total of 12,500,000 Units, all subscription monies will be returned to subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Directors, officers and other insiders of Andele and Network may purchase Offered Units pursuant to the Offering.

Over-Allotment Option

Andele has granted the Agent the Over-Allotment Option, exercisable in full or in part at any time not later than 30 days after the Closing of the Offering, to arrange for the sale of up to an additional 1,875,000 Units at the Offering Price for the purpose of covering over-allotments and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the gross proceeds of the Offering will be $2,875,000, the Agents' fee will be $201,250 and the net proceeds to the Issuer, before deducting the estimated expenses of the Offering, will be $2,673,750.

Pursuant to policies of certain securities regulators, the Agent may not, throughout the period of distribution under this Amended and Restated Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of the Exchange relating to market stabilization and passive market-making activities, and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. The Issuer has been advised that the Agent may engage in market stabilization or market balancing activities on the Exchange where the bid for or purchase of the Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

A purchaser who acquires Offered Units forming part of the Over-Allotment Option acquires those Offered Units under this Amended and Restated Prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercised through the exercise of the Over-Allotment Option or secondary market purchases.

The Agent may, prior to the closing of the Offering, over-allocate a number of Common Shares which does not exceed the 1,875,000 Common Shares issuable upon the exercise of the Over-Allotment Option, in order to hold a short position in such securities. This over-allocation position allows the Agent to engage in limited market stabilization to compensate for the increased liquidity in the market. If the market price of the Common Shares is below the Offering Price, the short position created by the over-allocation position in Common Shares may be filled through purchases in the market, creating upward pressure on the price of the Common Shares. If the market price of the Common Shares is above the Offering Price, the over-allocation position in Common Shares may be filled through the exercise of the Over-Allotment Option in respect of Common Shares at the Offering Price.

Transaction Shares

This Amended and Restated Prospectus also qualifies the distribution of 20,000,000 Transaction Shares, to be issued to Network shareholders in exchange for Network Shares transferred to the Issuer in accordance with the Transaction Agreement. The trade of the Transaction Shares is exempt from the registration requirements of applicable Canadian securities legislation, pursuant to section 3.16 of National Instrument 45-106, since the offer to acquire Network Shares is a takeover bid.

Agent's Compensation

Andele has agreed to pay the Agent a cash commission equal to 7% of the gross proceeds from the sale of Offered Units. Assuming all Offered Units carry a cash commission of 7% and the Over-Allotment Option is exercised in full, the cash commission payable to the Agent will be $201,250.

In addition, the Agent is entitled to receive, upon successful completion of the Offering, as part of its remuneration, Agent's Warrants entitling the Agent to purchase that number of Common Shares as is equal to 7% of the number of Offered Units sold pursuant to this Offering. The Agent's Warrants will be exercisable at the Offering Price for a period of 12 months after the closing of the Offering. This Amended and Restated Prospectus qualifies the distribution of 875,000 Agent's Warrants issuable in connection with the Offering and up to 131,250 Agent's Warrants issuable in connection with the exercise of the Over-Allotment Option.

Relationship Between the Issuer and the Agent

The Issuer is not a related party or connected party to the Agent as such terms are defined in National Instrument 33-105 entitled "Underwriting Conflicts".

The Agent acted as agent for the Issuer's initial public offering and in that capacity received a commission and CPC Agent's Warrants.

Listing Application

Andele has applied to list the Common Shares issuable under the Offering, the Warrant Shares, the Transaction Shares and the Common Shares issuable in connection with the exercise of the Agent's Warrants and the Finder's Fee on the Exchange. Listing will be subject to fulfillment of the listing requirements of the Exchange.

USE OF PROCEEDS

Available Funds and Principal Purposes

Funds Available

As of October 31, 2011, the pro forma combined working capital deficiency of Network and the Issuer is estimated at approximately $1,633,737 before the current financing:

	Issuer **September 30, 2011**	**Network** **September 30, 2011**	**Combined**
Working capital as at	$454,974	($2,088,701)	($1,633,737)

The net proceeds of the Offering (before payment of costs of the Offering) are estimated to be:

Description	Amount (no exercise of Over-Allotment Option)	Amount (full exercise of Over-Allotment Option)
Gross Proceeds	$2,500,000	$2,875,000
Agent's Fees[(1)]	$175,000	$201,250
Net Proceeds	$2,325,000	$2,673,750

Notes:

(1) In addition, the Agent is entitled to receive Agent's Warrants to acquire such number of Common Shares as is equal to 7% of the number of Offered Units sold in the Offering. Each Agent's Warrant entitles the Agent to purchase one Common Share at the Offering Price for a period of 12 months after Closing.

After Closing, and based on the estimated combined working capital above, it is anticipated that the Resulting Issuer will have working capital (including net proceeds of the Offering less estimated costs of this offering of $415,500) of approximately $450,763 ($799,513 if the Over-Allotment Option is exercised in full).

Stated Business Objectives

The Resulting Issuer expects to use its available working capital to support its current projects and to expand its operations in the development, production and distribution of proprietary entertainment properties in the areas of factual/non-scripted television series, theatrical documentary films, online programming, and related derivative products for the worldwide market.

The Resulting Issuer's immediate short-term objectives will be to:

(a) complete production, marketing and interim financing efforts on the two projects currently in production (being *I am Bruce Lee* and *Ray Mancini – The Good Son*);

(b) open a Los Angeles sales and marketing office;

(c) close sales, financing and distribution commitments on the three television and one film property that are in advanced stages of development (being *Hellfighters*, *Bodyguard*, *Stanley Cup Odyssey – The Third Dimension* and *Making the Cut: Play for Your Country*);

(d) increase development activities to create a robust slate of film and television properties for U.S. and international exploitation;

(e) create and option original concepts for online productions; and

(f) launch a U.S.-centric industry specific public relations campaign to further establish Network's brand.

Milestones

The principal milestones that must occur for the stated short term business objectives described above to be accomplished are as follows:

Milestone	Target Date	Estimated Cost
Identify space and negotiate lease for L.A. office	Months 1 - 12	$15,000
Close financing and sales agreements for the television and film properties that are in advanced	Months 1 - 12	$50,000

Milestone	Target Date	Estimated Cost
stages of development		
Create and option new television and film properties	Months 1 - 12	$70,000
Engage public relations firm and execute Network industry-specific PR campaign	Months 1 - 12	$40,000
TOTAL		$175,000

Principal Purposes of Funds

The Resulting Issuer will use the funds available to it upon the completion of the Offering and the Transaction to further its business objectives described above, and to pay expenses of the Offering and Transaction and to pay back certain debt.

It is expected that the funds will be applied as follows:

Use of Proceeds	**Funds to be Expended**	
	No Exercise of Over-Allotment Option	**Full Exercise of Over-Allotment Option**
Costs of the Offering (including the Agent's Commission)	$415,500	$441,750
Interim Financing of Projects in Production	$200,000	$200,000
Project Development	$175,000	$175,000
Payment of Debt(1)	$1,105,420	$1,105,420
Unallocated Working Capital	$604,080	$952,830
TOTAL	$2,500,000	$2,875,000

Notes:

(1) Debt provided by non-arm's length parties to Network from 2008-2010 for project development and production, asset acquisition, sales and marketing and general working capital.

There may be circumstances, where for sound business reasons, the reallocation of funds may be necessary in order for the Issuer to achieve its stated business objectives.

Until required for the above purposes, the proceeds realized from the Offering will be invested only in securities of, or those guaranteed by, the Government of Canada or any Province or Territory of Canada or the Government of the United States of America, in certificates of deposit or interest bearing accounts of Canadian chartered banks, trust companies or credit unions.

RISK FACTORS

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this Amended and Restated Prospectus, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Issuer consider the risks set out below to be the most significant to potential investors in the Resulting Issuer, but not all of the risks associated with an investment in securities of the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Resulting Issuer's business, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In evaluating the Resulting Issuer and its business, prospective investors should consider carefully the following risk factors in addition to the other information contained herein.

Dependence on Key Personnel

The Resulting Issuer's business at this time will be substantially dependent on the services of certain key personnel, particularly Derik Murray and Paul Gertz, the Resulting Issuer's Chief Executive Officer and President, respectively. The loss of services from either Messrs. Murray or Gertz could have a material adverse effect on the business of the Resulting Issuer. The success of the Resulting Issuer and its business strategy depends, to a degree, upon the skill and efforts of its management and its ability to attract and retain qualified management personnel.

Risks Related to the Production and Distribution Industry

The television and motion picture industry involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The commercial success of entertainment programming also depends upon the quality and acceptance of other competing programs or feature films released into the market place at or near the same time, critical reviews, the availability of alternative forms of entertainment and leisure activities, general economic conditions and other tangible and intangible factors, all of which are subject to change and cannot be predicted with certainty. In order to mitigate risk, individual productions are financed through pre-sales, investments by third parties and government incentive programs. Nonetheless, there is a risk that some or all of the Resulting Issuer's television or motion picture projects will not be financially successful, resulting in a portion of costs not being recouped or anticipated profits not being realized.

No Market

There has been no public market for Network's Shares. There can be no assurances that a market will develop for the Resulting Issuer's shares after the completion of the Qualifying Transaction.

Competition

The business of producing, distributing and financing television programs and motion pictures is highly competitive. Some of the Resulting Issuer's competitors have longer operating histories and greater financial, technical and marketing resources than it. The Resulting Issuer will be in competition with other television and motion picture production and distribution companies and financiers for ideas, storylines and programming created by third parties as well as for actors, directors and other personnel required for a production. Future financial performance of the Resulting Issuer may be adversely affected by its ability to compete successfully.

Fluctuating Results of Operations

Results of operations for any period are significantly dependent on the number and timing of television programs and motion pictures delivered to the various media categories. Consequently, the Resulting Issuer's results of operations may fluctuate materially from period to period and the results of any one period are not necessarily indicative of results for future periods. Cash flow from operations may also fluctuate and are not necessarily closely correlated with revenue recognition. In particular, results of operations in any period depend to a large extent upon the Resulting Issuer's production and delivery schedule for television programs and motion pictures.

Importance of Management Estimates in Reported Revenues and Earnings

Entertainment companies have to make numerous estimates as to their revenues and matching operating expenses. As a result of those accounting policies, earnings can widely fluctuate if management of the Resulting Issuer has not properly forecasted the revenue potential of a production.

Government Incentive Programs

The Resulting Issuer will from time to time finance a portion of its production budgets from Canadian governmental agencies and incentive programs, and federal and provincial tax credits, as well as international sources in the case of the Resulting Issuer's international productions. There can be no assurance that the incentive programs which the Resulting Issuer may access in Canada and internationally will not be reduced, amended or eliminated. Any change in the policies of those countries in connection with their incentive programs may have an adverse impact on the business of the Resulting Issuer. In particular, there can be no assurance that tax credits will be accessible for all of the Resulting Issuer's future productions.

Exchange Rates

A significant portion of the Resulting Issuer's revenues and a portion of its expenses are in U.S. dollars, and are therefore subject to exchange rate fluctuations. Exchange rates are determined by market factors beyond the control of the Resulting Issuer and may vary substantially and have a material adverse effect on the Resulting Issuer's results of operations. In addition, the ability of the Resulting Issuer to repatriate to Canada, funds arising in connection with the foreign exploitation of its properties, may also be adversely affected by currency and exchange regulations imposed by the country in which a production is exploited.

Limited Operating History

The Resulting Issuer's future success is reliant almost exclusively on its ability to acquire or develop new products directly and through its participation in co-operative production, distribution and financing relationships. There can be no assurance that the Resulting Issuer will either be able to successfully acquire or develop new products directly or that desirable new products will be available to the Resulting Issuer through its participation in various co-operative relationships.

Cash Flow from Financing Activities

All production financing by the Resulting Issuer will be subject to inherent risks, including the revenues generated by the project and the credit-worthiness of the borrower. In addition, there can be no assurance that the revenues will generate sufficient cash flow to recoup the Resulting Issuer's initial investment or that transactions can be structured to protect the Resulting Issuer's right to, or priorities in, participation revenues in all circumstances, such as, but not limited to, the bankruptcy of the production company or the sale of its assets.

Dilution

Shareholders of the Issuer will suffer immediate dilution upon completion of the Qualifying Transaction, their holdings in the aggregate being reduced to approximately 59% of the issued and outstanding Common Shares (excluding the exercise of the Over-Allotment Option).

Control by Principal Shareholder

After giving effect to the Transaction described herein (and assuming full exercise of the Over-Allotment Option), 17.3% of the voting rights attached to all Common Shares will be held by Derik Murray, who will be in a position to influence the election of the board of directors of the Resulting Issuer and to direct its affairs.

International Distribution

The Resulting Issuer's international business is dependent on local economic conditions, currency fluctuations, changes in local regulatory requirements, compliance with a variety of foreign laws and regulations, cultural barriers and political stability. The Resulting Issuer's international distribution operations may be adversely affected by these risks.

Labour Unions and Guilds

Certain collective agreements with guilds representing film and television writers, directors and actors in the US and in Canada may expire. If labour negotiations lead to strikes they could have a negative impact on the production industry and the operations of the Resulting Issuer, the degree of which cannot be estimated.

Acquisitions & Growth

As part of the Resulting Issuer's strategy, it may seek to grow by acquiring businesses that it believes will complement its current or future business. The Resulting Issuer may not effectively select acquisition candidates or negotiate or finance acquisition or integrate the acquired businesses and their personnel into its business. The Resulting Issuer cannot guarantee that it can complete any acquisition it pursues on favourable terms, or that acquisitions completed will ultimately benefit its business.

Use of Proceeds

Although Network has generally provided for the use of proceeds from its financing activities, it cannot specify with certainty the amount of the net proceeds from its financing activities which will be allocated for each purpose. Accordingly, the Resulting Issuer's management will have broad discretion in the application of such proceeds.

Additional Funding

The Resulting Issuer's production and distribution activities may require the initial expenditure of significant funds, while revenues (other than producer fees) relating to such content are typically not generated for some period after such expenditure and may be received over an extended period of time. If the Resulting Issuer's cash requirements exceed cash flow from operations, the Resulting Issuer may be required to obtain and utilize borrowings under credit facilities to fund operations or to raise additional capital by other means. Such additional financing may be subject to the continuing satisfaction of contractual conditions. The inability of the Resulting Issuer to borrow or raise funds on satisfactory terms could have a material adverse effect on the business of the Resulting Issuer. The ability of the Resulting Issuer to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the business of the Resulting Issuer. There can be no assurance that the Resulting Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to the Resulting Issuer. If additional financing is raised by the issuance of shares from treasury, control of the Resulting Issuer may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Resulting Issuer may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Insurance Risk

Network maintains general liability insurance and Errors and Omission Insurance, but there can be no assurance that the Resulting Issuer's insurance will be sufficient to cover all potential liabilities arising from legal actions against the Resulting Issuer. Therefore, any imposition of liability or legal defense costs not covered by the Resulting Issuer's insurance or in excess of such insurance coverage could have a material adverse effect on the business, financial condition and operating results of the Resulting Issuer.

Protection of Proprietary Property

The Resulting Issuer's ability to compete is dependent to a significant degree on its ability to protect its own proprietary property and to operate without infringing the proprietary rights of third parties. Despite the Resulting Issuer's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Resulting Issuer's products or to obtain and use information that the Resulting Issuer regards as proprietary. This may include, but is not limited to unauthorized copying and distribution of the Resulting Issuer's product over the Internet. Policing unauthorized use of the Resulting Issuer's product is difficult and expensive. There can be no assurance that the steps taken by the Resulting Issuer will prevent misappropriation of its copyright or rights, or that such agreements will be enforceable. In addition, litigation may be necessary in the future to enforce the Resulting Issuer's intellectual property rights or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the business, operating results or financial condition of the Resulting Issuer.

Strategic Relationships

The future growth of the Resulting Issuer will depend in large part on its ability to successfully expand its production and distribution volume through additional relationships with strategic industry participants. The

Resulting Issuer may not be able to successfully enter in to and manage the expansion of such relationships. If the Resulting Issuer is unable to attract such additional industry relationships it may not be able to increase its revenues to the extent necessary to achieve substantial profitability.

The Market Price of the Common Shares may be Subject to Wide Price Fluctuations

The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Issuer, divergence in financial results from expectations, changes in the business prospects for the Issuer, general economic conditions, changes in mineral reserve or resource estimates, results of exploration, changes in results of mining operations, legislative changes, and other events and factors outside of the Issuer's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the common shares.

The Issuer is unable to predict whether substantial amounts of Common Shares of the Resulting Issuer will be sold in the open market. Any sales of substantial amounts of Common Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Common Shares.

PROMOTERS

Tony Chan is considered to be the promoter of the Issuer in that he took the initiative in founding and organizing the Issuer. Derik Murray is the promoter of Network and the Resulting Issuer. Mr. Chan will hold 500,000 Resulting Issuer shares, or approximately 1.0% of the issued and outstanding shares of the Resulting Issuer on an undiluted basis (assuming full exercise of the Over-Allotment Option), and stock options to purchase an additional 600,000 Resulting Issuer shares. Mr. Murray will hold 8,380,733 Resulting Issuer shares, or approximately 17.3% of the issued and outstanding shares of the Resulting Issuer on an undiluted basis (assuming full exercise of the Over-Allotment Option), and stock options to purchase an additional 750,000 Resulting Issuer shares, all as more particularly disclosed under the heading "Information Concerning the Resulting Issuer - Directors, Officers and Promoters" and "Information Concerning the Resulting Issuer – Options to Purchase Securities". Mr. Chan will act as a director of the Resulting Issuer. Mr. Murray will act as Chief Executive Officer and a director of the Resulting Issuer. Except as disclosed in this Amended and Restated Prospectus, neither Mr. Chan nor Mr. Murray have or will receive from or provide to the Resulting Issuer anything of value, including money, property, contracts, options or rights of any kind directly or indirectly.

No other person will be or has been within the two years preceding the date of this Amended and Restated Prospectus a promoter of Andele, Network or the Resulting Issuer.

LEGAL PROCEEDINGS

On April 14, 2009, i4 Media Corporation commenced a claim in the British Columbia Supreme Court against Network and the Network Subsidiaries alleging that it provided a $200,000 loan to Network that has not been repaid. Network disputes the claim and filed a statement of defence but no further steps have been taken in this claim.

On November 26, 2009, Chimera Enterprises Inc. commenced a claim in the British Columbia Supreme Court against Network alleging that it provided a loan to Network in the amount of $75,000 which has not been repaid. Network disputes the claim and filed a statement of defence but no further steps have been taken in this claim.

On August 9, 2010, Sparrow Ventures Corp. ("Sparrow") commenced a claim in the British Columbia Supreme Court against Network for the return of $25,000 plus interest. The $25,000 was paid by Sparrow to the Company in relation to a letter of intent between the parties. Sparrow claims that the $25,000 paid was part of a refundable deposit defined in the letter of intent. Network disputes the claim that the $25,000 was a refundable deposit and filed a statement of defence along with a counterclaim against Sparrow for its losses suffered as a result of Sparrow's breaches of the letter of intent. This matter is continuing.

INFORMATION CONCERNING THE RESULTING ISSUER

Consolidated Capitalization

The following table summarizes the Resulting Issuer's consolidated capitalization as at the dates indicated before and after giving effect to the Offering and the Qualifying Transaction. The table should be read in conjunction with the pro forma financial statements including the notes thereto, included elsewhere in this Amended and Restated Prospectus.

Description	Authorized at the date of this Prospectus	Outstanding as at December 31, 2010 (Audited)	Outstanding after giving effect to the Offering and the Transaction (Unaudited)
Long-term Debt		$nil	$912,284
Common Shares...............................	unlimited	12,800,000	46,537,500 (1)(2)
Share Capital……………………….		$763,077	$5,299,233
Agent's Warrants.............................		1,000,000	1,875,000(3)
Contributed Surplus.........................		$481,131	$105,968
Deficit...		$(302,619)	$(3,221,697)

Notes:

(1) Excludes any Common Shares issuable upon the exercise of the Agent's Warrants, the Over-Allotment Option or share purchase options. Includes 1,162,500 Common Shares issuable in connection with the Finder's Fee. See "The Transaction – Finder's Fee", ''Plan of Distribution'' and "Options to Purchase Securities".

(2) Assuming the full exercise of the Over-Allotment Option, an additional 1,875,000Common Shares would be outstanding, for a total of 48,412,500.

(3) Assuming the full exercise of the Over-Allotment Option, an additional 131,250 Agent's Warrants would be outstanding, for a total of 2,006,250.

Options to Purchase Securities

The Share Option Plan provides that the Directors of the Issuer may from time to time in accordance with the Exchange requirements grant non-transferable options to purchase Common Shares to directors, officers, employees and consultants of the Issuer. The exercise price will be set at the time the option is granted, but may not be less than the discounted market price in accordance with Exchange policies.

Under the Share Option Plan, subject to earlier termination options are exercisable for five years after the date of grant, so long as the optionee maintains the optionee's position with the Issuer.

Vesting of options is determined at the time the option is granted and is generally subject to the optionee remaining a director of, or employed by or continuing to provide services to the Issuer or its affiliates. Options held by individuals who are directors and officers of the Issuer before completion of the Transaction and who cease to hold a position with the Resulting Issuer thereafter will expire on the later of 90 days after resignation of that position and the first anniversary of the Closing of the Transaction. Personal representatives of a deceased optionee may exercise any option held by such optionee until the earlier of one year after the optionee's death and the expiry of the option term. Options granted to directors, employees, officers and consultants (other than those held by investor relations consultants which expire 30 days after resignation) expire 90 days after resignation or termination of the optionee's position unless such termination is for cause, in which case the option expires immediately.

The number of Common Shares reserved for issuance to any optionee, at any time, may not exceed 5% of the then issued and outstanding Common Shares and the number of Common Shares reserved for issuance at any time to consultants as a group may not exceed 2% of the then issued and outstanding Common Shares.

No options have been exercised by the directors and officers of the Issuer as of the date of this Amended and Restated Prospectus. The following table sets out the share purchase options held by the current directors and officers of the Issuer under the Share Option Plan as of the date of this Amended and Restated Prospectus.

Name and Position of Holder with Andele	**Number of Options**	**Exercise Price ($)**	**Expiry Date**[(1)]
Tony Chan CEO, President and Director	300,000	0.10	December 30, 2015
Wan Jung CFO, Corporate Secretary and Director	300,000	0.10	December 30, 2015
Donald Gee Director	300,000	0.10	December 30, 2015
Brian Thurston Director	300,000	0.10	December 30, 2015
Total:	**1,200,000**		

Note:

(1) Options held by any of the named optionees who cease to hold a position with the Resulting Issuer after Closing will expire 90 days after such resignation.

Concurrently with the Closing of the Transaction, the Issuer will grant 2,752,500 options. The following table sets forth all options to purchase securities of the Resulting Issuer that will be held upon completion of the Transaction:

Persons who will Receive Options (as a group)	Number of Resulting Issuer Shares Under Option	Purchase Price of Resulting Issuer Shares Under Option	Expiration Date
Executive officers[(1)]	300,000 1,687,500[(2)]	\$0.10 \$0.20	December 30, 2015 5 years from Closing
Directors (who are not also executive officers)[(3)]	900,000 450,000[(2)]	\$0.10 \$0.20	December 30, 2015 5 years from Closing
Consultants and Employees	615,000[(2)]	\$0.20	5 years from Closing
Total	**3,952,500**		

Notes:

(1) Consists of Derik Murray (CEO and a director), Paul Gertz (President, COO, Corporate Secretary and a director) and Don Gee (CFO and a director).

(2) These options will be granted on Completion of the Qualifying Transaction.

(3) Consists of Tony Chan, Wan Jung and Brian Thurston.

Prior Sales

Andele

Since the date of incorporation of the Issuer, an aggregate of 12,875,001 Common Shares have been issued as follows:

Date	Number of Common Shares[(1)]	Issue Price Per Common Shares	Aggregate Issue Price	Consideration Received
July 12, 2010	1[(1)]	\$1.00	\$1.00	Cash
July 23, 2010	2,000,000[(2)]	\$0.05	\$100,000	Cash
August 4, 2010	800,000[(3)]	\$0.05	\$40,000	Cash
December 30, 2010	10,000,000	\$0.10	\$1,000,000	Cash
January 17, 2011	75,000	\$0.10	\$7,500	Cash

Notes:

(1) Initial incorporator’s share, which was subsequently repurchased by the Issuer.

(2) All of these shares were issued to Insiders or at a price below \$0.10 per Common Share and are escrowed. See “Escrowed Securities”.

(3) All of these shares were issued at a price below \$0.10 per Common Share and are escrowed. See “Escrowed Securities”.

Sales by the Issuer to persons connected to the Issuer, such as directors, officers and insiders, were made as follows:

Name and Municipality of Residence	Date	Type of Ownership	Number of Common Shares
Winnetka Holdings Ltd.[1] Richmond, BC	July 23, 2010	Direct	500,000
Brian Thurston Vancouver, BC	July 23, 2010	Direct	500,000
514742 B.C. Ltd.[2] Vancouver, BC	July 23, 2010	Direct	500,000
0891176 B.C. Ltd.[3] Burnaby, BC	July 23, 2010	Direct	500,000
Total			2,000,000

Notes:

(1) Winnetka Holdings Ltd. is a company that is wholly-owned by Tony Chan.

(2) 514742 B.C. Ltd. is a company wholly owned by Wan Jung.

(3) 0891176 B.C. Ltd. is a company wholly owned by Donald Gee.

Network

Network issued an aggregate of 100 Network Shares on incorporation, or shortly thereafter, at a price of $1.00 per share. As of the date hereof, there are 20,000,000 Network Shares outstanding. No person owns, directly or indirectly, or exercises control or direction over more than 10% of the issued Network Shares, except:

Name	Number of Shares	Percentage of Issued Shares (no exercise of Over-Allotment Option)
Derik Murray	8,380,733	17.1%

Price Range and Trading Volume of Andele Common Shares

The Common Shares have been listed and posted for trading on the Exchange since December 30, 2010. The following table sets out trading information for the Common Shares for the periods indicated.

Period (2010)	High	Low	Close	Volume
December 30 – 31	$0.24	$0.155	$0.22	136,514

Period (2011)	High	Low	Close	Volume
January – Halted January 31, 2011[1]	$0.215	$0.155	$0.17	706,150

Notes:

(1) Last trading day before trading in the Common Shares was halted on January 31, 2011.

Escrowed Securities

There are two categories of escrow to which Common Shares may be subject to: (i) Common Shares issued to the Founders of the Issuer ("CPC Escrowed Shares"); and (ii) Common Shares issued to shareholders of Network ("Value Escrowed Securities"). The CPC Escrowed Shares are subject to the CPC Escrow Agreement, while the Value Escrowed Securities will be subject to a Value Escrow Agreement in the Exchange Form 5D to be entered into among the Resulting Issuer, Computershare Investor Services Inc. as escrow agent, Derik Murray, Paul Gertz, as well as the remaining shareholders of Network if required by the Exchange**,** on the terms and conditions as prescribed by Exchange policies.

CPC Escrowed Shares

The following table sets out, as of the date hereof and to the knowledge Network and the Issuer, the name and municipality of residence of the shareholders whose Common Shares will be CPC Escrowed Shares:

	Before Giving Effect to the Transaction		**After Giving Effect to the Transaction**	
Name and Municipality of Residence of Securityholder	**Number of Common Shares Held in Escrow**	**Percentage of Class(1)**	**Number of Common Shares to be Held in Escrow**	**Percentage of Class(2)**
Winnetka Holdings Ltd.(3) Richmond, BC	500,000	3.9 %	500,000	1.0%
Brian Thurston Vancouver, B.C.	500,000	3.9%	500,000	1.0%
514742 B.C. Ltd. (4) Vancouver, B.C.	500,000	3.9%	500,000	1.0%
0891176 B.C. Ltd. (5) Burnaby, B.C.	500,000	3.9%	500,000	1.0%
Michael McKnight North Vancouver, B.C.	200,000	1.6%	200,000	0.4%
Brent Peters West Vancouver, B.C.	200,000	1.6%	200,000	0.4%
0716668 B.C. Ltd. (6) Burnaby, B.C.	200,000	1.6%	200,000	0.4%
Versatile Development Group Ltd. Richmond, B.C.	200,000	1.6%	200,000	0.4%

Notes:

(1) Non-diluted.

(2) Non-diluted. Based on a total of 48,412,500 Common Shares, assuming full exercise of the Over-Allotment Option.

(3) Winnetka Holdings Ltd. is a company that is wholly-owned by Tony Chan.

(4) 514742 B.C. Ltd. is a company wholly owned by Wan Jung

(5) 0891176 B.C. Ltd. is a company that is wholly-owned by Donald Gee.

(6) 0716668 B.C. Ltd. is a company that is 49% owned by Launi Gee. Ms. Gee is the President and a director of 0716668 B.C. Ltd. and is the spouse of Donald Gee.

Value Escrowed Securities

The following table sets out, as of the date hereof and to the knowledge of Network and the Issuer, the name and municipality of residence of the shareholders whose securities will be Value Escrowed Securities (on a non-diluted basis):

	After Giving Effect to the Transaction		
		Percentage of Class	
Name and Municipality of Residence of Securityholder[(1)]	**Number of Common Shares Held in Escrow**	**No Exercise of Over-Allotment Option[(2)]**	**Full Exercise of Over-Allotment Option[(3)]**
Derik Murray Vancouver, B.C.	8,380,733	18.0%	17.3%
Paul Gertz Vancouver, B.C.	3,902,160	8.4%	8.1%
i4 Media Corporation	800,000	1.7%	1.6%

Notes:

(1) In addition there are 16 individuals (former shareholders of Network) who will each hold less than 1% of the Resulting Issuer's Common Shares.

(2) Based on a total of 46,537,500Common Shares.

(3) Based on a total of 48,412,500 Common Shares, assuming full exercise of the Over-Allotment Option.

Terms of the Escrow for the CPC Escrowed Shares and the Value Escrowed Securities

Where the CPC Escrowed Shares or the Value Escrowed Securities are held by a non-individual (a "holding company"), each holding company pursuant to the applicable escrow agreement has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

If the Resulting Issuer meets the Tier 1 listing requirements of the Exchange, it is expected that the Value Escrowed Securities will be subject to the release schedule set out in "Schedule B(1) – Tier 1 Value Security Escrow Agreement" of Exchange Form 5D, which provides for release of 25% of the escrowed securities on the date of the Final Exchange Bulletin, and release of an additional 25% every 6 months thereafter, until all of the Value Escrowed Securities have been released (18 months following the Final Exchange Bulletin). If the Resulting Issuer meets the Tier 2 listing requirements of the Exchange, it is expected that the Value Escrowed Securities will be subject to the release schedule set out in "Schedule B(2) – Tier 2 Value Security Escrow Agreement" of Exchange Form 5D, which provides for release of 10% of the escrowed securities on the date of the Final Exchange Bulletin, and release of an additional 15% every 6 months thereafter, until all of the Value Escrowed Securities have been released (36 months following the Final Exchange Bulletin).

The CPC Escrowed Shares are currently subject to the release schedule set out in "Schedule B(2) – Tier 2 Value Security Escrow Agreement". If the Resulting Issuer meets the Tier 1 listing requirements of the Exchange either at the time the Final Exchange Bulletin is issued or subsequently, the release of the CPC Escrowed Shares will be accelerated. An accelerated escrow release for the CPC Escrowed Shares will not commence until the Resulting Issuer has made an application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The CPC Escrowed Shares and the Value Escrowed Securities may not be transferred without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

Principal Shareholders

To the knowledge of the management of the Issuer and Network, the following persons or companies will, as at the Closing, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares:

Name and Residence of Securityholder	Common Shares Owned after Giving Effect to the Transaction and the Offering	
	Number	Percentage(1)
Derik Murray(1) Vancouver, B.C.	8,380,733	17.3%

Notes:

(1) Based on an aggregate of 48,412,500 Common Shares outstanding (assuming full exercise of Over-Allotment Option).

Directors, Officers and Promoters

The following table sets out the name, city of residence, position with the Resulting Issuer, and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the Resulting Issuer's directors and officers following completion of the Transaction and the Offering:

Name, Age and City of Residence	Positions and Offices to be Held with the Resulting Issuer	Common Shares Beneficially Owned or Controlled		
		Number	Percentage(1)	Percentage(2)
Derik A. Murray, 55 Vancouver, B.C.	Director, Chief Executive Officer	8,380,733	17.3%	14.3%
Paul Gertz, 55 Vancouver, B.C	Director, President, Chief Operating Officer and Corporate Secretary	3,902,160	8.1%	6.6%
Donald Gee, 61 Burnaby, B.C.	Director, Chief Financial Officer	500,000(3)(4)	1.0%	0.9%
Tony Chan, 54 Richmond, B.C.	Chairman	500,000(5)(6)	1.0%	0.9%
Wan Jung, 54 West Vancouver, B.C.	Director	500,000(7)(8)	1.0%	0.9%
Brian Thurston, 43 Vancouver, B.C.	Director	500,000(9)	1.0%	0.9%

Notes:

(1) Based on 48,412,500 Common Shares issued (assuming full exercise of the Over-Allotment Option) but without exercise of any convertible securities.

(2) Based on 58,731,250 Common Shares, assuming full exercise of the Over-Allotment Option and of all convertible securities (7,187,500 Warrants, 1,200,000 Options, 1,006,250 Agent's Warrants and 925,000 CPC Agent's Warrants).

(3) 0891176 B.C. Ltd., a company that is wholly owned by Donald Gee, owns 500,000 Common Shares.

(4) In addition Mr. Gee holds an option to purchase 300,000 Common Shares.

(5) Winnetka Holdings Ltd., a company that is wholly owned by Tony Chan, owns 500,000 Common Shares.

(6) In addition Mr. Chan holds an option to purchase 300,000 Common Shares.

(7) 514742 B.C. Ltd., a company that is wholly owned by Wan Jung, owns 500,000 Common Shares.

(8) In addition Mr. Jung holds an option to purchase 300,000 Common Shares.

(9) In addition Mr. Thurston holds an option to purchase 300,000 Common Shares.

For particulars of the occupations of the directors and officers see “Biographical Information” below. The directors and officers of the Resulting Issuer, as a group, will own 14,282,893 Common Shares, being approximately 29.5% of the issued Common Shares, assuming completion of the Transaction and full exercise of the Over-Allotment Option.

Audit Committee

Initially, the only committee of the board of directors of the Resulting Issuer will be the Audit Committee. The Audit Committee is expected to consist of Donald Gee, Brian Thurston and Wan Jung, each of whom is financially literate. Brian Thurston and Wan Jung will qualify as independent directors. The mandate of the Audit Committee will be to ensure that the Resulting Issuer effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the board of directors in the areas of management systems and controls. The proposed charter of the Audit Committee is attached as Appendix D to this Amended and Restated Prospectus.

Biographical Information

The following is a brief biography of the proposed directors and officers of the Resulting Issuer. None of the senior members of management have entered into a non-competition or non-disclosure agreement with the Issuer or Network, however it is anticipated that in the future the Resulting Issuer will enter into employment agreements with its senior officers that contain appropriate non-competition provisions.

Derik Murray – Director and Chief Executive Officer

The founder and creative force behind Network Entertainment, Derik began his career creating rich, evocative images as a Still Photographer and Director of television Commercials before focusing his attention on high profile Television, Film and Publishing projects.

Most recently Derik Produced the 2010 Academy Award Shortlisted Facing Ali, a theatrical documentary, television special and DVD release with Lionsgate Entertainment and Spike Television. Derik is the Creator and Executive Producer of the groundbreaking 13-part reality sports series entitled Making the Cut, which aired primetime, Fall 2004 on CBC and on Global Television in 2007.

Named by The Hockey News as one of the ‘Top 100 People of Power and Influence’ in 2001, Derik’s producing credits include the award winning series Legends of Hockey, Legends of Hockey – A Personal Journey, CFL Traditions, CBC’s Life and Times Biographies featuring Wayne Gretzky, Mario Lemieux and Gordie Howe, and currently showing at the Hockey Hall of Fame in Toronto, Canada, the theatrical release of The Stanley Cup Odyssey.

Derik’s accomplishments over the past 20 years have also earned him the trust of an impressive list of North America’s top corporations, advertising agencies and publishing houses. His roster of notable publishing projects include large format pictorial books Arnold Palmer - A Personal Journey, Muhammad Ali - In Perspective, Joe Montana with Dick Schap, Hockey Hall of Fame Legends and A Day in the Life of the NHL.

Derik’s film and television work has been recognized both nationally and internationally by respected institutions including: The Academy Awards, The Gemini’s, Vancouver International Film Festival, Banff Television Festival, The International Film and Television Festival of New York, Communications Arts, New York Art Directors Club, the Bessies, the Can Pro Awards, the Lotus Awards and the Leo Awards.

Mr. Murray will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Paul Gertz – Director, President, Chief Operating Officer and Corporate Secretary

Having received a B.A. in Economics (UCLA) Paul then graduated from the University of Southern California, simultaneously earning his Law Degree and M.B.A. before starting his career as the Associate Director of Business Affairs at leading animation producer Ruby-Spears Productions. In 1986, George Lucas recruited Paul to the Skywalker Ranch in Northern California to become the Director of Business Affairs for Lucasfilm Ltd, where he was responsible for the business affairs of Industrial Light & Magic, Skywalker Sound, THX and Lucas Licensing & Merchandising, as well as the Production Lawyer on the films Tucker, Willow, and Indiana Jones and the Temple of Doom.

In 1990, Paul returned to Los Angeles as the Senior Vice-President of Production at famed animation house Hanna-Barbera, where he Executive Produced his first feature film, the $16 million Once Upon A Forest. He went on to produce three more award-winning feature films: The Pagemaster, a $35 million 20th Century Fox production, Cats Don’t Dance, the $45 million Warner Bros. release, awarded an Annie for Best Picture of the Year, and 20th Century Fox’s $85 million animated science fiction fantasy Titan A.E.

As Executive Producer and Head Writer of Gene Roddenbery’s live action television series Earth: Final Conflict, Paul wrote 18 of the 22 episodes in the first year. The Emmy nominated series finished the season as the #1 new show in first run syndication, and Paul led the $1.1 million per episode production for five full seasons. Paul’s writing credits also include an episode of David E. Kelley’s Emmy Award winning legal series The Practice, and Through the Moebius Strip, a CGI animated film based on the designs of the renowned artist Moebius (“Star Wars” and “Alien”).

Most recently, Paul was the Executive V.P. at the internationally acclaimed Rainmaker Animation, where he Executive Produced several Direct to DVD feature films based on Mattel’s Barbie and Max Steel brands, as well as an animated version of Jerry Lewis’ The Nutty Professor.

Since joining forces with Network Entertainment to produce high quality scripted and unscripted drama for International television and theatrical distribution, Paul has Executive Produced the latest season of the Making the Cut franchise and the Academy Award Shortlisted theatrical documentary Facing Ali.

Mr. Gertz will devote the time necessary to perform the work required in connection with the management of the Resulting Issuer.

Donald Gee – Director and Chief Financial Officer

Mr. Gee has been a Chartered Accountant in British Columbia since May, 1979, after he obtained his Bachelor of Science (Geology) in 1973 and his Licentiate in Accounting in 1976, both from the University of British Columbia.

Mr. Gee has over 28 years of experience with private and public company financing, as well as corporate and capital structuring and management. Since January, 1994, Mr. Gee has been the President of Cantech Capital Corp., private management consulting company specializing in public company and corporate finance advice.

Mr. Gee is now, or has been in the last five years a director or officer of 17 public companies or reporting issuers.

Mr. Gee will devote approximately 50% of his time to the business of the Resulting Issuer.

Tony Chan - Chairman

Mr. Chan has worked in the securities industry since 1983. Most recently, Mr. Chan was Vice-President of Clarity Capital Corporation from July, 2005 until September, 2008. Previously, he was a co-founder of Golden Capital Securities Ltd., in 1990 and retired from the firm in 2004. Mr. Chan helped build Golden Capital into a successful boutique firm encompassing retail, institutional and corporate finance activities. During his time as a principal of Golden Capital, Mr. Chan sat on the Board of Governors of the Vancouver Stock Exchange for two terms and was chairman of the membership committee.

Mr. Chan received a Bachelor of Arts degree from the University of British Columbia in 1979. Mr. Chan is now, or has been in the last five years a director or officer of five public companies or reporting issuers.

Mr. Chan will devote approximately 30% of his time to the business of the Resulting Issuer.

Wan Jung – Director

Mr. Jung has been a Member of the Certified General Accountants of British Columbia since October, 1985. Mr. Jung has been the CFO of Avigilon Corporation, a developer of a high definition surveillance system, since October, 2004.

Mr. Jung is now, or has been in the last five years a director or officer of ten public companies or reporting issuers.

Mr. Jung will devote approximately 10% of his time to the business of the Resulting Issuer.

Brian Thurston – Director

Mr. Thurston has more than 19 years of exploration management and operational experience working on Canadian, Latin American and African projects. Mr. Thurston has acted as an independent director for various public and private companies. Mr. Thurston is currently the President and CEO of Desert Gold Ventures. Prior to that, Mr. Thurston served as president and CEO of Lion Energy Corp. from November, 2007, to April, 2010, during which time the company successfully raised more than $30-million to advance its projects.

Mr Thurston received a degree in Geology from the University of Western Ontario in 1992.

Mr. Thurston is now, or has been in the last five years a director or officer of 12 public companies or reporting issuers. Mr. Thurston will devote approximately 10% of his time to the business of the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

Donald Gee, a director of the Issuer, has been a director of Madalena Ventures Ltd. since September, 2001. Cease trade orders were issued by the British Columbia Securities Commission on February 27, 2002, December 11, 2002 and September 11, 2003, all for failure to timely file financial statements as required pursuant to applicable securities laws. The cease trade orders remained in effect until April 4, 2002, February 18, 2003 and December 23, 2003, respectively.

Other than Mr. Gee, no director, officer, insider or promoter of the Issuer or a shareholder of the Issuer holding a sufficient number of securities to affect materially the control of the Issuer is, or within the ten years prior to the date of this Amended and Restated Prospectus has been, a director, officer, insider or promoter, of any company that, while that person was acting in that capacity was the subject of a cease trade or similar order, or an order that denied the company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Penalties or Sanctions

No individual who is, or will be, a director, officer or promoter of the Issuer or Resulting Issuer has within the ten years before the date of this Amended and Restated Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

Individual Bankruptcies

No individual who is, or will be, a director, officer or promoter of the Issuer or Resulting Issuer is, or, within the ten years before the date of this Amended and Restated Prospectus, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Resulting Issuer also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Resulting Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under BCBCA.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	**Name of Reporting Issuer**	**Name of Exchange or Market**	**Position**	**From**	**To**
Paul Gertz	Rainmaker Entertainment Inc.	TSX	Officer	January 2007	April 2009
Donald Gee	Electric Metals Inc. (formerly Amerpro Resources Inc.)	TSX-V(1)	Officer and Director	June 2009	November 2010
	Ocean Park Ventures Corp.	TSX-V(1)	Officer and Director	January 2010	November 2010
	Pacific-Link Capital Inc.	TSX-V(1)	Director	April 2009	November 2010
	Rockbridge Resources Inc.	TSX-V(1)	Director	November 2007	September 2010
	Great Bear Resources Ltd.	CNSX(2)	Officer and Director	July 2008	September 2010
	La Quinta Resources Corporation	TSX-V(1)	Director	July 2007	October 2008
	Eagle Hill Exploration Corporation	TSX-V(1)	Officer and Director	January 2007	September 2008
	Acero-Martin Exploration Inc.	TSX-V(1)	Director	November 2003	September 2008
	Evolving Gold Corp.	TSX-V(1)	Officer and Director	February 2007	August 2008
	Yankee Hat Minerals Ltd.	TSX-V(1)	Director	April 1999	February 2008

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	CMC Metals Ltd.	TSX-V(1)	Director	March 2005	October 2007
	Journey Resources Corp.	TSX-V(1)	Director	November 2006	September 2007
	Madalena Ventures Inc.	TSX-V(1)	Director	September 2001	January 2007
	GBS Gold International Inc.	TSX(3)	Director	March 2005	March 2006
	Smart-Tek Solutions Inc.	OTCBB(4)	Officer and Director	December 2004	September 2006
	Confederation Minerals Ltd.	TSX-V(1)	Director	February 2007	December 2009
	Canadian Overseas Petroleum Limited	TSX-V(1)	Director	October 2008	September 2009
	Javelle Capital Corp.	TSX-V(1)	Director and Officer	November 2010	Present
	Prophecy Platinum Corp. (formerly Pacific Coast Nickel Corp.)	TSX-V(1)	Director	December 2010	Present
Tony Chan	Tres-Or Resources Ltd.	TSX-V(1)	Director	January 2010	February 2011
	Great Bear Resources Ltd.	CNSX(2)	Director	December 2006	September 2010
	Capstone Mining Corp.	TSX(3)	Director	March 2004	November 2008
	Silverstone Resources Corp.	TSX-V(1)	Director	April 2005	June 2009
	Canadian Overseas Petroleum Limited (formerly Velo Energy Inc.)	TSX-V(1)	Director	February 2009	August 2009
Wan Jung	Electric Metals Inc. (formerly Amerpro Resources Inc.)	TSX-V(1)	Director	July 2009	November 2010
	Electric Metals Inc. (formerly Amerpro Resources Inc.)	TSX-V(1)	Officer	July 2009	August 2010
	Canadian Overseas Petroleum Limited (formerly Velo Energy Inc.)	TSX-V(1)	Officer and Director	October 2008	August 2009
	Avigilon Corporation	TSX-V(1)	Officer and Director	October 2004	Present
	Acero-Martin Exploration Inc.	TSX-V(1)	Director	August 1999	January 2006

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Acero-Martin Exploration Inc.	TSX-V(1)	Officer	January 2006	December 2009
	Great Bear Resources Ltd.	CNSX(2)	Officer and Director	December 2006	September 2010
	Madalena Ventures Inc.	TSX-V(1)	Officer and Director	March 2005	September 2006
	Ocean Park Ventures Corp.	TSX-V(1)	Officer	January 2010	August 2010
	Pacific-Link Capital Inc.	TSX-V(1)	Officer and Director	April 2009	November 2010
	Hillcrest Resources Ltd.	TSX-V(1)	Officer	September 2010	Present
	Javelle Capital Corp.	TSX-V(1)	Officer and Director	November 2010	Present

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
	Great Bear Resources Ltd.	CNSX[(2)]	Director	December 2006	September 2010
Brian Thurston	Desert Gold Ventures Inc.	TSX-V[(1)]	Officer and Director	September 2010	February 2011
	Northern Iron Corp.	TSX-V[(1)]	Director	November 2009	Present
	Maxtech Ventures Inc.	TSX-V[(1)]	Director	September 2010	Present
	Lion Energy Corp	TSX-V[(1)]	Director	November 2007	Present
	Red Star Capital Ventures Inc.	TSX-V[(1)]	Officer and Director	February 2011	Present
	Lion Energy Corp	TSX-V[(1)]	Officer	November 2007	May 2010
	Upper Canyon Minerals Corp.	TSX-V[(1)]	Director	June 2010	Present
	Plains Creek Phosphate Corporation (formerly Resource Hunter Capital Corp.)	TSX-V[(1)]	Director	February 2010	June 2011
	Encanto Potash Corp	TSX-V[(1)]	Director	August 2009	Present
	Megastar Development Corp.	TSX-V[(1)]	Director	November 2008	December 2010
	Great Bear Resources Ltd.	CNSX[(2)]	Director	December 2006	February 2010
	Auric Development Corporation	TSX-V[(1)]	Director	May 2008	June 2009
	Lateegra Gold Corp.	TSX-V[(1)]	Officer	June 2007	November 2008
	Abbastar Resources Corp.	TSX-V[(1)]	Director	April 2008	June 2008

Notes:

(1) TSX-V means the TSX Venture Exchange.

(2) CNSX means the Canadian National Stock Exchange.

(3) TSX means the Toronto Stock Exchange.

(4) OTCBB means Over the Counter Bulletin Board

Executive Compensation

Form 51-102F6 - *Statement of Executive Compensation*, defines "Named Executive Officers" as (a) the Chief Executive Officer; (b) the Chief Financial Officer; (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was individually more than $150,000 for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was neither an executive officer of the corporation, nor acting in a similar capacity, at the end of that financial year.

Andele

Compensation Discussion and Analysis

Exchange Policy 2.4 prohibits directors and officers from receiving remuneration while the Issuer is a capital pool company. The Issuer has chosen to issue stock options because it is the only permissible form of compensation that may be awarded to its directors and officers while it is a CPC.

With respect to the grant of options, the CEO recommends to the Board of Directors the individual equity incentive awards for each director and officer. The Board of Directors then takes these recommendations into consideration when making final decisions on option grants. The Board is restricted by the policies of the Exchange and the terms of the Share Option Plan in how many options it may grant. Options are awarded based upon the level of responsibility and contribution of individuals towards the Issuer's goals and objectives. Previous grants of options to a particular individual will be taken into account when considering future grants.

Tony Chan, CEO, President and Director of the Issuer and Wan Jung, CFO and Director of the Issuer did not receive any compensation during the financial year ended December 31, 2010. No compensation was paid to either Mr. Chan or Mr. Jung in respect of their duties as directors of Andele. The Issuer does not have any other executive officers who were paid more than $150,000 during the most recently completed financial year.

Outstanding Option-Based Awards

The following table sets out the outstanding option-based awards to NEOs as of the financial year ended December 31, 2010.

Name	# of Securities underlying unexercised options	Option exercise price $	Option expiration date	Value of unexercised in-the-money options ($)(1)
Tony Chan	300,000	0.10	December 30, 2015	$36,000
Wan Jung	300,000	0.10	December 30, 2015	$36,000

Note:

(1) Closing price for the Common Shares on December 31, 2010 was $0.22.

Incentive Plan Awards – Value vested or earned during the year

No options granted to NEOs vested during either of the financial year ended December 31, 2010 and therefore there was no value vested during those periods.

Pension Plan Benefits

The Issuer has no pension plans.

Termination and Change of Control Benefits

The Issuer has no compensatory plan, contract or arrangement in effect that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Issuer or a change in a NEO's responsibilities.

Management Contracts

There are no management functions of Andele which are to any substantial degree performed by a person or company other than the directors or senior officers of Andele.

Director Compensation

No Compensation was paid to directors for the financial year ended December 31, 2010.

Incentive Plan Awards

The following table sets out the option-based awards outstanding as at December 31, 2010, for each Director not already set out in NEO disclosure above:

Name	# of Securities underlying unexercised options	Option exercise price $	Option expiration date	Value of unexercised in-the-money options ($)(1)
Donald Gee	300,000	0.10	December 30, 2015	$36,000
Brian Thurston	300,000	0.10	December 30, 2015	$36,000

Note:

(1) Listed price for the Common Shares on December 31, 2010 was $0.22.

Incentive Plan Awards – Value vested or earned during the year

No options granted to Directors vested during the financial year ended December 31, 2010, and therefore there was no value vested during that period.

Network

Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that has allowed Network to attract and retain qualified and experienced executives. Compensation for this fiscal year and prior fiscal years has historically been based upon a negotiated salary.

In accordance with the provisions of applicable securities legislation, Network had one “Named Executive Officer” during the financial year ended November 30, 2010, namely Derik Murray, President and Secretary.

Summary Compensation Table

The following table presented in accordance with NI 51-102F6, Statement of Executive Compensation sets forth all annual and long term compensation paid to the NEO for services in all capacities to Network for the three most recently completed financial years ended November 30.

Name and Principal Position	Year Ended November 30,	Salary ($)[1)]	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation: Annual incentive plans	Non-equity incentive plan compensation: Long term incentive plans ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Derik Murray President , Secretary & Director	2010	120,000	Nil	Nil	Nil	Nil	Nil	Nil	$120,000
	2009	120,000	Nil	Nil	Nil	Nil	Nil	Nil	$120,000
	2008	120,000	Nil	Nil	Nil	Nil	Nil	Nil	$120,000

Pension Plan Benefits

Network has no pension plans.

Termination and Change of Control Benefits

Network has no compensatory plan, contract or arrangement in effect that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Network or a change in a NEO's responsibilities.

Management Contracts

There are no management functions of Network which are to any substantial degree performed by a person or company other than the directors or senior officers of Network.

Director Compensation

Derik Murray is the sole director of Network. Compensation for Mr. Murray is disclosed above.

Resulting Issuer

The following table shows the anticipated compensation for each of the Resulting Issuer's two most highly compensated executive officers, in addition to the proposed Chief Executive Officer and Chief Financial Officer, for the 12 month period after completion of the Transaction:

				Non-equity incentive plan compensation ($)			
Name and Principal Position	Salary or Fees Earned ($)	Share-based awards ($)	Option-based awards ($)	Annual Incentive Plans	Long-term incentive plans	All Other Compen-sation ($)	Total Compen-sation ($)
Derik Murray CEO	$180,000	Nil	Nil	Nil	Nil	Nil	$180,000

Name and Principal Position	Salary or Fees Earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		All Other Compen-sation ($)	Total Compen-sation ($)
				Annual Incentive Plans	Long-term incentive plans		
Paul Gertz President, COO and Corporate Secretary	$180,000	Nil	Nil	Nil	Nil	Nil	$180,000
Donald Gee CFO	$84,000	Nil	Nil	Nil	Nil	Nil	$84,000
Tony Chan Chairman	$84,000	Nil	Nil	Nil	Nil	Nil	$84,000

Other Compensation

Other than benefits and perquisites which will not amount to 10% or greater of an individual's total salary, the Resulting Issuer does not anticipate paying any additional compensation to Executive Officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees).

Compensation of Directors

It is anticipated that each non-employee director of the Resulting Issuer will receive $6,000 annually and the Chair of the Audit Committee will receive an extra $6,000 annually. The Resulting Issuer will reimburse directors for out-of-pocket expenses related to their attendance at meetings.

Employment and Consulting Agreements

Network does not have any employment or consulting agreements.

Indebtedness of Directors and Executive Officers

At the date of this Amended and Restated Prospectus, no director or executive officer is indebted to any of Andele or Network or any affiliate of any of them.

Dividends

There will be no restrictions in the Resulting Issuer's articles or elsewhere which would prevent the Resulting Issuer from paying dividends following the completion of the Transaction. All of the Resulting Issuer's Shares are entitled to an equal share in any dividends declared and paid. It is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business and accordingly it is not contemplated that any dividends will be paid on the Resulting Issuer's shares in the immediate or foreseeable future. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee and Audit Committee Charter

The Audit Committee's role is to assist the Board in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control, and the audit process. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Audit Committee member must obtain an understanding of the principal responsibilities of Audit Committee membership as well as the Company's business, operations, and risks. The proposed Audit Committee Charter is attached as Appendix D to this Amended and Restated Prospectus.

Composition of the Audit Committee

It is anticipated that the Company's Audit Committee will consist of three directors, as set forth below:

Donald Gee	Not Independent	Financially literate(2)
Wan Jung	Independent(1)	Financially literate(2)
Brian Thurston	Independent(1)	Financially literate(2)

Notes

(1) A member of an audit committee is independent if, in addition to meeting other regulatory requirements, the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

It is currently anticipated that the Audit Committee of the Resulting Issuerwill consist of Donald Gee, Wan Jung and Brian Thurston. Wan Jung and Brian Thurston are independent within the meaning of that term as defined in section 1.4 of National Instrument 52-110 Audit Committees ("**NI 52-110**"). All members of the Audit Committee are financially literate as required by section 1.6 of NI 52-110.

Relevant Education and Experience

See "Directors and Officers" for information regarding the relevant education and experience of the Audit Committee.

Audit Committee Oversight

The Audit Committee will be formed by a resolution of the Board upon Completion of the Qualifying Transaction.

Reliance on Certain Exemptions

The Issuer has not relied on any exemptions under section 2.4 *De Minimis Non-Audit Services* of NI 52-110 or an exemption granted under Part 8 (Exemptions) of NI 52-110, during the financial year ended December 31, 2010.

Pre-Approval Policies and Procedures

The Resulting Issuer will adopt specific policies and procedures for the engagement of non-audit services in its Audit Committee Charter. Pursuant to the Audit Committee Charter, all non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Resulting Issuer or any subsidiary of the Resulting Issuer shall be subject to the prior approval of the Audit Committee. The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting. The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if: 1) the aggregate amount of all non-audit services that were non pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company to the external auditor during the fiscal year in which the services are provided; or 2) the services are brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

External Auditor Service Fees (By Category)

The following table sets forth the "audit fees," "audit-related fees," "tax fees," and "other fees" billed for the period from incorporation until December 31, 2010.

	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	Other Fees ($)
For the Year ended December 31, 2010	10,000	Nil	Nil	Nil

Reliance on Certain Exemptions

The Company is relying upon the exemption set out in section 6.1 *Venture Issuers* of NI 52-110 that provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

Corporate Governance

The following disclosure conforms to Form 58-101F2 pursuant to National Instrument 58-101 "Disclosure of Corporate Governance Practices".

It is anticipated that the Resulting Issuer's practices will be consistent with or exceed the best practices recommended by Canadian Securities Administrators' National Policy 58-201 - Corporate Governance Guidelines, except as disclosed below.

The Board of Directors is expected to consist of six members, two of whom are expected to be independent. The Board is expected to meet regularly on both a formal and informal basis. Where it would be impossible for a particular member to exercise independent judgement, the Board of Directors is expected to request that member to excuse himself. Independent directors will meet in person or by telephone conference as needed to consider various matters. The independent Directors will typically seek agreement on matters with any Director who is not independent on an informal basis, with a view to bringing an acceptable solution forward to the Board.

Directors are expected to attend every meeting, either in person or by conference call. Every effort will be made to ensure that meetings are held at a time which allows each member to be present.

The Board of Directors will manage or supervise the management of the affairs and business of the Resulting Issuer pursuant to the powers vested in the Board of Directors by the BCBCA, the Articles of Incorporation of the Resulting Issuer and all other statutory and legal requirements generally applicable to directors of a business corporation that is also a "reporting issuer" under applicable securities legislation. Management will be responsible for the day-to-day operation of the business and affairs of the Resulting Issuer.

In fulfilling its mandate, the Board of Directors will be responsible, among other things, for the adoption of a strategic planning process to establish the Resulting Issuer's intermediate and long-term goals and for ensuring the establishment of systems to manage the principal risks arising from or incidental to the business activities of the Resulting Issuer.

The Board will develop written descriptions for the chair of the Board and each committee, as well as the CEO.

While it is not expected that the Resulting Issuer will have a formal orientation or training program, new directors will be provided with information with respect to the functioning of the Board and its committees, access to the Resulting Issuer's disclosure record, which will contain the Resulting Issuer's recently filed public documents, and access to management. A formal orientation or training program is expected to be developed over time.

Directors will be encouraged to communicate with management and the auditors, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars. Directors will have full access to the Resulting Issuer's corporate records.

It is expected that the Board of the Resulting Issuer will adopt a written code regarding ethical business conduct.

The Board of the Resulting Issuer will establish a nominating committee and develop a specific process by which the Board will identify new candidates for Board nomination. Until such committee is established, Board nominations are expected to be brought forward by the significant shareholders.

The Board of the Resulting Issuer will establish a compensation committee and develop a specific process by which the Board will determine compensation. Until such committee is established, compensation will be determined by the Board of the Resulting Issuer.

The Board of the Resulting Issuer will adopt a process for the regular assessment of the effectiveness and contribution of each Board member. Until such process is adopted, because the Board is expected to meet on a regular basis and tasks will be assigned to individual Board members, the Board as a whole will be able to determine the effectiveness of each of the board members.

Auditor, Transfer Agent and Registrar

Auditor

The Resulting Issuer's auditor will be Lancaster & David, Chartered Accountants, Suite 510, 701 West Georgia Street, Vancouver, B.C., V7Y 1C6.

Transfer Agent and Registrar

The transfer agent and registrar for the Resulting Issuer will be Computershare Investor Services, 3rd Floor, 510 Burrard Street, Vancouver, B.C., V6C 3B9.

Material Contracts

The following are, or will be at Closing, the material contracts of the Issuer and Network, which will continue to be material contracts of the Resulting Issuer:

1. Registrar and Transfer Agent Agreement dated September 28, 2010 between the Issuer and Computershare Investor Services Inc.

2. Share Purchase Option Plan dated November 22, 2010, referred to under "Information Concerning the Resulting Issuer – Options to Purchase Securities".

3. CPC Escrow Agreement referred to under "Information Concerning the Resulting Issuer – Escrowed Securities".

4. Value Security Escrow Agreement referred to under “Information Concerning the Resulting Issuer – Escrowed Securities”.

5. Transaction Agreement referred to under “The Transaction”.

6. Agency Agreement referred to under “Plan of Distribution”.

7. Debt Settlement Agreement between Network and Rock-on Investments Ltd., a Network Lender, dated February 15, 2011, referred to under “The Transaction”.

8. Debt Settlement Agreement between Network and Longfellow Industries (B.C.) Ltd., a Network Lender, dated March 14, 2011, referred to under “The Transaction”.

9. Convertible Debenture Retirement Agreement between Network and Longfellow Industries (B.C.) Ltd., a Network Lender, dated March 14, 2011, referred to under “The Transaction”.

Copies of these agreements will be available for inspection at the offices of McMillan LLP, #1500 - 1055 West Georgia Street, Vancouver, British Columbia, at any time during ordinary business hours until the completion of the Transaction and for a period of 30 days thereafter.

Experts

Certain Canadian legal matters in connection with this Offering will be passed upon on behalf of the Issuer by McMillan LLP, on behalf of the Agent by Gowling Lafleur Henderson LLP and on behalf of Network by Duhaime Law. The respective partners and associates of each firm will own, directly or indirectly, less than one percent of the issued and outstanding securities of the Resulting Issuer following the completion of the distribution of the Offered Shares and completion of the Transaction.

There is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Issuer’s issued capital or property or of an associate or affiliate of the Issuer, held by a professional person as referred to in section 106(2) of the Rules under the *Securities Act* (British Columbia), a responsible solicitor or any partner of a responsible solicitor’s firm or by any person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Amended and Restated Prospectus or prepared or certified a report or valuation described or included in this Amended and Restated Prospectus. No such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer.

Interest of Management and Others in Material Transactions

Other than as previously disclosed in this Amended and Restated Prospectus, under “The Transaction” and “Description of the Resulting Issuer’s Business”, none of the directors, senior officers and principal shareholders of Andele or Network or any of their associates or affiliates have a material interest, direct or indirect, in any transactions in which Andele or Network has participated since incorporation, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Issuer or Resulting Issuer.

Auditor, Transfer Agent and Registrar

The Resulting Issuer anticipates that the transfer agent and registrar for the Resulting Issuer will be Computershare Investor Services Inc., of 2nd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9. Transfers may be recorded in Vancouver, British Columbia.

Upon completion of the Transaction, it is intended that the Resulting Issuer’s auditors will be Lancaster & David, Chartered Accountants, of 510 – 701 West Georgia Street, Pacific Centre, Vancouver, British Columbia, V7Y 1C6. The auditor is independent in accordance with the auditor’s rules of professional conduct in the Province of British Columbia.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

LANCASTER & DAVID
CHARTERED ACCOUNTANTS

AUDITORS' CONSENT

We have read the amended and restated prospectus (the "Prospectus") of Andele Capital Corporation (the "Company") dated November 29, 2011 relating to the proposed offering of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned Prospectus of our report to the shareholders of the Company on the balance sheets as at December 31, 2010 and the statement of operations, statement of shareholders' equity and cash flows for the period from incorporation on July 12, 2010 to December 31, 2010. Our report is dated April 14, 2011.

Lancaster & David

CHARTERED ACCOUNTANTS

Vancouver, BC
November 29, 2011

Incorporated Partners: David E. Lancaster, C.A. ~ Michael J. David, C.A.
Address: Suite 510, 701 West Georgia Street, PO Box 10133, Vancouver, BC, Canada, V7Y 1C6
Telephone: 604.717.5526 **Facsimile:** 604.717.5560 **Email:** admin@lancasteranddavid.ca

LANCASTER & DAVID
CHARTERED ACCOUNTANTS

AUDITORS' CONSENT

We have read the amended and restated prospectus (the "Prospectus") of Andele Capital Corporation (the "Company") dated November 29, 2011 relating to the proposed offering of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned Prospectus of our report to the shareholders of Network Entertainment Inc. ("Network") on the consolidated balance sheets of Network as at November 30, 2010 and 2009 and the consolidated statements of loss and deficit and cash flows for the years then ended. Our report is dated April 19, 2011.

Lancaster & David

CHARTERED ACCOUNTANTS

Vancouver, BC
November 29, 2011

Incorporated Partners: David E. Lancaster, C.A. ~ Michael J. David, C.A.
Address: Suite 510, 701 West Georgia Street, PO Box 10133, Vancouver, BC, Canada, V7Y 1C6
Telephone: 604.717.5526 **Facsimile:** 604.717.5560 **Email:** admin@lancasteranddavid.ca

APPENDIX A

FINANCIAL STATEMENTS OF THE ISSUER

ANDELE CAPITAL CORPORATION

Financial Statements

December 31, 2010

ANDELE CAPITAL CORPORATION

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December 31, 2010

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LANCASTER & DAVID
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Andele Capital Corporation:

We have audited the accompanying financial statements of Andele Capital Corporation., which comprise the balance sheet as at December 31, 2010, and the statement of operations, statement of shareholders' equity and statement of cash flows for the period from incorporation on July 12, 2010 to December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Andele Capital Corporation as at December 31, 2010, and the results of its operations and its cash flows for the period from incorporation on July 12, 2010 to December 31, 2010 in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company is currently operating at a loss and has an accumulated deficit of $302,619. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

/s/ Lancaster & David

CHARTERED ACCOUNTANTS

Vancouver, BC
April 14, 2011

Incorporated Partners: David E. Lancaster, C.A. ~ Michael J. David, C.A.
Address: Suite 510, 701 West Georgia Street, PO Box 10133, Vancouver, BC, Canada, V7Y 1C6
Telephone: 604.717.5526 **Facsimile:** 604.717.5560 **Email:** admin@lancasteranddavid.ca

ANDELE CAPITAL CORPORATION

Balance Sheet

December 31, 2010

ASSETS

Current:		
Cash	$	**973,456**
Receivables		**17,012**
	$	**990,468**

LIABILITIES

Current:		
Accounts payable and accrued liabilities (Note 7)	**$**	**48,879**

SHAREHOLDERS' EQUITY

Share capital (Note 5)	**$**	**763,077**
Contributed surplus		**481,131**
Deficit		**(302,619)**
		941,589
	$	**990,468**

Nature and continuance of operations (Note 1)

APPROVED ON BEHALF OF THE BOARD:

"Tony Chan"
______________________________ Director

"Wan Jung"
______________________________ Director

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

ANDELE CAPITAL CORPORATION

Statement of Operations

From the Date of Incorporation to December 31, 2010

General and administrative expenses:		
Interest and bank charges	$	113
Office and miscellaneous		1,098
Professional fees		17,003
Stock based compensation		269,139
Transfer agent and filing fees		15,266
Net loss for the period	$	(302,619)
Loss per share - basic and diluted	$	(0.10)
Weighted average number of shares – basic and diluted		2,972,000

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

ANDELE CAPITAL CORPORATION

Statement of Shareholders' Equity

From the Date of Incorporation to December 31, 2010

	Share Capital				
	Number of Shares	*Amount*	*Contributed Surplus*	*Deficit*	*Shareholders' Equity*
Balance, July 12, 2010 (Date of Incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares	12,800,000	1,140,000	-	-	1,140,000
Share issue costs	-	(376,923)	-	-	(376,923)
Agent's compensation	-	-	211,992	-	211,992
Stock based compensation	-	-	269,139	-	269,139
Net loss for the period	-	-	-	(302,619)	(302,619)
Balance, December 31, 2010	**12,800,000**	**$ 763,077**	**$ 481,131**	**$ (302,619)**	**$ 941,589**

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

ANDELE CAPITAL CORPORATION

Statement of Cash Flows

From the Date of Incorporation to December 31, 2010

Cash flows from operating activities	
Net loss for the period	$ (302,619)
Item not involving cash:	
Stock-based compensation	269,139
	(33,480)
Changes in non-cash working capital:	
Receivables	(17,012)
Accounts payable and accrued liabilities	48,879
Cash provided by operating activities	(1,613)
Cash flows from financing activities	
Issuance of common shares	1,140,000
Share issuance cost	(164,931)
Cash provided by financing activities	975,069
Increase in cash during the period	973,456
Cash, beginning of period	-
Cash, end of period	$ 973,456
Cash paid during the period for income taxes	$ -
Cash paid during the period for interest	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Andele Capital Corporation (the "Company") was incorporated on July 12, 2010 under the Business Corporation Act of the Province of British Columbia and is in the initial phase of the process in accordance with Policy 2.4 of TSX Venture Exchange for a Capital Pool Company ("CPC"). The Company's common shares commenced trading on Tier 2 of the TSX Venture Exchange under the symbol "ADY.P" at the opening of the market on December 30, 2010.

As a CPC, the Company has no material commercial operations and no material assets other than cash. The Company's cash will be used to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction as defined by the TSX Venture Exchange (the "Exchange"). Refer to Note 9.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do no include any adjustments to assets or liabilities should the Company be unable to continue in existence.

Working capital	$	941,589
Deficit	$	(302,619)

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses reported during the year. Actual results may differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period which they actually become known.

Significant accounts that require estimates as the basis for determining the stated amounts include future income taxes and stock-based compensation.

Income taxes

Income taxes are accounted for using the asset and liability method. Under this method current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for the differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized, using the substantially enacted tax rates expected to be in effect when the differences reverse.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basic and diluted loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. Potential issuable common shares were not included in the calculation as their inclusion would be anti-dilutive. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

Stock-based compensation

The Company accounts for stock-based compensation expense using the fair value based method determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock. The value of such awards is charged to the statement of operations over the vesting period of the stock awards with an offsetting credit to contributed surplus except for options granted as consideration for share issue costs which are charged to share capital.

Consideration paid for shares on exercise of the stock options will be credited to share capital together with the amount of any contributed surplus that arose as a result of the grant of the exercised stock option.

Financial instruments - recognition and measurement

All financial instruments are designated into one of the five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets, or other financial liabilities. Financial instruments included on the balance sheet are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments and liabilities are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Amortization of premiums or discounts and losses due to impairment are included in current year net earnings (loss).

The Company classified its cash as held-for-trading which is measured at fair value. Receivables, accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost.

Comprehensive income

Comprehensive income is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses that would otherwise be recorded as part of net earnings are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

Comprehensive income and its components are presented in a separate financial statement that is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity. The presentation of "accumulated other comprehensive loss" in the shareholders' equity section of the balance sheet is not required because the closing balance is $Nil.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recent accounting pronouncements

i) Business combinations

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replaces CICA Handbook Sections 1591 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011 and will apply if the Company completes its Qualifying Transaction as described in Note 9.

ii)International Financial Reporting Standards ("IFRS")

In 2006, the Accounting Standards Board (AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlined the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement of comparative amounts reported by the Company for the period ending December 31, 2010. The conversion to IFRS will impact the Company's policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company continues to monitor the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

3. CAPITAL MANAGEMENT

The Company's capital structure consists of items in shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period.

4. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2010, the Company had cash balances of $973,456 and current liabilities of $48,879.

The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions. With the economy slowly recovering from recession, the Company may continue to face significant challenges in 2011.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to change in market interest rate. The Company has cash and no interest-bearing debt and therefore is not exposed to risk in the event of interest rate fluctuations.

Foreign currency risk

The Company is not exposed to foreign currency risk.

5. SHARE CAPITAL

Share capital comprises the following:

a) Authorized

Share capital consists of an unlimited number of common shares without par value.

b) Issued

On August 31, 2010, the Company issued 2,800,000 common shares at a price of $0.05 per share for a cash consideration of $140,000.

On December 24, 2010, the Company completed its initial public offering of 10,000,000 common shares at $0.10 per share for gross proceeds of $1,000,000. The Company incurred share issue costs of $376,923. The Agent was granted options to purchase 1,000,000 common shares exercisable at $0.10 per share for a period of 24 months. The fair value of the Agent's options of $211,992 was charged to share issue costs with an offsetting amount to contributed surplus. The fair value of the Agent's options was determined using the Black Scholes model with the following assumptions; dividend yield of nil, expected volatility of 185%, risk-free rate of 1.71% and expected life of 2 years.

5. SHARE CAPITAL *(continued)*

c) Stock options

On December 30, 2010 the Company granted incentive stock options to directors and officers to purchase up to an aggregate of 1,200,000 common shares of the Company at the price of $0.10 per share for a period of five years expiring December 30, 2015.

	Number of shares	*Weighted Average Exercise Price*
Balance, beginning of period	-	$ -
Granted	**1,200,000**	**0.10**
Exercised	-	-
Forfeited / Cancelled	-	-
Balance, end of period	**1,200,000**	**$ 0.10**

As at December 31, 2010, the following stock options are outstanding and exercisable:

Number of Options	*Exercise Price*	*Expiry*
1,200,000	$ 0.10	December 30, 2015

d) Agents Options

On December 30, 2010 the Company granted options to the agent to purchase up to an aggregate of 1,000,000 common shares of the Company at the price of $0.10 per share for a period of two years expiring December 30, 2012.

	Number of shares	*Weighted Average Exercise Price*
Balance, beginning of period	-	$ -
Granted	**1,000,000**	**0.10**
Exercised	-	-
Forfeited / Cancelled	-	-
Balance, end of period	**1,000,000**	**$ 0.10**

As at December 31, 2010, the following agents options are outstanding and exercisable:

Number of Options	*Exercise Price*	*Expiry*
1,000,000	$ 0.10	December 30, 2012

6. INCOME TAXES

The Company has accumulated non-capital losses for tax purposes of approximately $33,500, which expire in 2030.

Future income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

The reconciliation of income tax benefit computed at statutory rates to the reported income tax benefit is as follows:

Loss before income taxes	$	33,500
		29.00%
Income tax benefit computed at Canadian statutory rates	$	9,700
Valuation allowance		(9,700)
Income tax recovery	$	-

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

Future income tax assets		
Non-capital loss carry-forwards	$	9,700
Valuation allowance for future income tax assets		(9,700)
	$	-

7. RELATED PARTY TRANSACTIONS

Accounts payable and accrued liabilities include $607 due to a director and an officer of the Company.

8. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions are as follows

Share issuance costs – Agent's compensation	$ 211,992

9. SUBSEQUENT EVENTS

Proposed acquisition

Subsequent to December 31, 2010, the Company entered into a definitive agreement dated effective March 10, 2011 (the "Agreement") with Network Entertainment Inc. ("Network") pursuant to which the Company will acquire all of the issued and outstanding shares of Network (the "Transaction"), a private company incorporated under the laws of the Province of British Columbia and which carries on the business of producing high quality original programming for television, film, publishing, radio and online distribution. The Company will issue an aggregate of 20,000,000 common shares (the "Transaction Shares") to acquire Network at a deemed price of $0.20 per Transaction Share for total consideration of $4,000,000. The Transaction Shares will be issued to the existing shareholders of Network on a pro rata basis.

The Transaction, if completed, will constitute the Company's "Qualifying Transaction" under the policies of the TSX Venture Exchange (the "Exchange"). The Transaction is an arm's length transaction and shareholder approval to the Transaction will not be required by the Exchange. All Transaction Shares may be subject to resale restrictions under applicable securities laws and/or the policies of the Exchange, as applicable. In addition, all common shares held by Principals of the resulting issuer (as such term is defined in the policies of the Exchange) will be held in escrow in accordance with the policies of the Exchange. A finder's fee may be payable upon completion of the Transaction, in accordance with the policies of the Exchange. The Company intends to change its name to Network Media Group Inc., or such other name as is acceptable to the board of the resulting company and regulatory authorities, upon the closing of the Transaction.

The closing of the Transaction remains subject to certain conditions precedent, some of which include:

1. The receipt of all regulatory and third party approvals, including the approval of the Exchange;
2. The maintenance of the Company's listing on the Exchange;
3. Network entering into agreements with certain creditors of Network to settle outstanding debt of Network;
4. The Company advancing to Network a refundable deposit in the amount of $200,000 which will be secured against the assets of Network, subject to prior registered security interests. The deposit will also be guaranteed by the principal shareholders of Network and will be repayable on demand in the event that the Transaction does not complete. The deposit is subject to the acceptance of the Exchange;
5. The absence of any material adverse effect or change; and
6. Other conditions precedent customary for a transaction such as the Transaction.

9. SUBSEQUENT EVENTS *(continued)*

Financing

The Company has entered into an engagement letter with Global Securities Corporation (the "Agent") in connection with a proposed public offering (the "Offering") of 20,000,000 units of the Company (the "Units") to be issued at a price of $0.25 per Unit (the "Offering Price") for gross proceeds of $5,000,000. Each Unit will consist of one common share in the capital of the Company (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one Share at a price of $0.50 per Share for a period of 12 months from the closing of the Offering (subject to acceleration in certain circumstances). The Offering will be conducted on a "commercially reasonable efforts" basis in the Provinces of British Columbia and Alberta. The Agent has been granted an option, exercisable not later than 30 days from the closing of the Offering, to arrange for the sale of up to an additional 3,000,000 Units at the Offering Price (the "Additional Units") to cover overallotments and for market stabilization, if necessary. The Company has agreed to pay the Agent a cash commission of 7% of the gross proceeds of the Offering and will grant to the Agent non-transferable share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase that number of common shares as is equal to 7% of the total number of Units and Additional Units sold under the Offering. Each Agent's Warrant entitles the Agent to purchase one Share at a price of $0.25 per Share for a period of 12 months from the closing of the Offering. In addition, the Company will pay the Agent a corporate finance fee of $37,500 (plus HST) and will pay the Agent's reasonable costs, including legal fees, in connection with the Offering. The completion of the Offering will be conditional upon the completion of the Transaction, and will occur concurrent with closing of the Transaction. There can be no assurance that the Transaction will be completed as proposed or at all. Trading in the common shares of the Company has been halted on the Exchange since January 31, 2011, and will remain halted pending completion of the Qualifying Transaction or receipt by the Exchange of certain required materials from the Company.

Exercise of Agents Option

On January 17, 2011, the agent exercised, 75,000 stock options at 0.10 per share for proceeds of $7,500.

ANDELE CAPITAL CORPORATION

Interim Financial Statements

September 30, 2011

(Expressed in Canadian Dollars)

(Unaudited)

ANDELE CAPITAL CORPORATION

Index to Interim Financial Statements

September 30, 2011

(Expressed in Canadian Dollars)

(Unaudited)

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MANAGEMENTS RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Andele Capital Corporation (the "Company") as at September 30, 2011 and for the three and nine months then ended have been prepared by and is the responsibility of the Company's management

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the unaudited interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

ANDELE CAPITAL CORPORATION

Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	September 30, 2011	December 31, 2010
ASSETS		
Current Assets		
Cash	**$ 457,156**	$ 973,456
Receivables	**43,469**	17,012
Loan receivable (Note 5)	**228,918**	-
	729,543	990,468
Deferred share issuance costs (Note 5)	**67,500**	-
Total assets	**$ 797,043**	$ 990,468
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 6 and 8)	**$ 91,003**	$ 48,879
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**786,476**	763,077
Reserves	**465,232**	481,131
Deficit	**(545,668)**	(302,619)
Total capital and reserves	**706,040**	941,589
Total capital and reserves and liabilities	**$ 797,043**	$ 990,468

Nature and Continuance of Operations *(Note 1)*

Approved and authorized by the Board on November 24 , 2011

"Donald Gee" Director

"Wan Jung" Director

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

ANDELE CAPITAL CORPORATION

Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

		Three Months Ended September30, 2011		*Nine Months Ended September30, 2011*		*From date of incorporation to September 30, 2010*
General and administrative expenses:						
Interest and bank charges	$	57	$	180	$	48
Office and miscellaneous		2,853		9,131		-
Professional fees		61,903		206,764		1,656
Transfer agent and filing fees		1,796		30,892		2,000
Loss before other items		(66,609)		(246,967)		(3,704)
Interest income		2,521		3,918		-
Loss and comprehensive loss for the period	$	(64,088)	$	(243,049)	$	(3,704)
Basic and diluted loss per share	$	(0.01)	$	(0.02)	$	(0.00)
Weighted average number of common shares outstanding		12,875,000		12,870,330		1,037,037

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

ANDELE CAPITAL CORPORATION

Interim Statement of Changes in Equity

(Expressed in Canadian Dollars)

(*Unaudited*)

	Share Capital				
	Number of Shares	*Amount*	*Reserves*	*Deficit*	*Shareholders' Equity*
Balance, July 12, 2010 (Date of Incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares	2,800,000	140,000	-	-	140,000
Loss for the period	-	-	-	(3,704)	(3,704)
Balance, September 30, 2010	2,800,000	140,000	-	(3,704)	136,296
Issuance of common shares	10,000,000	1,000,000	-	-	1,000,000
Share issue costs	-	(376,923)	-	-	(376,923)
Agent's compensation	-	-	211,992	-	211,992
Stock based compensation	-	-	269,139	-	269,139
Loss for the period	-	-	-	(298,915)	(298,915)
Balance, December 31, 2010	12,800,000	763,077	481,131	(302,619)	941,589
Issuance of common shares	75,000	7,500	-	-	7,500
Agent's options exercised	-	15,899	(15,899)	-	-
Loss for the period	-	-	-	(243,049)	(243,049)
Balance, September 30, 2011	**12,875,000**	**$ 786,476**	**$ 465,232**	**$ (545,668)**	**$ 706,040**

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

ANDELE CAPITAL CORPORATION

Interim Statement of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended September 30, 2011	From Date of Incorporation to September 30, 2010
Cash flows from operating activities		
Loss for the period	$ (243,049)	$ (3,704)
Changes in non-cash working capital:		
Receivables	(26,457)	(1,140)
Loan receivable	(228,918)	-
Accounts payable and accrued liabilities	42,124	1,656
Cash used in operating activities	(456,300)	(3,188)
Cash flows from financing activities		
Deferred share issuance costs	(67,500)	(19,500)
Issuance of common shares	7,500	140,000
Cash provided by (used in) financing activities	(60,000)	120,500
Increase (decrease) in cash during the period	**(516,300)**	**117,312**
Cash, beginning of period	**973,456**	**-**
Cash, end of period	**$ 457,156**	**$ 117,312**

Supplemental disclosure with respect to Cash Flows (Note 9)

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

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Andele Capital Corporation (the "Company") was incorporated on July 12, 2010 under the Business Corporation Act of the Province of British Columbia and is in the initial phase of the process in accordance with Policy 2.4 of TSX Venture Exchange for a Capital Pool Company ("CPC"). The Company's common shares commenced trading on Tier 2 of the TSX Venture Exchange under the symbol "ADY.P" at the opening of the market on December 30, 2010.

The Company's registered office is located at 2956 Starlight Drive, Coquitlam, British Columbia, Canada.

As a CPC, the Company has no material commercial operations and no material assets other than cash. The Company's cash will be used to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction as defined by the TSX Venture Exchange (the "Exchange"). Refer to Note 5.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do no include any adjustments to assets or liabilities should the Company be unable to continue in existence.

	September 30, 2011	December 31, 2010
Working capital	$ 638,540	$ 941,589
Deficit	$ (545,668)	$ (302,619)

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These are the Company's first financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The disclosures required by the provisions of IFRS 1, "First-time adoption of International Financial Reporting Standards", explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company, are presented in Note 10.

These unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies set out below have been applied in preparing an opening IFRS balance sheet at July 12, 2010 (Note 10) for the purposes of the transition to IFRS, as required by IFRS 1, First-Time Adoption of International Financial Reporting Standards (IFRS 1). These unaudited interim financial statements have been prepared on the basis of IFRS standards that are expected to be effective or available for early adoption by the Company on December 31, 2011, the Company's first annual reporting date under IFRS. The Company has made certain assumptions about the accounting policies expected to be adopted when the first IFRS annual financial statements are prepared for the year ended December 31, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

b) Basis of presentation

These unaudited interim financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

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

d) Cash

Cash includes cash on hand with a Canadian chartered bank and funds held in trust with the Company's corporate counsel.

e) Financial instruments

Financial assets:

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

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

Financial liabilities:

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

Other financial liabilities:

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

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

De-recognition of financial liabilities:

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

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

e) Financial instruments (continued)

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Financial asset at FVTPL
Loan receivable	Loans and receivables

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities

Impairment of financial assets:

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

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

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

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the unaudited interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of September 30, 2011 and December 31, 2010, none of the Company's financial instruments are recorded at fair value on the unaudited interim statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long lived assets that are not amortized are subject to an annual impairment assessment.

g) Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

h) Income taxes

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Significant accounting judgments and estimates

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

The critical areas include stock based compensation and income tax valuation allowance.

k) Deferred share issuance costs

The Company deferred direct and incremental costs incurred in connection with the issuance of share capital pursuant to its proposed public offering (the “Offering”)(see note 5) as a non-current asset and will charge the costs against share capital when the Offering is completed.

l) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2011 reporting period. The following standards are assessed not to have any impact on the Company’s condensed financial statements:

- IFRS 9, *Financial Instruments* – effective for accounting periods commencing on or after January 1, 2013;
- Amendments to IFRS 7 *Financial Instruments*: *Disclosure for amendments enhancing disclosures about transfers of financial assets* – effective for annual periods beginning on or after July 1, 2011;
- Amendments to IAS 12 *Income Taxes: Limited scope amendment (recovery of underlying assets)* – effective for annual periods beginning on or after January 1, 2012.

3. CAPITAL MANAGEMENT

The Company's capital structure consists of items in shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period.

4. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Company had cash balances of $457,156 (December 31, 2010 - $973,456) and current liabilities of $91,003 (December 31, 2010 - $48,879).

The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions. With the economy slowly recovering from recession, the Company may continue to face significant challenges in 2011.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to change in market interest rate. The Company has cash and no interest-bearing debt and therefore is not exposed to risk in the event of interest rate fluctuations.

Foreign currency risk

The Company is not exposed to foreign currency risk.

5. PROPOSED ACQUISITION

Proposed acquisition

Effective March 10, 2011, the Company entered into a definitive agreement (the "Agreement") with Network Entertainment Inc. ("Network") pursuant to which the Company will acquire all of the issued and outstanding shares of Network (the "Transaction"), a private company incorporated under the laws of the Province of British Columbia and which carries on the business of producing high quality original programming for television, film, publishing, radio and online distribution. The Company will issue up to 20,000,000 common shares (the "Transaction Shares") to acquire Network at a deemed price of $0.20 per Transaction Share for total consideration of $4,000,000. The Transaction Shares will be issued to the existing shareholders of Network on a pro rata basis.

The Transaction, if completed, will constitute the Company's "Qualifying Transaction" under the policies of the TSX Venture Exchange (the "Exchange"). The Transaction is an arm's length transaction and shareholder approval to the Transaction will not be required by the Exchange. All Transaction Shares may be subject to resale restrictions under applicable securities laws and/or the policies of the Exchange, as applicable. In addition, all common shares held by Principals of the resulting issuer (as such term is defined in the policies of the Exchange) will be held in escrow in accordance with the policies of the Exchange. A finder's fee may be payable upon completion of the Transaction, in accordance with the policies of the Exchange. The Company intends to change its name to Network Media Group Inc., or such other name as is acceptable to the board of the resulting company and regulatory authorities, upon the closing of the Transaction.

The closing of the Transaction remains subject to certain conditions precedent, some of which include:

1. The receipt of all regulatory and third party approvals, including the approval of the Exchange;
2. The maintenance of the Company's listing on the Exchange;
3. Network entering into agreements with certain creditors of Network to settle outstanding debt of Network;
4. The Company advancing to Network a refundable deposit in the amount of $200,000 which will be secured against the assets of Network, subject to prior registered security interests. The deposit will also be guaranteed by the principal shareholders of Network and will be repayable on demand in the event that the Transaction does not complete. The deposit was accepted by the Exchange and the Company advanced the $200,000 to Network;
5. The absence of any material adverse effect or change; and
6. Other conditions precedent customary for a transaction such as the Transaction.

During the period, the Company advanced $200,000 to Network Films Two Inc., a wholly owned subsidiary of Network Entertainment Inc. by way of a secured loan. The loan bears interest at the rate of 5% per annum and is secured against all of the assets of Network Films Two Inc.

(Expressed in Canadian Dollars)

5. PROPOSED ACQUISITION *(continued)*

Financing

The Company has entered into an engagement letter with Global Securities Corporation (the "Agent") in connection with a proposed public offering (the "Offering") of 12,500,000 units of the Company (the "Units") to be issued at a price of $0.20 per Unit (the "Offering Price") for gross proceeds of $2,500,000. Each Unit will consist of one common share in the capital of the Company (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one Share at a price of $0.40 per Share for a period of 12 months from the closing of the Offering (subject to acceleration in certain circumstances). The Offering will be conducted on a "commercially reasonable efforts" basis in the Provinces of British Columbia and Alberta. The Agent has been granted an option, exercisable not later than 30 days from the closing of the Offering, to arrange for the sale of up to an additional 1,875,000 Units at the Offering Price (the "Additional Units") to cover overallotments and for market stabilization, if necessary. The Company has agreed to pay the Agent a cash commission of 7% of the gross proceeds of the Offering and will grant to the Agent non-transferable share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase that number of common shares as is equal to 7% of the total number of Units and Additional Units sold under the Offering. Each Agent's Warrant entitles the Agent to purchase one Share at a price of $0.20 per Share for a period of 12 months from the closing of the Offering. In addition, the Company will pay the Agent a corporate finance fee of $37,500 plus HST (paid) and will pay the Agent's reasonable costs, including legal fees, in connection with the Offering. The Company paid $25,000 as a retainer held by the Agent and applied to the Agent's out of pocket expenses. The completion of the Offering will be conditional upon the completion of the Transaction, and will occur concurrent with closing of the Transaction. There can be no assurance that the Transaction will be completed as proposed or at all. Trading in the common shares of the Company has been halted on the Exchange since January 31, 2011, and will remain halted pending completion of the Qualifying Transaction or receipt by the Exchange of certain required materials from the Company.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2011	December 31, 2010
Falling due within one year		
Trade payables	**$ 91,003**	$ 48,879
Provision	**-**	$ -
	$ 91,003	$ 48,879

7. SHARE CAPITAL

Share capital comprises the following:

a) Authorized

Share capital consists of an unlimited number of common shares without par value.

b) Issued

Period ended September 30, 2011

On January 17, 2011, the agent exercised 75,000 stock options at 0.10 per share for a cash consideration of $7,500. On exercise of the options, the estimated fair value of $15,899 previously recorded in reserves was charged to share capital.

Period ended December 31, 2010

On August 31, 2010, the Company issued 2,800,000 common shares at a price of $0.05 per share for a cash consideration of $140,000.

On December 24, 2010, the Company completed its initial public offering of 10,000,000 common shares at $0.10 per share for gross proceeds of $1,000,000. The Company incurred share issue costs of $376,923. The Agent was granted options to purchase 1,000,000 common shares exercisable at $0.10 per share for a period of 24 months. The fair value of the Agent's options of $211,992 was charged to share issue costs with an offsetting amount to contributed surplus. The fair value of the Agent's options was determined using the Black Scholes model with the following assumptions; dividend yield of nil, expected volatility of 185%, risk-free rate of 1.71% and expected life of 2 years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL *(continued)*

c) Stock Options

A summary of the status of the Company's stock options as at September 30, 2011 and December 31, 2010, and changes during those periods is presented below:

	Number of shares	*Weighted Average Exercise Price*
Balance, December 31, 2010	**1,200,000**	**$ 0.10**
Granted	**-**	**-**
Exercised	**-**	**-**
Forfeited / Cancelled	**-**	**-**
Balance, September 30, 2011	**1,200,000**	**$ 0.10**

As at September 30, 2011, the following stock options are outstanding and exercisable:

Number of Options	*Exercise Price*	*Expiry*
1,200,000	$ 0.10	December 30, 2015

d) Agents Options

A summary of the status of the Company's stock options as at September 30, 2011 and December 31, 2010, and changes during those periods is presented below:

	Number of shares	*Weighted Average Exercise Price*
Balance, December 31, 2010	**1,000,000**	**$ 0.10**
Granted	**-**	**-**
Exercised	**(75,000)**	**0.10**
Forfeited / Cancelled	**-**	**-**
Balance, September 30, 2011	**925,000**	**$ 0.10**

As at September 30, 2011, the following agents options are outstanding and exercisable:

Number of Options	*Exercise Price*	*Expiry*
925,000	$ 0.10	December 30, 2012

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

As of September 30, 2011, accounts payable and accrued liabilities include $1,278 (December 31, 2010 - $607) due to directors and officers of the Company.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions are as follows

Share capital – Fair value of agent's options exercised	$ 15,899

10. CONVERSION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The policies set out in the Significant Accounting Policies section have been applied in preparing the financial statements for the nine months ended September 30, 2011 and in the preparation of an opening IFRS balance sheet at July 12, 2010 (the Company's date of transition).

First-time adoption of IFRS

The Company did not use the exemptions listed in IFRS 1.

As management had anticipated, given the business of the Company as a Capital Pool Company and given the limited number of transactions that the Company has entered into since incorporation, the impact on the adoption of IFRS had no impact on the Company's financial position, financial performance and cash flows. Specifically, the main areas of accounting focus for the Company to date have been, and will continue to be prior to the consummation of a Qualifying Transaction, the issuance of share capital, the recording of share based payments and the recording of cash transactions for which there are very few or no significant differences between IFRS and Canadian GAAP.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available for early adoption on December 31, 2011, the Company's first annual IFRS reporting date. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

(Expressed in Canadian Dollars)

10. CONVERSION INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (*continued*)

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

a) Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows.

Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited interim financial statements.

Transition date unaudited statement of financial position

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited interim statements of financial position in these financial statements. The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited interim statement of financial position as at the transition date of July 12, 2010.

Comparative unaudited condensed financial statements

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited statement of financial position as at September 30, 2011.

Reconciliation of comprehensive loss and equity

a) Comprehensive loss

		July 12, 2010 (date of incorporation) to December 31, 2010		July 12, 2010 (date of incorporation) to September 30, 2010
Comprehensive loss under Canadian GAAP	$	(302,619)	$	(3,704)
Adjustments for differing accounting treatments		-		-
Comprehensive loss under IFRS	$	(302,619)	$	(3,704)

b) Equity

		December 31, 2010		September 30, 2010		July 12, 2010
Total shareholders' equity under Canadian GAAP	$	941,589	$	136,296	$	-
Adjustments for differing accounting treatments		-		-		-
Total equity under IFRS	$	941,589	$	136,296	$	-

APPENDIX B

FINANCIAL STATEMENTS OF NETWORK

Consolidated Financial Statements

Network Entertainment Inc.

November 30, 2010 and 2009

LANCASTER & DAVID
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of Network Entertainment Inc.:

We have audited the consolidated balance sheets of Network Entertainment Inc. as at November 30, 2010 and 2009, and the consolidated statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at November 30, 2010 and 2009, and the result of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

/s/ Lancaster & David

CHARTERED ACCOUNTANTS

Vancouver, BC
April 19, 2011

Incorporated Partners: David E. Lancaster, C.A. ~ Michael J. David, C.A.
Address: Suite 510, 701 West Georgia Street, PO Box 10133, Vancouver, BC, Canada, V7Y 1C6
Telephone: 604.717.5526 **Facsimile:** 604.717.5560 **Email:** admin@lancasteranddavid.ca

NETWORK ENTERTAINMENT INC.
Consolidated Balance Sheets
As at November 30

	2010	2009
ASSETS		
CURRENT		
Cash	$ 26,511	$ 84,546
Accounts receivable	133,758	60,278
Tax credit receivable	560,444	560,444
Prepaid expenses and deposits	3,739	5,160
	724,452	710,428
Investment in Film and Television Production (Note 4)	494,665	498,813
Property and Equipment (Note 5)	64,261	81,904
	$ 1,283,378	$ 1,291,145
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 569,570	$ 625,204
Interim production financing (Note 6)	461,958	-
Deferred revenue (Note 8)	153,075	-
Due to shareholders	22,463	25,152
Current portion of long-term debt (Note 7)	571,537	639,210
	1,778,603	1,289,566
Long-term Debt (Note 7)	2,257,516	1,952,359
	4,036,119	3,241,925
SHAREHOLDERS' DEFICIENCY		
Share Capital (Note 10)	185,541	185,541
Deficit	(2,938,282)	(2,136,321)
	(2,752,741)	(1,950,780)
	$ 1,283,378	$ 1,291,145

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 11 and 12)
Subsequent events (Note 15)

Approved on behalf of the Board:

"Derik Murray"
Derik Murray, Director

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

NETWORK ENTERTAINMENT INC.
Consolidated Statements of Loss and Deficit
For the Years Ended November 30

	2010	2009	2008
			(unaudited)
Revenue	$ 226,337	$ 1,565,678	$ 33,117
Expenses			
Amortization of film and television properties	122,989	1,076,276	-
Amortization of capital assets	24,360	32,961	46,211
Insurance	4,000	1,440	-
Interest and bank charges	2,474	3,829	21,688
Interest on loans	247,257	161,921	193,435
Office and general	45,733	54,839	18,849
Production services	157,786	142,970	6,783
Professional services	130,603	101,717	34,217
Rent and utilities	52,915	43,255	-
Salaries and wages	159,659	61,197	214,755
Sales and distribution expenses	-	-	51,803
Travel	15,124	7,905	1,222
	962,900	1,688,310	588,963
Operating Loss	(736,563)	(122,632)	(555,846)
Other Income (Losses)			
Gain on foreign exchange	(4,855)	(59,338)	1,744
Interest income	-	54,234	9
Bad debts	-	-	(259,889)
Write-off of properties in development	(60,543)	-	-
	(65,398)	(5,104)	(258,136)
Net Loss for the Year	(801,961)	(127,736)	(813,982)
Deficit, Beginning of Year	(2,136,321)	(2,008,585)	(1,194,603)
Deficit, End of Year	$ (2,938,282)	$ (2,136,321)	$ (2,008,585)
Net Loss Per Share – Basic and Diluted	$ (8,020)	$ (1,277)	$ (4,132)
Weighted average number of common shares outstanding	100	100	197

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

NETWORK ENTERTAINMENT INC.
Consolidated Statements of Cash Flow
For the Years Ended November 30

	2010	2009	2008
			(unaudited)
CASH FLOWS PROVIDED BY (USED FOR):			
Cash Flows from Operating Activities			
Net loss for the year	$ (801,961)	$ (127,736)	$ (813,982)
Items not involving cash:			
Amortization of film and television properties	24,360	1,076,276	-
Amortization of capital assets	122,989	32,961	46,211
Write-off of properties in development	60,543	-	-
Write-off of bad debts	-	-	259,889
Interest accrued in long-term debt	197,484	74,450	49,778
	(396,585)	1,055,951	(458,104)
Net changes in non-cash working capital items:			
Accounts receivable	(73,480)	111,920	(118,565)
Tax credit receivable	-	1,460,186	(314,852)
Prepaid expenses and deposits	1,421	(5,160)	-
Accounts payable and accrued liabilities	(55,634)	131,490	(209,034)
Deferred revenue	153,075	(1,192,520)	1,192,520
Due to shareholders	(2,689)	23,787	235,914
	(373,892)	1,585,654	327,879
Cash Flows from Financing Activities			
Advances from interim production financing	461,958	(1,724,070)	36,623
Advances from long-term debt	550,000	637,060	494,729
Repayment of long-term debt	(515,000)	(75,000)	-
Proceeds from share subscriptions in long-term debt	5,000	251,930	-
Repurchase of shares	-	(4)	(100)
Share issuance cost	-	(14,555)	-
	501,958	(924,639)	531,252
Cash Flows from Investing Activities			
Purchase of property and equipment	(6,717)	(320)	-
Increase in investment in film productions	-	(523,063)	(717,214)
Investment in properties under development	(228,009)	(103,509)	(142,541)
Distribution advance for properties under development	48,625	46,455	-
	(186,101)	(580,437)	(859,755)
Net Increase (Decrease) in Cash	(58,035)	80,578	(624)
Cash, Beginning of Year	84,546	3,968	4,592
Cash, End of Year	$ 26,511	$ 84,546	3,968
SUPPLEMENTAL DISCLOSURE			
Interest paid	$ 26,966	$ -	$ 67,748
Income taxes paid	$ -	$ -	$ -

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

1. NATURE OF OPERATIONS

Network Entertainment Inc. (the “Company”) was incorporated on February 4, 1999 under the laws of British Columbia and is headquartered in Vancouver, British Columbia. The Company, together with its subsidiaries, develops, produces and exploits film and television properties in addition to providing production services to third parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting (“GAAP”) principles and include the accounts of the Company’s wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated.

Principles of consolidation

These consolidated financial statements include the assets, liabilities, operations and cash flows of the Company and its wholly owned subsidiaries. The material active subsidiaries are listed below:

Network Pictures MTC Two Inc.
Network Films Inc.
Network Media Ventures Inc.

All material intercompany balances and transactions have been eliminated.

Going concern

Management has prepared these consolidated financial statements in accordance with Canadian GAAP applicable to a going concern, which contemplates that assets will be realized and liabilities discharged in the normal course of business as they come due.

The Company has a negative working capital of $1,054,151 and an accumulated deficit of $2,938,282. The Company’s ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. No provision has been made in these financial statements for any adjustments to the net recoverable value of assets should the Company not be able to continue as a going concern.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions. These may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. They may also affect the reported amounts of revenue and expenses during the reporting period. Significant areas that involve estimates include the amortization of film and television properties, amortization of capital assets, calculation of the fair value of stock-based compensation and the valuation allowance on future income tax. Since estimates and assumptions are limited by the relevance of historical data and uncertainty of future events, actual results could differ from those estimates.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange at the consolidated balance sheet date. Non-monetary assets and liabilities and revenue and expenses arising from transactions denominated in foreign currencies are translated at rates of exchange at the date of the transaction. Foreign exchange gains and losses arising from foreign currency translation or transactions are included in income. For each year presented, the Company has no long-term monetary assets or liabilities denominated in a foreign currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the respective fiscal years. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share purchase options and warrants are used to repurchase common shares at the average market price during the year. Diluted loss per share and weighted average number of common shares exclude all dilutive potential shares since their effect is anti-dilutive.

Revenue recognition

Revenue is earned primarily from the production and distribution of film and television programs.

Revenue from the sale of film and television program rights and license arrangements is recognized only when persuasive evidence of a sale or arrangement with a customer exists, the film or series episode is complete and the contractual delivery arrangements have been satisfied, the license period has commenced, the arrangement fee is fixed or determinable, collection of the arrangement fee is reasonably assured, and other conditions as specified in the respective agreements have been met.

Cash payments received are recorded as deferred revenue until all foregoing conditions of revenue recognition have been met.

Revenue from contract film and television production services for third parties is recognized using the percentage of completion method based upon the proportion of costs incurred in the current period to the project's total expected costs.

Government financing and incentives

The Company claims federal and provincial Canadian film or video production refundable tax credits related to specific production expenditures. Tax credits are recorded on a net basis as a reduction in production costs for associated productions developed by the Company. Federal and provincial refundable income tax credits are considered receivable when conditions for eligibility of production assistance have been met, the qualified expenditures have been incurred and there is reasonable assurance that the credits will be realized.

Investment in film and television productions

Investment in film and television productions represents the unamortized cost of film and television projects which are in development and completed proprietary film and television programs that have been produced by the Company.

Costs of producing film and television programs are capitalized and amortized using the individual film forecast method, whereby capitalized costs are amortized, and ultimate participation costs are accrued, in the proportion that current revenue bears to management's estimate of ultimate revenue expected to be recognized from the exploitation, exhibition or licensing of the film or television program.

For film and television programs produced by the Company, capitalized costs include all direct production, an allocation of directly attributable overhead and financing costs incurred during production that are expected to benefit future periods. Financing costs are capitalized to the costs of a film or television program until the film or television program is complete.

Revenue projections are prepared on a production by production basis and are reviewed periodically for changes in current market conditions. For all properties, revenue estimates include licensing of television broadcast rights, sale of Blu-ray and DVDs, box office receipts, and online exploitation. Estimates of future revenue involve measurement uncertainty and it is therefore possible that reductions in the carrying value of investment in film and television productions may be required as a consequence of changes in management's future revenue projections.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in film and television productions (continued)

Productions in progress
Productions in progress represent the accumulated costs of productions that have not been completed or delivered by the Company, as well as productions in development. Development costs are incurred prior to the production process and are capitalized. Upon commencement of production, development costs are charged to production costs. Development costs are written off if the property has been held for three years and has not been set for production or earlier when it has been determined that such costs cannot be recovered.

Impairment
The valuation of investment in film and television productions is reviewed on a production by production basis. When an event or change in circumstances indicates that the fair value of a production is less than its unamortized cost, the fair value of the production is determined using management's estimates of future revenues and costs under a discounted cash flow approach. A write-down is recorded equivalent to the amount by which the unamortized costs exceed the estimated fair value of the production.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is charged over the estimated useful lives of the assets at the following annual rates:

Computer equipment	30% declining balance
Computer software	100% declining balance
Furniture and equipment	20% declining balance

Additions during the year are amortized at one-half of the normal rates.

Impairment of long-lived assets

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the net asset exceeds the fair value of the asset.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the consolidated financial statement carrying values of existing assets and liabilities and their respective income tax bases. Changes in the net future tax asset or liability are included in income. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The effect of a change in tax rates on future tax assets and liabilities is included in income in the period that includes the substantive enactment date. Future income tax assets are evaluated and if their realization is not considered "more likely than not", a valuation allowance is provided.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock-based compensation

The Company follows a fair value based method of accounting for all stock-based compensation and other stock-based payments. The fair value of all share purchase options is expensed over the vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options. Refer to Note 10(c) for details of assumptions used in the Black-Scholes calculation.

Financial instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of accounts receivable, accounts payable and accrued liabilities and interim production financing, approximate their fair values because of the short-term nature of those instruments.

The Company undertakes transactions denominated in United States dollars and, as such, is exposed to price risk due to fluctuations in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure.

Recent accounting pronouncements

Business combinations, consolidated financial statements and non-controlling interest
In January 2010, the AcSB finalized the following:

CICA 1582 Business Combinations, this section is effective January 1, 2011 and applies prospectively to business combinations for which the acquisition date is on or after the first annual reporting period of the Corporation beginning on or after January 1, 2011. Early adoption is permitted. The Company does not anticipate the adoption of this standard will impact the financial results.

CICA 1601 Consolidated Financial Statements carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interest.

CICA 1602 Non-controlling Interests provides guidance on the treatment of non-controlling interests after acquisition in a business combination. Both CICA 1061 and 1602 are effective January 1, 2011. The Company does not anticipate the adoption of this standard will impact the Company's consolidated financial statements.

International Financial Reporting Standards (IFRS)
On September 30, 2009, the Accounting Standards Board approved the final accounting standards for private enterprise in Canada. The new standards were released in December 2009 and were available for early adoption for the Company's year ending November 30, 2010. The Company has opted not to adopt in the current year, however, will be required to adopt these standards for the Company's year ending November 30, 2011. Management is determining the impact on the financial statements and is determining the appropriate adoption timeframe for these new standards. In the event that the Company does not adopt the private enterprise accounting standards, management is considering the impact on the financial statements of adopting IFRS.

3. TAX CREDITS RECEIVABLE

Tax credits receivable represent federal and provincial refundable tax credits generated on specific production expenditures incurred by the Company. Tax credits receivable are subject to review by the Canada Revenue Agency. The tax credits recorded represent management's best estimates of the recoverable amount.

4. INVESTMENT IN FILM AND TELEVISION PRODUCTIONS

	2010 $	2009 $
Productions in development	**336,788**	277,605
Productions in progress	**59,658**	—
Completed productions		
Capitalized production costs	**19,258,115**	19,258,115
Less production tax credits	**(5,374,419)**	(5,374,419)
Less amortization	**(13,785,477)**	(13,662,488)
	98,219	221,208
	494,665	498,813

Properties in development
These costs relate to projects currently being developed by the Company. During the year ended November 30, 2010, the Company wrote-off $60,543 (2009 - $nil) of projects in development which in management's opinion has a low likelihood of going into production.

During the year ended November 30, 2010, the Company received $48,625 (2009 - $46,455) for funding projects in development for an aggregate amount of $95,080. At November 30, 2010, the Company has spent $59,872 (2009 - $14,254) of the funds advanced and has commitments to spend the remaining amount of $35,208 for development initiatives on specific projects. The funds are only recoupable if the project goes into production.

5. PROPERTY AND EQUIPMENT

	Cost $	Accumulated amortization $	Net book value $
2010			
Furniture and equipment	**65,049**	**54,442**	**10,607**
Computer equipment	**369,528**	**315,874**	**53,654**
Computer software	**56,264**	**56,264**	**-**
	490,841	**426,580**	**64,261**

	Cost $	Accumulated amortization $	Net book value $
2009			
Furniture and equipment	65,049	51,790	13,259
Computer equipment	362,811	294,326	68,485
Computer software	56,263	56,103	160
	484,123	402,219	81,904

6. INTERIM PRODUCTION FINANCING

	2010 $	2009 $
The Company secured an interim bank loan to finance the cost of producing a proprietary production. The loan bears interest at prime plus 3.55% per annum and is repayable on demand. The loan is secured by tax credits receivable and a general security agreement over the assets of the production company, as well as a guarantee of the Company, a general security agreement over the assets of the Company and a postponement of claim by an Officer and Director or the Company.	**461,958**	-

7. LONG-TERM DEBT

	2010 $	2009 $
Unsecured, demand loan with interest accruing at 12% per annum. On November 26, 2009, the lender issued a statement of claim for the outstanding balance plus legal costs and expenses.	**139,115**	124,210
Unsecured promissory note with interest accruing at 12% per annum. On February 15, 2011, the lender and the Company agreed to settle the debt for 2,025,315 common shares of the Company as full and final payment for the outstanding debt. The Company subsequently issued the shares on April 11, 2011. In the event the Company does not become listed on a Canadian stock exchange prior to June 30, 2011 (Note 15(i)) , it is at the sole election of lender that the common shares issued to settle the debt will be immediately cancelled and the Company will become indebted in the amount of $406,063 plus interest at 12% per annum.	**395,670**	353,277
Demand loan with interest accruing at 15% per annum compounded monthly, secured by a general security agreement of the Company. On March 2, 2011, the lender and the Company agreed to amend the payment terms. Past interest due is repayable by July 2, 2011 and full repayment of the balance on March 31, 2012.	**185,000**	200,000
Convertible debenture accruing interest at 12% per annum. The debenture is issued with conversion rights at the lenders discretion to convert the principal and accrued interest in whole or in part, into common shares. Principal and accrued interest is due and payable on December 1, 2012. The lender subsequently converted $500,000 into common shares of the Company at $0.175 per common share for 2,857,142 shares. The Company subsequently issued the shares on April 11, 2011. The Company shall continue to pay interest on the converted $500,000 along with the remaining balance of the loan, all of which is repayable immediately on the closing of the qualifying transaction with Andele Capital Corporation (Note 15(i)). If the qualifying transaction does not close on or before July 1, 2011, then the lender or the Company has the right to cancel the converted shares, the deemed interest on the converted $500,000 will not be paid and the remaining balance will revert to the original terms of the convertible debenture agreement.	**1,126,472**	520,740
Promissory note accruing interest at 12% per annum. Both principal and accrued interest is repayable in full by December 1, 2011.	**47,027**	-
Loan with an effective interest accruing at 4.2% per annum, repayable upon the Company completing a qualifying transaction with a Capital Pool Corporation. The loan is secured by a registered general security interest over the assets of the Company.	**678,839**	1,141,412
Non-interest bearing demand loans received for share subscriptions for 1,284,650 common shares at $0.20 per share. The Company subsequently issued the shares on April 11, 2011.	**256,930**	251,930
	2,829,053	2,591,569
Less: current portion	**(571,537)**	(639,210)
	2,257,516	1,952,359

8. DEFERRED REVENUE

Deferred revenue represents distribution and development advances, and deferred tax credit revenue. The distribution advances will be taken into income upon completion of productions in progress. The development advances are from unrelated third parties for development of current and future projects. Repayment of the advances is contingent upon commencement of principal photography. In the event that the productions are not produced, the development advances are typically forgiven by the third party.

9. FUTURE INCOME TAXES

The tax effects of temporary differences that give rise to the Company's future income tax asset (liability) are as follows:

	2010 $	2009 $
Temporary difference in property and equipment	**32,000**	28,000
Non-capital loss carry forwards	**359,000**	268,000
Temporary difference in completed productions	**2,000**	2,000
Net future income tax asset	**393,000**	298,000
Valuation allowance	**(393,000)**	(298,000)
	-	-

As at November 30, 2010, the Company does not consider it more likely than not that the tax assets will be realized so it has applied a valuation allowance and therefore no future income tax expense or recovery has been recorded for the period.

A reconciliation of income taxes for the years ended November 30, 2010 and 2009 at statutory rates with the reported income taxes are as follows:

	2010 $	2009 $	2008 $
			(unaudited)
Net loss	**801,960**	127,734	813,982
Canadian statutory income tax rate	**30%**	30%	30%
Income tax recovery at statutory income tax rate	**(241,000)**	(38,000)	(244,000)
Tax effect of:			
Permanent differences	**22,000**	(1,000)	**-**
Temporary differences	**2,000**	1,000	14,000
Other	**-**	5,000	**-**
Valuation allowance	**217,000**	33,000	230,000
Income tax expense	**-**	-	-

The Company has non-capital loss carry-forwards that expire as follows:

Year of expiry	Amount
2014	$ 369,000
2026	59,000
2027	486,000
2028	661,000
2029	361,000
2030	721,000
	$ 2,657,000

10. SHARE CAPITAL

a) Authorized – 20,000,000 common shares without par value, full voting rights – refer to Note 15(a)

b) Issued and fully paid

	2010		2009	
	Common shares	**Amount**	Common shares	Amount
Beginning of year	**100**	**$ 185,541**	100	$ 100
Repurchase of shares	**-**	**-**	(4)	(4)
Common shares issued	**-**	**-**	4	200,000
Share issue cost	**-**	**-**	-	(14,555)
End of year	**100**	**$ 185,541**	100	$ 185,541

c) Stock options

As at November 30, 2010, the following stock options were outstanding:

Number of Options	**Exercise Price**	**Expiry Date**
4,200,000	$0.01	December 1, 2011

On April 11, 2011, the Company issued 4,152,160 common shares upon the exercise of stock options at $0.01 per share in exchange for services valued at $41,522 (Note 15(e)). Stock option transactions are summarized as follows:

	Options outstanding	**Weighted average exercise price**
Balance as at November 30, 2008 and 2009	-	-
Granted during the year	4,200,000	$0.01
Balance as at November 30, 2010	4,200,000	$0.01
Outstanding and exercisable	4,200,000	$0.01

The Company uses the Black-Scholes option pricing model to determine the fair value of options granted. The following assumptions were used for the Black-Scholes valuation of options vested during the year. Based on the assumptions used, the calculated amount was negligible and therefore no amount was recorded as stock-based compensation for the 4,200,000 stock options granted during the year.

Expected dividend yield	0%
Expected price volatility	0%
Risk free interest rate	1.09%
Expected life	2 years

11. COMMITMENTS

a) The Company renewed its sublease agreement for office premise in which the term commences June 1, 2010 and terminates on May 31, 2011 at the rate of $3,739 per month. The Company entered into a lease agreement for office equipment for a 24 month term commencing May 1, 2009. The following is a summary of the minimum annual lease payments over term of the agreements:

	Office premise	Office equipment	Total
2011	$ 26,173	$ 2,459	$ 28,632

b) During the year ended November 30, 2010, the Company received $48,625 (2009 - $46,455) for funding projects in development for an aggregate amount of $95,080. At November 30, 2010, the Company has spent $59,872 (2009 - $14,254) of the funds advanced and has commitments to spend the remaining amount of $35,208 for development initiatives on specific projects. The funds are only recoupable if the project goes into production.

12. CONTINGENCIES

The Company is involved in litigation and as of November 30, 2010, it was a defendant in various legal actions. The Company has established accruals for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicates that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The actions described below have been commenced against the Company and, although the Company has denied the allegations and intends to vigorously defend itself in each case, the outcome of each action cannot be predicted with certainty.

a) The Company had entered into a letter of intent to complete a qualifying transaction whereby the targeted company advanced $25,000. The party claims the funds were part of a refundable deposit, but the Company denies the funds were refundable and have entered into a counterclaim for losses suffered as a result of a breach of the letter of intent. The defences to these claims and the quantification of the damages are yet to be determined.

b) A debt holder of the Company has entered into an action seeking repayment of its loan. The Company intends to negotiate with the party to settle the claim. The defences to these claims and the quantification of the damages are yet to be determined.

c) A shareholder of the Company has entered into an action seeking repayment of funds used to purchase shares. The shareholder claims the conditions of the investment were never satisfied. The Company feels that it has met the condition of the investment agreement and a defence has been filed. The defences to these claims and the quantification of the damages are yet to be determined.

13. RELATED PARTY TRANSACTIONS

Transactions with related parties are measured at the exchange amount as these are in the normal course of business. The transactions recorded approximate the fair market value of the transactions.

During the year, the Company paid the following to the President and Director of the Company and/or a company controlled by the President and Director:

a) Salaries and management fees totaling $120,000 (2009 - $120,000) and
b) Production services for licensing fee totaling $43,000 (2009 - $nil).

14. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its proprietary assets and continue as a going concern in order to pursue the development of its film and television properties and provide a return to its shareholders. The Company's primary sources of capital are long-term debt, share issuances and from operations. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

15. SUBSEQUENT EVENTS

a) On April 11, 2011, the shareholders of the Company approved an increase in the authorized share structure from 1,000,000 common shares without par value to 20,000,000 common shares without par value.

b) On April 11, 2011, the Company issued 1,284,650 common shares at $0.20 per common share for proceeds of $256,930. The subscription proceeds were received during prior periods and included in long-term debt at November 30, 2010.

c) On April 11, 2011, the Company issued 2,025,315 common shares in full settlement of debt in the amount of $405,063.

d) On April 11, 2011, the Company issued 2,857,142 common shares upon the conversion of a convertible debenture of $500,000.

e) On April 11, 2011, the Company issued 4,152,160 common shares upon the exercise of stock options at $0.01 per share in exchange for services valued at $41,522.

f) On April 11, 2011, the Company repurchased 4 common shares at $50,000 per common share and issued 800,000 common shares at $0.25 per common share to the same shareholder.

g) On April 11, 2011, the Company issued 8,000,000 common shares to the President and Director of the Company as consideration for obtaining rights to a series of programs valued at $400,000.

h) On April 11, 2011, the Company issued 880,637 common shares as consideration for the repayment of amounts owing to the President and Director of the Company in the amount of $8,806.

i) The Company entered into a share exchange agreement with Andele Capital Corp. ("Andele"), a Capital Pool Company listed on the TSX Venture Exchange, pursuant to which Andele will acquire all of the issued and outstanding shares of the Company, whereby the Company will become a wholly-owned subsidiary of Andele. Upon completion of the transaction, Andele will issue 20,000,000 common shares and will change its name to Network Media Group Inc. or such other name as approved by the new Board of Directors. The closing of the transaction is subject to certain conditions and regulatory approval.

Interim Consolidated Financial Statements

Network Entertainment Inc.

For the Nine and Three Months ended August 31, 2011 and 2010

(Unaudited)

NETWORK ENTERTAINMENT INC.
Interim Consolidated Balance Sheets
(Unaudited)

	August 31, 2011	November 30, 2010
ASSETS		
CURRENT		
Cash	$ 164,953	$ 26,511
Accounts receivable	77,739	133,758
Tax credit receivable	85,183	560,444
Prepaid expenses and deposits	3,872	3,739
	331,747	724,452
Investment in Film and Television Productions (Note 4)	1,091,961	494,665
Property and Equipment (Note 5)	50,598	64,261
	$ 1,474,306	$ 1,283,378
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 682,378	$ 569,570
Interim production financing (Note 6)	203,205	461,958
Deferred revenue (Note 8)	400,572	153,075
Due to shareholders	20,899	22,463
Current portion of long-term debt (Note 7)	895,939	571,537
	2,202,993	1,778,603
Long-term Debt (Note 7)	1,050,195	2,257,516
	3,253,188	4,036,119
SHAREHOLDERS' DEFICIENCY		
Share Capital (Note 9)	1,797,862	185,541
Deficit	(3,576,744)	(2,938,282)
	(1,778,882)	(2,752,741)
	$ 1,474,306	$ 1,283,378

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 10 and 11)
Subsequent events (Note 13)

Approved on behalf of the Board:

"Derik Murray"
Director

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

NETWORK ENTERTAINMENT INC.
Interim Consolidated Statements of Loss and Deficit
For the Three and Nine Months Ended August 31
(Unaudited)

	Nine month period August 31, 2011	Nine month period August 31, 2010	Three month period August 31, 2011	Three month period August 31, 2010
Revenue	$ 449,327	$ 154,682	$ 197,256	$ 110,242
Expenses				
Amortization of film and television properties	-	65,350	-	65,350
Amortization of capital assets	13,663	17,513	4,554	5,839
Insurance	-	4,000	-	1,000
Interest and bank charges	1,211	1,046	(10)	334
Interest on loans	184,813	178,477	58,377	40,435
Office and general	40,878	42,493	20,403	21,378
Production services	380,302	154,187	156,613	15,685
Professional services	98,761	130,677	13,570	53,779
Rent and utilities	34,592	35,108	11,419	11,217
Salaries and wages	279,044	103,590	84,276	14,724
Travel	23,189	12,808	13,988	4,039
	1,056,453	745,249	363,190	233,780
Operating Loss	(607,126)	(590,567)	(165,934)	(123,538)
Other Income/(Losses)				
Loss on foreign exchange	(19,366)	(2,630)	(6,906)	(56)
Interest income	8,111	-	8,111	-
Write-off of properties in development	(20,080)	(33,477)	(5,212)	-
	(31,335)	(36,107)	(4,007)	(56)
Net Loss for the Period	(638,461)	(626,674)	(169,941)	(123,594)
Deficit, Beginning of Period	(2,938,283)	(2,136,321)	(3,406,803)	(2,639,401)
Deficit, End of Period	$ (3,576,744)	$ (2,762,995)	$ (3,576,744)	$ (2,762,995)
Net Loss Per Share – Basic and Diluted	$ (0.06)	$ (6,267)	$ (0.01)	$ (1,236)
Weighted average number of shares outstanding	10,485,844	100	20,047,840	100

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

NETWORK ENTERTAINMENT INC.
Interim Consolidated Statements of Cash Flow
For the Three and Nine Months Ended August 31
(Unaudited)

	Nine month period August 31, 2011	Nine month period August 31, 2010	Three month period August 31, 2011	Three month period August 31, 2010
CASH FLOWS PROVIDED BY (USED FOR):				
Cash Flows from Operating Activities				
Net loss for the period	$ (638,461)	$ (626,674)	$ (169,941)	$ (123,594)
Items not involving cash:				
Amortization of capital assets	13,663	17,513	4,554	5,839
Amortization of film and television properties	-	65,350	-	65,350
Write-off of properties in development	20,080	33,477	5,212	-
Services exchanged for exercise of option	41,522	-	-	-
Interest accrued in long-term debt	143,692	164,003	33,117	33,834
	(419,504)	(346,331)	(127,058)	(18,571)
Net changes in non-cash working capital items:				
Accounts receivable	56,019	(161,826)	19,574	(166,813)
Prepaid expenses and deposits	(133)	1,421	-	(3,579)
Accounts payable and accrued liabilities	104,894	(37,485)	30,284	34,123
Tax credit receivable	475,261	-	528,500	-
Deferred revenue	247,497	153,075	33,016	153,075
Due to shareholders	7,242	6,946	(43,415)	(8,145)
	471,276	(384,200)	440,901	(9,910)
Cash Flows from Financing Activities				
Advances from interim production financing	(262,353)	454,474	(478,214)	31,601
Advances from long-term debt	145,395	27,497	120,395	46,399
	(116,958)	481,971	(357,819)	78,000
Cash Flows from Investing Activities				
Investment in properties under development	(217,376)	(112,312)	1,002	(49,803)
Distribution advance for properties under development	1,500	-	-	-
	(215,876)	(112,312)	1,002	(49,803)
Net Increase (Decrease) in Cash	138,442	(14,541)	84,084	18,287
Cash, Beginning of Period	26,511	84,546	80,869	51,718
Cash, End of Period	$ 164,953	$ 70,005	$ 164,953	$ 70,005
SUPPLEMENTAL DISCLOSURE				
Interest paid	$ 27,977	$ 43,906	$ 8,768	$ 11,344
Income taxes paid	$ -	$ -	$ -	$ -

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

1. NATURE OF OPERATIONS

Network Entertainment Inc. (the "Company") was incorporated on February 4, 1999 under the laws of British Columbia and is headquartered in Vancouver, British Columbia. The Company, together with its subsidiaries, develops, produces and exploits film and television properties in addition to providing production services to third parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting ("GAAP") principles and include the accounts of the Company's wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated.

These unaudited interim consolidated financial statements have been prepared in accordance with GAAP for interim financial statements. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are necessary for a fair presentation of results for the interim periods. Operating results for the nine month period ended August 31, 2011 are not necessarily indicative of the results that may be expected for the year ending November 30, 2011. These interim consolidated financial statements follow the same accounting policies as the audited consolidated financial statements of the Company for the year ended November 30, 2010, except for the new policies disclosed below. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's November 30, 2010 annual audited consolidated financial statements and notes thereto.

Principles of consolidation

These interim consolidated financial statements include the assets, liabilities, operations and cash flows of the Company and its wholly owned subsidiaries. The material active subsidiaries are listed below:

Network Pictures MTC Two Inc.
Network Films Inc.
Network Media Ventures Inc.

All material intercompany balances and transactions have been eliminated.

Going concern

Management has prepared these consolidated financial statements in accordance with Canadian GAAP applicable to a going concern, which contemplates that assets will be realized and liabilities discharged in the normal course of business as they come due.

The Company has a negative working capital of $1,871,246 and an accumulated deficit of $3,576,744. The Company's ability to continue as a going concern is dependent upon its ability to access sufficient capital until it has profitable operations. No provision has been made in these financial statements for any adjustments to the net recoverable value of assets should the Company not be able to continue as a going concern.

Recent accounting pronouncements

Business combinations, consolidated financial statements and non-controlling interest
In January 2010, the AcSB finalized the following:

CICA 1582 Business Combinations, this section is effective January 1, 2011 and applies prospectively to business combinations for which the acquisition date is on or after the first annual reporting period of the Corporation beginning on or after January 1, 2011. Early adoption is permitted. The Company does not anticipate the adoption of this standard will impact the financial results.

CICA 1601 Consolidated Financial Statements carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interest.

CICA 1602 Non-controlling Interests provides guidance on the treatment of non-controlling interests after acquisition in a business combination. Both CICA 1061 and 1602 are effective for fiscal periods beginning on or after January 1, 2011. The Company does not anticipate the adoption of this standard will impact the Company's consolidated financial statements.

International Financial Reporting Standards (IFRS)
On September 30, 2009, the Accounting Standards Board approved the final accounting standards for private enterprise in Canada. The new standards were released in December 2009 and were available for early adoption for the Company's year ending November 30, 2010. The Company has opted not to adopt in the current year, however, will be required to adopt these standards for the Company's year ending November 30, 2011. Management is determining the impact on the financial statements and is determining the appropriate adoption timeframe for these new standards. In the event that the Company does not adopt the private enterprise accounting standards, management is considering the impact on the financial statements of adopting IFRS.

3. TAX CREDITS RECEIVABLE

Tax credits receivable represent federal and provincial refundable tax credits generated on specific production expenditures incurred by the Company. Tax credits receivable are subject to review by the Canada Revenue Agency. The tax credits recorded represent management's best estimates of the recoverable amount.

4. INVESTMENT IN FILM AND TELEVISION PRODUCTIONS

	August 31 2011 $	November 30 2010 $
Productions in development	**459,637**	336,788
Productions in progress	**134,105**	59,658
Completed productions		
Capitalized production costs	**19,658,115**	19,258,115
Less production tax credits	**(5,374,419)**	(5,374,419)
Less amortization	**(13,785,477)**	(13,785,477)
	498,219	98,219
	1,091,961	494,665

5. PROPERTY AND EQUIPMENT

	Cost $	Accumulated amortization $	Net book value $
August 31, 2011			
Furniture and equipment	**65,049**	**56,033**	**9,016**
Computer equipment	**369,528**	**327,946**	**41,582**
Computer software	**56,264**	**56,264**	**-**
	490,841	**440,243**	**50,598**

	Cost $	Accumulated amortization $	Net book value $
November 30, 2010			
Furniture and equipment	65,049	54,442	10,607
Computer equipment	369,528	315,874	53,654
Computer software	56,264	56,264	-
	490,841	426,580	64,261

6. INTERIM PRODUCTION FINANCING

	Aug. 31, 2011 $	Nov. 30, 2010 $
The Company secured an interim bank loan to finance the cost of producing a proprietary production. The loan bears interest at prime plus 3.55% per annum and is repayable on demand. The loan is secured by tax credits receivable and a general security agreement over the assets of the production company, as well as a guarantee of the Company, a general security agreement over the assets of the Company and a postponement of claim by an Officer and Director or the Company.	**-**	461,958
The Company secured an interim loan to finance the cost of producing a proprietary production from Andele Capital Corp. The loan bears interest at prime plus 5% per annum and is repayable on the earlier of the receipt of tax credits, 18 months from delivery of the project or if alternate financing is received. The loan is payable on demand in the event the Share Exchange Agreement is terminated. The loan is secured by tax credits receivable and a general security agreement over the assets of the production company, as well as a guarantee of the Company, a general security agreement over the assets of the Company.	**203,205**	-
	203,205	461,958

7. LONG-TERM DEBT

	Aug. 31, 2011 $	Nov. 30, 2010 $
Unsecured, demand loan with interest accruing at 12% per annum. On November 26, 2009, the lender issued a statement of claim for the outstanding balance plus legal costs and expenses.	**151,500**	139,115
Unsecured promissory note with interest accruing at 12% per annum. The lender and the Company agreed to settle the debt for 2,025,315 common shares of the Company as full and final payment for the outstanding debt. In the event the Company does not become listed on a Canadian stock exchange prior to June 30, 2011 (Note 10), it is at the sole election of lender that the common shares issued to settle the debt will be immediately cancelled and the Company will become indebted in the amount of $405,063 plus interest at 12% per annum.	**7,024**	395,670
Demand loan with interest accruing at 15% per annum compounded monthly, secured by a general security agreement of the Company.	**185,000**	185,000
Convertible debenture accruing interest at 12% per annum. The debenture is issued with conversion rights at the lenders discretion to convert the principal and accrued interest in whole or in part, into common shares. Principal and accrued interest is due and payable on December 1, 2012.		
The lender converted $500,000 into common shares of the Company at $0.175 per common share for 2,857,142 shares. The Company shall continue to pay interest on the converted $500,000 along with the remaining balance of the loan, all of which is repayable immediately on the closing of the qualifying transaction with Andele Capital Corporation (Note 10). If the qualifying transaction does not close on or before July 1, 2011, then the lender or the Company has the right to cancel the converted shares, the deemed interest on the converted $500,000 will not be paid and the remaining balance will revert to the original terms of the convertible debenture agreement.	**722,219**	1,126,472
Promissory note accruing interest at 12% per annum. Both principal and accrued interest is repayable in full by December 1, 2011. Subsequently repaid in full (Note 13).	**51,081**	47,027
Loan with an effective interest accruing at 4.2% per annum, repayable upon the Company completing a qualifying transaction with a Capital Pool Corporation. The loan is secured by a registered general security interest over the assets of the Company.	**682,835**	678,839
Non-interest bearing demand loans received for share subscriptions for 1,284,650 common shares at $0.20 per share which were issued during the period.	**-**	256,930
The Company secured an loan to finance the cost of producing a proprietary production from four private corporations. The loan bears interest 10% per annum and is repayable upon demand or the earlier of the receipt of tax credits, 18 months from delivery of the project or if alternate financing is received. The loan is secured by tax credits receivable and a general security agreement over the assets of the production company, as well as a corporate guarantee of and a general security agreement over the assets of a subsidiary company.	**120,395**	-
Promissory note from Andele Capital Corp. accruing interest at 8% per annum compounded monthly. The principal is due on demand any time after May 1, 2011.	**26,079**	-
	1,946,133	2,829,053
Less: current portion	**(895,938)**	(571,537)
	1,050,195	2,257,516

8. DEFERRED REVENUE

Deferred revenue represents distribution and development advances, and deferred tax credit revenue. The distribution advances will be taken into income upon completion of productions in progress. The development advances are from unrelated third parties for development of current and future projects. Repayment of the advances is contingent upon commencement of principal photography. In the event that the productions are not produced, the development advances are typically forgiven by the third party.

9. SHARE CAPITAL

a) Authorized – 20,000,000 common shares without par value, full voting rights

During the period, the shareholders of the Company approved an increase in the authorized share structure from 1,000,000 common shares without par value to 20,000,000 common shares without par value.

b) Issued and fully paid

	Common shares #	Amount $
Balance as at November 30, 2010	100	185,541
Shares issued at $0.20 per common share. The subscription proceeds were received during prior periods and included in long-term debt at November 30, 2010.	1,284,650	256,930
Shares issued for settlement of debt.	2,025,315	405,063
Shares issued upon the conversion of a convertible debenture.	2,857,142	500,000
Shares issued upon the exercise of stock options at $0.01 per share in exchange for services.	4,152,160	41,522
Repurchased 4 common shares at $50,000 per common share.	(4)	(200,000)
Issued common shares at $0.25 per common share	800,000	200,000
Issued common shares to the President and Director of the Company as consideration for obtaining rights to a series of programs.	8,000,000	400,000
Issued common shares as consideration for the repayment of amounts owing to the President and Director of the Company.	880,637	8,806
Balance as at August 31, 2011	20,000,000	1,797,862

c) Stock options

As at August 31, 2011 the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
47,840	$0.01	December 1, 2011

Stock option transactions are summarized as follows:

	Options outstanding #	Weighted average price $
Balance as at November 30, 2010	4,200,000	0.01
Exercise of stock options in exchange for services.	(4,152,160)	0.01
Balance as at August 31, 2011	47,840	0.01

The balance of 47,840 stock options will be cancelled on or before the closing date of the transaction described in Note 10.

The Company uses the Black-Scholes option pricing model to determine the fair value of options granted. The following assumptions were used for the Black-Scholes valuation of options vested during the year. Based on the assumptions used, the calculated amount was negligible and therefore no amount was recorded as stock-based compensation for the 4,200,000 stock options granted during the prior year.

Expected dividend yield	0%
Expected price volatility	0%
Risk free interest rate	1.09%
Expected life	2 years

10. COMMITMENTS

The Company renewed its sublease agreement for office premise in which the term commenced June 1, 2010 and terminated on May 31, 2011 at the rate of $3,739 per month. The lease was renewed on a month to month basis.

The Company entered into a lease agreement for office equipment for a 24 month term commencing May 1, 2011 at the rate of $156 per month. The minimum annual lease payments over the term of the agreement is $3,744.

The Company entered into a share exchange agreement with Andele Capital Corp. (“Andele”), a Capital Pool Company listed on the TSX Venture Exchange, pursuant to which Andele will acquire all of the issued and outstanding shares of the Company, whereby the Company will become a wholly-owned subsidiary of Andele. Upon completion of the transaction, Andele will issue 20,000,000 common shares and will change its name to Network Media Group Inc. or such other name as approved by the new Board of Directors. The closing of the transaction is subject to certain conditions and regulatory approval.

11. CONTINGENCIES

The Company is involved in litigation and as of August 31, 2011, it was a defendant in various legal actions. The Company has established accruals for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicates that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The actions described below have been commenced against the Company and, although the Company has denied the allegations and intends to vigorously defend itself in each case, the outcome of each action cannot be predicted with certainty.

a) The Company had entered into a letter of intent to complete a qualifying transaction whereby the targeted company advanced $25,000. The party claims the funds were part of a refundable deposit, but the Company denies the funds were refundable and have entered into a counterclaim for losses suffered as a result of a breach of the letter of intent. The defences to these claims and the quantification of the damages are yet to be determined.

b) A debt holder of the Company has entered into an action seeking repayment of its loan. The Company intends to negotiate with the party to settle the claim. The defences to these claims and the quantification of the damages are yet to be determined.

c) A shareholder of the Company has entered into an action seeking repayment of funds used to purchase shares. The shareholder claims the conditions of the investment were never satisfied. The Company feels that it has met the condition of the investment agreement and a defence has been filed. The defences to these claims and the quantification of the damages are yet to be determined.

12. RELATED PARTY TRANSACTIONS

Transactions with related parties are measured at the exchange amount as these are in the normal course of business. The transactions recorded approximate the fair market value of the transactions.

During the nine months ended August 31, 2011, the Company paid the following to the President and Director of the Company and/or a company controlled by the President and Director:
a) Salaries and management fees totaling $90,000 (2010 - $90,000) and
b) Production services for licensing fee totaling $nil (2010 - $43,000).

13. SUBSEQUENT EVENTS

a) In September 2011, the Company repaid $49,719 (plus accrued interest) owed by way of a promissory note.
b) In November 2011, the Company received an additional $150,000 interim production loan from four individual companies under the same term and conditions as listed in Note 7.

APPENDIX C

PRO FORMA FINANCIAL STATEMENTS

ANDELE CAPITAL CORPORATION

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

DECEMBER 31, 2010

ANDELE CAPITAL CORPORATION
PRO FORMA CONSOLIDATED BALANCE SHEET
(Unaudited – Prepared by Management)

	Andele Capital Corporation As at December 31, 2010	**Network Entertainment Inc.** As at November 30, 2010	**Notes**	**Pro Forma Adjustments**	**Pro Forma Consolidation**
	$	$		$	$
ASSETS					
Current					
Cash	973,456	26,511	3h	2,433,250	**3,433,217**
Accounts receivable	17,012	133,758		–	**150,770**
Tax credit receivable	–	560,444		–	**560,444**
Prepaid expenses and deposits	–	3,739		–	**3,739**
	990,468	724,452		2,433,250	**4,148,170**
Investment in film and television production	–	494,665	3g	400,000	**894,665**
Property and equipment	–	64,261		–	**64,261**
	990,468	1,283,378		2,833,250	**5,107,096**
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	48,879	569,570		–	**618,449**
Interim production financing	–	461,958		–	**461,958**
Deferred revenue	–	153,075		–	**153,075**
Due to shareholders	–	22,463	3g	(8,806)	**13,657**
Current portion of long-term debt	–	571,537		–	**571,537**
	48,879	1,778,603		(8,806)	**1,818,676**
Long-term debt	–	2,257,516	3b	(256,930)	**1,104,916**
			3c	(395,670)	
			3d	(500,000)	
	48,879	4,036,119		(1,161,406)	**2,923,592**
SHAREHOLDERS' EQUITY					
Share capital	763,077	185,541	3a	(763,077)	**5,299,233**
			3a	941,589	
			3a	232,500	
			3b	256,930	
			3c	405,063	
			3d	500,000	
			3e	41,522	
			3g	408,806	
			3h	(105,968)	
			3h	2,433,250	
Contributed surplus	481,131	–	3a	(481,131)	**105,968**
			3h	105,968	
Deficit	(302,619)	(2,938,282)	3a	302,619	**(3,221,697)**
			3a	(232,500)	
			3c	(9,393)	
			3e	(41,522)	
	941,589	(2,752,741)		3,994,656	**2,183,504**
	990,468	1,283,378		2,833,250	**5,107,096**

See accompanying notes to unaudited pro forma consolidated financial statements

ANDELE CAPITAL CORPORATION
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited – Prepared by Management)

	Andele Capital Corporation From Incorporation on July 12, 2010 to December 31, 2010	**Network Entertainment Inc.** Year Ended November 30, 2010	**Notes**	**Pro Forma Adjustments**	**Pro Forma Consolidation**
	$	$		$	$
REVENUES	–	226,337		–	**226,337**
EXPENSES					
Amortization of film and television properties	–	122,989		–	**122,989**
Amortization of capital assets	–	24,360		–	**24,360**
Insurance	–	4,000		–	**4,000**
Interest and bank loans	113	2,474		–	**2,587**
Interest on loans	–	247,257	3c	9,393	**256,650**
Office and general	1,098	45,733		–	**46,831**
Production services	–	157,786		–	**157,786**
Professional fees	17,003	130,603			**147,606**
Rent and utilities	–	52,915		–	**52,915**
Salaries and wages	–	159,659	3e	41,522	**201,181**
Stock-based compensation	269,139	–		–	**269,139**
Transfer agent and filing fees	15,266	–		–	**15,266**
Travel	–	15,124		–	**15,124**
	302,619	962,900		50,915	**1,316,434**
LOSS BEFORE THE UNDER-NOTED	(302,619)	(736,563)		(50,915)	**(1,090,097)**
Loss on foreign exchange	–	(4,855)		–	**(4,855)**
Write-off of properties in development	–	(60,543)		–	**(60,543)**
NET LOSS FOR THE PERIOD	(302,619)	(2,938,282)		(50,915)	**(1,155,495)**
PRO-FORMA LOSS PER SHARE					
Basic and diluted					**(0.03)**
Weighted average number of shares					**38,509,500**

See accompanying notes to unaudited pro forma consolidated financial statements

1. Basis of Presentation

On March 10, 2011, Andele Capital Corporation ("Andele" or the "Company") and Network Entertainment Inc. ("Network") entered into an agreement (the "Transaction") in connection with the acquisition by Andele of all issued and outstanding common shares of Network in exchange for 20,000,000 common shares of the Company. Network's principal business is the development, financing, production, marketing and distribution of television series and specials, theatrical documentaries, online programming and various other forms of filmed entertainment. After the Transaction is completed, Andele will continue the business of Network, and Network will be a wholly-owned subsidiary of Andele.

The unaudited pro forma consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada, notwithstanding the acquisition will ultimately be accounted for pursuant to international financial accounting standards in Andele's financial statements. These pro forma consolidated financial statements do not contain all of the information required for annual financial statements. Accordingly, they should be read in conjunction with the most recent annual financial statements of Andele and Network.

The unaudited pro forma consolidated balance sheet has been prepared from the audited balance sheet of Andele as at December 31, 2010 and the audited consolidated balance sheet of Network as at November 30, 2010, giving effect to the Transaction as if it occurred on December 31, 2010.

The unaudited pro forma consolidated statement of operations has been derived from the audited statement of operations of Andele for the period from incorporation on July 12, 2010 to December 31, 2010 and the audited consolidated statement of operations of Network for the year ended November 30, 2010, giving effect to the Transaction as if it occurred on January 1, 2010.

The unaudited pro forma consolidated financial statements should be read in conjunction with the audited financial statements of Andele for the year ended December 31, 2010, and the audited consolidated financial statements of Network for the year ended November 30, 2010.

These unaudited pro forma consolidated financial statements are not necessarily indicative of the financial position and results of operations that would have actually resulted if the Transaction had been effective on the dates indicated. Further, the unaudited pro forma consolidated financial information is not necessarily indicative of the results of operations that may be obtained in the future. The actual adjustments to the consolidated financial statements at closing will depend on a number of factors. Therefore, the actual results will differ from the pro forma financial statements.

The unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited financial statements of Andele for the year ended December 31, 2010. Based on the review of the accounting policies of Network, it is Andele management's opinion that there are no material differences between the accounting policies of Andele and Network.

2. Acquisition

The Company entered into a definitive agreement dated effective March 10, 2011 (the "Agreement") with Network in which the Company will acquire all of the issued and outstanding shares of Network (the "Transaction"), a private company incorporated under the laws of the Province of British Columbia. The Company will issue an aggregate of 20,000,000 common shares (the "Transaction Shares") to acquire Network. The Transaction will serve as the Company's "Qualifying Transaction" pursuant to the policies of the TSX Venture Exchange Inc. The completion of this Transaction is subject to a number of conditions including, among other things, regulatory approval and acceptance of the Transaction as the Company's Qualifying Transaction and concurrent completion of a public offering (the "Offering").

In connection with the Qualifying Transaction, Andele is proposing an Offering of 12,500,000 units of the Company (the "Units") to be issued at a price of $0.20 per Unit (the "Offering Price") for gross proceeds of $2,500,000. Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one common share at a price of $0.40 per share for a period of 12 months from the closing of the Offering (subject to acceleration in certain circumstances). The Agent has been granted an option, exercisable not later than 30 days from the closing of the Offering, to arrange for the sale of up to an additional 1,875,000 Units at the Offering Price (the "Additional Units") to cover overallotments and for market stabilization, if necessary. The Company has agreed to pay the Agent a cash commission of 7% of the gross proceeds of the Offering and will grant to the Agent non-transferable share purchase warrants (the "Agent's Warrants") entitling the Agent to purchase that number of common shares as is equal to 7% of the total number of Units and Additional Units sold under the Offering. Each Agent's Warrant entitles the Agent to purchase one common share at a price of $0.20 per share for a period of 12 months from the closing of the Offering. In addition, the Company will pay the Agent a corporate finance fee of $37,500 (plus HST) and will pay the Agent's reasonable costs, including legal fees, in connection with the Offering. The completion of the Offering will be conditional upon the completion of the Transaction, and will occur concurrent with closing of the Transaction.

Legally, the Company will become the parent of Network. For accounting purposes, in accordance with EIC-10 "*Reverse Takeover Accounting*" of the Canadian Institute of Chartered Accountants ("CICA") Handbook, as a result of the Transaction described above, the former shareholders of Network will be considered to have acquired control of the Company. This type of share exchange, referred to as a "reverse takeover" deems Network as the acquirer and the Company as the acquiree for accounting purpose. Since the Company does not constitute a business in accordance with EIC-124 "Definition of a Business" of the CICA Handbook, the Transaction will be accounted for as a capital transaction, that is, the financing and recapitalization of Network.

In accordance with reverse take-over accounting:

i. The assets and liabilities of Network are included in the pro-forma consolidated balance sheet at their November 30, 2010 historic values;
ii. The net assets of the Company are included at $941,589 being their carrying value at December 31, 2010;
iii. The share capital, contributed surplus, share issue costs and the deficit of the Company are eliminated.

The total purchase price of $941,589 has been allocated as follows:

Cash	$	973,456
Receivables		17,012
Payables		(48,879)
Value attributed to the new Andele shares issued	$	941,589

The Transaction is subject to, amongst other things, regulatory and shareholder approval

3. Pro forma Assumptions and Adjustments

The unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions and adjustments:

a) The Company acquired all of the issued share capital of Network in exchange for issuing 20,000,000 common shares of the Company to the shareholders of Network. It is assumed that all shareholders exchange their Network shares for Andele shares. The Transaction has been accounted for as a financing and recapitalization of Network in accordance with EIC-10 "*Reverse Takeover Accounting*" with Network identified as the acquirer and the assets and liabilities of Andele acquired recorded at carrying value. Andele's shareholders' equity is eliminated upon consolidation. The purchase price for the Transaction has been allocated to the identifiable acquired assets and liabilities on a pro forma basis as described in Note 2. The Company will issue 1,162,500 common shares as a finder's fee associated with the completion of the Qualifying Transaction at a fair value of $0.20 per share;

b) Network issued 1,284,650 common shares at $0.20 per common share for proceeds of $256,930. The subscription proceeds were received during prior periods and included in long-term debt at November 30, 2010;

c) Network issued 2,025,315 common shares in full settlement of debt in the amount of $405,063. At November 30, 2010, the debt was recorded in long-term debt with a balance of $395,670, the difference of $9,393 which is related to interest accrued up to the conversion date;

d) Network issued 2,857,142 common shares upon the conversion of a convertible debenture of $500,000;

e) Network issued 4,152,160 common shares upon the exercise of stock options at $0.01 per share in exchange for services valued at $41,522;

f) Network repurchased 4 common shares at $50,000 per common share and issued 800,000 common shares at $0.25 per common share to the same shareholder;

g) Network issued 8,880,637 common shares to the President and Director of Network as consideration for obtaining rights to a series of programs valued at $400,000, and for the repayment of amounts owing in the amount of $8,806;

h) Concurrent with the Transaction, the Company completes an Offering and issues 14,375,000 units at a price of $0.20 per unit for proceeds of $2,433,250 after agent's fees and closing costs. It is assumed that the Offering is subject to the full overallotment. The Company grants agent warrants to purchase 1,006,250 common shares. The agent warrants have been valued at $105,968 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.70%
Dividend yield	Nil
Volatility factor	142%
Expected life	1 year

4. Pro Forma Share Capital

Pro forma share capital as at December 31, 2010 has been determined as follows:

	Number of shares	Amount
	#	$
Issued common shares of Andele, December 31, 2010	12,800,000	763,077
Issued common shares of Network, November 30, 2010	100	185,541
Network common shares issued for prior subscriptions	1,284,650	256,930
Network common shares issued for conversion of debt	4,882,457	905,063
Network common shares issued upon exercise of stock options	4,152,160	41,522
Network common shares repurchased	(4)	(200,000)
Network common shares reissued	800,000	200,000
Network common shares issued to related party for purchase of program rights and settlement of debt	8,880,637	408,806
Elimination of Network's common shares and Andele share capital	(20,000,000)	(763,077)
Shares issued in connection with the Transaction	20,000,000	941,589
Issuance of common shares for finders fee	1,162,500	232,500
Issuance of consolidated shares from Offering, net of value of agents warrants and share issue costs	14,375,000	2,327,282
	48,337,500	5,299,233

5. Loss Per Share

Pro forma basic and diluted loss per share for the period ended December 31, 2010 has been calculated based on actual weighted average number of Andele common shares outstanding for the respective period and the assumed number of Andele shares issued to Network shareholders being effective on January 1, 2010.

APPENDIX D

PROPOSED AUDIT COMMITTEE CHARTER

ANDELE CAPITAL CORPORATION
(the “Corporation”)

Audit Committee Charter

(Adopted by the Board of Directors on July 4, 2011)

Objectives

The Audit Committee will assist the Board of Directors in fulfilling its oversight responsibilities for:

1. the financial reporting process,

2. the system of internal control over financial reporting,

3. the audit process,

4. compliance with legal and regulatory requirements, and

5. the processes for identifying, evaluating and managing the company’s principal risks impacting financial reporting.

Membership

The Board of Directors shall appoint annually from among its members an Audit Committee to hold office for the ensuing year or until their successors are elected or appointed.

The Audit Committee shall be composed of at least three directors, and not more than five directors, at least a majority of whom shall be "independent" and "financially literate" (as such terms are defined in National Instrument 52-110 – Audit Committees).

The Board of Directors may from time to time designate one of the members of the Audit Committee to be the Committee Chair and, unless otherwise determined by the Board, the Secretary of the Corporation shall be the Secretary of the Audit Committee.

Meetings and Participation

The Audit Committee shall meet at least once per quarter, or more frequently as circumstances dictate. Any member of the Audit Committee or the external auditor may call a meeting of the Audit Committee. The auditors shall be provided notice of all meetings and be entitled to attend and be heard thereat.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The agenda will be set by the Audit Committee Chair in consultation with other members of the Audit Committee, the Board of Directors and senior management.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present. A quorum for meetings of the Audit Committee is a majority of its Members.

The Audit Committee shall keep minutes of its meetings in which shall be recorded all action taken by it, which minutes shall be approved by Audit Committee members and available as soon as possible to the Board of Directors.

Duties, Powers, and Responsibilities

The Audit Committee is hereby delegated the following duties and powers, without limiting these duties and powers, the Audit Committee shall:

(a) Financial Reporting

- Review and recommend for approval to the Board of Directors the annual Financial Statements, accounting policies that affect the statements, annual MD&A and associated press release.
- Review the Annual Report for consistency with the financial disclosure referenced in the annual Financial Statements.
- Be satisfied as to the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from annual or quarterly financial statements and periodically assess the adequacy of such procedures.
- Review and approve quarterly financial statements, accounting policies that affect the statements, the quarterly MD&A, and the associated press release.
- Review significant issues affecting financial reports.
- Review emerging GAAP developments that could affect the Corporation.
- Understand how management develops interim financial information and the nature and extent of external audit involvement.
- In review of the annual and quarterly financial statements, discuss the quality of the Corporation’s accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.
- Review and approve any earnings guidance to be provided by the Corporation.

(b) Internal and Disclosure Controls

- Consider the effectiveness of the Corporation’s internal controls over financial reporting and related information technology security and control.

- Review and approve corporate signing authorities and modifications thereto.
- Review with the auditors any issues or concerns related to any internal control systems in the process of the audit.
- Review the plan and scope of the annual audit with respect to planned reliance and testing of controls and major points contained in the auditor's management letter resulting from control evaluation and testing.
- Establish and maintain complaint procedures regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Such procedures are appended hereto as Appendix A.
- Review with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments, and adequacy of financial provisions, that could materially affect financial reporting.
- Review with the Chief Executive Officer and the Chief Financial Officer the Corporation’s disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.
- Discuss with the Chief Executive Officer and the Chief Financial Officer all elements of certification required pursuant to National Instrument 52-109.
- Approve all material related party transactions in advance; materiality is set a $1 for such matters.

(c) External Audit

- Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Review and approve the audit plans, scope and proposed audit fees.
- Annually review the independence of the external auditors by receiving a report from the independent auditor detailing all relationships between them and the Corporation.
- Discuss with the auditors the results of the audit, any changes in accounting policies or practices and their impact on the financials, as well as any items that might significantly impact financial results.
- Receive a report from the auditors on critical accounting policies and practices to be used, all alternative treatments of financial information within GAAP that have been

discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the auditor.

- Receive an annual report from the auditors describing the audit firm's internal quality-control procedures, and material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out the firm, and any steps taken to deal with any such issues.

- Ensure regular rotation of the lead partner and reviewing partner.

- Evaluate the performance of the external auditor and the lead partner annually.

- Recommend to the Board of Direcotrs (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and (ii) the compensation of the external auditor.

- Separately meet with the auditors, apart from management, at least once a year.

(d) Non-Audit Services

- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor. Pre-approval may be granted by any one member of the Audit Committee.

(e) Risk Management

- Review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Corporation.

- Ensure that Directors and Officers insurance is in place.

- Review and approve corporate investment policies.

- Assess, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board of Directors.

(f) Other Responsibilities and Matters

- Report through its Chair to the Board of Directors following meetings of the Audit Committee.

- Review annually the adequacy of the Charter and confirm that all responsibilities have been carried out.

- Evaluate the Audit Committee’s and individual member’s performance on a regular basis and report annually to the Board the result of its annual self-assessment.

- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

- Discuss the Corporation's compliance with tax and financial reporting laws and regulation, if and when issues arise.

Authority

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Audit Committee at the cost of the Corporation without obtaining approval of the Board of Directors, based on its sole judgment and discretion. The Audit Committee has the authority to communicate directly with the internal and external auditors of the Corporation.

Appendix A

To Audit Committee Charter

Procedures for the Submission of Complaints or Concerns Regarding Accounting, Internal Accounting Controls or Auditing Matters

1. The Corporation shall forward to the Audit Committee of the Board of Directors any complaints that it has received regarding accounting, internal accounting controls, or auditing matters.

2. Any employee of the Corporation may submit, on a confidential, anonymous basis if the employee so desires, any concerns by sending such concerns in writing and forwarding them in a sealed envelope to:

   Attention: Chair of the Audit Committee
   Andele Capital Corporation
   2956 Starlight Drive
   Coquitlam, BC V3C 3P5

   The envelope is to be clearly marked, "To be opened by the Audit Committee only."

   Any such envelopes shall be forwarded promptly to the Chair of the Audit Committee.

3. Contact information including a phone number and e-mail address shall be published for the Chair of the Audit Committee on the Corporation's website for those people wishing to contact the Chair directly.

4. At each of its meetings following the receipt of any information pursuant to this Appendix, the Audit Committee shall review and consider any such complaints or concerns and take any action that it deems appropriate in the circumstances.

5. The Audit Committee shall retain any such complaints or concerns along with the material gathered to support its actions for a period of no less than seven (7) years. Such records will be held on behalf of the Audit Committee by the Audit Committee Secretary.

6. Appendix A shall appear on the Corporation's website as part of this Charter.

CERTIFICATE OF ANDELE CAPITAL CORPORATION AND THE PROMOTER

Dated: November 29, 2011

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of British Columbia and Alberta.

Signed "Tony Chan "
Tony Chan
Chief Executive Officer and President

Signed "Wan Jung "
Wan Jung
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Signed "Donald Gee "
Donald Gee
Director

Signed "Brian Thurston"
Brian Thurston
Director

ON BEHALF OF PROMOTER

Signed "Tony Chan "
Tony Chan
Chief Executive Officer and President

CERTIFICATE OF NETWORK ENTERTAINMENT INC. AND THE PROMOTER

Dated: November 29, 2011

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of British Columbia and Alberta.

Signed "Derik Murray"
Derik Murray
President and Secretary

ON BEHALF OF THE BOARD OF DIRECTORS

Signed "Derik Murray "
Derik Murray
Director

ON BEHALF OF PROMOTER

Signed "Derik Murray"
Derik Murray
President and Secretary

CERTIFICATE OF THE AGENT

Dated: November 29, 2011

To the best of our knowledge, information and belief, this amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of British Columbia and Alberta.

GLOBAL SECURITIES CORPORATION

Signed "Douglas R. Garrod"

Douglas R. Garrod
President