FORM 10-K/A

CardioGenics Holdings Inc. - CGNH

Filed: April 20, 2012 (period: October 31, 2011)

Amendment to a previously filed 10-K

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

FORM 10-K/A
Amendment No. 3

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended October 31, 2011

OR

☐**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
for the transition period from __________ to __________.

Commission file number: 000-28761

CARDIOGENICS HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Nevada	**88-0380546**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

6295 Northam Drive, Unit 8, Mississauga, Ontario L4V 1W8
(Address of principal executive offices) (Zip code)

(905) 673-8501
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock-$0.00001 par value
Series 2 Class B Common Stock-$0.00001 par value
Series 3 Class B Common Stock-$0.00001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No ☐.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ (Do Smaller reporting company not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No .

The aggregate market value of the registrant’s voting and non-voting common stock held by non-affiliates on January 11, 2012 (based on the closing stock price on the OTC Bulletin Board) on such date was approximately $9,371,179.

As of January 11, 2012 the Registrant had the following number of shares of its capital stock outstanding: 31,237,262 shares of Common Stock and 1 share of Series 1 Preferred Voting Stock, par value $0.0001, representing 14 exchangeable shares of the Registrant’s subsidiary, CardioGenics ExchangeCo Inc., which are exchangeable into 24,388,908 shares of the Registrant’s Common Stock.

EXPLANATORY NOTE

The sole purpose of this amendment to CardioGenics Holdings Inc.'s annual report on Form 10-K for the period ended October 31, 2011, initially filed with the Securities Exchange Commission on January 30, 2012 and amended by the filing of amendments to the Form 10-K on February 1, 2012 and April 16, 2012 (Amendment No. 2"), is to furnish updated interactive data files for the Company's restated financial statements contained in Amendment No. 2, as set forth in Exhibit 101 in accordance with Rule 405 of Regulation S-T.

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

ITEM 6. EXHIBITS

(a) Exhibits

See the Exhibit Index following the signature page to this Form 10-K/A.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CARDIOGENICS HOLDINGS INC.

Date: April 20, 2012

By: */s/ Yahia Gawad*
Name: Yahia Gawad
Title: Chief Executive Officer

Date: April 20, 2012

By: */s/ James Essex*
Name: James Essex
Title: Chief Financial Officer

EXHIBIT INDEX

*31.1	Section 302 Certification of Chief Executive Officer
*31.2	Section 302 Certification of Chief Financial Officer
*32.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer
†101	The following materials from CardioGenics Holdings Inc.'s Form 10-K for the year ended October 31, 2011, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Equity (Deficiency), (iv) Consolidated Statements of Cash Flows (unaudited) and (v) Notes to Consolidated Financial Statements (unaudited). Furnished herewith.

---

* Filed or furnished with the initial filing of this Form 10-K filed on January 30, 2012.

† Pursuant to Rule 406T of Regulation S-T, the interactive data files included in Exhibit 101 are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Document and Entity Information

Document and Entity Information (USD $)	12 Months Ended 10/31/2011	01/11/2012
Document Type	10-K	
Amendment Flag	true	
AmendmentDescription	This Amendment to our annual report on Form 10-K/A is being filed in order to restate: . our consolidated balance sheet as of October 31, 2011 by decreasing amounts reported in deposits and prepaid expenses, prepaid consulting contract, total assets, total equity attributable to CardioGenics Holdings Inc., total equity and total liabilities and equity and increasing amounts reported in government grants and investment tax credits receivable, accounts payable and accrued expenses, deficit accumulated during development stage, accumulated other comprehensive loss, and non-controlling interest.. our consolidated statement of operations for the year ended October 31, 2011 by decreasing amounts reported in research and product development, net of investment tax credits, and increasing general and administrative expenses, total operating expenses, operating loss, loss from continuing operations before income tax, net loss, net loss attributed to non-controlling interest and net loss attributed to CardioGenics Holdings Inc. During the preparation of the January 31, 2012 interim consolidated financial statements, the Company determined that the accounting for the issuance of common stock and warrants in the year ended October 31, 2011 required restatement. The Company also determined that the recording of certain tax related income and expenses required restatement.As a result of these restatements, amounts in our consolidated balance sheet, statement of operations, statement of cash flows and equity for the year ended October 31, 2011 have been corrected. This restatement also resulted in changes to notes 8 and 9 to the consolidated financial statements. Cash flow has been restated to reflect classification errors resulting in an increase in cash from operating activities of $111,927. The restatement relates to the following: a) in September 2011 we entered into consulting contracts covering a period of eighteen months, compensation for which included the issuance of common stock and fully vested warrants. The Company determined that the fair value of the compensation was $2.1 million. Based on our initial evaluation of the relevant accounting guidance, the Company recorded the fair value as an asset as part of a prepaid expense in 2011 and began amortizing this balance to General and Administrative expense over an eighteen month period. The offset to the prepaid expense was recorded as Additional Paid-in Capital. The Company has subsequently determined that the entire fair value of the compensation for these contracts should have been expensed immediately rather than recorded as an asset. In order to correct this error, the Company reduced the current portion of Deposits and Prepaid Expenses by $1,309,296 and Prepaid Consulting Contract by $567,015 as at October 31, 2011, expensed the fair value of these contracts of $1,869,660 as part of General and Administrative expenses in the year ended October 31, 2011 and recorded a reduction in Currency Translation Adjustment of $6,651; b) the Company determined that a Government Grant and Investment Tax Credit receivable relating to investment tax credits under the scientific research and experimental development auspices of the Canadian income tax act in the amount of approximately $187,497 had formerly not been recorded. In order to correct this error, the Company increased Government Grants and Investment Tax Credits Receivable and reduced General and Administrative expenses as at and for the year ended October 31, 2011; and, c) the Company determined that potential tax penalties in the amount of $180,000 related to the late filing of certain tax returns with the Internal Revenue Service had formerly not been recorded. In order to correct this error, the Company increased Accounts Payable and Accrued Expenses and General and Administrative expenses as at and for the year ended October 31, 2011. A summary of the effects of this restatement to our financial statements included within this Amendment on Form 10-K/A in presented at Note 2, â Restatement of Financial Statementsâ .This Amendment amends Part II, Items 6,7,8 and 9A, and Part IV, Item 15 of the Annual Report on Form 10-K for the year ended October 31, 2011. This Amendment continues to reflect circumstances as of the date of the original filing of the Annual Report on Form 10-K for the year ended October 31, 2011 and we have not updated the disclosures contained herein to reflect events that occurred at a later date, except for items related to the restatement or where otherwise indicated.	
Document Period End Date	2011-10-31	
Document Fiscal Year Focus	2,011	
Document Fiscal Period Focus	FY	
Trading Symbol	CGNH	
Entity Registrant Name	CARDIOGENICS HOLDINGS INC.	
Entity Central Index Key	0001089029	
Current Fiscal Year End Date	--10-31	
Entity Well-known Seasoned Issuer	No	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		31,237,262
Entity Public Float		$ 9,371,179

Consolidated Balance Sheets

Consolidated Balance Sheets (USD $)	10/31/2011	10/31/2010	10/31/2009
Development Stage Enterprise Deficit Accumulated During Development Stage [Member]			
Total Equity			
Total Equity	$ (40,731,174)[1]	$ (35,006,558)	$ (32,982,286)
Series I I I [Member]			
Liabilities and Equity			
Temporary Equity, Carrying Amount			
Accumulated Other Comprehensive Income [Member]			
Total Equity			
Total Equity	(173,407)[1]	(237,508)	(319,815)
Additional Paid In Capital [Member]			
Total Equity			
Total Equity	41,774,001[1]	37,441,728	35,543,722
Common Stock [Member]			
Total Equity			
Total Equity	540[1]	514	495
Noncontrolling Interest [Member]			
Total Equity			
Total Equity	(329,524)[1]	(292,222)	(277,997)
Series B [Member]			
Liabilities and Equity			
Mandatorily redeemable Class B common stock; par value $.00001 per share: 400,000 shares designated as series 2; 381,749 shares issued and outstanding		4	
Assets			
Current Assets			
Cash and Cash Equivalents	669,202[1]	1,844,752	2,388,516
Accounts Receivable	9,002[1]		
Share Subscriptions Receivable		115,000	
Deposits and Prepaid Expenses	51,541[1]	89,774	
Refundable Taxes Receivable	35,191[1]	21,959	
Government Grants and Investment Tax Credits Receivable	187,497[1]	156,482	
Assets, Current, Total	952,433[1]	2,227,967	
Long term Assets			
Property and Equipment, net	82,308[1]	87,465	
Patents, net	130,732[1]	170,703	
Prepaid Consulting Contract			
Assets, Noncurrent, Total	213,040[1]	258,168	
Total Assets	1,165,473[1]	2,486,135	
Liabilities and Equity			
Current Liabilities			
Accounts Payable and Accrued Expenses	596,692[1]	523,155	
Due to Director		15,149	
Current Portion of Capital Lease Obligation	25,711[1]	20,992	
Funds Held in Trust for Redemption of Class B Common Shares	4[1]		
Liabilities, Current, Total	622,407[1]	559,296	

Long Term Liabilities			
Capital Lease Obligation, net of current portion	2,630[1]	20,881	
Total Liabilities	625,037[1]	580,177	
Temporary Equity, Carrying Amount		4	
Commitments and contingencies			
Total Equity			
Preferred stock; par value $.0001 per share, 5,000,000 shares authorized, none issued			
Common stock; par value $.00001 per share; 65,000,000 shares authorized, 31,237,262 and 28,620,257 common shares and 24,388,904 and 24,388,904 exchangeable shares issued and outstanding as at October 31, 2011 and 2010, respectively	540[1]	514	
Additional paid-in capital	41,774,001[1]	37,441,728	
Deficit accumulated during development stage	(40,731,174)[1]	(35,006,558)	
Accumulated other comprehensive loss	(173,407)[1]	(237,508)	
Total equity attributable to CardioGenics Holdings Inc.	869,960[1]	2,198,176	
Non-Controlling Interest	(329,524)[1]	(292,222)	
Total Equity	540,436[1]	1,905,954	1,964,119
Total liabilities and equity	$ 1,165,473[1]	$ 2,486,135	

[1] - Restated

Consolidated Balance Sheets (Parenthetical)

Consolidated Balance Sheets (Parenthetical) (USD $)	10/31/2011	10/31/2010
Exchangeable Shares [Member]		
Common stock, common shares issued	24,388,904[1]	24,388,904
Common stock, common shares outstanding	24,388,904[1]	24,388,904
Series I I I [Member]		
Mandatorily redeemable Class B common stock, shares designated	40,000[1]	40,000
Mandatorily redeemable Class B common stock, shares issued	21,500[1]	21,500
Mandatorily redeemable Class B common stock, shares outstanding	21,500[1]	21,500
Common Stock [Member]		
Common stock, common shares issued	31,237,262[1]	28,620,257
Common stock, common shares outstanding	31,237,262[1]	28,620,257
Series B [Member]		
Mandatorily redeemable Class B common stock, par value	$ 0.00001[1]	$ 0.00001
Mandatorily redeemable Class B common stock, shares designated	400,000[1]	400,000
Mandatorily redeemable Class B common stock, shares issued	381,749[1]	381,749
Mandatorily redeemable Class B common stock, shares outstanding	381,749[1]	381,749
Preferred stock, par value	$ 0.0001[1]	$ 0.0001
Preferred stock, shares authorized	5,000,000[1]	5,000,000
Preferred stock, issued	0[1]	0
Common stock, par value	$ 0.00001[1]	$ 0.00001
Common stock, shares authorized	65,000,000[1]	65,000,000

[1] - Restated

Consolidated Statements of Operations

Consolidated Statements of Operations (USD $)	12 Months Ended 10/31/2011	10/31/2011	12 Months Ended 10/31/2010
Development Stage Enterprise Deficit Accumulated During Development Stage [Member]			
Net Loss Attributable to CardioGenics Holdings Inc.	$ (5,724,616)		$ (2,024,272)
Noncontrolling Interest [Member]			
Net Loss Attributable to Non-Controlling Interest	37,302		14,225
Revenue	8,876[1]	8,876[1]	
Operating Expenses			
Depreciation of Property and Equipment	20,399[1]	201,439[1]	20,932
Amortization of Patent Application Costs	5,207[1]	12,411[1]	3,023
Write-off of Patent Application Costs	55,549[1]	214,625[1]	105,345
General and Administrative	3,398,960[1]	7,675,068[1]	1,246,887
Write-off of Goodwill		12,780,214[1]	
Research and Product Development, net of Investment Tax Credits	426,007[1]	3,627,380[1]	605,658
Cost of Settlement of Lawsuit	1,753,800[1]	1,753,800[1]	
Total operating expenses	5,659,922[1]	26,264,937[1]	1,981,845
Operating Loss	(5,651,046)[1]	(26,256,061)[1]	(1,981,845)
Other Expenses			
Interest Expense and Bank Charges	20,135[1]	2,136,636[1]	30,166
Loss on Change in Value of Derivative Liability		12,421,023[1]	
Loss on Foreign Exchange Transactions	90,737[1]	209,265[1]	104,182
Total other expenses	110,872[1]	14,766,924[1]	134,348
Loss from Continuing Operations Before Income Tax	(5,761,918)[1]	(41,022,983)[1]	(2,116,193)
Discontinued Operations			
Gain on Sale of Subsidiary		90,051[1]	90,051
Loss from Discontinued Operations		(127,762)[1]	(12,355)
Net Loss	(5,761,918)[1]	(41,060,696)[1]	(2,038,497)
Net Loss Attributable to Non-Controlling Interest	37,302[1]	329,524[1]	14,225
Net Loss Attributable to CardioGenics Holdings Inc.	$ (5,724,616)[1]	$ (40,731,174)[1]	$ (2,024,272)
Basic and Fully Diluted Net Loss per Common Share	$ (0.11)[1]		$ (0.04)
Basic and Fully Diluted Net Loss per Common Share From Discontinued Operations	$ 0[1]		$ 0
Weighted-average number of Common Shares	54,167,687[1]		49,624,916

[1] - Restated

Consolidated Statements of Changes in Equity (Deficiency)

Consolidated Statements of Changes in Equity (Deficiency) (USD $)	12 Months Ended 10/31/2009	12 Months Ended 10/31/2008	12 Months Ended 10/31/2007	12 Months Ended 10/31/2005	12 Months Ended 10/31/2004	12 Months Ended 10/31/2003	12 Months Ended 10/31/2002	12 Months Ended 10/31/2001	12 Months Ended 10/31/2000	12 Months Ended 10/31/1999	12 Months Ended 10/31/1998
Development Stage Enterprise Deficit Accumulated During Development Stage [Member]											
Beginning Balance	$ (4,266,373)	$ (2,934,965)	$ (2,631,488)	$ (1,426,548)	$ (833,842)	$ (604,849)	$ (448,635)	$ (333,874)	$ (181,349)	$ (81,208)	
Comprehensive Income (Loss)											
Net Loss	(28,715,913)	(1,331,408)	(303,477)	(682,408)	(592,706)	(228,993)	(156,214)	(114,761)	(152,525)	(100,141)	(81,208)
Total Comprehensive Income (Loss)	(28,715,913)	(1,331,408)	(303,477)	(682,408)	(592,706)	(228,993)	(156,214)	(114,761)	(152,525)	(100,141)	(81,208)
Ending Balance	(32,982,286)	(4,266,373)	(2,934,965)	(2,108,956)	(1,426,548)	(833,842)	(604,849)	(448,635)	(333,874)	(181,349)	(81,208)
Directors Plan [Member]											
Issuance of stock options for services rendered					54,582						
Due To Related Party [Member]											
Beneficial conversion charge	117,109										
Employees Base Compensation [Member]											
Issuance of common shares for minority shareholders as employee compensation December 1999, $.03								6,169			
Issuance During Period 10 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,737							
Issuance of common shares (in shares)	2,377,813										
Issuance of common shares	885,000										
Common shares issued on exercise of Warrants (in shares)	25,000										
Common shares issued on exercise of Warrants	45,000										
Issuance During Period 11 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,821							
Issuance During Period 12 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,822							
Issuance During Period 1 st [Member]											
Issuance of common shares as compensation (in shares)				9,431	123,646	56,584		2,410			
Issuance of common shares as compensation				3,760	47,316	20,422		925			
Commission paid on issuance of common stock for cash										(935)	
Issuance of common shares (in shares)	495,094					28,292	1,051,211		318,546	32,066	1,592,732
Issuance of common shares	236,243					9,871	319,022		100,000	2,500	1
Issuance of common shares for minority shareholders as employee compensation December 1999, $.03									3,396		
Issuance of warrants											
Issuance During Period 2 nd [Member]											
Issuance of common shares as compensation (in shares)	3,153,878			9,431	157,177						
Issuance of common shares as compensation	1,298,785			3,692	60,147						
Commission paid on issuance of common stock for cash										(1,647)	
Issuance of common shares (in shares)									167,237	159,273	796,366
Issuance of common shares							3,235		43,126	14,289	35,036
Issuance of common shares for minority shareholders as employee compensation December 1999, $.03						7,564			25,330		
Issuance During Period 3 rd [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,674							

Commission paid on issuance of common stock for cash										(627)	
Issuance of common shares (in shares)	928,394						20,957		23,891	278,728	551,611
Issuance of common shares	382,530						6,345		6,128	24,710	24,448
Common shares issued on exercise of Warrants (in shares)											
Common shares issued on exercise of Warrants											
Issuance of common shares for minority shareholders as employee compensation December 1999, $.03									6,611		
Refund of common shares subscribed for October 2010 in cash February 2011, $.50 (in shares)											
Issuance During Period 4 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,629							
Commission paid on issuance of common stock for cash										(314)	
Issuance of common shares (in shares)	5,023										12,986,611
Issuance of common shares	2,062										5,703
Issuance of common shares for minority shareholders as employee compensation December 1999, $.03							9,505			10,707	
Issuance of common shares on exercise of options (in shares)											
Issuance of common shares on exercise of options											
Issuance During Period 5 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,701							
Issuance of common shares (in shares)	24,090									39,818	210,249
Issuance of common shares	8,602									3,814	17,299
Issuance During Period 6 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,641							
Issuance of common shares (in shares)	47,153									119,455	2,787,281
Issuance of common shares	20,250									10,074	228
Issuance During Period 7 th [Member]											
Issuance of common shares as compensation (in shares)	241,005			9,431							
Issuance of common shares as compensation	103,500			3,584							
Issuance of common shares (in shares)										119,455	84,100
Issuance of common shares										10,046	6,571
Issuance During Period 8 th [Member]											
Issuance of common shares as compensation (in shares)	1,173,592			9,431							
Issuance of common shares as compensation	504,000			3,628							
Issuance of common shares (in shares)	3,346,028										31,949
Issuance of common shares	997,572										2,500
Issuance During Period 9 th [Member]											
Issuance of common shares as compensation (in shares)				9,431							
Issuance of common shares as compensation				3,680							
Issuance of common shares (in shares)	855,712										
Issuance of common shares	418,668										
Lawsuits [Member]											
Issuance of warrants											
Subscriptions Receivables [Member]											
Issuance of common shares											
Accumulated Other Comprehensive Income [Member]											
Beginning Balance	209,481	(213,285)	(28,853)	10,123	16,259	(26,698)	(15,192)	(4,664)	(5,585)	(2,096)	
Comprehensive Income (Loss)											
Other Comprehensive Income (Loss)											

Currency Translation Adjustment	(529,296)	422,766	(184,432)	(13,288)	(6,136)	42,957	(11,506)	(10,528)	921	(3,489)	(2,096)
Total Comprehensive Income (Loss)	(529,296)	422,766	(184,432)	(13,288)	(6,136)	42,957	(11,506)	(10,528)	921	(3,489)	(2,096)
Ending Balance	(319,815)	209,481	(213,285)	(3,165)	10,123	16,259	(26,698)	(15,192)	(4,664)	(5,585)	(2,096)
Additional Paid In Capital [Member]											
Beginning Balance	2,053,019	1,821,439	1,777,343	1,683,485	1,341,143	910,334	501,720	472,357	164,205	91,595	
Beneficial conversion charge	117,109										
Incremental increase in fair value of warrants in conjunction with re-structuring of debentures, April 2007			44,096								
Issuance of stock options for services rendered				33,973	27,669	23,580	70,518	22,269	11,570		
Reclassification of warrants to derivative liability	(786,710)										
Issuance of common shares											
Assumption of options in reverse merger	644,806										
Common shares issued on exercise of Warrants											
Reclassification of derivative liability on increase of authorized shares	13,501,360										
Issuance of common shares for minority shareholders as employee compensation December 1999, $.03								6,169			
Loan Payable plus interest exchanged for shares July 2000, $.03									111,996		
Effect of Reverse Merger	11,573,465										
Refund of common shares subscribed for October 2010 in cash February 2011, $.50											
Re-pricing of options in exchange for services rendered, February 2011											
Issuance of common shares on exercise of options	22										
Issuance of warrants		231,580			152,628	358,406					
Ending Balance	35,543,722	2,053,019	1,821,439	1,761,827	1,683,485	1,341,143	910,334	501,720	472,357	164,205	91,595
Cash [Member]											
Refund of common shares subscribed for October 2010 in cash February 2011, $.50											
Common Stock [Member]											
Beginning Balance (in shares)	22,241,023	22,241,023	22,241,023	22,096,417	21,815,594	21,730,718	20,658,550	20,656,140	19,789,694	19,040,899	
Beginning Balance	222	222	222	222	219	218	207	207	198	191	
Issuance of common shares (in shares)											
Issuance of common shares											
Common shares issued on exercise of Warrants (in shares)											
Common shares issued on exercise of Warrants											
Loan Payable plus interest exchanged for shares July 2000, $.03 (in shares)									356,772		
Loan Payable plus interest exchanged for shares July 2000, $.03									4		
Effect of Reverse Merger (in shares)	7,089,282										
Effect of Reverse Merger	71										
Issuance of common shares on exercise of options (in shares)	570,980										
Issuance of common shares on exercise of options	6										
Ending Balance (in shares)	49,432,640	22,241,023	22,241,023	22,209,589	22,096,417	21,815,594	21,730,718	20,658,550	20,656,140	19,789,694	19,040,899
Ending Balance	495	222	222	222	222	219	218	207	207	198	191
Debt [Member]											
Beneficial conversion charge	335,000										
Goods And Services Exchanged For Equity Instrument [Member]											
Issuance of stock options for services rendered				33,973	27,669	23,580	70,518	22,269	11,570		
Noncontrolling Interest [Member]											
Beginning Balance	(66,327)	(44,514)	(39,542)	(19,786)	(10,012)	(6,187)	(3,944)	(2,444)	(604)		
Net loss attributable to noncontrolling interest	(211,670)	(21,813)	(4,972)	(11,195)	(9,774)	(3,825)	(2,243)	(1,500)	(1,840)	(604)	
Ending Balance	(277,997)	(66,327)	(44,514)	(30,981)	(19,786)	(10,012)	(6,187)	(3,944)	(2,444)	(604)	
Beginning Balance	(2,069,978)	(1,371,103)	(922,318)	247,496	513,767	272,818	34,156	131,582	(23,135)	8,482	
Incremental increase in fair value of warrants in conjunction with re-structuring of debentures, April 2007			44,096								
Reclassification of warrants to derivative liability	(786,710)										

Assumption of options in reverse merger	644,806										
Common shares issued on exercise of Warrants											
Reclassification of derivative liability on increase of authorized shares	13,501,360										
Loan Payable plus interest exchanged for shares July 2000, $.03									112,000		
Effect of Reverse Merger	11,573,536										
Refund of common shares subscribed for October 2010 in cash February 2011, $.50											
Re-pricing of options in exchange for services rendered, February 2011											
Issuance of common shares on exercise of options	28										
Issuance of warrants		231,580			152,628	358,406					
Net loss attributable to noncontrolling interest	(211,670)	(21,813)	(4,972)	(11,195)	(9,774)	(3,825)	(2,243)	(1,500)	(1,840)	(604)	
Comprehensive Income (Loss)											
Net Loss	(28,715,913)	(1,331,408)	(303,477)	(682,408)	(592,706)	(228,993)	(156,214)	(114,761)	(152,525)	(100,141)	(81,208)
Other Comprehensive Income (Loss)											
Currency Translation Adjustment	(529,296)	422,766	(184,432)	(13,288)	(6,136)	42,957	(11,506)	(10,528)	921	(3,489)	(2,096)
Total Comprehensive Income (Loss)	(29,245,209)	(908,642)	(487,909)	(695,696)	(598,842)	(186,036)	(167,720)	(125,289)	(151,604)	(103,630)	(83,304)
Ending Balance	$ 1,964,119	$ (2,069,978)	$ (1,371,103)	$ (381,053)	$ 247,496	$ 513,767	$ 272,818	$ 34,156	$ 131,582	$ (23,135)	$ 8,482

Consolidated Statements of Changes in Equity (Deficiency) (Parenthetical)

Consolidated Statements of Changes in Equity (Deficiency) (Parenthetical) (USD $)	12 Months Ended 10/31/2001	12 Months Ended 10/31/2000	12 Months Ended 10/31/1999	12 Months Ended 10/31/1998
Directors Plan [Member]				
Issuance of common share, date				
Issuance of common shares, date				
Employees Base Compensation [Member]				
Issuance of common shares, per share	$ 0.03			
Issuance of common share, date	2001-10			
Issuance of common shares, per share	$ 0.03			
Issuance of common shares, date	2001-10			
Issuance During Period 10 th [Member]				
Issuance of common shares, per share				
Issuance of common share, date				
Issuance of common shares, per share				
Issuance of common shares, date				
Issuance During Period 11 th [Member]				
Issuance of common shares, per share				
Issuance of common share, date				
Issuance of common shares, per share				
Issuance of common shares, date				
Issuance During Period 12 th [Member]				
Issuance of common shares, per share				
Issuance of common share, date				
Issuance of common shares, per share				
Issuance of common shares, date				
Issuance During Period 1 st [Member]				
Issuance of common shares, per share	$ 0.03	$ 0.03	$ 0.01	$ 0
Issuance of common share, date	2001-10	1999-12	1998-11	1998-11
Issuance of common shares, per share	$ 0.03	$ 0.03	$ 0.01	$ 0
Issuance of common shares, date	2001-10	1999-12	1998-11	1998-11
Issuance During Period 2 nd [Member]				
Issuance of common shares, per share		$ 0.03	$ 0.01	$ 0
Issuance of common share, date		2000-03	1999-02	1998-12
Issuance of common shares, per share		$ 0.03	$ 0.01	$ 0
Issuance of common shares, date		2000-03	1999-02	1998-12
Issuance During Period 3 rd [Member]				
Issuance of common shares, per share		$ 0.03	$ 0.01	$ 0
Issuance of common share, date		2000-10	1999-03	1998-03
Issuance of common shares, per share		$ 0.03	$ 0.01	$ 0
Issuance of common shares, date		2000-10	1999-03	1998-03
Issuance During Period 4 th [Member]				
Issuance of common shares, per share			$ 0.01	$ 0
Issuance of common share, date			1999-04	1998-04
Issuance of common shares, per share			$ 0.01	$ 0
Issuance of common shares, date			1999-04	1998-04
Issuance During Period 5 th [Member]				
Issuance of common shares, per share			$ 0.01	$ 0.01

Issuance of common share, date			1999-04	1998-05
Issuance of common shares, per share			$ 0.01	$ 0.01
Issuance of common shares, date			1999-04	1998-05
Issuance During Period 6 th [Member]				
Issuance of common shares, per share			$ 0.01	$ 0
Issuance of common share, date			1999-07	1998-08
Issuance of common shares, per share			$ 0.01	$ 0
Issuance of common shares, date			1999-07	1998-08
Issuance During Period 7 th [Member]				
Issuance of common shares, per share			$ 0.01	$ 0.01
Issuance of common share, date			1999-08	1998-09
Issuance of common shares, per share			$ 0.01	$ 0.01
Issuance of common shares, date			1999-08	1998-09
Issuance During Period 8 th [Member]				
Issuance of common shares, per share				$ 0.01
Issuance of common share, date				1998-10
Issuance of common shares, per share				$ 0.01
Issuance of common shares, date				1998-10
Issuance During Period 9 th [Member]				
Issuance of common shares, per share				
Issuance of common share, date				
Issuance of common shares, per share				
Issuance of common shares, date				
Additional Paid In Capital [Member]				
Refund of common shares subscribed, cash				
Cash [Member]				
Refund of common shares subscribed, cash				
Issuance of common share, date				
Issuance of common shares, date				
Goods And Services Exchanged For Equity Instrument [Member]				
Issuance of common share, date	2001-10	2000-10		
Issuance of common shares, date	2001-10	2000-10		
Refund of common shares subscribed, cash				
Loan Payable plus interest exchanged for shares, price per share		$ 0.03		
Issuance of common share, date				
Issuance of common shares, date				

Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows (USD $)	12 Months Ended 10/31/2011	12 Months Ended 10/31/2010	10/31/2011
Pricing Service [Member]			
Adjustments to reconcile net loss for the period to net cash used in operating activities			
Stock Options Issued	$ 163,750		$ 163,750
Goods And Services Exchanged For Equity Instrument [Member]			
Adjustments to reconcile net loss for the period to net cash used in operating activities			
Stock Options Issued			192,238
Management [Member]			
Adjustments to reconcile net loss for the period to net cash used in operating activities			
Stock Options Issued			54,582
Cash flows from operating activities			
Net Loss	(5,761,918)[1]	(2,038,497)	(41,060,696)[1]
Adjustments to reconcile net loss for the period to net cash used in operating activities			
Depreciation and amortization of Property and Equipment	20,399[1]	20,932	201,439[1]
Amortization of Patent Application Costs	5,207[1]	3,023	12,411[1]
Write-off of Patent Application Costs	55,549[1]	105,345	214,625[1]
Write-off of Goodwill			12,780,214[1]
Amortization of Deferred Debt Issuance Costs			511,035
Loss on Extinguishment of Debt			275,676
Loss on Change in Value of Derivative Liability			12,421,023[1]
Interest Accrued and Foreign Exchange Loss on Debt			922,539
Unrealized Foreign Currency Exchange Gains			25,092
Beneficial Conversion Charge included in Interest Expense			452,109
Common Stock and Warrants Issued on Settlement of Lawsuit	1,653,800		1,653,800
Common Stock Issued as Employee or Officer/Director Compensation			2,508,282
Common Stock and Warrants Issued for Services Rendered	2,168,750	155,200	2,726,262
Changes in Operating Assets and Liabilities, Net of Acquisition			
Accounts Receivable	(9,002)		(9,002)
Share Subscriptions Receivable	115,000	(115,000)	
Deposits and Prepaid Expenses	38,233	(77,778)	(50,752)
Refundable Taxes Receivable	(13,232)	(7,081)	(34,327)
Government Grants and Investment Tax Credits Receivable	(31,015)	19,072	(167,435)
Accounts Payable and Accrued Expenses	73,537	(227,880)	(171,220)
Advances			131
Cash used in operating activities	(1,520,942)	(2,162,664)	(6,378,224)
Cash flows from investing activities			
Cash Acquired from Acquisition			195,885
Purchase of Property and Equipment	(15,242)	(11,058)	(219,666)
Patent Application Costs	(17,764)	(37,091)	(314,570)
Cash used in investing activities	(33,006)	(48,149)	(338,351)
Cash flows from financing activities			
Repayment of Capital Lease Obligation	(13,532)	(2,044)	(15,576)
Due to Director	(15,149)	(131,953)	725,330

Issue of Debentures			1,378,305
Issue of Common Shares on Exercise of Stock Options	2,750		2,781
Issue of Common Shares on Exercise of Warrants	10,402	35,250	45,652
Issue of Common Shares for Cash	347,747	1,707,575	5,624,169
Refund of Share Subscription	(15,000)		(15,000)
Redemption of 10% Senior Convertible Debentures		(25,000)	(394,972)
Cash provided by financing activities	317,218	1,583,828	7,350,689
Effect of foreign exchange on cash and cash equivalents	61,180	83,221	35,088
Cash and Cash Equivalents			
Increase (Decrease) in cash and cash equivalents during the period	(1,175,550)	(543,764)	669,202
Beginning of Period	1,844,752	2,388,516	
End of Period	$ 669,202[1]	$ 1,844,752	$ 669,202[1]

[1] - Restated

Nature of Business

Nature of Business (USD $)	12 Months Ended 10/31/2011
Nature of Business	**1. Nature of Business**

The accompanying audited consolidated financial statements have been prepared in accordance with the requirements of Form 10-K and Article 8 of Regulation S-X of the Securities and Exchange Commission (the “SEC”) and include the results of CardioGenics, Inc. and its subsidiaries and JAG Media Holdings, Inc and its subsidiaries (”JAG Media”) (from July 31, 2009, date of acquisition) which are collectively referred to as the “Company.”

CardioGenics Inc. (“CardioGenics”) was incorporated on November 20, 1997 in the Province of Ontario, Canada, and carries on the business of development and commercialization of diagnostic test products for the In Vitro Diagnostics testing market. CardioGenics has several test products that are in various stages of development. In the last quarter of fiscal 2011 CardioGenics commenced selling one of these products, but has generated no significant revenue therefrom.

On July 31, 2009, CardioGenics acquired the business of JAG Media Holdings, Inc. (“JAG Media”). The business acquired is that of gathering and compiling financial and investment information from various financial institutions and other Wall Street professionals. Revenues of the acquired business of JAG Media are generated by releasing such financial information to subscribers in a consolidated format on a timely basis through facsimile transmissions and a web site. Further, software focused on streaming video solutions was acquired through the acquisition of JAG Media by CardioGenics. Historically, further development of this software had been limited as a result of JAG Media’s lack of financial resources.

On February 11, 2010, the Company entered into an LLC Membership Interest Purchase Agreement with Rothcove Partners LLS (“Rothcove”) pursuant to which the Company sold its interest in JAG Media to Rothcove (see Note 19).

References herein to CardioGenics common shares has been retrospectively adjusted to reflect the exchange ratio of 20.957 established in the Share Purchase Agreement related to the acquisition of JAG Media Holdings, Inc. (“Holdings”).

On October 27, 2009 the name of the Company was changed from Jag Media Holdings, Inc. to CardioGenics Holdings, Inc.

On April 23, 2010, the Company’s Board of Directors approved a reverse stock split of its issued and outstanding common shares. The total authorized shares of common stock was at the same time reduced to 65,000,000. The Board of Directors selected a ratio of one-for-ten and the reverse stock split was effective on June 20, 2010. Trading of the Company’s common stock on the Over-The-Counter Capital Market on a split adjusted basis began at the open of trading on June 21, 2010. The reverse stock split affected all shares of the Company’s common stock, as well as options to purchase the Company’s common stock and other equity incentive awards and warrants that were outstanding immediately prior to the effective date of the reverse stock split. All references to common shares and per-share data for prior periods have been retroactively restated to reflect the reverse stock split as if it had occurred at the beginning of the earliest period presented.

Restatement of Financial Statements

Restatement of Financial Statements (USD $)	12 Months Ended 10/31/2011
Restatement of Financial Statements	**2.Restatement of Financial Statements**

During the preparation of the January 31, 2012 interim consolidated financial statements, the Company determined that the accounting for the issuance of common stock and warrants in the year ended October 31, 2011 required restatement. The Company also determined that the recording of certain tax related income and expenses required restatement.

As a result of these restatements, amounts in our consolidated balance sheet, statement of operations, statement of cash flows and equity for the year ended October 31, 2011 have been corrected. This restatement also resulted in changes to notes 8 and 9 to the consolidated financial statements. Statement of cash flows has been restated to reflect classification errors resulting in an increase in cash from operating activities of $111,927.

The restatement relates to the following:

a)in September 2011 we entered into a consulting contracts covering a period of eighteen months, compensation for which included the issuance of common shares stock and fully vested warrants. The Company determined that the fair value of the compensation was $2.1 million. Based on our initial evaluation of the relevant accounting guidance, the Company recorded the fair value as an asset as part of a prepaid expense in 2011 and began amortizing this balance to general and administrative expense over an eighteen month period. The offset to the prepaid expense credit was recorded as Additional Paid-in Capital. The Company has subsequently determined that the entire fair value of the compensation for these contracts should have been expensed immediately rather than recorded as an asset. In order to correct this error, the Company reduced Deposits and Prepaid Expenses by $1,309,296 and Prepaid Consulting Contract asset by $567,015 as at October 31, 2011, expensed the fair value of these contracts of $1,869,660 as part of General and Administrative expenses in the year ended October 31, 2011 and recorded a reduction in Currency Translation Adjustment of $6,651;

b)the Company determined that a government grant and investment tax credit receivable relating to investment tax credits under the scientific research and experimental development auspices of the Canadian Income Tax Act in the amount of approximately $187,497 had formerly not been recorded. In order to correct this error, the Company increased Government Grants and Investment Tax Credits Receivable and reduced General and Administrative expenses as at and for the year ended October 31, 2011; and,

c)the Company determined that potential tax penalties in the amount of $180,000 related to the late filing of certain tax returns with the Internal Revenue Services had formerly not been recorded. In order to correct this error, the Company increased Accounts Payable and Accrued Expenses and General and Administrative expenses as at and for the year ended October 31, 2011.

The following table summarizes the effects of the restated adjustments on our previously issued consolidated balance sheet for the year ended October 31, 2011:

	As Previously Reported	Adjustments	As Restated
Deposits and Prepaid Expenses	$ 1,360,837	$ (1,309,296)	$ 51,541
Government Grants and Investment Tax Credits Receivable	—	187,497	187,497
Prepaid Consulting Contract	567,015	(567,015)	—
Total Assets	2,854,287	(1,688,814)	1,165,473
Accounts Payable and Accrued Expenses	416,692	180,000	596,692
Deficit Accumulated During Development Stage	(38,880,934)	(1,850,240)	(40,731,174)
Accumulated Other Comprehensive Loss	(166,756)	(6,651)	(173,407)
Total Equity Attributable To CardioGenics Holdings Inc.	2,726,851	(1,856.891)	869,960
Non-Controlling Interest	(317,601)	(11,923)	(329,524)
Total Equity	2,409,250	(1,868,814)	540,436
Total Liabilities and Equity	2,854,287	(1,688,814)	1.165,473

The following table summarizes the effects of the restated adjustments on our previously issued statement of equity for the year ended October 31, 2011:

Changes in deficit accumulated during development stage

	As Previously Reported	Adjustments	As Restated
Deficit accumulated during Development stage at October 31, 2010	$ (35,006,558)	$ —	$ (35,006,558)
Net loss attributed to CardioGenics Holdings Inc.	(3,874,376)	(1,850,240)	(5,724,616)
Deficit accumulated during Development stage at October 31, 2011	(38,880,934)	(1,850,240)	(40,731,174)

Changes in accumulated other comprehensive loss

	As Previously Reported	Adjustments	As Restated
Accumulated other Comprehensive loss October 31, 2010	$ (237,508)	$ —	$ (237,508)
Currency translation Adjustment	70,752	(6,651)	64,101
Accumulated other Comprehensive loss October 31, 2011	(166,756)	(6,651)	(173,407)

Changes in non-controlling interest

	As Previously Reported	Adjustments	As Restated
Accumulated non-controlling Interest October 31, 2010	$ (292,222)	$ —	$ (292,222)
Net loss attributable to Non-controlling interest	(25,379)	(11,923)	(37,302)
Accumulated non-controlling Interest October 31, 2011	$ (317,601)	$ (11,923)	$ (329,524)

Changes in total equity

	As Previously Reported	Adjustments	As Restated
Total equity October 31, 2010	$ 1,905,954	$ —	$ 1,905,954
Additions to common Stock	26	—	26
Additions to APIC	4,332,273	—	4,332,273
Net loss attributable to Non-controlling interest	(25,379)	(11,923)	(37,302)
Comprehensive loss	(3,803,624)	(1,856,891)	(5,660,515)
Total equity October 31, 2011	$ 2,409,250	$ (1,868,814)	$ 540,436

The following table summarizes the effects of the restated adjustments on our previously issued statement of operations for the year ended October 31, 2011:

	As Previously Reported	Adjustments	As Restated
General and administrative expenses	$ 1,349,300	$ 2,049,660	$ 3,398,960
Research and product development, net of investment tax credits	613,504	(187,497)	426,007
Total operating expenses	3,797,759	1,862,163	5,659,922
Operating loss	(3,788,883)	(1,862,163)	(5,651,046)
Loss from continuing Operations	(3,899,755)	(1,862,163)	(5,761,918)
Net loss attributable to Non-controlling interest	25,379	11,923	37,302
Net loss attributed to CardioGenics Holdings Inc.	$ (3,874,376)	$ (1,850,240)	$ (5,724,616)

Basis of Presentation

Basis of Presentation (USD $)	12 Months Ended 10/31/2011
Basis of Presentation	**3. Basis of Presentation** The accompanying consolidated financial statements have been prepared using the accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has incurred operating losses and has experienced negative cash flows from operations since inception. The Company has a deficit accumulated at October 31, 2011 of approximately $40.7 million. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. The Company has funded its activities to date almost exclusively from debt and equity financings. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company will continue to require substantial funds to continue research and development, including preclinical studies and clinical trials of its products, and to commence sales and marketing efforts, if the FDA and other regulatory approvals are obtained. In order to meet its operating cash flow requirements Management's plans include financing activities such as private placements of its common stock and issuances of convertible debt instruments. Management is also actively pursuing industry collaboration activities including product licensing and specific project financing. While the Company believes it will be successful in obtaining the necessary financing to fund its operations, meet revenue projections and manage costs, there are no assurances that such additional funding will be achieved and that it will succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might be necessary should the Company be unable to continue as a going concern.

Summary of Significant Accounting Policies

Summary of Significant Accounting Policies (USD $)	12 Months Ended 10/31/2011
Summary of Significant Accounting Policies	**4. Summary of Significant Accounting Policies**

(a) Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its 100% owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

(b) Development Stage Company
The accompanying financial statements have been prepared in accordance with the provisions of the guidance for development stage enterprises.

(c) Cash and Cash Equivalents
The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(d) Share Subscription Receivable
Subscriptions for common shares received are recorded as receivable on the subscription date with the offsetting credit to capital on the same date.

(e) Government Grants and Investment Tax Credits Receivable
The Company's accounts include claims for investment tax credits ("ITCs") relating to scientific research activities of the Company prior to the acquisition described in Note 1. The qualification and recording of this activity for investment tax credit purposes is established by Canadian Income Tax authorities when the income tax returns for the period are assessed. The credit has been recognized in the statement of operations in the year in which the expenses were incurred.

Subsequent to the acquisition described in Note 1, the Company no longer qualifies to receive substantial refunds of ITCs resulting from scientific research. Currently the majority of ITCs resulting from scientific research are carried forward to a time when the company becomes tax paying at which time said ITCs are applicable against taxes payable.

(f) Property and Equipment
Property under capital leases and the related obligation for future lease payments are initially recorded at an amount equal to the lesser of fair value of the property or equipment and the present value of those lease payments. Property and equipment is depreciated using methods and rates as follows:

Furniture and Fixtures	20% declining balance
Lab Equipment	20% declining balance
Computer Equipment – Hardware	30% declining balance
Computer Equipment – Software	50% declining balance
Leasehold Improvements	Straight-line over the lesser of the life of the asset or the life of the lease

(g) Patents
Capitalized patent costs represent legal and application costs incurred to establish patents. Capitalized patent costs are amortized on a straight line method over the related patent term. As patents are abandoned, the net book value of the patent is written off.

(h) Impairment or Disposal of Long-Lived Assets
The Company assesses the impairment of long-lived assets under the guidance of standards for the impairment or disposal of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. For long-lived assets to be held and used, the Company recognizes an impairment loss only if its carrying amount is not recoverable and exceeds its fair value. The carrying amount of the long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposal of the asset.

(i) Research and Development Costs
Expenditures for research and development are expensed as incurred and include, among other costs, those related to the production of prototype products, including payroll costs. Amounts expected to be received from governments under Scientific Research Tax Credit arrangements as refundable credits are offset against current expenses. The Company recognizes revenue from restricted grants in the period in which the Company has incurred the expenditures in compliance with the specific restrictions.

(j) Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. As there is no certainty that the Company will generate taxable income in the foreseeable future to utilize tax losses accumulated to date, no provision for ultimate tax reduction has been made in these financial statements.

Income tax positions must meet a more-likely-than-not recognition threshold to be recognized. The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within operations as general and administrative expenses.

(k) Stock-Based Compensation

The Company recognizes new, modified and unvested share-based payment transactions with employees, such as grants of stock options and restricted stock, in the financial statements based on their fair value at the grant date and these awards are recognized as compensation expense over their vesting periods. The Company estimates the fair value of stock options issued as compensation to employees and directors on the grant date using the Black-Scholes pricing model and the fair value of shares issued as compensation to employees by reference to their market price. The Company also follows the guidance for equity instruments that are issued to other than employees for acquiring, or in conjunction with selling, goods or services for equity instruments issued to consultants which provides guidance on transactions in which (1) the fair value of the equity instruments is more reliably measurable than the fair value of the goods or services received and (2) the counterparty receives shares of stock, stock options, or other equity instruments in settlement of the entire transaction or, if the transaction is part cash and part equity instruments, in settlement of the portion of the transaction for which the equity instruments constitute the consideration. Options issued with a nominal exercise price in exchange for services rendered were measured at the fair value of the underlying services rendered on the date of grant. The expense was recorded to the statement of operations with a corresponding increase in share capital with no additional increase in the number of shares as they were legally not yet exercised.

(l) Net Loss Per Common Share

Basic loss per share is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding during the period. The computation of diluted earnings (loss) per share does not assume conversion, exercise or contingent exercise of securities that would have an anti-dilutive effect on earnings (loss) per share.

(m) Comprehensive Income (Loss)

Other comprehensive income (loss), which includes only foreign currency translation adjustments, is shown in the Statements of Changes in Equity (Deficiency).

(n) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. By their nature, these estimates are subject to uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be material.

(o) Foreign Currency Translation

The Company maintains its accounting records for its Canadian operations in Canadian dollars. Transactions in United States dollars ("USD") are translated into Canadian dollars at rates in effect at the date of the transaction and gains or losses on such transactions are recorded at the time of settlement in the statement of operations.

The Company's reporting currency is the United States Dollar. Foreign denominated assets and liabilities of the Company are translated into USD at the prevailing exchange rates in effect at the end of the reporting period, the historical rate for stockholders' equity (deficiency) and a weighted average of exchange rate in effect during the period for revenue, expenses, gains and losses. Adjustments that arise from translation into the reporting currency are recorded in the accumulated other comprehensive loss component of equity (deficiency).

(p) Financial Instruments

The carrying values of cash and cash equivalents, other current assets, accounts payable and accrued expenses approximate their fair values due to their short-term nature. Obligations under capital leases approximate their fair value based upon the available market lease rates for similar leases.

(q) Revenue Recognition

Revenue included in these consolidated financial statements is derived from sales of paramagnetic beads and is recognized on shipment to customers.

(r) Commitments and Contingent Liabilities

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

(s) Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs ("ASU 2011-04"). ASU 2011-04 represents the converged guidance of the FASB and the International Accounting Standards Board on fair value measurement. The guidance clarifies how a principal market is determined, addresses the fair value measurement of instruments with offsetting market or counterparty credit risks, addresses the concept of valuation premise and highest and best use, extends the prohibition on blockage factors to all three levels of the fair value hierarchy and requires additional disclosures. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively. The Company will adopt the requirements of ASU 2011-04 in the first quarter of 2012 and anticipates a negligible impact on its financial statements.

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income ("ASU 2011-05"). The issuance of ASU 2011-05 is intended to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. The guidance in ASU 2011-05 supersedes the presentation options in ASC Topic 220 and facilitates convergence of U.S. GAAP and IFRS by eliminating the option to present components of other comprehensive income as part of the statement of changes in equity and requiring that all non-owner changes in equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company plans to implement the provisions of ASU 2011-05 by presenting a separate statement of other comprehensive income following the statement of operations beginning in fiscal 2013.

In December 2011, the FASB issued ASU No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. ASU 2011-11 requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position, and to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under International Financial Reporting Standards (IFRS). The new standards are effective for annual periods beginning January 1, 2013, and interim periods within those annual periods. Retrospective application is required. The Company will implement the provisions of ASU 2011-11 beginning in fiscal 2014.

Property and Equipment

Property and Equipment (USD $)	12 Months Ended 10/31/2011
Property and Equipment	**5. Property and Equipment**

The costs and accumulated depreciation of property and equipment are summarized as follows:

	October 31	
	2011	2010
Furniture and Fixtures	$ 12,120	$ 12,120
Lab Equipment	164,504	149,262
Computer Hardware	19,490	19,490
Computer Software	8,433	8,433
Leasehold Improvements	91,269	91,269
Total Property and Equipment	295,816	280,574
Less Accumulated Depreciation	213,508	193,109
Property and Equipment, Net	$ 82,308	$ 87,465

Depreciation and amortization expense amounted to $20,399 and $20,932 for the years ended October 31, 2011 and 2010, respectively.

Patent

Patent (USD $)	12 Months Ended 10/31/2011
Patent	**6. Patents**

The costs and accumulated amortization of patents are summarized as follows:

	October 31	
	2011	2010
Patents	$ 143,143	$ 177,907
Less: Accumulated Amortization	(12,411)	(7,204)
Patents, Net	$ 130,732	$ 170,703
Weighted-Average Life	17 Years	17 Years

Amortization expense amounted to $5,207 and $3,023 for the years ended October 31, 2011 and 2010, respectively. Amortization expense is expected to be approximately $5,200 per year for the years ended October 31, 2012 through 2016. During the years ended October 31, 2011 and 2010, the Company wrote off $52,529 and $105,345 of net book value of patents, respectively, for abandoned patents.

Due to Director

Due to Director (USD $)	12 Months Ended 10/31/2011
Due to Director	**7. Due to Director** The amount due to a director was due on demand, carried interest at 0% per annum and was repaid during 2011.

Income Tax

Income Tax (USD $)	12 Months Ended 10/31/2011
Income Tax	**8. Income Taxes**

The Company has recorded an expense of $180,000 during the year for penalty charges payable to the US taxing authorities arising from failure to file certain information returns within a stipulated time limit.

The Company has incurred losses in Canada since inception, which have generated net operating loss carryforwards for income tax purposes. The net operating loss carryforwards arising from Canadian sources as of October 31, 2011 were 5,819,492 (2010 - $8,169,337) which will expire from 2013 through 2031.

All fiscal years except 2011 as originally filed have been assessed as they relate to Canadian jurisdictions. The return for 2011 has yet to be filed and the return for 2010 is being re-filed to claim research and development credits.

As of October 31, 2011, the Company had net operating loss carryforwards from US sources of approximately $40,476,000 (2010 - $40,076,000), respectively, available to reduce future Federal taxable income which will expire from 2019 through 2031. U.S. returns for the tax years 2008 through 2011 are yet to be filed.

Internal Revenue Code Section 382 ("Section 382") imposes a limitation on a corporation's ability to utilize net operating loss ("NOLs")'s if it experiences an ownership change. In general, an ownership change may occur from certain transactions that increase the ownership of 5% stockholders in the stock of a corporation by more than 50 percentage points over a three year period. If an ownership change occurs, utilization of the NOLs would be subject to an annual limitation. The annual limitation under Section 382 is calculated by multiplying the value of stock at the time of the ownership change by the applicable long term tax exempt rate. Any unused annual limitation may be carried over to later years. The company has historically been in a loss position and therefore the Section 382 limitation may not be relevant for the current period.

A reconciliation of the Company's statutory rate to the Company's effective tax rate for the years ended October 31, 2011 and 2010 is as follows:

	October 31	
	2011 (restated)	2010
Statutory rate	34%	30%
Decrease in income tax rate resulting from:		
Rate differences between jurisdictions	(1.2)%	—
Changes in tax rate	(27.6)%	—
Other	(8.5)%	—
Permanent differences	(24.0)%	(12.5)%
Change in valuation allowance	27.3%	(17.5)%
Effective tax rate	0.0%	0.0%

As of October 31, 2011 and 2010, the Company's deferred tax assets consisted of the effects of temporary differences attributable to the following:

	October 31	
	2011 (restated)	2010
Temporary:		
Property and equipment	$ (9,459)	$ (21,512)
Net operating loss carryforwards	15,221,715	17,269,873
Unrealized foreign exchange	11,287	(15,304)
Investment tax credits	359,436	(100,000)
Transitional tax debits	(25,076)	—
Total Deferred Tax Assets	15,557,903	17,133,057
Valuation Allowance	(15,557,903)	(17,133,057)
Net Deferred Income Taxes	$ —	$ —

Account Payable and Accrued Expense

Account Payable and Accrued Expense (USD $)	12 Months Ended 10/31/2011
Account Payable and Accrued Expense	**9. Accounts Payable and Accrued Expenses**

	October 31 2011 (restated)	October 31 2010
Accounts Payable	$ 103,544	$ 109,913
Income Tax Reserve	180,000	—
Research and Development	24,796	26,288
Investor Relations	7,924	87,500
Patent Application Costs	5,209	20,245
Legal Fees	274,616	246,915
Accounting Fees	603	32,294
Total	$ 596,892	$ 523,155

Stock-Based Compensation

Stock-Based Compensation (USD $)	12 Months Ended 10/31/2011
Stock-Based Compensation	**10. Stock-Based Compensation**

Stock-based employee compensation related to stock options for each of the years ended October 31, 2011 and 2010 amounted to nil.

The following is a summary of the common stock options granted, forfeited or expired and exercised under the Plan:

	Options	Weighted Average Exercise Price
Outstanding – October 31, 2009	305,000	$ 2.34*
Granted	—	—
Forfeited/expired	—	—
Exercised	—	—
Outstanding – October 31, 2010	305,000	$ 2.34
Granted	—	—
Forfeited/expired	—	—
Exercised	275,000	$ 0.01
Outstanding – October 31, 2011	30,000	$ 0.90
Exercisable	30,000	$ 0.90

* of the 305,000 options outstanding as at October 31, 2010 at a weighted average exercise price of $2.34, 275,000 options were repriced during fiscal 2011 to $0.01.

Options typically vest immediately at the date of grant. As such, the Company does not have any unvested options or unrecognized compensation expense at October 31, 2011 and 2010.

The following options were exercised during the year for $2,750:

	Options
Stock options formerly priced at $0.20 were repriced at $0.01 and extended to August 2011	75,000
Stock options formerly priced at $3.60 were repriced at $0.01 and extended to August 2011	200,000
	275,000

The fair value of each option granted is estimated on grant date using the Black-Scholes option pricing model which takes into account as of the grant date the exercise price and expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock and the risk-free interest rate for the term of the option. The Company granted no stock options during the years ended October 31, 2010 and 2011.

The following table summarizes information on stock options outstanding at October 31, 2011:

	Options Outstanding and Exercisable			
Range of Exercise Price	Number Outstanding at October 31, 2011	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Aggregate Intrinsic Value
$ 0.90	30,000	$ 0.90	7.75	
	30,000		7.75	$ 0

	For the Year Ended October 31, 2011	2010
Weighted Average Fair Value of Options Granted	$ —	$ —
Cash Received for Exercise of Stock Options	$ 2,750	$ —

The intrinsic value is calculated as the difference between the market value as of October 31, 2011 and the exercise price of the shares. The market value as of October 31, 2011 was $0.48 as reported by the NASDAQ Stock Market.

Capital Lease Obligations

Capital Lease Obligations (USD $)	12 Months Ended 10/31/2011
Capital Lease Obligations	**11. Capital Lease Obligations**

The Company finances certain equipment acquisitions through capital lease agreements that expire in 2013. Future minimum rental payments under capital leases and related information in years subsequent to October 31, 2011 are presented in the table below:

	October 31	
	2011	2010
Total amount payable in equal monthly installments of $500	$ 9,000	$ —
Total amount payable in equal monthly installments of $2,090	22,440	46,029
	31,440	46,029
Less: Amount representing interest	3,099	4,156
Present value of minimum lease payments	28,341	41,873
Less: Current portion	25,711	20,992
	$ 2,630	$ 20,881

Payments under the capital lease are due as follows:

For the years ended October 31	
2012	$ 28,440
2013	3,000
	$ 31,440

The net book value of equipment under capital lease at October 31, 2011 is $42,779 and is included in property and equipment.

Equity (Deficiency)

Equity (Deficiency) (USD $)	12 Months Ended 10/31/2011
Equity (Deficiency)	**12. Equity (Deficiency)**

Equity Instruments Issued for Services Rendered

During the years ended October 31, 2000 through 2006 CardioGenics Inc. issued stock options with a nominal exercise price in exchange for services rendered to CardioGenics Inc. The fair value of each stock option was measured at the fair value of the underlying services on the date of grant. The fair value of each grant was charged to the related expense in the statement of operations.

The Company assumed options outstanding at JAG Media entitling the employees to purchase 75,000 common shares of the Company's stock at a price of $0.20 per share to August 31, 2011. The Company issued options to employees entitling the employees to purchase 200,000 common shares of the Company's stock at a price of $3.60 per share to July 31, 2019, based upon change of control provisions in their employment agreements. All these options were immediately vested. The fair value of the 275,000 options was included in the purchase price. During 2011, these options were re-priced at $0.01 per share resulting in an expense of $163,750, and subsequently exercised.

On August 1, 2009, the Company issued options to a consultant entitling the consultant to purchase 30,000 common shares of the Company's stock at a price of $0.90 per share to July 31, 2019. These options were immediately vested.

Outstanding warrants are as follows:

	October 31, 2011	October 31, 2010
	(number of warrants)	
Warrants		
Issued to subscribers to the debenture financing of 2003 and its related extension entitling the holder to purchase 1 common share of the Company at an exercise price of $0.47 per common share up to and including July 31, 2012	2,046,808	2,046,808
Issued to subscribers to the debenture financing of 2004 and its related extension entitling the holder to purchase 1 common share in the Company at an exercise price of $0.47 per common share up to and including July 31, 2012	1,021,654	1,043,659
Issued to agents for the debenture financings of 2003 and 2004 entitling the holder to purchase 1 common share in the Company at an exercise price of $0.47 per common share up to and including July 31, 2012	208,417	208,417
Issued to former employee entitling the holder to purchase 1 common share in the Company at an exercise price of $0.47 per common share up to and including July 31, 2012	136,220	136,220
Issued to consultants July 31, 2009, entitling the holder to purchase 1 common share of the Company at an exercise price of $0.90 per share up to and including July 31, 2012	104,785	104,785
Issued to consultant August 1, 2009, entitling the holder to purchase 1 common share in the company at an exercise price of $0.90 per common share up to and including July 31, 2017	287,085	287,085
Issued to Flow Capital Advisors Inc. on settlement of lawsuit in August 2011, entitling the holder to purchase 1 common share in the Company at an exercise price of $0.30 per common share up to and including August 23, 2016	250,000	—
Issued to Flow Capital Advisors Inc. on settlement of lawsuit August 2011, entitling the holder to purchase 1 common share in the Company at an exercise price of $0.50 per common share up to and including August 23, 2016	250,000	—
Issued to Flow Capital Advisors Inc. on settlement of lawsuit August 2011, entitling the holder to purchase 1 common share in the Company at an exercise price of $0.75 per common share up to and including August 23, 2016	500,000	—
Issued to Flow Capital Advisors Inc. on settlement of lawsuit August 2011, entitling the holder to purchase 1 common share in the Company at an exercise price of $1.00 per common share up to and including August 23, 2016	500,000	—
Issued to Flow Capital Advisors Inc. on settlement of lawsuit August 2011, entitling the holder to purchase 1 common share in the Company at an exercise price of $0.75 per common share up to and including August 23, 2016	500,000	—
Issued to consultants in September 2011 entitling the holders to purchase 1 common share in the Company at an exercise price of $0.10 per common share up to and including March 20, 2013	1,500,000	—
Issued to consultants in September 2011 entitling the holders to purchase 1 common share in the Company at an exercise price of $0.34 per common share up to and including March 20, 2013	1,500,000	—
Issued to consultants in September 2011 entitling the holders to purchase 1 common share in the Company at an exercise price of $0.50 per common share up to and including September 20, 2021	1,000,000	—
Total Warrants outstanding	9,804,969	3,826,974

Standby Equity Distribution Agreement

Standby Equity Distribution Agreement (USD $)	12 Months Ended 10/31/2011
Standby Equity Distribution Agreement	**13. Standby Equity Distribution Agreement** On March 12, 2009, the Company and YA Global Master SPV Ltd. ("YA Ltd") entered into a Standby Equity Distribution Agreement (the "SEDA") pursuant to which YA Ltd agreed to purchase up to $5,000,000 of the Company's common stock (the "Commitment Amount") over the course of the thirty-six (36) months following the date the registration statement for the shares to be issued pursuant to the SEDA is first declared effective (the "Commitment Period"). The Company shall have the right, but not the obligation, to sell common stock to YA Ltd during the Commitment Period. Each right to sell common stock to YA Ltd is an "Advance" under the SEDA. On March 12, 2009, concurrent with the execution of the SEDA, the Company and YA Ltd also entered into a Registration Rights Agreement (the "Registration Rights Agreement") pursuant to which the Company agreed to register the shares of the Company's common stock to be issued in connection with the SEDA (the "Registrable Securities"). The Company may not file the registration statement for the Registrable Securities (the "Registration Statement") prior to the tenth (10^{th}) trading day following the Commencement Date and the Company shall not have the ability to make any Advances under the SEDA until the Registration Statement is declared effective. The Company shall cause the Registration Statement that has been declared effective to remain effective at all times until all Registrable Securities under the Registration Statement cease to be Registrable Securities. Once issued, Registrable Securities cease to be Registrable Securities when (i) such Registrable Securities have been disposed of pursuant to the Registration Statement; (ii) such Registrable Securities have been sold under circumstances under which all of the applicable conditions of Rule 144 (or any similar provision there in force) are met; or, (iii) in the opinion of counsel to the Company such Registrable Securities may permanently be sold without registration and without any time, volume or manner limitations pursuant to Rule 144A. Effective March 19, 2010 the Company and YA Ltd. terminated these agreements by mutual consent.

Authorized Share Capital

Authorized Share Capital (USD $)	12 Months Ended 10/31/2011
Authorized Share Capital	**14. Authorized Share Capital** On September 30, 2009, the Company's articles of incorporation were amended to increase the total number of common shares authorized for issuance from 500,000,000 shares to 650,000,000 shares of common stock, par value $0.00001 per share. On April 23, 2010, the Company's Board of Directors approved a reverse stock split of its issued and outstanding common shares. The total authorized shares was at the same time reduced to 65,000,000. The Board of Directors selected a ratio of one-for-ten and the reverse split was effective June 20, 2010. As a result, the total number of shares of all classes of capital stock authorized for issuance by the Company decreased from 700,440,000 shares to 70,044,000 shares with a par value of $.00001 per share, of which 5,000,000 shares are authorized for issuance as preferred stock, 65,000,000 shares are authorized for issuance as common stock, 40,000 shares are authorized for issuance as Series 2 Class B common stock and 4,000 shares are authorized for issuance as Series 3 Class B common stock. The shares of Series 2 and Series 3 Class B common stock will be non-voting, have dividend and liquidation rights equal to Class A common stock and be redeemable. Redemption by the Company shall be mandatory within six months (or as soon thereafter as permitted by law) following the final resolution of any successor lawsuit brought by the Company relating to the subject matter of the Company's now dismissed lawsuit against certain brokerage firms (Jag Media Holdings, Inc. v. A.G. Edwards & Sons, et al.) in U.S. District Court for the Southern District of Texas, which date shall be determined by the Board of Directors. The redemption price per share of the Series 2 Class B common stock will be the greater of (i) the par value of each share or (ii) the amount obtained by dividing (a) 90% of the net proceeds to the Company of such lawsuit after payment of fees and expenses incurred in connection with such lawsuit and all taxes on net income accrued or paid with respect to such amount by (b) the total number of shares of Series 2 Class B common outstanding. The redemption price per share of the Series 3 Class B common stock will be the greater of (i) par value of each share or (ii) .0025% of 10% of the net proceeds to the Company of such lawsuit after payment fees and expenses incurred in connection with such lawsuit and all taxes on net income accrued or paid with respect to such amount. Since the value of the Series 2 and Series 3 Class B common stock is contingent upon the outcome of a pending or successor litigation, the Company recorded the shares of Series 2 and Series 3 Class B common stock that were originally issuable during the year ended July 31, 2003 at their total par value of $4.20. Since the Company will be required to distribute substantially all the proceeds of the pending litigation to holders of Series 2 and Series 3 Class B common stock, the Company had classified the shares as the equivalent of mandatorily redeemable preferred stock and excluded their carrying value from stockholders' equity (deficiency) in the accompanying October 31, 2010 consolidated balance sheet pursuant to the rules and regulations of the SEC and "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity."

Issuance of Common Stock

Issuance of Common Stock (USD $)	12 Months Ended 10/31/2011
Issuance of Common Stock	**15. Issuance of Common Stock**

During the years ended October 31, 2011 and 2010 the Company issued the following common shares:

	Year Ended October 31, 2011		Year Ended October 31, 2010	
	# of shares	Amount	# of shares	Amount
Issuance to third parties for services rendered	650,000	$ 391,500	95,000	$ 77,000
Issuance to a director for cash	600,000	$ 297,747	—	—
Issuance to third parties for cash	70,000	$ 35,000	3,108,150	$ 1,592,575
Issuance to third parties on exercise of warrants	22,005	$ 10,402	75,000	$ 35,250
Issuance to third parties on exercise of options	275,000	$ 2,750	—	—
Issuance to Flow Capital Advisors Inc. on Settlement of Suit	1,000,000	$ 600,000	—	—
Issued to an employee stockholder for services rendered	—	—	21,090	$ 23,200
Issued to non-employee stockholders for services rendered	—	—	47,281	$ 55,000
Issued to unrelated third party for subscription receivable	—	—	230,000	$ 115,000

The fair value of shares issued for services rendered were recorded based on the more reliably measurable fair value of either the service received or the equity instrument issued.

Redemption of Class B Common Stock

Redemption of Class B Common Stock (USD $)	12 Months Ended 10/31/2011
Redemption of Class B Common Stock	**16. Redemption of Class B Common Stock** On or about February 28, 2011 CardioGenics Holdings Inc. ("Holdings") mailed notices to the holders of its outstanding Series 2 Class B Common Stock (the "Series 2 Shares") and Series 3 Class B Common Stock (the "Series 3 Shares"), which notify such stockholders that Holdings has elected to redeem all outstanding Series 2 Shares and Series 3 Shares in accordance with their terms. The Redemption Date was April 4, 2011 and the Redemption Price was par value, \$0.00001 per share. Under the terms of Series 2 Shares, the Redemption Price for each Series 2 Class B share shall be equal to the greater of (i) par value or (ii) the amount obtained by dividing (a) ninety percent of the net proceeds to Holdings from any recovery in the lawsuit captioned JAG Media Holdings Inc. vs A.G. Edwards et al., which was commenced in the U.S. District Court for the Southern District of Texas (the "Lawsuit"), divided by (b) the total number of Series 2 Class B Shares issued and outstanding on the Redemption Date, which amount shall be rounded to the nearest whole cent. Under the terms of the Series 3 Shares, the Redemption Price for each Series 3 Class B Share shall be equal to the greater of (i) par value or (ii) .0025% of then percent of the net proceeds to Holdings from any recovery in the Lawsuit, which amount shall be rounded to the nearest whole cent. As there was no recovery in the Lawsuit and after evaluating its options in the context of the Lawsuit, Holdings has decided to not currently pursue any "successor" litigation to the Lawsuit. As a result, the Series 2 Shares and Series 3 Shares are being redeemed at par value in accordance with their terms. Holdings has established a trust account with TD Bank Canada, which account will hold proceeds sufficient to redeem the issued and outstanding Series 2 Shares and Series 3 Shares. Accordingly, notwithstanding that any certificate for Series 2 Shares or Series 3 Shares called for redemption shall not have been surrendered for cancellation, all Series 2 Shares and Series 3 Shares called for redemption shall no longer be deemed outstanding, and all rights with respect to such Series 2 Shares and Series 3 Shares shall forthwith on the Redemption Date cease and terminate, except only the right of the holders thereof to receive the pro-rata amount payable of the Series 2 Shares and Series 3 Shares, without interest.

Net Loss per Share

Net Loss per Share (USD $)	12 Months Ended 10/31/2011
Net Loss per Share	**17. Net Loss per Share**

The following table sets forth the computation of weighted-average shares outstanding for calculating basic and diluted earnings per share:

	Years Ended October 31, 2011	Years Ended October 31, 2010
Weighted-average shares - basic	54,167,687	49,624,916
Effect of dilutive securities	—	—
Weighted-average shares - diluted	54,167,687	49,624,916

Basic earnings per share ("EPS") and diluted EPS for the years ended October 31, 2011 and 2010 have been computed by dividing the net loss available to common stockholders for each respective period by the weighted average shares outstanding during that period. All outstanding options, warrants and shares to be issued upon the exercise of the outstanding options and warrants representing 9,834,969 and 4,131,974 incremental shares, respectively, have been excluded from the years ended October 31, 2011 and 2010, respectively, computation of diluted EPS as they are antidilutive given the net losses generated.

Commitment and Contingent Liability

Commitment and Contingent Liability (USD $)	12 Months Ended 10/31/2011
Commitment and Contingent Liability	**18. Commitments and Contingent Liabilities**

Leases
The Company has entered into an operating lease agreement for the use of operating space.

Aggregate minimum annual lease commitments of the Company under the non-cancellable operating lease as of October 31, 2011 are as follows:

Year	**Amount**
2012	56,929
2013	81,926
2014	82,259
2015	83,924
2016	84,091
Thereafter	46,244
Total Minimum Lease Payments	435,373

Lease expense amounted to $76,602 and $70,633 for the years ended October 31, 2011 and 2010, respectively.

The preceding data reflects existing leases and does not include replacements upon their expiration. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Lawsuit
On April 22, 2009, the Company was served with a statement of claim from a former employee claiming compensation for wrongful dismissal and ancillary causes of action including payment of monies in realization of his investment in the Company, with an aggregate claim of $514,000. The Company considers all the claims to be without any merit, has already delivered a statement of defense and intends to vigorously defend the action. If the matter eventually proceeds to trial, the Company does not expect to be found liable on any ground or for any cause of action.

On October 26, 2010, Karver International Inc. filed a lawsuit in the 11th Judicial Circuit in and for Miami-Dade County, Florida against Holdings and several other defendants including affiliates, officers and directors of Holdings. The Plaintiff generally alleges that the named defendants made certain alleged misrepresentations in connection with the purchase of shares of Holdings. On December 20, 2010, Holdings and other defendants filed a motion to dismiss on the basis that the court lacks personal jurisdiction over most defendants, that an enforceable forum selection clause requires that the action be litigated in Ontario, Canada that the doctrine of *forum non conveniens* requires dismissal in favour of the Ontario forum, and that the complaint suffers from numerous other technical deficiencies warranting dismissal (e.g., failure to attach documents to the Complaint, failure to plead fraud with particularity, etc.). The motion is currently pending. Should the motion be denied, Holdings will continue to pursue vigorous defenses to this action. In addition, Karver's attorney recently filed a motion to withdraw as counsel for Karver. The courts has granted Karver's attorney's motion to withdraw and Karver had until approximately April 26, 2011 to engage new counsel. On April 20, 2011, having not engaged new counsel as of that date, Karver filed with the court a Notice of Voluntary Dismissal without Prejudice, which dismisses the lawsuit against the named defendants without prejudice to Karver's rights to recommence the action.

While it is not feasible to predict the outcome of the above proceeding and exposures with certainty, management believes that the ultimate disposition should not have a material adverse effect on the Company's financial position, cash flows or results of operations.

On January 14, 2010, Flow Capital Advisors Inc. ("Flow Capital") filed a lawsuit against JAG Media Holdings Inc. in the Circuit Court of the 17th Judicial Circuit In and For Broward County Florida (Case No. 10001713) (the "Flow Capital State Action"). Pursuant to this lawsuit, Flow Capital alleges that JAG Media Holdings Inc. breached a Non-Circumvention Agreement it had entered into with Flow Capital, dated January 1, 2004.

On January 15, 2010, Flow Capital filed a lawsuit against Holdings, and another defendant in the United States District Court for the Southern District of Florida, Fort Lauderdale Division (Case No. 10-CV-6006-Martinez-Brown) (the "Flow Capital Federal Action"). This lawsuit alleges that Holdings (i) breached a Finder's Fee Agreement in connection with the CardioGenics Acquisition; and (ii) breached a non-circumvention agreement. Flow Capital is claiming that it is entitled to the finder's fee equal to eight percent (8%) of the JAG Media Holdings Inc.'s shares received by Holdings, or the equivalent monetary value of the stock. Plaintiff subsequently amended its complaint to add related tort claims.

Pursuant to applicable federal court rules, the parties to the Flow Capital Federal Action participated in a court mandated mediation session on August 17, 2011 where the parties attempted to settle their disputes. At the mediation, the parties agreed to a settlement of all claims as described below, subject to the approval of the Board of Directors of Holdings, which approval was subsequently obtained. Pursuant to the settlement agreement, Flow Capital agreed to dismiss, with prejudice, the Flow Capital Federal Action and the Flow Capital State Action and Holdings agreed to issue Flow Capital 1,000,000 shares of restricted

Holdings common stock and warrants to purchase restricted Holdings common stock as follow:

Type of Warrant	Number of Shares	Exercise Price	Vesting Date	Term
Cash Exercise Only	250,000	$ 0.30/share	Immediate	5 years
Cash Exercise Only	250,000	$ 0.50/share	Immediate	5 years
Cash Exercise Only	500,000	$ 0.75/share	Immediate	5 years
Cash Exercise Only	500,000	$ 1.00/share	Immediate	5 years
Cash or Cashless Exercise	500,000	$ 0.75/share	August 1, 2012	5 years

The restricted shares of common stock and the warrants are subject to the rights and restrictions of Rule 144A and do not have any registration rights. As part of the settlement, the parties also exchanged mutual general releases and Holdings agreed to pay Flow Capital, in three monthly installments, $100,000 for Flow Capital's legal fees.

Supplemental Disclosure of Cash Flow Information

Supplemental Disclosure of Cash Flow Information (USD $)	12 Months Ended 10/31/2011
Supplemental Disclosure of Cash Flow Information	**19. Supplemental Disclosure of Cash Flow Information**

	Years Ended October 31	
	2011	2010
Cash paid during the year for:		
Interest	$ 18,748	$ 35,441
Non-cash financing activity:		
Equipment acquired through capital lease	$ 10,660	$ 43,001

Assets and Liabilities from Discontinued Operations

Assets and Liabilities from Discontinued Operations (USD $)	12 Months Ended 10/31/2011
Assets and Liabilities from Discontinued Operations	**20. Assets and Liabilities from Discontinued Operations** On February 10, 2010, the Company entered into an LLC Membership Interest Purchase Agreement with Rothcove Partners LLS ("Rothcove") pursuant to which the Company would sell its 100% membership interest in its Pixaya LLC subsidiary to Rothcove. In consideration for the acquisition of the Pixaya LLC membership interest, Rothcove assumed $100,000 in accounts payable to Pixaya LLC and its subsidiary Pixaya (UK) Limited (collectively "JAG Media"). The transaction closed on February 11, 2010. As a result of the sale of JAG Media, certain reclassifications of assets, liabilities, revenues, costs and expenses have been made to the prior period consolidated financial statements to reflect the operations of JAG Media as discontinued operations. Specifically, the Company has reclassified the results of operations of JAG Media for all periods presented to "Loss from Discontinued Operations" within the consolidated statements of operations.

Reclassification

Reclassification (USD $)	12 Months Ended 10/31/2011
Reclassification	**21. Reclassification** Certain amounts in the 2010 financial statements have been reclassified to conform with the presentation at October 31, 2011.