

The logo for Cinemage, with 'CINE' in red and 'MAGE' in blue, stacked vertically. A blue swoosh line starts from the right side of the 'CINE' text, loops over the top, and ends at a black sphere with white dots on the left side of the red banner.

**CINE
MAGE**

A solid red horizontal banner containing white text.

**Unique Proprietary
Integrated Web Technologies**

Cinemage Corporation

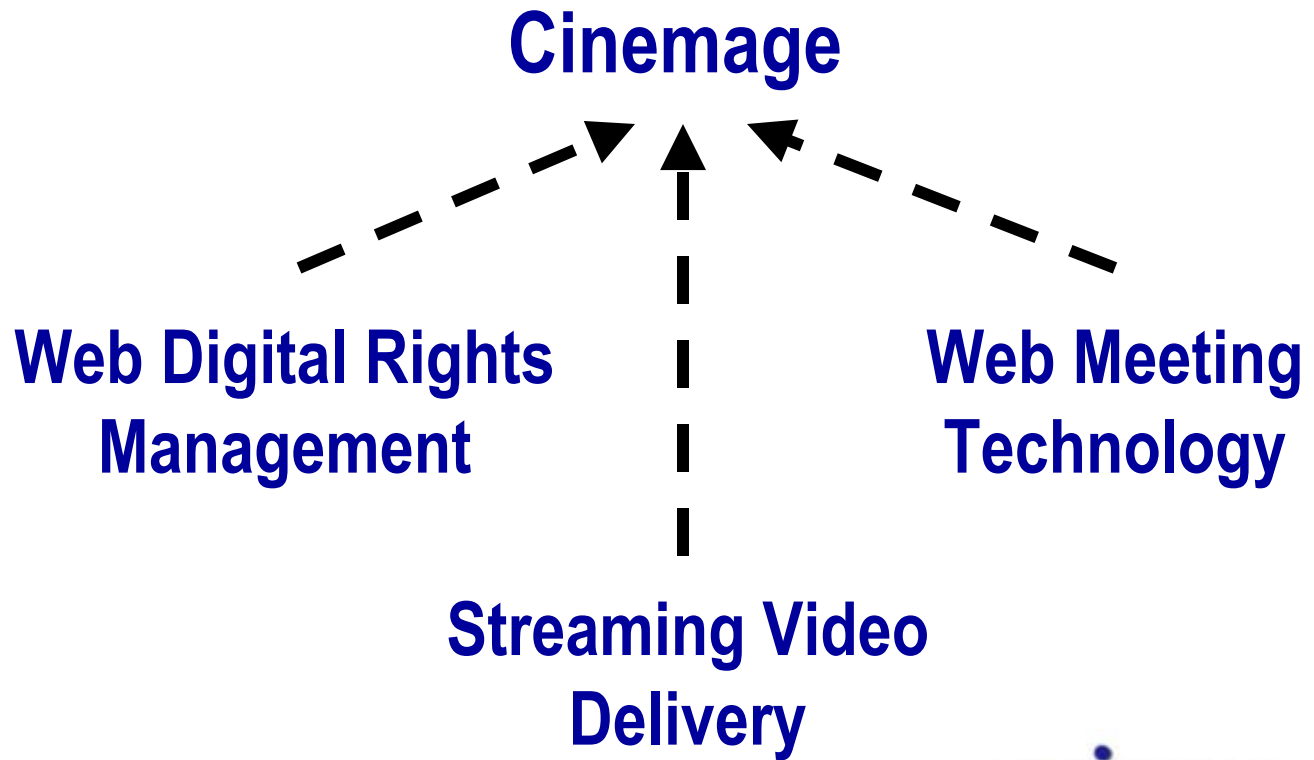
Copyright 2007

Cinimage

- ✦ Proprietary Internet technology developer
- ✦ Securely hosting large volumes of media data
- ✦ Securely delivering IP data in eCommerce transactions for royalty distribution
- ✦ Currently applied to: high-end digital art reproduction; commercial photo image management and sale.

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Creating a Web Commerce Leader



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Cinemage Is Unique

Unique distributed architecture for hosting media data.

Centralized cataloging, search, retrieval, & e-commerce transaction processing.

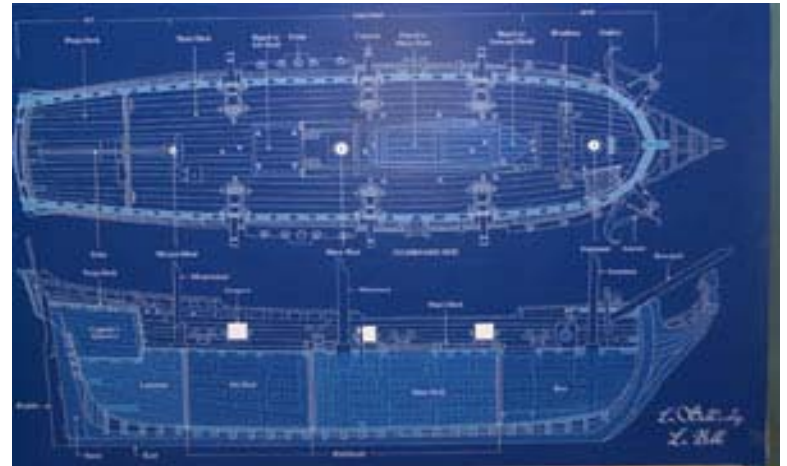
Global distributed hosting of media data, contributors' content uploads, and IP buyers.



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Cinemage Technology

- ✦ Easily manages large files
- ✦ Applicable to any digital file, not just art; eg high definition Blueprints-On-Demand



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Milestones Achieved

- ✦ Product fully developed, ready for large scale commercialization
- ✦ 24/7 Cinemage server operation for 10 years
- ✦ Successfully Serviced B.C. Archives for 6 years
- ✦ Archives Society of Alberta for 5 years
- ✦ Instances of > 100,000 files
- ✦ Alliance with HP



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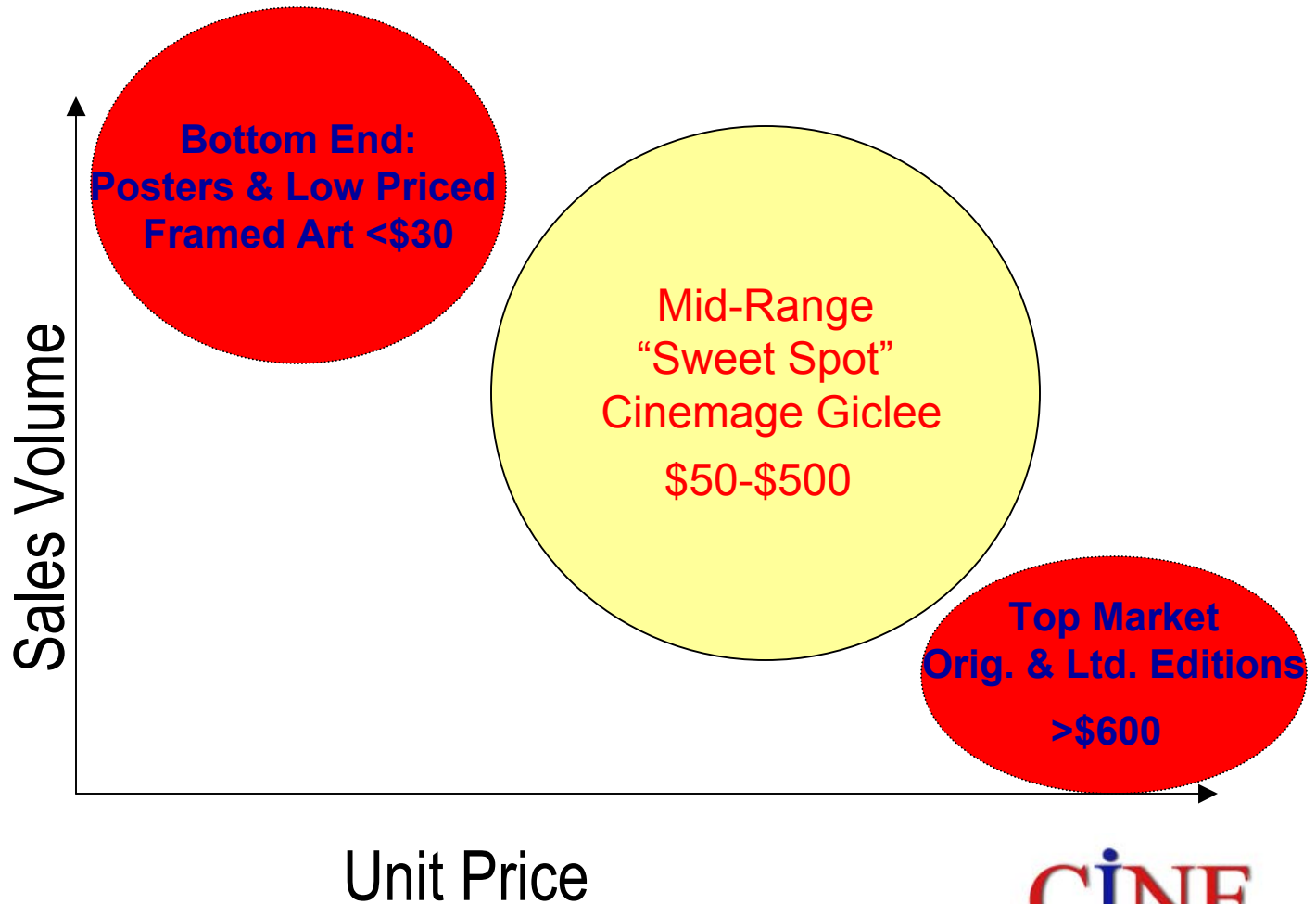
Internet Prints-On-Demand

Virtual Art Gallery

- ✦ Digital Gicleé process
- ✦ Superior to lithography
- ✦ High-end art reproductions
- ✦ Long life pigment based inks
- ✦ Choice of media, including canvas
- ✦ International FedEx “delivery-in-a-tube”



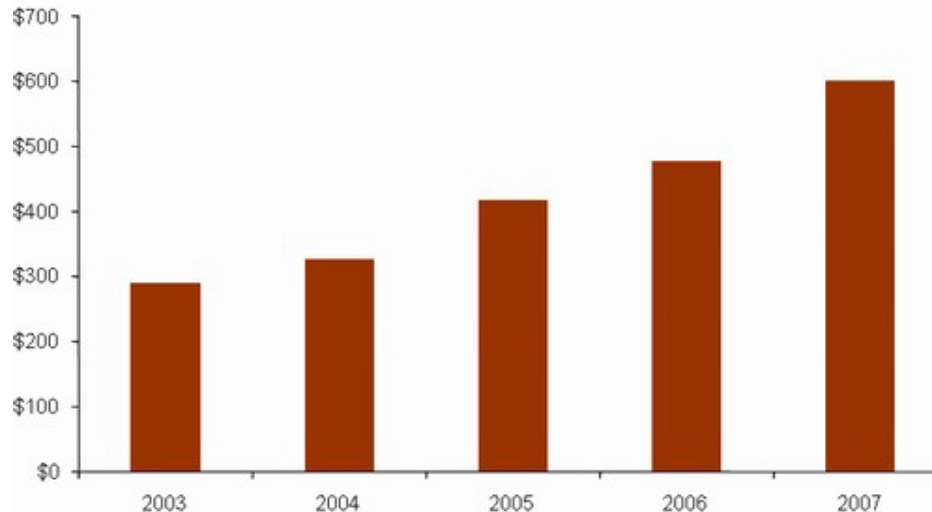
Gicleé Price Positioning



North American Fine Art Print Market

- Decorative art is a \$20B/yr market
- Digital fine art print sales topped \$400M in 2005
- Giclee prints are the fastest growth sector category
- Sales projected to top \$500M in 2007

Figure: North American Fine Art Print Market – (\$M) at Retail



Long Tail Distribution

- ☛ New revenue from old hits
- ☛ Low cost entry for new artists
- ☛ One-of sales from sold out litho runs
- ☛ High-end wallpaper from old historic photos
- ☛ Old masters on coffee cups, T-shirts, etc.
- ☛ Inuit and indigenous art for eclectic buyers
- ☛ Cherished portraits on canvas from old photos



Cinemage Snapshot

- ✦ Founded in 1999
- ✦ Federally Incorporated LLC
- ✦ Extensive inventory of IP
- ✦ \$4M invested in technology development to date through Advanced Cultural Technologies Inc.
- ✦ Strong Corporate Finance Team
- ✦ Experienced Management & Key Staff

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Integrating Web Meeting Technology

- ☀ Focus On New Vertical Niche Markets
 - Guided tours of contributing art institutions
 - Presentations by contributing artists
- ☀ Free Web Conferencing For Market Development
 - Free 3-Seat Rooms, to attract clientele
- ☀ Future Expansion To Guided Interactive Instruction
 - Verbal elaboration on visual web content
 - Interactive “question & response” delivery
 - Webitorials

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Collaboration and eCommerce

- ☀ Worldwide content production
 - Upload content from anywhere on the planet
 - Receive compensation from downloads and other IP
- ☀ State-of-the-art tools & features
 - Integrated voice & 2-way video to collaborate
 - Meeting rooms to educate, share, and socialize
- ☀ Back office for e-commerce
 - Internet merchant account & payment processor
 - Shopping cart

Why Merge Technologies

- ✦ Dominate in large, still undefined markets
- ✦ Combine core technologies into unique suite
- ✦ Launch Cinemage into multiple markets
- ✦ Combine established cash flow with significant blue sky for risk reduction coupled with substantial future up-side

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Initial Target Markets

Market	Current	Projected
Digital Rights Management ¹	US\$1 B (2007)	US\$2 B (2012)
Web Meeting ²	US\$500 M (2006)	
Streaming Video ³	US\$2.5 B (2007)	US\$ 6.2 B (2011)

- 1 - Overall DRM Revenue - Insight Research - March 2007
- 2 - WebEx - Wikipedia
- 3 - Total US Streaming Media Market - Insight Research - April 2006

Investment Opportunity

- ✦ Non-Brokered Private Placement \$750,000
 - \$ 0.075 per share c/s
 - Warrant: 1 c/s @ \$0.10 Year 1, \$.15 Year 2
- ✦ Restricted To Accredited Investors, Registered Dealers, & Corporate Associates of Cinemage

\$750,000 PP - Use Of Proceeds

Market Sector	Budget Allocation
Gicleé Prints - IP licensing, web site refinement, sales & marketing	\$150,000
Web Meeting Technology - licensing, hardware, branding	\$150,000
Streaming Video - server software licensing, hardware, technology integration, marketing	\$150,000

💡 \$300,000 General Working Capital



More Information

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Your digital **arts & entertainment** supplier.

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