VALUATION CALCULATION REPORT
&
RELATED FAIRNESS OPINION

Certain Assets and Debt Forgiveness
related to

PRINTLUX.COM INC.

Vancouver, British Columbia

August 30, 2007

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1.0 ASSIGNMENT & PROPOSED TRANSACTION

1.1 Assignment

Evans & Evans, Inc. ("Evans & Evans" or the "authors of the Report") was engaged by the Independent Committee of the Board of Directors (the "Committee") of Printlux.com Inc. ("Printlux" or the "Company") of Vancouver, British Columbia to prepare an independent Valuation Calculation Report and related Fairness Opinion (the "Report"). Printlux's shares are listed for trading on the TSX Venture Exchange ("the Exchange") under the symbol "PLX" since 2001.

The Report involves providing Evans & Evans independent assessment as to the value of:

(1) certain printing assets and related intangible assets and goodwill ("Printlux Operating Assets") associated with the existing Printlux business; and

(2) the debt obligations of C$365,105 owed to certain current and past directors of Printlux.

The above - (1) & (2) - is the "Proposed Transaction" that Evans & Evans is reviewing.

These Company directors (which are owed C$365,105 by Printlux) are willing to forgive 100% of the C$365,105 in debt in exchange for the Company allowing them to keep the Printlux Operating Assets (the "Reorganization").

Based on the above disclosure by Printlux's directors and management, Evans & Evans has been requested by the Committee to undertake the completion of the Report in order to provide an independent assessment as to the fairness of the Proposed Transaction, from a financial point of view, to the shareholders of Printlux.

As Evans & Evans will be relying extensively on information, materials and representations provided to us by the Company's management and associated representatives, the authors of the Report will require that management of Printlux confirm to Evans & Evans in writing that it has reviewed the Report in detail and that the information and management's representations contained in the Report are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report.

Evans & Evans, its staff and associates, do not assume any responsibility or liability for losses incurred by Printlux and their management and shareholders or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or any excerpts thereto contrary to the provisions of this section of the Report.

Evans & Evans also reserves the right to review all calculations included or referred to in the Report and, if Evans & Evans considers it necessary, to revise the Report in light of any information existing at the Valuation Date which becomes known to Evans & Evans after the date of the Report.

For the purpose of this Report, the Valuation Date is July 31, 2007. Unless otherwise indicated, all monetary amounts are stated in Canadian dollars (C$).

1.2 Proposed Transaction

The Company announced on January 16, 2007 that Raffi Khorchidian, the President and Chief Executive Officer of the Company, Garo Deyrmenjian, a former director of the Company, and Hagop (Jack) Khorchidian, a former director and senior officer of the Company, have agreed to complete a debt settlement with the Company in connection with the completion of a transaction involving a change of business related to Printlux.

With regard to the Proposed Transaction, the Company will settle approximately C$365,105 in debt owed to these parties. In consideration for the debt settlement, the Company will transfer out its Printlux Operating Assets to these directors.

2.0 BACKGROUND OF THE COMPANY

The Company is full-service print company which provides up-to-the-minute innovations in print, promotional and warehouse management services (the "Printing Business"). In addition, the Company has developed, and is continuing to test and improve, technology to deliver online print services to existing and future clientele that require automated, customized and fully integrated solutions for their printing needs.

3.0 SCOPE OF THE REPORT

In arriving at the assessment and conclusion as to the fair market value of the Company as at the Valuation Date and the conclusions as to fairness, Evans & Evans have relied on the following documents and information:

- Conducted a site visit to the Printlux facilities in Vancouver, British Columbia in July of 2007. Also conducted interviews with Raffi Khorchidian, the President and CEO of the Company.
- Reviewed the Management Discussion and Analysis disclosures of Printlux for the 12 months preceding the Valuation Date.
- Reviewed Printlux's Management Information Circular dated December 27, 2006.
- Reviewed Printlux's financial statements for the years ended July 31, 2003 – 2004 as audited by Morgan & Company Chartered Accountants of Vancouver, British Columbia.
- Reviewed Printlux's financial statements for the years ended July 31, 2004 – 2006 as audited by James Stafford Chartered Accountants of Vancouver, British Columbia.
- Reviewed Printlux's financial statements for the eleven months ended June 30, 2007 as prepared by management.

- Reviewed an appraisal of the Company's assets as prepared by Mas Tanaka & Associates Inc. of Port Coquitlam, British Columbia.
- Review the news releases regarding the Company as found on www.sedar.com

4.0 CONDITIONS OF THE REPORT

- The Report may not be issued to anyone, nor relied upon by any party beyond the Exchange and/or Printlux, nor can it be issued to any U.S. stock exchange and/or regulatory authority beyond the Exchange. The Report may be referenced and/or including in Printlux's information circular and may be submitted to the Printlux shareholders.
- The Report may not be issued and/or used to support and type of value with any other third parties, legal authorities, nor other foreign stock exchanges, or other regulatory authorities, nor the Canada Revenue Agency nor the Internal Revenue Service. Such use is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter (other than relating to the approval of the Proposed Transaction).
- Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- Evans & Evans did rely only on the information, materials and representations provided to it by the Company. Evans & Evans did apply generally accepted valuation principles to the financial information it did receive from the Company.
- We have assumed that the information which is contained in the Report, is 100% accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Company is aware of. Evans & Evans did not attempt to verify the accuracy or completeness of the data and

information available. The conclusion hence does not represent our unqualified assessment. In order to provide an unqualified assessment and/or an opinion, Evans & Evans would have undertaken considerable more research, analysis and independent due diligence, which will be outlined in the Report.

- The Report, and more specifically the assessments and views contained therein, is meant as independent review of the Company as at July 31, 2007 respecting the scope restrictions outlined above. The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding the Company or events after the date of the management-prepared financial statements. The information/assessments contained in the Report pertain only to the conditions prevailing at the time the Report was completed between July 13, 2007 and the date of the Report.

- Should the assumptions used in the Report be found to be incorrect, then the valuation and fairness conclusion may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.

- Evans & Evans denies any responsibility, financial or legal or other, for any use and/or improper use of the Report however occasioned.

- Evans & Evans's assessments and conclusion is based on the information that has been made available to it. Evans & Evans reserves the right to review all information and calculations included or referred to in the Report and, if it considers it necessary, to revise part and/or its entire Report in light of any information which becomes known to Evans & Evans during or after the date of this Report.

- This analysis and Report does not constitute in any manner a tax opinion and may not now, or in the future, be used for that purpose.

- Evans & Evans as well as all of its principals, partner, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in beech of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its principals, partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report.

- No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report.

5.0 ASSUMPTIONS OF THE REPORT

The authors of the Report have made the following assumptions in completing the Report:

(1) As at the Valuation Date all assets and liabilities of the Company have been recorded in its accounts and financial statements and follow Canadian GAAP.

(2) An audit of the Company's management-prepared financial statements for the periods ended June 30, 2007 would not result in any material changes to the financial statements provided to the authors of the Report.

(3) There were no material changes in the financial position of the Company or the value of the Printlux Operating Assets between June 30, 2007 and July 31, 2007 and the Valuation Date and the closing of any transaction by Printlux unless noted in the Report.

(4) The book value of the Company's assets at the Valuation Date equaled their fair market value unless otherwise noted.

(5) Relied upon the Printlux Operating Assets appraisal by Mas Tanaka & Associates Inc. that outlines the total value of the tangible equipment assets (i.e., the equipment and the presses) are C$17,500 as at July 17, 2007.

(6) The cash in Printlux will stay with the new business entity after the Reorganization, and thus the cash is excluded from being a part of the Proposed Transaction.

(7) There are no other closing costs related to the Proposed Transaction.

(8) The computer software, computer hardware and office furniture have a fair market value of C$2,500 as per the appraisal by Mas Tanaka & Associates Inc.

(9) The Company and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comment.

Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if it considers it necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report.

6.0 DEFINITION OF FAIR MARKET VALUE

In this Report, fair market value is defined as the highest price available in an open and unrestricted market between informed and prudent parties, acting at arms' length and under no compulsion to act, expressed in terms of cash.

With respect to the market for the shares of a company viewed "en bloc" there are, in essence, as many "prices" for any business interest as there are purchasers and each purchaser for a particular "pool of assets", be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it.

In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or "synergies" that may result from such an acquisition.

Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser.

Based on the authors of the Report's experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor.

In this engagement Evans & Evans was not able to expose the assets under review or the Company for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal or greater than the fair market value (assuming the existence of special interest purchasers) outlined in the Report.

As noted above, special interest purchasers might be prepared to pay a price higher than fair market value for the synergies noted above.

The shares of the Company have been valued *en bloc*.

7.0 REVIEW OF FINANCIAL RESULTS

7.1 Historical Financial Results

The authors of the Report reviewed:

(1) Printlux's management-prepared financial statements for the eleven months ended June 30, 2007; and,

(2) Printlux's audited financial statements for the years ended July 31, 2003 - 2006.

Evans & Evans has common-sized the results to indicate trends in Schedule 1.0 – Printlux Historical Financial Statements.

8.0 VALUATION METHODOLOGIES

8.1 Going Concern versus Liquidation Value

The first stage in determining which approach to utilize in valuing a company is to determine whether the company is a going concern or whether it should be valued based on a liquidation assumption. A business is deemed to be a going concern if it is both conducting operations at a given date and has every reasonable expectation of doing so for the foreseeable future after that date. If a company is deemed to not be a going concern, it is valued based on a liquidation assumption. The same holds true for assets in a business.

8.2 Valuation Approaches

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company. In the absence of open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

(a) The Income / Cash Flow Approach;

(b) The Market Approach; and

(c) The Cost or Asset-Based Approach.

A summary of these generally-accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach contemplates the continuation of the operations, as if the business is a "going concern".

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the "Guideline Public Company Method", (b) the "Merger and Acquisition Method"; and (c) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value. The Cost Approach typically includes a comprehensive and all- inclusive definition of the cost to recreate an asset. Typically the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset.

The Asset-Based Approach is adopted where either: (a) liquidation is contemplated because the business is not viable as an ongoing operation; (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or (c) there are no indicated earnings/cash flows to be capitalized. If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario ("Adjusted Net Asset Method") or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property.

9.0 VALUATION CALCULATIONS

9.1 Printlux Operating Assets and Directors' Debt Valuation Approach

In reviewing the Proposed Transaction, it was apparent that to consider "fairness" one only had to examine the value of the Printlux Operating Assets versus the directors' debt obligations. If the directors' debt was equal to or greater than the Printlux Operating Assets, the Proposed Transaction would be fair, from a financial point of view to the existing Printlux shareholders.

The most appropriate method to determine the fair market value of the Printlux Operating Assets was based on a third-party appraisal of the tangible equipment and assets and Evans & Evans assessment as to whether any other value existed with regard to the intangibles or intangible assets with respect to the Printlux Operating Assets.

The fair market value of the directors' debt was simply based on the stated book value of the obligations.

The reader should also note that in the view of Evans & Evans a Liquidation Valuation Method would be warranted for the Company itself because:

(1) the change in technology caused the popularity of print media to decline in favor of online media and content;

(2) the nature of the Printing Business changed such that customers prefer to go to large printing firms such as Kinkos for their printing needs;

(3) the Company is in a negative working capital position after removing cash from the consideration as per the Proposed Transaction;

(4) Printlux has significant debt on its balance sheet which it cannot service;

(5) Printlux does not have sufficient cash to meets its liabilities and accordingly has relied upon loans from shareholders and the issuance of shares in the Company to pay its obligations;

(6) there is no evidence of goodwill in Printlux that extends beyond any personal goodwill; and,

(7) the Company has a cumulative loss of $1.43 million for the previous operating three years and eleven months.

The use of a liquidation approach supports that they is no goodwill attached to either the Printlux Operating Assets or the business itself. No goodwill is appropriate.

The calculation of the value of the Printlux Operating Assets is outlined in Schedule 1.0.

10.0 VALUATION CONCLUSION

The fair market value of the Printlux Operating Assets was determined to be in the range of C$42,000 to C$44,000. This is compared to the C$365,105 owed to the Printlux directors.

11.0 FAIRNESS CONSIDERATIONS

12.1 Overview and Calculation

The fairness of the Proposed Transaction is tested by:

i) calculating, at the time of the completion of the Proposed Transaction, the fair market value of the Printlux Operating Assets; and

ii) calculating whether the fair market value of the Printlux Operating Assets is not greater than the debt owed by Printlux to the Company directors; and

This was calculated in Schedule 1.0 and the Proposed Transaction was deemed "fair".

12.0 CERTIFICATION AND QUALIFICATIONS

The Report preparation was carried out by Mr. Richard Evans and was supported by certain qualified staff members of Evans & Evans, Inc.

Richard W. Evans, Principal, began full-time work with Evans & Evans, Inc. in 1994. Since then he has been involved in the financial services and management consulting fields and has been involved in the preparation of over 300 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to the Vancouver and Alberta Stock Exchanges and the British Columbia and Alberta Securities Commissions as well as for private purposes.

For ten years previous to this, he was extensively involved in the computer industry in Vancouver where he served for two years as the General Manager of Sidus Systems Inc. responsible for the company's C$15 million business operation in Western Canada. Previous to this, he spent eight years with Digital Equipment of Canada Limited where he was laterally involved in a sales, marketing and management capacity in the company's direct and channel organizations. In his capacity with Digital and Sidus he was involved in assessing and assisting various technology companies with their marketing and financial operations.

During the past thirteen years he, through Evans & Evans, Inc., has actively been involved in the process of evaluating and valuing various types of software applications for Canadian regulatory bodies, private companies, Canadian financial institutions and brokerage firms as well as government agencies.

Mr. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1984) where he graduated with honors. Mr. Evans holds the professional designation of Chartered Business Valuator and is a member of the CICBV and a Candidate Member of the ASA.

Ms. Jennifer Lucas, MBA, CBV joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. For the past nine years at Evans & Evans Ms. Lucas has been involved in writing and reviewing over 300 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designation of Chartered Business Valuator and is a member of the Canadian Institute of Chartered Business Valuators and a Candidate Member of the American Society of Appraisers.

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.

The fee established for the Report has not been contingent upon the value or other opinions presented. The authors of the Report have no present or prospective interest in the property that is the subject of this Report, and we have no personal interest with respect to the parties involved.

Yours very truly,

Evans & Evans

EVANS & EVANS, INC.

APPENDIX 1.0

FINANCIAL STATEMENTS

Printlux.com Inc.

Appendix 1.0 - Balance Sheet

	Mgmt. Prepared June 30 2007	% of Assets	Audited July 31 2006	% of Assets	Audited July 31 2005	% of Assets	Audited July 31 2004	% of Assets
Current Assets								
Cash and Cash Equivalents	495,912	74.4	604,188	75.2	94,523	26.6	88,934	18.6
Amounts Receivable	23,776	3.6	27,305	3.4	48,077	13.5	117,126	24.5
Inventory	0	n/a	0	n/a	7,874	n/a	27,811	5.8
	519,688	78.0	631,493	78.6	150,474	42.4	233,871	48.9
Property, Plant and Equipment	146,584	22.0	171,707	21.4	204,491	57.6	244,059	51.1
Total Assets	**666,272**	**100.0**	**803,200**	**100.0**	**354,965**	**100.0**	**477,930**	**100.0**
Liabilities & Shareholders' Equity								
Current Liabilities								
Bank Indebtedness	16,361	2.5	70,076	8.7	53,275	15.0	46,919	9.8
Accounts Payable and Accrued Liabilities	594,425	89.2	290,848	36.2	259,115	73.0	348,935	73.0
Obligation Under Capital Lease	0	n/a	0	n/a	0	n/a	3,410	0.7
Current Portion of Loans Payable to Related Parties	0	n/a	0	n/a	0	n/a	125,089	26.2
Loans Payable to Related Parties	417,194	62.6	350,816	43.7	195,102	55.0	67,518	14.1
Total Liabilities	**1,027,980**	**154.3**	**711,740**	**88.6**	**507,492**	**143.0**	**591,871**	**123.8**
Shareholders' Equity								
Share Capital	2,346,249	352.1	2,346,249	292.1	1,665,091	469.1	1,665,083	348.4
Contributed Surplus	96,917	14.5	96,917	12.1	86,737	24.4	41,000	8.6
Retained Earnings (Deficit)	-2,804,874	-421.0	-2,351,706	-292.8	-1,904,355	-536.5	-1,820,024	-380.8
	-361,708	-54.3	91,460	11.4	-152,527	-43.0	-113,941	-23.8
Total Liabilities & Shareholders' Equity	**666,272**	**100.0**	**803,200**	**100.0**	**354,965**	**100.0**	**477,930**	**100.0**

Printlux.com Inc.
Appendix 1.0 - Income Statement

	11 Months Ended June 30, 2007 Mgmt. Prepared	% Revenues	Year Ended July 31, 2006 Audited	% Revenues	Year Ended July 31, 2005 Audited	% Revenues	Year Ended July 31, 2004 Audited	% Revenues
Revenue	$131,261	100.0	$411,947	100.0	$1,265,181	100.0	$1,269,270	100.0
Cost of Sales	$39,791	30.3	$234,240	56.9	$737,695	58.3	$879,650	69.3
Gross Margin	**$91,470**	69.7	**$177,707**	**43.1**	**$527,486**	**41.7**	**$389,620**	**30.7**
Expenses								
Administrative Wages	$39,541	30.1	$100,790	24.5	$69,891	5.5	$209,150	16.5
Advertising and Promotion	$2,380	1.8	$7,113	1.7	$26,201	2.1	$21,138	1.7
Amortization	$25,122	19.1	$32,784	8.0	$39,568	3.1	$45,787	3.6
Automotive	$334	0.3	$8,732	2.1	$12,562	1.0	$13,839	1.1
Bad Debts	$0	0.0	$417	0.1	$1,864	0.1	$6,884	0.5
Bank Charges and Interest	$29,192	22.2	$28,643	7.0	$15,335	1.2	$25,137	2.0
Collocation	$0	0.0	$0	0.0	$0	0.0	$18,705	1.5
Consulting	$15,331	11.7	$0	0.0	$0	0.0	$0	0.0
Contract Labour	$9,905	7.5	$24,423	5.9	$47,319	3.7	$24,706	1.9
Donations	$0	0.0	$500	0.1	$1,622	0.1	$8,500	0.7
Dues and Subscriptions	$0	0.0	$1,204	0.3	$1,803	0.1	$2,164	0.2
Filing Fees and Transfer Agent	$26,398	20.1	$22,068	5.4	$14,112	1.1	$14,152	1.1
Insurance	$1,949	1.5	$8,890	2.2	$12,606	1.0	$13,555	1.1
Legal and Accounting	$10,569	8.1	$41,366	10.0	$33,712	2.7	$7,810	0.6
Management Compensation	$330,000	251.4	$291,000	70.6	$141,000	11.1	$156,600	12.3
Office and Miscellaneous	$34,886	26.6	$3,654	0.9	$10,597	0.8	$19,351	1.5
Property Taxes	$1,270	1.0	$12,286	3.0	$12,100	1.0	$11,874	0.9
Rent	$66,188	50.4	$76,125	18.5	$75,250	5.9	$75,250	5.9
Repairs and Maintenance	$1,998	1.5	$15,861	3.9	$3,122	0.2	$25,071	2.0
Shop	$355	0.3	$127	0.0	$295	0.0	$1,431	0.1
Stock-Based Compensation	$0	0.0	$10,180	2.5	$45,737	3.6	$41,000	3.2
Telephone	$3,284	2.5	$5,700	1.4	$2,519	0.2	$9,758	0.8
Training	$0	0.0	$0	0.0	$545	0.0	$242	0.0
Travel	$53	0.0	$5,789	1.4	$10,993	0.9	$13,443	1.1
Utilities	$2,507	1.9	$6,304	1.5	$7,258	0.6	$8,100	0.6
Total Expenses	$601,262	458.1	$703,956	170.9	$586,011	46.3	$773,647	61.0
Income (Loss) Before Taxes	**-$509,792**	**-388.4**	**-$526,249**	**-127.7**	**-$58,525**	**-4.6**	**-$384,027**	**-30.3**
Other Items								
Foreign Exchange Gain (Loss)	$91	0.1	-$9,145	-2.2	-$26,521	-2.1	-$23,670	-1.9
Impairment of Goodwill	$0	0.0	$0	0.0	$0	0.0	-$41,693	-3.3
Insurance Recoveries	$0	0.0	$86,569	21.0	$0	0.0	$0	0.0
Interest Income	$56,533	43.1	$1,474	0.4	$253	0.0	$0	0.0
Miscellaneous income	$0	0.0	$0	0.0	$462	0.0	$903	0.1
	$56,624	43.1	$78,898	19.2	-$25,806	-2.0	-$64,460	-5.1
Net Income (Loss)	**-$453,168**	**-345.2**	**-$447,351**	**-108.6**	**-$84,331**	**-6.7**	**-$448,487**	**-35.3**
Cumulative Loss (3 years 11 Months)	-$1,433,337							

SCHEDULE 1.0

VALUATION CALCULATIONS AND FAIRNESS ASSESSMENT

Schedule 1.0

Valuation of Printlux Operating Assets versus the Directors' Debt

Notes		Original Cost	Book Value/ Undepreciated Capital Cost	FMV Proceeds of Disposition - Low	FMV Proceeds of Disposition - High
	Assets Transferred to Directors				
	Accounts Receivable - Trade Accounts		20,914	18,823	20,914
	Accounts Receivable - GST Receivable		2,861	2,861	2,861
1	Equipment and Presses	338,472	91,648	17,500	17,500
	Leasehold Improvements	12,466	3,952	0	0
1	Computer Hardware	119,274	19,715	2,000	2,000
	Computer Software	52,660	11,842	0	0
1	Office Furniture	50,899	18,993	500	500
	Web-Hosting	32,100	434	0	0
	Goodwill related to Printlux Operating Assets			0	0
	Total		**170,359**	**41,684**	**43,775**
	Assets Transferred to Directors		**Fair Market Value, say**	**42,000**	**44,000**
	Printlux Liabilities Forgiven by the Directors				
2	**Liabilities Forgiven by the Directors**		**Fair Market Value, say**	**365,105**	**365,105**

"Proposed Transaction" is "Fair"

Notes:

1 The book value is adjusted down to the appraised value of these assets indicated in the Mas Tanaka & Associates appraisal.

2 The liabilities being forgiven comprise of outstanding loans payable to Raffi Khorchidian and wages payable to current and past directors. This amount will be forgiven if the print assets are exchanged for them.

Payable Raffi Khorchidian	141,300
Payable to Garo Deyrmenjian	93,996
Payable to Hagop (Jack) Khorchidian	83,800
Outstanding loans payable to Raffi Khorchidian	46,009
Total Liabilities begin forgiven	**365,105**

3 Refer to "Assets" Worksheet for more details on calculation of FMV of above listed assets.

Schedule 1.0

Detailed Calculations of Fair Market Value of Assets

Category	Original Cost	Accum. Ammort.	Book Value	%	Date	Low Factor	High Factor	Low FMV	High FMV
Cash and Cash Equivalents			495,912		30-Jun-07	0.0%	0.0%	0	0
Accounts Receivable - Trade Accounts			20,914		30-Jun-07	90.0%	100.0%	18,823	20,914
Accounts Receivable - GST Receivable			2,861		30-Jun-07	100.0%	100.0%	2,861	2,861
Equipment and Presses (note 1)	338,472	246,824	91,648	27%	30-Jun-07			17,500	17,500
Leasehold Improvements	12,466	8,514	3,952	32%	30-Jun-07	0.0%	0.0%	0	0
Computer Hardware (note 1)	119,274	99,559	19,715	17%	30-Jun-07			2,000	2,000
Computer Software	52,660	40,818	11,842	22%	30-Jun-07	0.0%	0.0%	0	0
Office Furniture (note 1)	50,899	31,906	18,993	37%	30-Jun-07			500	500
Web-Hosting	32,100	31,666	434	1%	30-Jun-07	0.0%	0.0%	0	0
			666,271			FMV, say		41,684	43,775
Total Capital Assets	605,871	459,287	146,584						

Notes:

1. The book value is adjusted down to the appraised value of these assets indicated in the Mas Tanaka & Associates appraisal.