

CINEMAGE CAPITAL CORP.

480 - 1090 Homer Street
Vancouver, B.C., V6B 2V9

July 31, 2000

VIA SEDAR

ALBERTA SECURITIES COMMISSION

300 - 5th Avenue S.W., 4th Floor
Calgary, Alberta, T2P 3C5

CANADIAN VENTURE EXCHANGE

10th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta, T2P 3C4

BRITISH COLUMBIA SECURITIES COMMISSION

200 - 865 Hornby Street
Vancouver, British Columbia
V6Z 2H4

Dear Sirs:

**Re: CINEMAGE CAPITAL CORP.
MATERIAL CHANGE REPORT UNDER SECTION 118 OF THE SECURITIES ACT (ALBERTA)**

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of Cinemage Capital Corp. (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta). Concurrent with this filing, this letter is being filed with The Canadian Venture Exchange, being the only Exchange on which the Corporation's shares are currently listed.

Item 1 - Reporting Issuer

Cinemage Capital Corp.
480 - 1090 Homer Street
Vancouver, B.C., V6B 2V9

Item 2 - Date of Material Change

The material change occurred on or about July 31, 2000

Item 3 - Publication of Material Change

A Press Release was issued on July 31, 2000, by Canadian Corporate News, Calgary, Alberta, Canada.

Item 4 - Summary of Material Change

Cinemage Capital Corp. ("Cinemage") announced that Advanced Cultural Technologies Inc., the target of its proposed major transaction (subject to regulatory approval by the Canadian Venture Exchange Inc.), has entered into an agreement with the Ministry of Culture, People's Republic of China to help establish a data and image bank to preserve and display China's cultural heritage.

Item 5 - Full Description of Material Change

Cinemage Capital Corp. ("Cinemage") announced that Advanced Cultural Technologies Inc., the target of its proposed major transaction (subject to regulatory approval by the Canadian Venture Exchange Inc.), has entered into an agreement with the Ministry of Culture, People's Republic of China to help establish a data and image bank to preserve and display China's cultural heritage.

China has chosen Advanced Cultural Technologies Inc. ("ACT") to help preserve and market its wealth of cultural treasures through the Internet as it prepares to enter into the World Trade Organization and the expanding world of E-commerce.

During the summer officers from ACT and China's cultural ministry will decide which cultural works will appear on ACT's World Heritage Exchange website. When they are posted, people can browse the collection and download for purchase whatever they like through Cinemage Global Services, which manages the distribution of high-resolution digital images, including revenue collection and copyright protection.

Advanced Cultural Technologies Inc. "will soon be exposing the hidden gems of one of the world's most ancient civilizations to the eyes of the world, and turn it into a paying proposition for both parties," says Edgar Froese, President and CEO of ACT, who just returned from Beijing with the signed agreement.

The project provides several potential revenue streams. The two principal revenue sources will be through subscriptions to the World Heritage Exchange and sales of digital content for download. There is also the potential for the sale of museum merchandise.

The initial \$150,000 contract between ACT and China's Cultural Market Center (Ministry of Culture) should take several months to complete, says Mr. Froese. "And Chinese officials and myself are now talking about other ventures, but I think this first one with the cultural life of China is just the beginning of a long and fruitful business partnership with China as it reaches out to the world through the Internet."

Mr. Froese believes that China has an enormous need to start electronically preserving heritage before it is lost. He notes that China's cultural ministry is responsible for one of the largest museum, gallery and art academy systems in the world. It controls everything from the famous Beijing Opera House, the National Library, the vast Museum of Chinese History, and is responsible for the day-to-day stewardship of thousands of provincial music, literary, dance and 'folk' groups and institutions.

He says ACT is looking forward to helping China preserve its cultural past for the future because "Cinemage software can handle any aspect of archiving, digitizing and displaying anything they have, and because it's important that it be done." Based on the publishing model and specializing in high-resolution display, Cinemage provides a complete solution for the distribution of digital media through the Internet.

For ACT the China venture is another step in helping clients put their best foot forward on the Internet. In early June, for example, one of Canada's stock photography agencies, Image Makers of Vancouver, signed with ACT to have it display and sell its large collection of pictures and images on the Internet. It can be found at www.aaaimagemakers.com.

ACT is a Vancouver based software development company that has developed a software system for the delivery of multimedia content across the Internet. The company specializes in finding new and better ways to manage the distribution and commerce of digitized intellectual property on the Internet. For more detailed information about ACT's corporate structure, products and services, please see www.cinemage.com.

Item 6 - Reliance of Section 118(4) of the Securities Act (Alberta)

N/A

Item 7 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Edgar Froese

480 - 1090 Homer Street

Vancouver, B.C., V6B 2V9

Telephone: (604) 669-0699

Facsimile: (604) 669-6363

The foregoing accurately discloses the material change referred to herein.

DATED this 31st day of July, 2000.

Yours truly,

CINEMAGE CAPITAL CORP.

Per: "Edgar Froese"
EDGAR FROESE
President