

CINEMAGE CAPITAL CORP.

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

September 27, 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 September 18, 2000

Item 3 - Publication of Material Change

A Press Release was issued on September 18, 2000, by Canadian Corporate News, Vancouver, British Columbia.

Item 4 - Summary of Material Change

Cinemage Capital Corp. ("Cinemage") announced that Advanced Cultural Technologies has signed on with one of the world's largest telecommunications companies to perfect a technology that will offer copyright protection for everything on the Internet from the sound of music to pictures and images of all kind.

Item 5 - Full Description of Material Change

Cinemage Capital Corp. ("Cinemage") announced that Advanced Cultural Technologies has signed on with one of the world's largest telecommunications companies to perfect a technology that will offer copyright protection for everything on the Internet from the sound of music to pictures and images of all kind.

Advanced Cultural Technologies (ACT) has just renewed an R&D agreement with Japan's Nippon Telegraph & Telephone Corp., Advanced Technology division (NTT), the world's second largest telecommunications company, and will soon launch a market test of NTT's Content ID system using high-resolution digital images from its own online bank of artwork and cultural artefacts.

"The benefits to both parties are enormous," says Edgar Froese, President and CEO of ACT, "because the world has yet to adopt a single standard methodology for copyright protection on the Internet. So, if we can help make the NTT

system the standard, or one of them, we will see a flood of commercially viable content hit the Internet because we can finally offer copyright protection to the owners." This is particularly true for ACT, which is evolving from its R&D phase to become an online distributor of digital content.

Froese says the NTT system overcomes the current copyright problems faced by the music industry and should convince any nervous would-be content providers to enter the world of e-commerce. "I'm convinced the NTT system is the answer to their worries, and I'm happy that NTT has asked my company to be at the forefront of the online copyright protection revolution."

Froese says "our project is really a pioneering use of the Content ID approach because not only will our images be embedded with NTT's Content ID identifier, we are setting up a registration service that will make it possible to keep track of any items sold through the system. That means, for example, that if somebody buys something, you can submit a notice of sale to the registration centre and if that item ever shows up anywhere in the world, you can look up who it was sold to and take the appropriate action. Or you can check out the validity of an item in advance through the centre."

Froese says the NTT system represents a new standard in the fight to protect copyright of online commerce as well as a commercial opportunity for ACT. "If the project proves as successful as I'm sure it will be," he says, "we are well positioned to become a major registration centre for the Content ID methodology."

Technically speaking, the ACT project will market test the full NTT Content ID system, which features a unique digital code embedded in each piece of digital content that can verify copyright, keep track of and prevent illegal downloading, and provides an internal mechanism to track content circulation and dealing histories. Currently there are several approaches to the problem, including watermarking of images, but they all have their limitations. "But NTT's approach works," says Froese.

The ACT-NTT project will use ACT's Cinemage software system that provides the ability to manage completely the commerce associated with both the Internet delivery of high-resolution digital media as well as the intellectual property rights connected with the process.

The NTT-ACT agreement runs until March 31, 2001.

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 27th day of September, 2000.

Yours truly,

CINEMAGE CAPITAL CORP.

Per: "Edgar Froese"
EDGAR FROESE
 President