



i 3 d M e d i a

Executive Summary

'The ability to 'productize' the components of the software infrastructure enables the company to create numerous and ongoing profit centers as we extend the technology.'

The Gaming Market:

Computer/Video Game software sales grew at a faster rate than other major American industries including: motion picture production, distribution and allied services; amusement parks; consumer electronics manufacturing; and physical fitness facilities

SOURCE: Interactie Digital Software Association

The Casual Gamer..

By far the largest untapped market for gaming is the casual gamer. (See graph)

SOURCE: KPGM report for Ministry of Culture, Denmark

The Interactive 3D medium (i3D) is at the horizon of the convergence of the two most powerful and expressive entertainment media of our day: cinema and computer games. These two media are rapidly converging as cinema and video experiment with interactivity and narrative non-determinism, and computer games become more literary, emotive and dramatically rich. i3D is the ground for new rich media experiences and non-linear narratives involving synthetic characters and automated cinematography, and also for the embedding of human performance into virtual worlds. These i3D worlds may be private experiences on the desktop or delivered by broadcast, or they may be networked multi-user social realms.

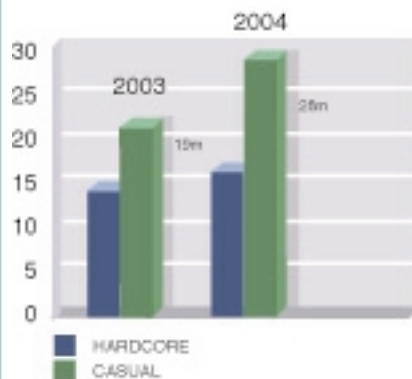
In September of 2001 in Avignon France the first international conference in Virtual Storytelling was held and brought together a diverse group of software researchers, computer graphics designers, game authors and engineers, and executives from the film video and game industries. This gathering was further evidence of the convergence of cinema and computer games, and for the maturing of the opportunities for the i3D medium.

Technically i3D is based most fundamentally on advanced real-time 3D graphics, but it integrates many media types such as video, vector graphics, animation, sound and music, images, speech and text. It also exercises the most sophisticated aspects of computer software, media infrastructure, cinematography and artificial intelligence.

i3dMedia is an applied technology company focused on building interactive products and services through the creation of next generation software for the entertainment and communications markets based on the emerging i3D medium.

i3dMedia is a merger of nuMedia group (www.numediagroup.com), a Vancouver based design and Production Company and Lucid Actual, the developer of the i3d software infrastructure. Dr. Mark Rudolph, the Head of the Virtual Reality Centre, IT-U, Copenhagen, Denmark, developed the software.

The ultimate vision of i3dMedia is to develop i3D infrastructure and distribution services in order to bring the i3D medium into mainstream entertainment markets. We will follow a phased development beginning with products for the fashion and music markets that can be introduced almost immediately. At the same time we will develop further capabilities in media systems to allow the merging of human acting and performance into virtual i3D scenes and worlds. We also will further develop software for creating synthetic characters with an ability to improvise speech and narrative interaction to allow dynamic stories to unfold within interactive 3D scenes.



"The new medium of interactive virtual worlds is currently at that critical point of development when all the technical means now exist to enable the definition of the unique 'language' of the medium. It is at a similar point as cinema was about ninety years ago.

Dr. Mark Rudolph
 Creator, i3dMedia
 Head of the Virtual Reality Centre
 IT-U, Copenhagen

Summary Cont'd

'Our development approach follows a biological model. We will actually grow much of our content and software instead of laboriously building it piecemeal each and every time.'

The Gaming Market:

Sixty percent of all Americans age six and older, or about 145 million people, play computer and video games. The average age of a game player is 28 years old and Forty-three percent of game players are women.

SOURCE: Interactive Digital Software Association

This artificial intelligence software also allows the viewer to query and interact with synthetic characters through natural language. We believe that the killer application of the 21st Century will be a natural language interface for man and intelligent machine interaction. The communications infrastructure will initially be text based with synthesized speech output, but input voice recognition has also been successfully tested and will be phased in as the reliability of the recognition systems improve.

Our development approach follows a biological model. We will actually 'grow' much of our content and software instead of laboriously building it. By marrying artificial intelligence (AI) software and iterative creative human input we will evolve ever more sophisticated 3D and graphical objects and events for our interactive worlds, as well as 'linguistic ontologies™' for the dynamic language structures which form the internal personas of our synthetic characters. These techniques based on biological models also will allow us to be extremely productive and cost effective relative to the huge labour intensive productions in traditional computer graphics, games, film and video.

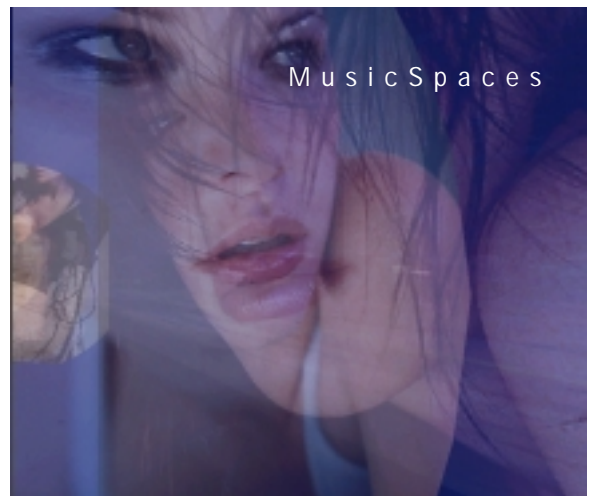
What is unique about i3dMedia is that each iteration of the software infrastructure can be rolled out as a product or service. The ability to 'productize' the components of the software infrastructure enables the company to create numerous and ongoing profit centers as we build out the technology.

i3dMedia is eligible for a NRC (National Research Council) Pre-Commercialization funding program and through this program we intend to deliver three commercial products and services within our first twelve months. The products are iFashionWorlds, MusicSpaces and a MediaProduction Studio for the creation of a high-end low-cost advertising media services (print, video, broadcast, web). Through a strategic alliance with a Montréal based entertainment group we have extensive marketing partnerships in place that will put our products in front of over a hundred million consumers per annum, thus providing a revenue stream even in our first year

i3dMedia will be seeking approximately two million dollars in equity financing as part of their contribution to the pre-commercialization and on-going research and development programming. With that investment we can attract another 5 to 6 million in R & D funding through a variety of government sponsored programs. R & D that pays. i3dMedia.



A random photograph from the i3dStage™.



A platform to create dynamic visuals for every song ever written.