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III Document conventions and Notes

All data is presented in CDN OR US dollars. GeniView's financial projections and financial requirements are presented in CDN OR US dollars.

V Contact

Ron Chow, President & CEO

EXECUTIVE SUMMARY *

Summarize the company, technology and products

Suggested components of the Executive summary

Market Analysis *

[Provide a summary of the market potential and GenieView's market potential.]

Product Development *

[Provide a summary of current products and plans for next generation evolutionary products]

Go to Market Strategic Plan *

[Provide a concise description of the financial plan, and the go to market strategy, and projections for the end state (business profitability)]

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1 INTRODUCTION

In the post 9/11 world, security has become a national priority with many countries, and the use of video surveillance equipment is seeing a compounded annual growth in law enforcement, first response, homeland security and defense applications. Technology advances is also making adoption of Video surveillance in commercial applications cost effective. The success of new startups in the security surveillance market such as March Networks of Ottawa, the acquisition of Sypixx by Cisco to get into the physical security space are only two of the many examples that underscore the importance and promises that the surveillance markets in general hold in the global market.

Wireless video surveillance products, in general, offer the end-users ease of deployment, flexible capture points, and mobility. Currently most products in this category use analog radios, digital radios, and a Wi-Fi network as the transmission media. All require line-of-sight (LOS) to operate and this limitation continues to be the largest drawback for wireless video streaming in many tactical surveillance applications.

GenieView recognizes this problem and has developed leading edge technology to address the special problems associated with wireless live streaming video applications. A patented technology (encompassing an advance forward error correction algorithm), optimized for real-time streaming of compressed video data overcomes the LOS restriction. Two such products, the ReconView and GV1500, use standard 900MHz digital radios for video transport and, at one watt of transmitter power, gives a LOS operating range of 5Km (3 miles) and a NLOS operating radius of 0.5-1.0 Km (1500-3000 ft), depending on the nature of obstruction. Live video streaming field tests by several law enforcement groups, evaluating the technology in lab and real world environments, included concrete walls and steel doors, have concluded that the video reception performance was excellent and useful in many overt and covert surveillance applications.

1.1 Market Projections

In North America alone the wireless video streaming market is estimated to be around $200 million, growing at 20% per annum. The total global market is estimated to be around $500 million. The defense market has not been included in this estimate and with the trend for the procurement of COTS (commercially off the shelf) goods by the US military, this market posts another large vertical for GenieView's products.

1.2 GenieView Potential

Given the GenieView technology's superior LOS and NLOS performance, products encompassing the GenieView technology (Direct Sales and OEM Licensing) are poised to capture a substantial part of market shares in several verticals, including law enforcement, first response, commercial wireless surveillance, and defense. Going forward, GenieView will embrace development of miniature digital radio modem, such that as the data throughput increases, GenieView can capitalize on these advances and bring about even greater technology enhancements, such as higher video quality, faster picture capture, and the multiplexing of incoming video streams, to fuel the ongoing evolution of its technology. Protected by its IP, fueled by a general increase in demand in surveillance applications, and riding on the ongoing developments in video compression and digital radio evolution, GenieView is well positioned to capitalize on the expanding market for live video streaming applications over the next 5 – 10 years.

2 GENIEVIEW TECHNOLOGY

GenieView's technology and products, and partner's products built on the GenieView technology, enables video information over band-limited transmission media such as:

- miniature digital radios in the 400 and 900MHz, and 2.4GHz bands
- CDMA-1X network
- POTS phone or Wireless Local Loop lines
- A network, wired or wireless, where bandwidth availability is dependant on the number and users and traffic volume
- A satellite link where bandwidth is available but expensive

The use of MPEG4 video compression codec's and an optimized forward error correction (FEC) algorithm form a key component of the GenieView's technology offering. In wireless surveillance applications, GenieView exploits its patented technology FEC and, optionally, data encryption (128 bit and 256 bit) – in its family of 900MHz- based products to empower them with long range and superior non-line-of-sight operating capability, elevating these products in a class above the what is currently available from products in its price, low power, and mobility class.

2.1 Technology Overview

Most video surveillance systems use cables as the means of transport for analog video signals – NTSC or PAL compatible - from wired monitoring cameras. This is a cost effective option where the surveillance site permits the installation of wiring inside or outside of a building. Where this is not an option, wireless video surveillance systems are used. This is typical of applications where environmental factors require:

(a) the cameras to be mobile, or the monitoring point is ad-hoc and subject to change,
(b) the distance between the camera and the monitoring centre is so large that running a cable becomes expensive and impractical.

Many wireless surveillance systems in use today use **analog radios** to stream video information from the camera to the monitoring centre. The pros/cons of this analog radio technology solution are:

Pros:
- a dedicated radio link can be used and video information can be transported without the need for compression,
- Yield high quality video images with a high frame rate.

Cons:
- it requires line-of-sight to operate
- the equipment in general are bulky and power hungry
- not much post-reception processing can be done unless it is first digitized at the receiving end.

The use of **digital radios** for transport eliminates the third negative issue. The use of CRC and FEC further helps to improve the signal-to-noise radio of the video data link, thereby yielding good video quality over a long distance which makes noise and interference a larger problem to deal with.

In the transmission of real-time, digital video information, the problem is further compounded by the fact that to reconstruction video images at the receiving end a

minimum volume of correctly received data is required, before we run into problems such as (a) drop frames, (b) broken frames, and (c) a total loss of communication.

This is a big challenge whether the transmitted digital video information is compressed or not. For digital radios operating in the unlicensed band, data throughput rate may be capped at below 100Kbps, thus limiting the choice of inherent Error Correction algorithms to combat this data corruption problem. GenieView's patented Forward Error Correction algorithm overcomes this problem by (a) effectively correcting single bit or bit-burst data error, and (b) doing it with a minimum bandwidth overhead.

The implementation of this FEC algorithm significantly reduces problems identified above, and enables long-range and through-obstacle type of operations over unlicensed radio channel such as 400MHz, 900MHz and 2.4GHz, something few competing products and technology achieve.

To address the issue of security, the FEC also implements a 128- or 256-bit encryption algorithm that (a) causes minimal video latency, and (b) consumes no bandwidth overhead, and is therefore ideal for live streaming of encrypted video over a narrow-band medium.

2.1.1 Cost of Deployment Factor

In wireless video streaming applications where analog radios, digital radios, and a Wi-Fi network can be used to provide the transport mechanism for video data, usually from the monitoring point(s) to the monitoring centre. The use of small digital radios in the 900MHz unlicensed band has the advantage of size, power and cost economy. However, a low data throughput rate limits the use of these radios to voice and low-bit-rate data communication only. However, with the use of MPEG4 codec and GenieView's patented FEC algorithm, these low cost radios can now be packaged into a product capable of transferring real-time video streaming information over a substantial distances or provide superior performance in heavily obstructed areas.

The resulting products enjoy the benefit of low cost, wireless mobility, long battery operation, and an operating range in excess of 3 miles with LOS, and up to 3000 ft for NLOS operations. The use of higher gain antennas and a higher transmitter power level can further increase this range when the application calls for it.

The 900MHz-based GV1500 from GenieView is easy to use, and is a cost effective way of addressing video surveillance applications such as those for law enforcement and first response personnel. Non-line-of-sight operation further differentiates GenieView products from those using the conventional analog and digital radios, or a Wi-Fi network, all of which requires LOS to operate, and in normal operating environment can achieve between 100 ft to 300 ft range.

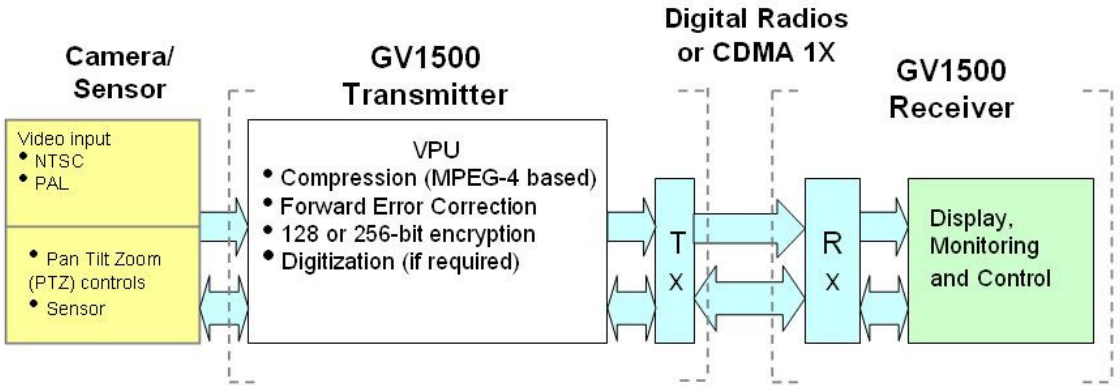
Other attributes of GenieView's products, such as ease of use, fast setup time, and mobility further reduce costs associated with training and personnel time, making it one of the most cost effective means to address mobile, video surveillance applications.

2.2 Technology Advantages

The GenieView patent pending algorithm, which is bandwidth friendly, reduces bit error bursts and makes singular bit error more manageable in the transmission of real-time, digital video streams over a noisy channel, such as a 900MHz or 2.4GHz radio link. The patented FEC algorithm (a) imposes only a 7% overhead on the data stream, and (b) adds no additional latency in the resulting video data, making it ideal for real-time video streaming over noisy, band-limited channels.

The optional 128- or 256-bit encryption algorithm, which forms the other component of the patent, (a) adds no overhead to the video data, and (b) introduces a video latency of less than 7%. These two key components of the patent have been implemented in GenieView's GV1500 beta-trial systems, giving them remarkable operating range, LOS or NLOS, and video security. The NLOS operational capability continues to be the over-riding advantage that puts GenieView's product one step above the competition, using either analog or digital radios, or a Wi-Fi based network.

The end-to-end architecture of the GenieView product solution can be represented by the following diagram.



Both the FEC and encryption algorithms are implemented at the 2nd (encoder) and 3rd (decoder) stages of this diagram, using a combination of firmware and software. Other aspects of the patented technology, yet to be developed, will be implemented, over various stages, to further improve the range and robustness of the video link.

3 PRODUCT OVERVIEW

3.1 Product Evolution

As part of a research project at Carleton University, the architectural design and initial proof-of-concept were started in May 2003. In conjunction, software development was undertaken to design and develop the Windows® based Control Centre to decompress and decrypt video streams for display. The first prototype, code name GV1000 Wired was built and tested, then demonstrated in March, 2004. The GV1000 Wired consisted of a video processing component

that performs the video compression, FEC and 128-bit encryption. The unit included an onboard CMOS sensor color camera.

This unit successfully demonstrated the streaming of live, color video at a bit rate as low as 19.2 Kbps. The coding and decoding delay was estimated to be less than 300 milliseconds with virtually no impact on usability.

The next stage in the product development was the GV1000 Wireless, which supported 900 MHz and 2.4 GHz transmitters and receivers. This Alpha product demonstrated that video could be transmitted wirelessly with minimal latency and bandwidth requirements. Subsequent iterations would improve the frame rate and picture quality.

3.2 Current Products

Digital radios are the transmission medium of choice for their range and NLOS capabilities. The video processing unit and the transmitter radio are packaged in a mobile unit which connects to an external, analog camera. The receiver radio is packaged in a receiver station with a serial connection to a PC or Laptop. Support for the two most popular analog video signals, NTSC and PAL was added, significantly improving the video quality. Video input can now be received from infrared, day & night, miniature, and covert cameras. This provides great flexibility to the user in the choice of a camera type depending on the nature of an application. The following 3 product are currently in beta field trials.

3.2.1 GV1500

Based on the feedback from the GV1000 demonstrations, the GV 1500 was developed and released in April 2005. The wireless GV1500 includes a video processing unit, a single transmitter/receiver pair of 900MHz radios and the Control Centre software. GenieView's Control Centre software decrypts and decompresses the video for display.

Wired GV1500 Streaming to Control Center

3.2.2 GV1500-CO

Ron: need a separate description here!

Wireless GV1500 Body Mount Packaging Option with covert Sunglass Camera

3.2.3 ReconView

The ReconView system is a turn key video surveillance solution targeting the law enforcement and security markets. In addition to the GV1500 video processing unit with 900 MHz transmitter and receiver, the ReconView includes a camera and laptop preloaded with the GenieView Control Centre software. It is packaged in ruggedized cases for durability and easy deployment.

ReconView generated significant customer interest in the law enforcement arena and led to several field trial requests. A number of units are in the hands of law enforcement groups in Canada for field testing, and evaluation. One major upgrade resulting fro the field trial was support for pan-tilt-zoom (PTZ) cameras, which has since been implemented. The ability to remotely control a low-lux zoom camera offers significant value for surveillance applications.

Wireless GV1500 ReconView Packaging Option

3.2.4 Field Trials

With funds from the Centre for Innovation and Technology Ontario (CITO) Tech Readiness program and with the strong endorsement by the Canadian Police Research Centre (CPRC), a number of field trial units have been assembled for field testing and deployment by Canadian Police forces in both lab and real world situations. Trial periods ranged from 30 – 90 days, with field reports submitted by the Police after trials were completed. Overall the feedback has been very positive, with special note made of our range capabilities in non-line of sight scenarios. The feedback also indicated requests for improved image resolution and a joystick to control the PTZ camera.

The following lists all the field trials completed or in progress as of March 31, 2006.

- **RCMP**: field trial unit has been purchased

- **Ottawa Police:** ongoing and initial feedback received; MOU signed
- **Toronto Police:** field testing completed; test report filed
- **Midland Police:** took possession of TO Police unit; trial ongoing
- **OPP:** trial unit received.
- **Thunder Bay Police:** trial unit received
- **Winnipeg Police:** unit to be delivered in April 2006.

4 MARKET OVERVIEW

4.1 Current Target Markets

Presently, GenieView is targeting the 900MHz-based products, the GV1500 and the ReconView, to the law enforcement and first response markets in North America.

4.1.1 Law Enforcement

In a forum with **law enforcement** personnel from across the province of Ontario, GenieView had the opportunity to showcase the ReconView product and to solicit input from potential customers. It is learned that the surveillance needs are driven by police personnel that 'own' certain problems, and the deployment of video surveillance systems helps find solutions to these problems. These personnel assign priorities to the following attributes of a surveillance system:

- Operating range, with or without line-of-sight
- Real-time capture
- Ease of use
- Battery operation (for ad hoc, unattended deployment)
- Mobility
- Size of mobile unit
- Video quality

A major metropolitan police group evaluated the ReconView with extensive testing in a lab environment, and gave the product top score (5 out of 5) in all categories, except video quality (score 3 out of 5). The greatest attribute was the product's ability to deliver video streaming through barriers and blockage. This confirms the value of the GV1500 and ReconView in law enforcement applications. GenieView's strong relationship with the law enforcement groups in Ontario has secured a number of field trials.

4.1.2 First Responder

To address the **first response** market in Canada, GenieView has established a strong relationship with a Canadian federal first response group, which deals with bomb disposal and associated technologies. A progressive series of field trials has been under way with this group. In a field test in the summer of 2005, a GenieView camera system was mounted on a remotely controlled robot, working side-by-side an existing analog radio system. A chemical sensor was

interfaced to the ReconView system to provide integrated video and radiation sensor data streaming to a remote Control Centre. At a range of 400 meters, which was the limit of the wireless robotic control, the analog radio-based video was dropped when the robot went behind a building (losing line-of-sight), while the GenieView video streaming, delivering both real-time video from the robot mounted camera, and radiation sensor data. Both were displayed at the Control Centre screen for live assessment of the contaminated site.

4.1.3 Commercial Security Surveillance

The third market GenieView is currently looking into is in **commercial security** surveillance applications. GenieView has been in discussions with companies in this field and was made aware of the limitations of existing solutions, primarily the need for line-of-sight when wireless links are used to transfer video information. The challenge for GenieView is to come up with a product variant that meets specific requirements, and most importantly, a price target. GenieView feels this challenge is manageable once the projected volume reaches a certain level.

4.2 Potential New Markets

Due to the very nature of GenieView's technology – narrowband, live video streaming – this same technology can be repackaged to address the needs of other vertical markets. The following summarizes the potential markets that GenieView can pursue to grow its business dramatically, once it has the resources to do so.

Military. Wireless camera systems can be mounted on robots, UAV, etc. for mobile surveillance as well as the detection of harmful substance (chemical, radiation, biological, etc.) through the use of integrated sensors. A body-mounted version of a wireless camera system can allow a command centre, a distance away, to see what the soldiers see at the front line, or inside a building of potentially hostile environment.

Homeland Security. Ad hoc surveillance cameras can be deployed to public areas – trains, airports, border crossings – to ensure the detection of a potentially harmful situation. Backend software at the Control Centre can conduct facial recognition of suspects captured on the camera, giving the Centre an ability to sense danger and take pre-emptive measures.

Water level monitoring. In Canada alone there are 4,000 water level monitoring points. Unattended, solar-powered wireless camera systems can be deployed to capture the changes in ice and water level, particularly in spring and during storm seasons, and relay this information over microwave or satellite links to a central monitoring centre.

Underwater Imaging. The development of acoustic modems has reached the point that some modems have a submarine range of up to 2 km while maintaining a reasonable high data throughput rate. The pairing of this kind of modem to GenieView's narrowband video technology allows the detection of submarine events, in real-time, which will be otherwise impossible.

Tele-health. The provision of video information, over band-limited links such as POTS phone lines, can compliment voice only communication in the delivery of such service. This is particularly true in the delivery of palliative care over a distance, as live video information can greatly enhance the quality of an interactive dialogue.

Distance education. Video information can be made available through phone lines or the Internet to provide a visual content to a remote classroom in distance education sessions.

These are a sample of other applications that GenieView's technology can tackle. Going forward, any engagement on these markets will be driven by a sound business case, covering the resources required, and the return on investment.

4.3 Buyer Behavior

The law enforcement market in North America is split into three distinct tiers: Federal, Provincial/State and Municipal. Each tier of government has different budget cycles and purchasing restrictions.

- Federal, e.g. RCMP, CSIS, FBI, CIA and Homeland Security
  - Year-end is: for Canada - March 31st, for the US - September 30th.
  - Can purchase up to $5,000 without senior level approval.
- Provincial/State, e.g. OPP, Quebec Police, NY State Police
  - Year-end varies.
  - Can purchase up to $5,000 without senior approval.
- Municipal, e.g. Ottawa, Toronto, Vancouver, Boston, and NYPD
  - Year-end varies.
  - Purchasing limits vary.

4.4 Competitors and competitive advantage

There are various companies in the video surveillance market for the law enforcement and first responder markets. Companies using analog wireless camera systems, Wi-Fi video streaming, and video streaming using camera phones, address a market similar to GenieView's. Very few companies have been able to successfully address long range LOS and **in particular, NLOS** secure video streaming.

Analog systems (e.g. AvalonRF) suffer the drawback of sensitivity to blockage, lack in video security, and generally higher power consumption and a higher cost. Their post-reception processing is also very limited. They are harder to install and operate, and require large storage capacity.

With Wi-Fi video streaming (e.g. SmartSight[1], Argon Security) and consumer-marketed video streaming over the cellular network using camera phone, the drawbacks are that they cannot penetrate through physical barriers, need broadband or cellular network infrastructure to operate, and do not have the flexibility with the camera input. GenieView has a competitive advantage over these through its architecture and patented technology for digital video processing, resulting in products supporting encryption, long NLOS reach without interruption, low power consumption and other benefits.

Also on our radar screen are some companies and their surveillance products that do not fall into the major categories listed above, such as Adapt4 and Future Developments. Adapt4 uses software defined radio (SDR) as a basis of its technology; however GenieView's competitive advantage in long NLOS range is still undisputed. Future Developments significantly lacks in the two very important aspects: ease of use and price. In both cases the equipment is much bulkier than GenieView's and makes it unsuited for mobile and covert applications.

A summary of GenieView's competitive advantage analysis is presented in Table 1 below.

Table 1: GenieView's Competitive Advantage

	Analog surveillance systems, e.g. AvalonRF	Wi-Fi surveillance, e.g. SmartSight by Verint	SDR surveillance, e.g. Adapt4	GenieView – wireless digital video surveillance

[1] Note: SmartSight products were made by a Montreal company of the same name, subsequently acquired by Verint Systems Inc.

Long range			X	X
Penetrates barriers				X
Security		X	X	X
Low power consumption				X
No need for infrastructure	X		X	X
Input flexibility	X			X
Post-reception processing		X	X	X
Ease of deployment and use				X
Small disk space requirements	N/A	X		X

4.5 Market Positioning

Long range, especially in conjunction with the NLOS capabilities, is clearly identified as the most important feature in the law enforcement and first responders markets. Other equally important considerations identified by our partners are ease of use and low cost. Among its competitors discussed in the previous section, GenieView is positioned as the leader along all these three most relevant dimensions, as presented in Figure 1.

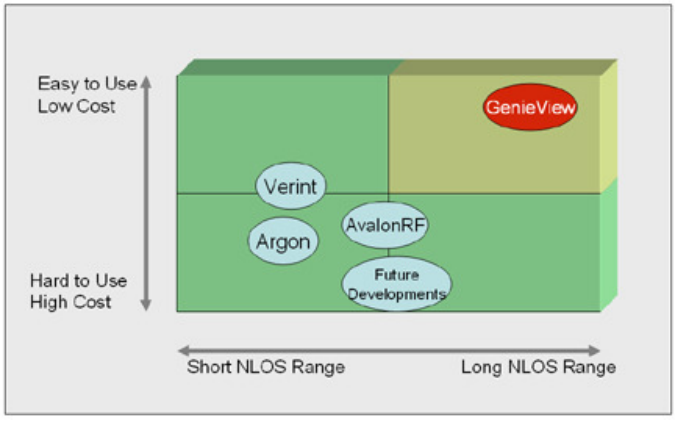


Figure 1: GenieView's Competitive Positioning

5 MARKET POTENTIAL

The law enforcement market has seen significant growth in recent years due to an increase in crime and social pressures to fight it, while the first responder market has grown tremendously since the events of September 11, 2001. GenieView is positioned well to take advantage of this

sizeable high growth market, starting with the North American market and then growing internationally.

5.1 Available : North America (Canada & US)

The US Homeland Security budget was $33.8 billion for 2005[2]. The US surveillance and monitoring market was $4.5 billion in 2004, and is estimated to grow to $11 billion in 2007[3]. The size of the first-response market in the US can be gauged from the Department of Homeland Security 2005 budget that set aside $3.6 billion for first-responders only[4]. This market has seen some tremendous growth: the first-response budget in the US has increased 780 percent over last 4 years[5], and it is still positioned to grow. The Canadian Public Safety and Emergency Preparedness budget was $4.9 billion for 2005[6].

A recent market study of GenieView's targeted market was done by US Market Access Center[7], a research firm from California. Initial data suggested an addressable market size for wireless video surveillance product to be $180 million in 2006, covering law enforcement, homeland security and the private sector. The market size is expected to grow by 20% annually, as presented in Table 2 below.

Table 2: Addressable US Market for Wireless Video

$(M)	2006	2007	2008	2009	2010
Federal	$33.03	$36.20	$39.70	$43.57	$47.85
State/Local	$65.64	$77.26	$90.94	$107.03	$125.98
Private	$84.38	$103.82	$127.75	$157.20	$193.44
Total	**$183.05**	**$217.29**	**$258.39**	**$307.81**	**$367.26**

Based on GenieView's Canadian market analysis, there are 100,000 law enforcement officers in Canada, including the local and provincial police forces as well as the RCMP, compared to about 1.1 million in the US. GenieView conducted a survey of technical investigators of Ontario, responsible for equipment procurement, regarding features needed from and not presently satisfied by existing video surveillance systems. The survey has shown that GenieView's products satisfy all of the customer's most important requirements, and better than the competition. GenieView's detailed knowledge of its niche market has quantified the Canadian market as a $15-18 million opportunity for its products for both the law enforcement and first response markets.

This means GenieView's immediate, addressable market in North America is of the order of $200 million. The follow on market assessment report by the US Market Access Center[8]

2 Source: http://www.whitehouse.gov/omb/budget/fy2005/homeland.html (accessed June 27, 2005).

3 Source: http://www.securitystockwatch.com/stage/investmentTrendsMK.html (accessed June 27, 2005).

4 Source: http://www.whitehouse.gov/omb/budget/fy2005/homeland.html (accessed June 27, 2005).

5 Source: http://www.whitehouse.gov/homeland/ (accessed June 27, 2005).

6 Source: http://www.tbs-sct.gc.ca/est-pre/20052006/PSEPC-SPPCC/PSEPC-SPPCCr56-PR_e.asp?printable=True (accessed July 19, 2005).

7 US Market Access Center, "Assessment of Potential Addressable Market in the United States", Interim Report, February 2006 (available upon request).

8 US Market Access Center, "United States Law Enforcement Video Surveillance Equipment Market Assessment", April 2006 (available upon request).

identified that 66% of the US market is easily accessible by GenieView. This percentage is comprised from the current users who are not satisfied by the solution at hand and from those who are non-users due to the high prices of the available solutions. With its key advantage over competing products and technology, and planned product enhancements, GenieView is well positioned to capture up to 33% of this market in the coming years.

5.2 Future Potential Markets

Large revenue opportunities also await GenieView's technology and products outside of the North American continent. For example the European market is, collectively, estimated to be at least as large as the US market. The challenge for GenieView is to come up with the right product variant suitable for this market and identify channels and partners to work with.

Recently, Doyletech of Ottawa, in conjunction with IBM Consulting and a local party in South Africa, has done a preliminary study on the market potential of GenieView's product in applications related to security surveillance in South Africa[9]. The results point to a $200 million market within 5 years. This market potential for streaming video products such as those offered by GenieView is expected to increase substantially once the products are marketed to education, health, and other private sector markets. This same study can be extrapolated to other developing countries where the demand for such products, beyond law enforcement and first response applications, are expected to be in growing demand.

As well, in developing countries such as India, where the development of infrastructure in the rural area assumes increasing priority, GenieView's narrow-band-based video streaming technology is ideal to address the needs of rural communities in the distance education, tele-health, and other social programs. BSNL, India's largest telephone operator, visited GenieView in the fall of 2004 and was very excited with what GenieView had to offer. Subsequent market study points to substantial business opportunities in the India market alone, with 600,000 rural communities in the country. Once GenieView is established in the North American market and ready to move on to the international space, this is another lucrative market that GenieView can pursue.

6 MARKET STRATEGY

6.1 Staging (Geography)

The short-term market focus for GenieView is law enforcement and first response in North America. In Canada the federal law enforcement groups and those in the province of Ontario are first targeted, with several field trials in the running. Two federal groups in the first response areas are working with GenieView, with one having purchased an evaluation unit and the other in an ongoing dialogue with GenieView to define an imminent development initiative.

The next step will be business and account development with law enforcement groups in the rest of Canada. In parallel, the US law enforcement and first response markets are being pursued, primarily through the development of channel partners and strategic accounts.

[9] Study available upon request.

Once GenieView is established in the North American market, and enjoys a position of resources, foreign markets such as the UK and Asia will be pursued. Currently, GenieView has been working with several local companies that are experts in dealing with foreign markets such as India, South Africa and the Middle East. This effort is not expected to yield short-term result but will help the company gain access to substantial revenue growth down the road.

6.2 SWOT Analysis

COPY SWOT table from the study done by the US research firm
The SWOT analysis encompasses an internal analysis and an external analysis. The internal analysis discusses strengths and weaknesses with regards to the five "Ps": product, place, price, promotion and partnerships, as well as human resources and financial capabilities. The external analysis discusses opportunities and threats with regards to political, legal, demographic, economic and technological change. The top ranked strengths, weaknesses, opportunities and threats are discussed below.

6.2.1 Internal Analysis, Strengths and Weaknesses

In addition to the GenieView product strengths (long NLOS range, ease of deployment and use, high mobility, low power consumption and small size) a number of corporate strengths have been identified. On the technology side, the fact that the company's intellectual property has been protected in the form of a patent, in both Canada and the US, is of high importance and value. On the market side, the pricing for GenieView's product is a strength, as it positions GenieView very favorably with regards to the competition while at the same time provides for healthy profit margin.

Field trials that are under way or being deployed and the related Memorandums of Understanding are strong points and certainly a very important step on the road to full market validation. Associated with the field trials is the GenieView strength of dedicated partnerships with the police force organizations undertaking the trials, and the influencers in the law enforcement and first response markets.

The most notable weakness is lack of significant external investment. Stemming out of the limitations in the company's financial resources are restricted access to the US market and constrained capabilities when competing for talent. Lack of the established contacts and relationships in the targeted markets and, specifically, missing a strong US partner are further

6.2.2 External Analysis, Opportunities and Threats

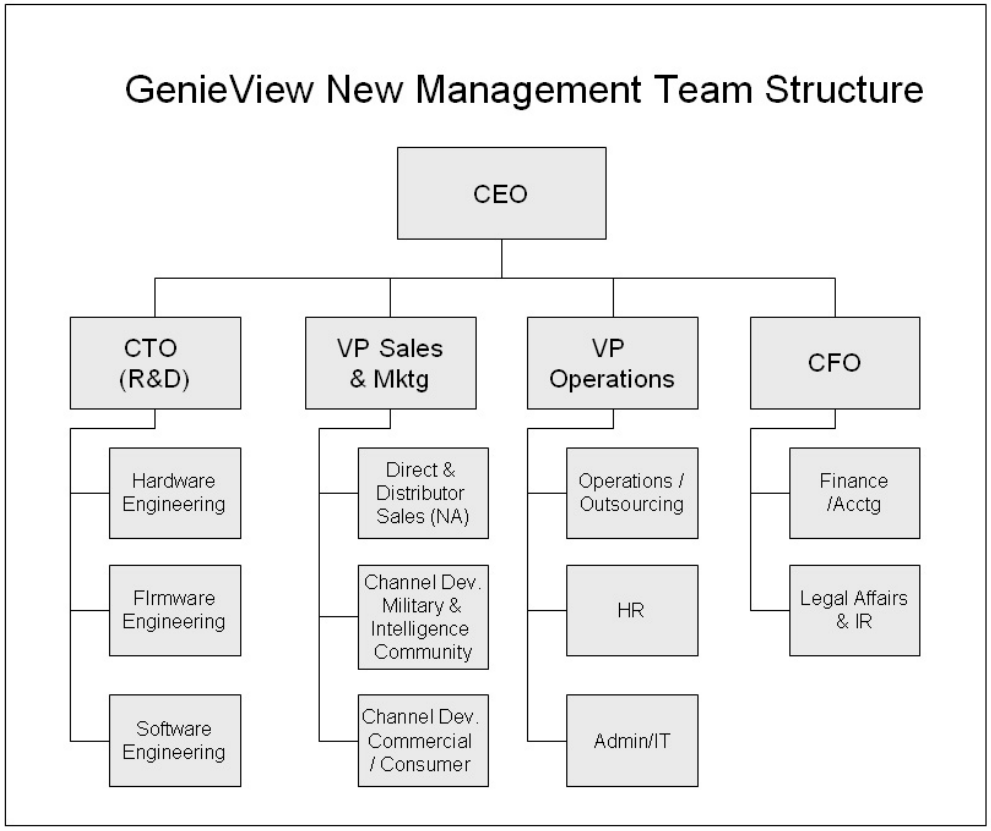
The highest pressure is seen coming from the high resolution video. The proliferation of broadband wireless access may facilitate the break into our targeted market by the broadband video technologies, with their high resolution video (e.g. CIF). Further, higher video quality equipment price may drop down due to the potential price cuts in its supply chain and attack our position in the marketplace. Finally, lower unemployment in Ottawa may affect available talent and cost of doing business.

At the same time, there are great opportunities for GenieView, starting with the intensified public pressure to fight the crime related to its increase (especially in drugs, vandalism, etc.). On the broader scale, the technological change and the rate of its adoption (e.g. surveillance being carried out by equipment rather than people) opens more possibilities. Proliferation of CDMA-1X availability is a great prospect for our company. Also on the technology side, the new commercially available components (such as MPEG-4 codecs and digital radios) are becoming

enablers for the move towards higher resolution video (CIF and beyond) while still maintaining GenieView's competitive advantage.

7 GENIEVIEW TEAM

I WOULD SHOW THE ORGANIZATION CHART ONLY WITH A PARAGRAPH BIO FOR CEO, CTO AND CFO



8 FINANCIAL PLAN

The GenieView 3 year financial plan is Based on the assumption that GenieView will raise $2.5M in external funding in the form of Venture Capital or similar external funding to enable GenieView to (a) grow the R&D team to develop the next generation product that will become a market force in live video streaming, and (b) hire the experience senior Management team to drive growth in Sales and Marketing, to develop the sales channels, and achieve the stated revenue objectives.

8.1 Current Financial Situation

To date, GenieView has been funded privately by the four founders and a handful of small, external investors. In addition, the company has secured three lines of credit with the Canadian Imperial Bank of Commerce (CIBC), The Royal Bank (RBC), and TD Canada Trust Bank. To address on-going cash flow requirements, one founder has also provided personal loans to the Company, under certain terms and conditions, to sustain the operation of the company.

The company has received some funding from a Federal Youth Employment program, (IRAP Youth Program), to support the salaries of two new graduate software engineers. Communications and Information Technology Ontario (CITO), a division of the Ontario Centre for Excellence (OCE), has provided funding for 5 field trial units, and to fund an external marketing consulting organization to conduct a market research project to quantify the size of the addressable market for GenieView's products in the US.

The company's fiscal year end is October 31st. Financial Statements are available for FY2003, FY2004, and FY2005. They are not audited at this point. In general, the company is in debt to three banks through LOC's and our founder in the aggregate amount of $ XXX,XXX. Accounts payable are relatively small and are managed on a monthly basis.

To date, external funding received by the company includes:

- IRAP Youth Program investment of $24,000
- a CITO Tech Readiness injection of $31,000 to fund the build of 5 field trial units
- a CITO Tech Readiness program extension, injecting $21,000 to fund a US market research program
- SRED refund from both the federal and provincial government, done annually

GenieView has recently applied for and is in the final stages of discussion with CITO for an additional $250,000 in funding from their Technology Accelerator Program. A decision is expected by early May 2006.

For investors and shareholders, all activities of the Company are tied to the ultimate objective of enhancing company value over time, through the generation of growing revenue, profit, and sound accounting practices. GenieView's management has embraced an exit strategy of IPO or M&A, delivering a healthy return on investment to all investors and shareholders.

8.2 Corporate Ownership

Currently the ownership of GenieView lies in the hands of the founders, staff members and a small numbers of investors. The CEO and CTO, both founders of the company, own over 51% of the company. The key owners of the company are:

- Ron Chow, CEO and founder, also sole angel investor
- Jun Huang, CTO and founder
- Anicet Blais, CFO
- Employees

At this point only common shares have been issued by the company. Bylaw No. 1 of the company dictates the validity (a valid quorum) of the annual shareholder meeting, or any special

shareholder meeting called to vote on specific issues, to be the presence, in person or by proxy, of the majority of all shareholders.

8.3 Financial Plan (3 year projection)

To propel the Company forward to the next stage of revenue generation, including the establishment of key channel partnerships, and to further advance product development, an external investment of $2.5 million over a 2 year period is being sought. This money will be deployed in the following main areas:

Stabilizing the organization. Staff will be paid a modest salary, in addition to a stock option plan, so that their basic financial needs are met while they also get to enjoy an additional incentive tied to the success of the company.

Sales and Marketing. Through the attendance of trade shows and other promotional activities, the Company will seek to arouse partnership interest in companies established in the target market. The objective is to increase the number of revenue generating opportunities so that meaningful revenue can happen in the shortest time frame.

Beefing up direct sales activities. While in the long term the bulk of the company's revenue is expected to come from established sales channels – OEM, distributors, VAR's – GenieView feels it has a continuing need to be in direct dialogue with some key customers in the law-enforcement arena. Such dialogue will give the company, first hand, feedback on the evolving needs of the customers, direct input on the performance of products deployed, so that ongoing product development can be tied to this input as well as second-hand input from other sales channels.

The ongoing investigation and research of other compression, encryption and software defined radio technologies for adoption, integration and implementation, so that the Company's core competency over these cross fields will continue to demonstrate a lead against the individual competition.

Strictly from the financial perspective, to sustain the operation of the Company for up to two years, at which time the Company should transition from a loss position to one of break-even or profitability.

GenieView - 3 Year Income & Expense Forecast

$ (000)	Year 1	Year 2	Year 3
Revenues			
Direct Sales & Distribution	$180	$575	$1,000
Licencing and OEM	$50	$1,500	$4,000
Less COGS	$183	$1,102	$2,127
Gross Margins	$47	$974	$2,873
Expenses			
- General & Admin	$264	$323	$379
- R&D Expenses	$930	$733	$861
- S&M Expenses	$586	$1,079	$1,561

EBITDA	($1,733)	($1,161)	$73

Table 1: Summary 3 Year Revenue & Expense Projections

Add an analysis of the financial results that show that we will be profitable within 3 years, and show good gross margins, with added growth potential through the channel partnerships.

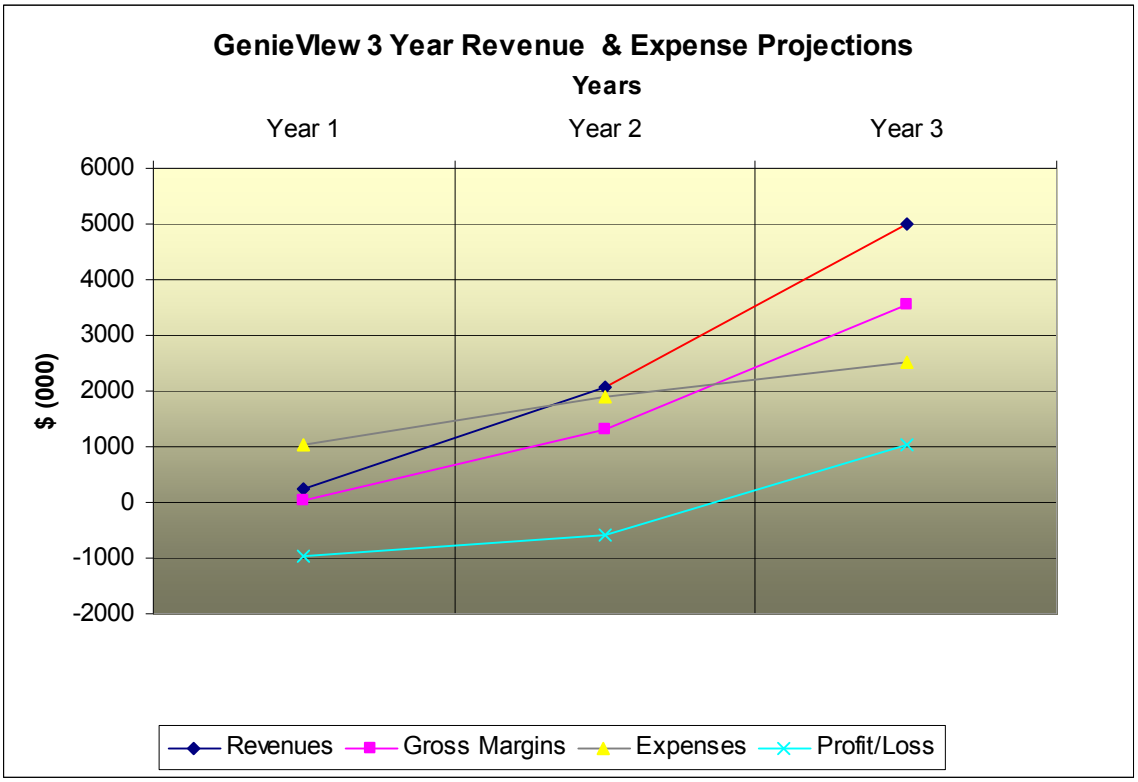


Table 2: Key Indicator Chart

Add text to explain the external funding requirements, justifying the need for only $2M, given our expected revenues and cash position.

Funding Requirements

$ (000)	Year 1	Year 2	Year 3
Beginning of year	($400)	($380)	($306)
Proceeds from operations	($1,733)	($1,161)	$73
R&D Tax Credit	$262	$263	$313
External Funding	$1,500	$1,000	$0
CapEx	($10)	($27)	($45)
Year End cash position	($380)	($306)	$35

A more detailed 3 year statement of projected Revenue & Expense statement is included in Appendix 10.1.

9 CONCLUSION

A GenieView video surveillance system enjoys the benefits of flexible camera input, flexible transport mechanism, and an array of other product attributes including the non-line-of-sight operating capability. Fueled by the rising need for security measures at the individual, commercial, national and international levels, the company sees increasing revenue potential in many vertical markets for its products and technology.

Backed by patent-protected IP and riding on the ongoing evolution of complimenting technologies, GenieView will capitalize on the growth of wired and wireless video deployment on a global basis to become a leader in the delivery of mobile, secure, and 'convenient' video information when it is most needed. Through partnership and channel development, the company is poised to become a major player in the video surveillance arena, delivering a healthy ROI to both its customers and investors.

10 APPENDICES

10.1 Financial 3 Year Statement of Projected Revenues and Expenses

GenieView - 3 Year Income & Expense Forecast

$ (000)	Yr 1	Yr 2	Yr 3
Revenues			
- Direct Sales	$130	$250	$350
- Distribution Channel	$50	$325	$650
- OEM Partners	$50	$500	$1,000
- Licencing Partners	$0	$500	$2,000
- Military-Licensing/OEM	$0	$500	$1,000
Total Revenues	$230	$2,075	$5,000
Cost of Sales			
- Lab Costs	$48	$74	$97
- Manufacturing	$135	$1,028	$2,030
Gross Margins	$47	$974	$2,873
Expenses			
G & A Expenses			
- G & A Labor	$136	$165	$190
- Rent	$35	$40	$45
- Phone/Internet	$6	$10	$15
- Office Supplies	$7	$8	$9
- Legal/Accounting	$30	$45	$60
- Director's Fees	$30	$40	$50
- Interest Expense	$20	$15	$10
G & A Expenses	$264	$323	$379
R & D Expense			
- R & D Labor	$680	$683	$831
- R & D SW & Tools	$250	$50	$30
R & D Expenses	$930	$733	$861
Sales & Marketing Expenses			
- S&M Labor	$511	$818	$1,047
- Sales Commissions	$16	$145	$350
- Marketing Expenses	$47	$80	$110
- Travel	$12	$36	$54
Sales & Marketing	$586	$1,079	$1,561
EBITDA	($1,733)	($1,161)	$73
CAPEX			

- Computers	($10)	($25)	($40)
- Furniture & Office Eq.	$0	($2)	($5)
Total Capex	($10)	($27)	($45)

Funding Profile			
Surplus/ (Deficit)	($400)	($380)	($306)
R&D Tax Credit	$262	$263	$313
External Funding	$1,500	$1,000	$0
Cdn/Prov Gov't Grants/Loans	$0	$0	$0
New Funding	$1,362	$883	$8
Period Ending Cash Position	($380)	($306)	$35

Employee Headcount	17	20	23
Exectives & Management	2	2	2
Research & Development	9	8	10
Executives, S & M	6	10	11

10.2 GenieView Profile

Legal name and status of business:	GenieView Inc. is a privately held, Canadian-owned corporation registered in the Province of Ontario, Canada
Directors	Ron Chow, Chairman of the Board and CEO Rich Cowper, member, BoD Jun Huang, member, BoD and CTO of the Company James Bridgeman, member, BoD
Address of main office & Address of registered office:	Suite 227, Bldg 94, Communications Research Centre 3701 Carling Avenue, Ottawa, Ontario, Canada, K2H 8S2
Main telephone:	1-613-721-7577
Main fax:	1-613-998-6699
Main e-mail	Info@genieview.com
Website:	www.genieview.com
Business incorporation:	Founded April 2003
Business incorporation:	Ontario Corp. no. 1496225
Business tax number(s):	GST: 865160535RC0001 PST: 7932131
Major Shareholders:	Ronald T. Chow Jun Huang Dusan Mudric James Cao
Professional Advisers:	Bharat Rudra (Ontario Center of Excellence (OCE))
Auditors	To be appointed
Legal advisers	Lebarge Weinstein (Ottawa)
Bankers	RBC, 360 March Road, Kanata, Ont. CIBC, Centrum Banking Centre, 445 Kanata, Ont.
Patent (IPR) attorneys	Smart & Biggar (Ottawa)
Financial/tax advisers	To be appointed

10.3 Technology & Product Roadmap

GenieView will continue to evolve the current technology and product lines based on the feedback received from field trials and from customers, from product demonstrations to target customers, and from input from potential OEM partners.

Based on current field trial feedback, the 900MHz-based GV1500 technology and the GV1500-I and ReconView products have the following advantages in addressing the needs of mobile video streaming applications:

- small size, hence very mobile
- battery powered for unattended operation
- video security (128 / 256 bit encryption)
- real-time (less then 300ms video delay)
- ease of use and fast setup time
- a long operating range, LOS and particularly NLOS

From a base technology perspective, future development will focus on core technology enhancements that enhance the technical and functional capabilities of the core technology, including:

- enhance video quality (CIF and above)
- achieve higher frame rate (up to 30fps)
- expand interface flexibility (network, CDMA-1X, modem
- multi-camera display at the Control Centre
- GUI enhancement at the CC

10.3.1 Near Term Developments

In the near terms, the following technology developments are currently under development:

1) The support a higher frame rate (up to 20fps), and/or QCIF+ video quality
2) The support of an interface to a CDMA-1X Aircard at the Control Centre for the redirection of received video to other locations through a cellular network
3) The enhancement to the Control Center s/w to incorporate four (4) camera display an the PC or laptop computer
4) The enhancement of the Control Center software to expand the pan-tilt-zoom (PTZ) camera interface support.

These developments are currently expected to be completed in Q4/2006, but can be completed earlier if funding and customer priorities warrant.

10.3.2 Longer Term Developments

Longer term product technology development will include an intensive re-development which will move to a new base board design, incorporating newer component technologies focused on further miniaturization and enhanced capabilities:

1) GV2000 – A new hardware platform using a higher resolution codec to deliver CIF and 2xCIF video quality, together with higher resolution JPEG's. This will require the integration of a new 900MHz radio modem supporting a higher throughput rate.

2) ReconView2 – A ruggedized version of the GV2000 with functional improvements identified above.
3) GV200-I – Incorporating a new smaller transmitter belt pack including voice and video transmission capabilities.

Beyond the GV2000 technology, GenieView will monitor the latest development in video compression, video codec and digital radio product rollout, and evolving customer requirements to come up with a new generation of products to maintain its lead in the market. Such developments may include the integration of the GenieView FEC technology into the evolving Software Defined Radio (SDR) applications.

10.3.3 Manufacturing Strategy

GenieView's core competence is focused on the development of the Patent Pending FEC technology, and the implementation of this technology into the base GV1500 / GV2000 product lines. Manufacturing of the products is planned to be outsourced to firms with a high degree of competence and economies of scale.

The printed circuit boards (PCB) used in the GV1500 is currently manufactured by CRM Circuits (Montreal, Quebec). The boards are populated with the components by OCM Manufacturing (Ottawa, Ontario). Due to ongoing R&D and technology enhancements, final assembly and testing is currently completed at the GenieView's facilities by the development and testing teams. With increased volumes, full product assembly, testing and packaging will be outsourced to a third party to gain speed of production and economies of scale, and leverage partner's expertise in manufacturing.

10.3.4Product Support Strategy

Currently all product support is provided directly from the GenieView facilities by the in-house development and support team. Going forward, direct customers will continue to receive full product support from the GenieView support team, while indirect sales of products such as through distributors or by our OEM partners, these partners will provide Level 1 and Level 2 customer support, while GenieView will focus on the delivery of Level 3 support. Third party hardware issues, such as camera and laptop will be supported by the Reseller. Issues related to GenieView Control Centre software, the video processing unit or the transmitter and receiver, will be escalated to Level II support, the distributor, for repair or replacement. Technical issues relating to software and hardware will be addressed by Level III support, GenieView's support and development team.

10.4 Marketing and promotion plans:

10.4.1 Promotion

The GenieView promotion strategy has been developed to support the existing channels. The GenieView website, www.genieview.com, is continuously updated with the latest in product information. The website includes news releases published by the company, treating major milestones such as new or improved product announcements, successful field trials, participation in industry events, etc.

GenieView promotes itself through trade show participation. The trade shows are carefully selected based on the targeted audience. While the majority of them are by invitation only, GenieView has been successful securing the participation through developing close relationships with its partners. The most important shows that GenieView participated in during 2005 were:

- The Integrated Border Enforcement Teams (IBET) conference in Valleyfield, Quebec in June;
- The Canadian Association of Chiefs of Police (CACP) conference in Ottawa in August;
- The National Technical Investigators Association (NTIA) Northeast chapter conference in South Yarmouth, Cape Cod, MA, in September;
- The Ontario Technical Investigators Association (OTIA) conference in Burlington, ON in October;
- The Western Canada Technical Conference (WCTC) trade show in Edmonton, AB in October.

The plan for 2006 is to take part in the relevant Technical Investigators conferences in North America, such as the NTIA conference in July 2006, and already includes an invitation to participate at the OTIA conference in Oshawa, ON in May. Also planned is a visit to the CanSec show in Ottawa, in April.

Personal selling is used as a part of the promotional mix, as it is well suited for the stage when close relationships are being developed with the influencers in the buying process. An extended, integrated marketing communications strategy will be employed to support the growth in the number of different channels as well as within each channel. It will include media relations and publicity involving targeted trade magazines and industry analysts, and will be done through an external partner.

All of the promotional activities will contribute to building the GenieView brand. The strong brand will help GenieView's direct sales as well as VARs and distributors in their sales efforts, in the full go-to-market offensive.

10.4.2 Partnerships

The most notable partnerships GenieView has established so far are with the organizations undertaking the field trials, and especially with the influencers in the targeted law enforcement and first responders markets. On the law enforcement side, GenieView finds a great supporter and proponent in the President of the Ontario Technical Investigators Association (OTIA), the most numerous such organization in Canada. On the first responder side, a close partnership has been forged with the head of the RCMP Explosives Disposal and Technology (EDT) section. The RCMP EDT sets the equipment recommendations for the 40 EDT teams across Canada. As Canadian law enforcement and first responder personnel are closely connected and highly respected in the equivalent US organizations as well as worldwide, the reach of these partnerships goes far beyond Canadian borders.

GenieView is building partnerships with its suppliers. One of the important off-the-shelf components in the GV1500 and ReconView is a digital radio. The radios used are designed and

manufactured by Microhard of Calgary, and GenieView is cultivating its relationship with the company to leverage Microhard's market reach.

Very important for GenieView are partnerships with potential OEMs. There has been an ongoing discussion with a number of companies that are either established players in the security industry, or established players in an adjacent industry that are expanding into the security industry in order to achieve their market growth targets.

10.4.3 Direct and Channel Sales Development

law enforcement, video surveillance, and military markets. A quotation of $2 million has gone to one and an early stage discussion on a volume sale is in progress with another. Both companies are in the province of Ontario. GenieView is also is direct dialogue with a firm in Virginia, US, that does business in military surveillance. The following summarizes the company's current direct sales activities

- National law enforcement group (A). Potential 40-system sale national wide.
- National law enforcement group (B). Misc. video surveillance needs for first responders across Canada.
- City and provincial police groups. Some field trials will convert to sales.
- A local company with a strong presence in the US. An outstanding $2 million quote to build 2,000 integrated voice and video mobile units.
- Company located in Markham, Ontario. Discussion to introduce GenieView's technology to a new series of commercial and consumer video monitoring products.
- A local company active in a foreign market, playing the role of a system integrator, to address a military application which requires a front end wearable camera system, a GenieView video link, and backend face recognition software.

Through trade show participation, networking, and on-site or off-site product demonstration and discussions, GenieView is actively developing sales channels as the primary means of revenue achievement. Several discussions have been initiated in the areas of OEM, licensing, and product development.

10.4.3 Product Pricing

A manufacturer suggested price list is now available for the following product variants:

- 900MHz-based ReconView
- 900MHz-based GV1500
- A wired version (serial port interface) of the GV1500

Gross Margin on the GenieView part of the product is in excess of 60%, after distributor discount (up to 25% on the GenieView component) and agent commissions (below 10%, again on the GenieView component only). For third party products such as the radio modem, laptop computer (for the ReconView), battery and camera units, GenieView puts a markup of 15-25% to its cost. For a quantity below 5 systems, a complete ReconView or GV1500 system is listed for about $10,000 with a simple fixed-focal-length (i.e. not pan-tilt-zoom) camera. PTZ cameras, or other cameras relevant to the applications, can be sourced by the end-user. GenieView will source a compatible PTZ camera with a markup upon the customer's request.

For OEM customers, the pricing will be dependant on volume, the final packaging requirements, and the features (e.g. operating range for the radio) required. It will be finalized on a case-by-case basis. A one-time NRE may also be charged to meet specific requirements as well.

For licensing arrangement, all terms and conditions are subject to discussions based on several factors, including expected volumes, value add of the GenieView components, manufacturing etc. to the final product. As a general rule of thumb, the financial arrangement will consist on a one-time upfront payment, and a recurring royalty payment tied to the volume of goods sold.