

November 1, 2011

Letter to Shareholders:

As detailed in the Company's letter to shareholders on September 1, 2011, the Company's focus over the past two months was to conclude the securitization of the OIDMTC tax refund that began in May 2010. As we informed you, the use of proceeds of the original claim amount of \$1,925,000 was to retire the Company's \$1 million secured debenture with the remaining balance to be deployed as working capital to commercialize new products based on the Company's WebGL technology platform for mobile and tablet computing. Unfortunately, and as has been reported, it was only on July 31, 2011 that the Company received the OIDMTC certificate in the amount of approximately \$1 million; approximately one-half of what the Company expected to receive as confirmed by our agents PwC .

It was only on October 25, 2011, that the Company actually received the \$1 million OIDMTC tax refund. As a result, the company retired \$900,000 of its \$1,000,000 secured debenture with the remaining \$100,000 due on the amended maturity date of December 31, 2011. The Company filed its tax return for the fiscal year 2010/2011 in early October and is anticipating some additional refunds in the amount of approximately \$200,000. As a result, the Company has virtually no working capital to implement its product development, marketing and business development plan and is continuing to maintain its existing customers only. The management is engaged in M&A discussions with PwC and directly with a U.S. based company to capitalize on its remaining strategic assets (Intellectual property, patents and customer contracts). The Company also has significant Tax Loss Carry Forward provisions that could be valuable to a Canadian owned and operated company.

The Company has decided to not engage in a prolonged appeal process to contest the OMDC's opinion to disallow an additional \$750,000 in OIDMTC. After consultation with our legal counsel, it is clear that the avenues of an appeal of a government agency decision are far from certain and the appeal process would, in all likelihood be very costly and protracted. Furthermore, such an appeal may impede opportunities for the company to pursue M&A activity.

In summary, it would appear that while the Company has the ability to maintain all of its financial obligations and remain free of any debt or creditors, its ability to regain its competitive position has been practically diminished as a result of the OIDMTC protracted process . In other words, Option 1 – "continue to grow the value of the Company with the available funds" as stated in our September 1, 2011 communications, is no longer viable and we are continuing to pursue Options 2 and 3 namely to sell the Company or wind it down, with the expectation to arrive at a final conclusion by December 31, 2011. In the meantime, if you or your organization is aware of any Canadian software companies that are seeking to capitalize on tax losses and are capable of strategically deploying the company's assets, please contact me with any referrals or recommendations.

Sincerely,

Amnon Zohar