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We have received a copy of a press release made by Destiny Media Technologies, Inc. to announce that [REDACTED] have concluded an agreement to use the PromoOnly MPE system to distribute music throughout North America.

Musicrypt Inc. is the owner of Canadian patent no. 2,407,774, a copy of which can be viewed online at the Canadian Intellectual Property Office website: [http://patents1.ic.gc.ca/details?patent number=2407774&language=EN](http://patents1.ic.gc.ca/details?patent%20number=2407774&language=EN). The patent covers methods and systems for securely distributing and/or receiving digital content over computer networks. In particular, it relates to digital media distribution systems in which a provider of media (e.g. music) can designate authorized recipients that will be allowed to access the media. Based on this patent, Musicrypt Inc. and its authorized licensees are the only entities that can legally operate or use this type of digital media distribution system in Canada. The patent issued in January 2005 and is scheduled to remain in force until October 2022. The same patent application is published and pending in the United States.

Destiny Media Technologies, Inc. and PromoOnly Inc. are aware of our patent rights in Canada and have been made aware that we consider any use of the PromoOnly MPE system in Canada to be a serious infringement of our rights.

The press release indicates that [REDACTED] have been using the PromoOnly MPE system to distribute tracks throughout North America since the summer of 2005. We trust that [REDACTED] will respect Musicrypt's rights and will ensure that no use of the PromoOnly MPE system has occurred, or will occur, in Canada.

We would welcome the opportunity to discuss distributing your releases in Canada and the US. I would be pleased to answer any questions you may have on this matter.

Best regards,

A handwritten signature in black ink, appearing to read "John Heaven", is written over a horizontal line.

John Heaven
President and CEO