

**VELOCITY DATA INC.** (the "Company")

**FORM 51-102F1  
MANAGEMENT DISCUSSION AND ANALYSIS-Amended**

**THREE AND NINE MONTH PERIOD ENDED JULY 31, 2014**

The following Management's Discussion and Analysis ("MD&A"), prepared as of January 8, 2015, should be read together with the condensed interim financial statements for the three and nine month periods ended July 31, 2014 and the related notes attached thereto. Readers are also encouraged to refer to the Company's audited financial statements for the year ended April 30, 2014 and the related notes attached thereto. Accordingly, these condensed interim financial statements and MD&A include the results of operations and cash flows for the three and nine month period ended July 31, 2014 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in US dollars. The aforementioned documents can be accessed on the SEDAR web site [www.sedar.com](http://www.sedar.com).

Unless otherwise stated, financial results are now being reported in accordance with International Financial Reporting Standards ("IFRS"). As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis differ from those used in previous financial reporting.

The MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Certain statements contained in this management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company's prospects, political and economic conditions, commodity prices and other factors.

**Description of Business**

Velocity Data Inc. (the "Company") was incorporated on May 10, 2011 under the Business Corporations Act (British Columbia). Pursuant to an arrangement agreement between Firebird Resources Inc. ("Firebird") and the Company dated May 12, 2011, the Company acquired all of Firebird's interest in and to the Robert Creelman Property and the Hyman Porter Property located in Ontario, in exchange for common shares of the Company (the "Arrangement").

Pursuant to the terms of the agreement dated July 27, 2011, being the effective date of the Arrangement, each Firebird shareholder received one new common share in the capital of Firebird and one half of a common share of the Company for each Firebird common share then held. Pursuant to the Arrangement, each whole warrant issued has (i) an exercise price equal to the existing exercise price of the Firebird warrants exchanged, and (ii) a term equal to the term remaining on the Firebird warrants exchanged. The common shares of the Company commenced trading on the TSX Venture Exchange under the stock symbol "GTR" effective July 28, 2011.

The Company's registered office is located at Suite 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC, V6C 3L2.

The Company's Board of Directors is comprised of Adam Radly, Robert Bates, Chip Hackley and Randy Clifford.

Founded in 1989, ACL is a leading reseller of computer hardware software and peripherals primarily to defense contractors and some federal government end-users. ACL is strategically located in close proximity to major government facilities located in Maryland, D.C. and Virginia. Most of ACL's sales are made to the government through prime contractors such as Lockheed Martin, General Dynamics, Boeing, ManTech, Northrop, etc.; some sales are made directly to the government. ACL has excellent relations with its customer base, having earned their loyalty with consistently superior service. ACL's superior service has garnered the company numerous awards, including Lockheed Martin's Small Business of the Year Award three times and Boeing's Performance Excellence Award three times.

Sales are made pursuant to a variety of vehicles such as multi-year contracts, blanket purchase orders and individual orders from existing or new customers. ACL sells products from over 400 vendors and has valuable vendor partner relationships with many major vendors including Apple, Cisco, Dell, IBM, Intel, HP, McAfee, Microsoft, Sony, and Symantec. ACL purchases product for resale from one of three distributors with whom the company has long-term relationships or directly from the manufacturers themselves. In either instance, ACL's authorized reseller or partner status assures that it receives the best possible pricing. Virtually all sales are drop-shipped as ACL almost never touches the merchandise.

ACL's ability to provide its customers with computer products competitively, smoothly, and without delay has been the core of its success. The company is able to help its customers with all of their needs in the information technology space. ACL's hands-on professionals can help with any needs from peripherals to notebooks and custom configured personal computers to enterprise-wide network equipment and servers. ACL's staff is trained and certified by many leading manufacturers and is well-versed in both current and emerging technologies. ACL focuses on providing leading-edge technologies and excellent

**Velocity Data Inc. Management Discussion & Analysis July 31, 2014**  
**Description of Business (continued)**

customer support for solutions that fit its clients' broad business objectives. The company is uniquely capable of understanding its customers' needs and is able to deliver high-performance, cost-effective solutions drawn from the full spectrum of products and services available. ACL is committed to its role as a resource and business partner.

In 2013, Apple Computers dramatically reduced its number of authorized Government Resellers of Apple products - from approximately 3500 to approximately 30. These 30 were given a new designation: "Tier 1 Government Resellers". Because of its excellent track record with Apple, ACL was one of the chosen 30. The 30 Tier 1 Government Resellers are now the only companies authorized to buy Apple products directly from the manufacturer or distributor and sell those products to the federal government. Additionally, Apple chose 50 resellers to be classified as Tier 2 Indirect Government Resellers. These resellers are authorized to sell to the federal government, but they are required to purchase directly from an Apple Tier 1 reseller such as ACL.

**Spin-out transaction**

On July 22, 2014, the Company announced that it had completed a reverse takeover whereby Velocity Data Inc. would acquire ACL Computers & Software Inc. As part of this transaction the Company's interest in its Hyman Porter and Roberts Creelman properties (the "GTO Spin-out"), were spun out through the distribution of shares to existing shareholders.

**Overall Performance and Results of Operations**

The following discussion of the Company's financial performance is based on the condensed interim financial statements for the three month period ended July 31, 2014:

*Overall Performance*

At July 31, 2014, the Company reported total assets of \$5,615,908 (April 30, 2014 - \$534,276), including cash of \$437,617 (April 30, 2014 - \$10,715) and amounts receivable of \$3,130,414 (April 30, 2014 - \$6,662). The overall increase in total assets is attributed to the reverse take-over of ACL Computers & Software Inc.

As at July 31, 2014, the Company had liabilities of \$5,588,994 (April 30, 2014 - \$534,276), this amount is comprised of accounts payable of \$3,286,478 (April 30, 2014 - \$25,889) and long-term liabilities of \$1,986,548 (April 30, 2014 - \$435,460). The increase is attributed to the reverse take-over of ACL Computers & Software Inc.

*Results of Operations*

The Company recorded net and comprehensive loss of \$179,346 and \$89,031 for the three and nine month periods ended July 31, 2014, respectively. This compared to net and comprehensive income of \$177,999 and \$386,729, for the three and nine month periods ended July 31, 2013. During the three and nine month periods ended July 31, 2014, the Company incurred operating expenses of \$523,862 and \$1,732,941, respectively, compared to operating expenses for the

### Overall Performance and Results of Operations (continued)

three and nine month periods ended July 31, 2013 of \$305,653 and \$919,826, respectively. The increase in operating expenses was mainly due to the reverse take-over of ACL Computers & Software Inc.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The accompanying condensed interim financial statements do not include any adjustments, which could be material in nature, relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

### Liquidity and Capital Resources

As of July 31, 2014, the Company had a cash balance of \$633,305. At July 31, 2014, the Company had working capital deficit of \$1,561,167 and shareholder's equity deficit of \$291,497. The Company is confident that it can meet its financial requirements for the next fiscal year. This may require the management of the Company to find additional debt or equity financing.

### Selected Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the audited financial statements which can be found at [www.SEDAR.com](http://www.SEDAR.com). This information has been prepared in accordance with IFRS and is presented in Canadian Dollars which is the functional currency of the Company.

	<u>3ME</u>	<u>9ME</u>		<u>3ME</u>	<u>9ME</u>
	<u>July 31, 2014</u>			<u>July 31, 2014</u>	
Total revenue	\$ 11,247,775	\$ 28,236,854			
Net income (loss) before other exp	(46,734)	(107,688)			
Net income (loss) for the period	(179,346)	(89,031)	<b>EBITDA Calculation</b>		
Earnings (loss) per share	(0.01)	(0.00)	Net loss	(179,345)	-89031.16
Total assets	5,297,497	5,297,497	+ Depreciation	-	-
Total long-term liabilities	-	-	+ Interest	-	-
EBITDA	48,944	(89,031)	EBITDA	(179,345)	(89,031)

### Share Capital

Authorized: Unlimited common shares without par value  
Unlimited first preferred shares without par value

(a) On July 27, 2011, the Company issued 22,201,907 common shares with a fair value of \$228,386 to the shareholders of Firebird in exchange for mineral properties pursuant to the Arrangement.

(b) On December 30, 2011, the Company issued 1,600,000 flow-through common shares at \$0.06 per share for proceeds of \$96,000. The Company determined that there was no flow-through share premium.

## Share Capital (continued)

(c) On May 23, 2014, the Company entered into a share exchange agreement with A.C.L. Computers and Software Inc. ("ACL") to purchase all of the issued and outstanding common shares of ACL in exchange for the issuance of 72,000,000 common shares of the Company.

(d) At September 11, 2014 the Company has 95,801,907 common shares outstanding.

## Share Purchase Warrants

On July 27, 2011, the Company issued 18,238,250 share purchase warrants with a fair value of \$168,294 as part of the Arrangement with Firebird for the acquisition of the RCU and HPU properties. On December 30, 2012, 865,000 share purchase warrants expired unexercised and on January 4, 2013 an additional 48,250 share purchase warrants expired unexercised.

The following table summarizes the continuity of share purchase warrants:

	<u>Number of warrants</u>	<u>Weighted average exercise price</u>
Balance, July 31, 2014	17,325,000	0.06
Exercised	-	-
Expired	-	-
Balance, July 31, 2014	17,325,000	0.06

## Stock Options

The Company does not have any options, rights or other derivatives outstanding at July 31, 2014 and is not subject to any escrow agreements or other restrictions on its shares.

## Accounting Policies and Estimates

The significant accounting policies of the Company are disclosed in Note 2 to the condensed interim financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. The Company's management reviews its estimates regularly.

## Financial Instruments

### (a) Fair Values

The fair values of other financial instruments, which include amounts receivable, loan receivable, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's Fair Value Measurements Using:

	<b>Quoted prices in active markets for identical instruments (Level 1) \$</b>	<b>Significant other observable inputs (Level 2) \$</b>	<b>Significant observable inputs (Level 3) \$</b>	<b>Balance July 31, 2014 \$</b>
Cash and cash equivalents	437,617	-	-	437,617

### (b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST/HST receivable which is due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

### (c) Foreign Exchange Rate Risk

The Company does not have any significant foreign exchange rate risk.

### (d) Interest Rate Risk

The Company does not have any significant interest rate risk.

### (e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

### (f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

## **Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, equity component of convertible debt, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended April 30, 2014.

## **Legal Proceedings**

The Company is not involved in any legal proceedings.

## **Management's Report on Internal Controls over Financial Reporting**

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).