

Form 51-102F3

Material Change Report

Item 1: Name and Address of Company

Velocity Data Inc. (the “**Issuer**”)
Suite 600 – 1285 West Broadway
Vancouver, BC V6H 3X8

Item 2: Date of Material Change

November 23, 2015

Item 3: News Release

A news release was issued and disseminated on November 24, 2015 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Change

The Company recently incurred a significant loss as a result of fake orders (in the approximate amount of \$470,000) incurred by a customer that was purporting to be an authorized purchasing agent of DLA (Defense Logistics Agency, a part of the United States military). The company was alerted to this matter by law enforcement and we have been advised that the transactions involving the company were only a very small part of a much larger and highly sophisticated operation.

The Company believes that the shipper of the products (Fedex) and DLA have been negligent in the manner in which they handled the fake orders. Therefore, the Company has filed a lawsuit against FedEx in the US Federal Court in California and filed an SF 95 Claim with DLA. The SF 95 Claim may take up to 6 months before receiving a response due to the waiting period afforded by the Federal Claims Torts Act. The Act also prevents additional action from being taken during the six-month period.

The Company has significantly tightened security procedures relating to how it accepts orders from its customers, however, such procedures cannot be 100% effective.

The Company has extremely low gross margins and this situation has caused the material drop in the company’s working capital so it is expected to significantly negatively impact the company’s revenue. The Company will likely have to significantly reduce its number of employees and restructure its trade and institutional debt. In the meantime, management is reviewing plans to accelerate the company’s transition away from reselling low margin IT hardware products and into selling higher margin proprietary products such as our cyber security solutions and other similar opportunities.

Item 5: Full Description of Material Change

- See the news release attached hereto

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

Bob Bates, CFO
Telephone: 778-371-3479

Item 9: Date of Report

November 24, 2015

VELOCITY DATA INC.

FOR IMMEDIATE RELEASE

CSE Symbol: VCT

VELOCITY DATA INC. ANNOUNCEMENT

VANCOUVER, British Columbia, Canada – November 23, 2015 – Velocity Data Inc. (the “Company”)

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About Velocity Data Inc.

To view the CSE Fact Sheet for the Company, please visit the following URL:
<http://velocity-data-inc.listings.thecse.ca/Fact-Sheet.aspx>

For further information please contact:

Bob Bates
CFO, Director
Tel: 778-371-3479

This news release may contain certain forward-looking statements that reflect the current views and/or expectations of the Company with respect to its performance, business and future events. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including, without limitation, statements regarding the outlook for future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings or other business plans. Investors are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors, such as: general economic and business conditions, including changes in interest rates, prices and other economic conditions; actions by competitors; natural phenomena; actions by government authorities, including changes in government regulation; uncertainties associated with legal proceedings; technological development; future decisions by management in response to changing conditions; the ability to execute prospective business plans; and misjudgments in the course of preparing forward-looking statements. These risks, as well as others, could cause actual results and events to vary significantly. The Company does not undertake any obligation to release publicly any revision for updating any voluntary forward-looking statements.

The CSE has not reviewed, approved or disapproved the content of this press release.