

This is the form of a material change report required under Section 85(1) of the Securities Act.

BC FORM 53-901F

BRITISH COLUMBIA SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under Section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer:

Vertigo Software Corp. (the "Company")
1255 West Pender Street
Vancouver, BC V6E 2V1
Phone: (604) 687-2038

Item 2. Date of Material Change

August 21, 2002.

Item 3. Press Release

August 21, 2002.

Item 4. Summary of Material Change

The Company announced that Mr. Nick Ringma was appointed as a director of the Company by the board.

Item 5. Full Description of Material Change

Supplement the summary required under item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.

The description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely described examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, see Appendix "A" attached.

Item 6. Reliance on Section 85(2) of the Act

If the report is being filed on a confidential basis in reliance of Section 85(2) of the Act, state the reasons for such reliance.

INSTRUCTION:

Refer to Section 85(3) of the Act concerning continuing obligations in respect of reports filed pursuant to this subsection.

Not Applicable.

Item 7. Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but s. 85(3) of the Act will no longer be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to s. 169(3) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in section 153 of the Securities Rules.

Not Applicable.

Item 8. Senior Officers

The following Senior Officer of the Company is available to answer questions regarding this report:

Eugene Beukman
1255 West Pender Street
Vancouver, BC V6E 2V1
Phone: (604) 687-2038

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, BC, this 26th day of August, 2002.

VERTIGO SOFTWARE CORP.

Per:

(signed) "Eugene Beukman"

Eugene Beukman, Director

SCHEDULE “A”

VERTIGO SOFTWARE CORP.

1255 West Pender Street
Vancouver, British Columbia V6E 2V1
Tel: (604) 687-2038 Fax: (604) 687-3141

NEWS RELEASE

TSX VENTURE SYMBOL: YVS

August 21, 2002

VERTIGO SOFTWARE CORP. ANNOUNCES NEW DIRECTOR

Eugene Beukman, director of Vertigo Software Corp. (“Vertigo”) is pleased to announce that Mr. Nick Ringma has joined the board. Mr. Ringma has corporate management, finance and marketing experience and is a B.A. (Economics) graduate of Simon Fraser University.

Mr. Ringma is a principal of DACCEL (Digital Compression Technology) incorporated in June, 1997. DACCEL and Vertigo are in the process of completing the merger of the two companies. DACCEL’s current marketing efforts focus on two markets: Still Image Compression and Video Compression. Rapid growth and market penetration of broadband Internet access is expected to drive the demand for streaming media (digitized and compressed video) over the next three to five years. Upon completion of the Offer, Vertigo plans to leverage DACCEL’s advanced image and video compression technology by exploiting Vertigo's worldwide user base. For more information visit DACCEL’s website at www.dacel.com.

On Behalf of the Board of Directors

“Eugene Beukman”

Eugene Beukman
Director

www.vertigo3d.com