

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Azure Dynamics Corporation (“Azure”)  
14925 Eleven Mile Road  
Oak Park, Michigan  
48237-1013

**Item 2 Date of Material Change**

November 18, 2011

**Item 3 News Release**

A news release was issued by Azure and disseminated via CNW Group on November 18, 2011 and is attached hereto as Appendix “A”.

**Item 4 Summary of Material Change**

Azure announced that it closed its previously announced public offering (the “Public Offering”) of units.

**Item 5 Full Description of Material Change:**

**5.1 Full Description of Material Change**

Azure closed its Public Offering of units on November 18, 2011. The maximum number of 55,000,000 units offered pursuant to the Public Offering were sold at an offering price of CDN\$0.11 per unit for total gross proceeds to the company of approximately CDN\$6,050,000.

The Public Offering was conducted through a syndicate of agents co-led by Raymond James Ltd. and Cormark Securities Inc. and includes National Bank Financial Inc.

Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant is exercisable into one common share of the company for a period of three years from November 18, 2011 at an exercise price of CDN\$0.14 per share, subject to adjustment in certain circumstances.

Azure plans to use the net proceeds of the Public Offering to fund its ongoing product development as well as general corporate and working capital requirements.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

For further information please contact:

Ryan Carr  
Chief Financial Officer  
Telephone: (248) 298-2403

**Item 9 Date of Report:**

November 21, 2011

## Appendix A

# Azure Dynamics Announces Closing of Public Offering

**/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION  
IN THE UNITED STATES/**

OAK PARK, MI, Nov. 18, 2011 /CNW/ - Azure Dynamics Corporation (TSX: AZD)(OTC: AZDDF), a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles, announced today that it has closed its previously announced public offering (the "Public Offering") of units ("Units").

The maximum number of 55,000,000 units offered pursuant to the Public Offering were sold at an offering price of CDN\$0.11 per unit for total gross proceeds to the Company of approximately CDN\$6,050,000.

The Public Offering was conducted through a syndicate of agents (the "Agents") co-led by Raymond James Ltd. and Cormark Securities Inc. and includes National Bank Financial Inc.

Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant is exercisable into one common share of the Company for a period of three years from November 18, 2011 at an exercise price of CDN\$0.14 per share, subject to adjustment in certain circumstances.

The Company plans to use the net proceeds of the Public Offering to fund its ongoing product development as well as general corporate and working capital requirements.

### **About Azure Dynamics**

Azure Dynamics Corporation (TSX: AZD)(OTC: AZDDF) is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure is strategically targeting the commercial delivery vehicle and shuttle bus markets and is currently working internationally with a variety of partners and customers. The Company is committed to providing customers and partners with innovative, cost-efficient, and environmentally-friendly energy management solutions. For more information please visit [www.azuredynamics.com](http://www.azuredynamics.com).

*The TSX Exchange does not accept responsibility for the adequacy or accuracy of this release.*

## Forward-looking Statements

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure's Public Offering of Azure's securities and the use of proceeds from such offering. The forward-looking statements are based on certain key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure's products, current and new product performance, availability and cost of labor and expertise, and evolving markets for power for transportation vehicles. Although Azure believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azure can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with Azure's early stage of development, lack of product revenues and history of losses, requirements for additional financing, uncertainty as to commercial viability, uncertainty as to product development and commercialization milestones being met, uncertainty as to the market for Azure's products and unproven acceptance of Azure's technology, competition for capital, product market and personnel, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability of management and key personnel, and acquisition integration risk. These risks are set out in more detail in Azure's annual information form and the preliminary short form prospectus dated October 25, 2011, each of which can be accessed at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this press release are made as of the date hereof and Azure undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

For further information:

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