

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

AirIQ Inc.
1099 Kingston Rd.
Suite 233
Pickering, ON
L1V 1B5

Item 2: Date of Material Change

March 24, 2006

Item 3: News Release

A press release was issued in Toronto, Ontario on March 24, 2006. The news release was distributed through CCNMatthews and filed with the Toronto Stock Exchange and each of the relevant Canadian securities regulatory authorities via SEDAR. The news release is attached hereto as Schedule "A".

Item 4: Summary of Material Change

On March 24, 2006 AirIQ Inc. ("AirIQ" or the "Company") announced that it had entered into an agreement with Paradigm Capital Inc. ("Paradigm") pursuant to which Paradigm agreed to purchase on a bought deal private placement basis 26,545,455 special warrants of AirIQ at a price of \$0.20 per special warrant for gross proceeds of \$5,309,091. Each special warrant will be exercisable for no additional consideration into one common share of AirIQ.

In addition, AirIQ announced on March 24, 2006, that it had reached an agreement in principle to be advanced \$4,000,000 in the form of a 5-year term loan through Lenbrook Corp. ("Lenbrook") and possibly certain other existing shareholders of AirIQ including Robert Simmonds, a director of AirIQ, through Quadrature Investments Inc. ("Quadrature"), a company he controls. As part of the term loan financing, AirIQ will issue warrants to purchase an aggregate of 5,000,000 common shares.

Item 5: Full Description of Material Change

On March 24, 2006 AirIQ announced that it had entered into an agreement with Paradigm pursuant to which Paradigm agreed to purchase on a bought deal private placement basis 26,545,455 special warrants of AirIQ at a price of \$0.20 per special warrant for gross proceeds of \$5,309,091. Each special warrant will be exercisable for no additional consideration into one common share of AirIQ.

AirIQ has agreed to file a preliminary short form prospectus and will use its best efforts to obtain a receipt for a final short form prospectus as soon as possible after the closing of the

private placement to qualify the issuance of the underlying common shares. AirIQ is required to file the prospectus in those Canadian provinces where purchasers reside.

AirIQ will use the proceeds of this financing to satisfy its publicly disclosed earn-out payment obligation to ACP, LLC in respect of AirIQ's previously completed acquisition of the Aircept business, and for working capital and general corporate purposes.

In addition, on March 24, 2006, AirIQ announced that it had reached an agreement in principle to be advanced \$4,000,000 in the form of a 5-year term loan through Lenbrook and possibly certain other existing shareholders of AirIQ including Robert Simmonds, a director of AirIQ, through Quadrature, a company he controls. The term loan will bear interest at 12% per annum. Under the terms of the loan, interest only is payable quarterly for the first two years, and quarterly blended payments of principal plus interest are payable for the subsequent 12 quarters. The proceeds of the term loan will be used to repay a portion of AirIQ's credit facility.

As part of the term loan financing, AirIQ will issue warrants to purchase an aggregate of 5,000,000 common shares at an exercise price of \$0.24 per share to the term loan lenders. The warrants will be exercisable for a term of three years.

Lenbrook and Quadrature are related parties of the Company within the meaning of applicable securities legislation. Lenbrook is controlled by Donald Simmonds, a director and President and Chief Executive Officer of the Company, Robert Simmonds, a director of the Company, and other members of the Simmonds family. Donald Simmonds controls Faydon Enterprises Ltd., a company which holds 743,294 common shares of the Company. Donald Simmonds also personally holds options to purchase 1,440,155 additional common shares of the Company pursuant to the Company's employee stock option plan (the "Plan"). Robert Simmonds holds 297,619 common shares of the Company as well as options to purchase 185,000 additional common shares of the Company pursuant to the Plan. Lenbrook currently owns 12,375,861 common shares in the Company, constituting 9.64% of the issued and outstanding shares of the Company and Quadrature does not currently own any common shares in the Company. Lenbrook also holds 1,418,421 warrants, each warrant being exercisable into one common share of the Company at a price of \$0.19 per common share. Assuming Lenbrook was the sole lender and was issued all 5,000,000 warrants as part of the term loan financing, Lenbrook would hold 17,375,861 common shares constituting 13.03% of the issued and outstanding common shares, assuming the exercise of all 5,000,000 warrants. As required by applicable securities legislation, the Board of the Company (excluding those Directors affiliated with Lenbrook and Quadrature) determined that Lenbrook's and Quadrature's participation in the financing were exempted from applicable related party transaction requirements on the basis that the financing will have a fair market value of less than 25% of AirIQ's market capitalization, as determined in accordance with such legislation.

The closings of the bought deal private placement and the term loan financing will be on or about April 4, 2006 and are subject to certain conditions, including but not limited to approval of the Toronto Stock Exchange and AirIQ's bank lender under its credit facility. AirIQ expects that the credit facility will be amended contemporaneously with the closings of the financings.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

For further information, please contact Mark W. Kohler, Chief Financial Officer, at the above-mentioned address or at 905.831.6444 ext. 4250.

Item 9: Date of Report

As of March 24, 2006

Appendix "A"



NEWS RELEASE

AirIQ announces \$5.3 million bought deal private placement and \$4 million term loan

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

TORONTO, ONTARIO - March 24, 2006 - AirIQ Inc. ("AirIQ") (TSX: IQ), a leader in global wireless security, is pleased to announce that it has entered into an agreement with Paradigm Capital Inc. ("Paradigm") pursuant to which Paradigm has agreed to purchase on a bought deal private placement basis 26,545,455 special warrants of AirIQ at a price of \$0.20 per special warrant for gross proceeds of \$5,309,091. Each special warrant will be exercisable for no additional consideration into one common share of AirIQ.

AirIQ has agreed to file a preliminary short form prospectus and will use its best efforts to obtain a receipt for a final short form prospectus as soon as possible after the closing of the private placement to qualify the issuance of the underlying common shares. AirIQ will be required to file the prospectus in those Canadian provinces where purchasers reside.

AirIQ will use the proceeds of this financing to satisfy its publicly disclosed earn-out payment obligation in respect of its previously completed acquisition of the Aircept business, and for working capital and general corporate purposes.

In addition, AirIQ announced today that it has reached an agreement in principle to be advanced \$4,000,000 in the form of a 5-year term loan through Lenbrook Corp. and possibly certain other existing shareholders of AirIQ including Robert Simmonds, a director of AirIQ, through Quadrature Investments Inc., a company he controls. The term loan will bear interest at 12% per annum. Under the terms of the loan, interest only is payable quarterly for the first two years, and quarterly blended payments of principal plus interest are payable for the subsequent 12 quarters. The proceeds of the term loan will be used to repay a portion of AirIQ's credit facility.

As part of the term loan financing, AirIQ will issue warrants to purchase an aggregate of 5,000,000 common shares at an exercise price of \$0.24 per share to the term loan lenders. The warrants will be exercisable for a term of three years.

The closings of the bought deal private placement and the term loan financing will be on or about April 4, 2006 and are subject to certain conditions, including but not limited to approval of the Toronto Stock Exchange and AirIQ's bank lender under its credit facility. AirIQ expects that the credit facility will be amended contemporaneously with the closings of the financings.

As previously disclosed AirIQ will announce its 2005 fourth quarter and year-end results on Tuesday, March 28, 2006.

The securities offered have not been registered under the U.S. Securities Act of 1933, as

amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About AirIQ

AirIQ trades on the Toronto Stock Exchange under the symbol IQ. A leader in global wireless security, AirIQ is headquartered in Pickering, near Toronto, Canada, with offices in Lake Forest and San Diego, California, U.S.A. The Company operates as a wireless Internet applications service provider specializing in Telematics. Telematics is the name given to information and control messages sent wirelessly to and from vehicles and vessels. AirIQ's services are offered to four primary markets: Commercial Fleets; Consumer; Vehicle Finance; and Marine Fleets. AirIQ gives vehicle and vessel owners the abilities to manage and protect their mobile assets. AirIQ's services include: vehicle locating, boundary notification, automated inventory, maintenance reminders, security alerts, vehicle disabling, unauthorized movement alerts and many more features. For additional information on AirIQ, its products and services, please visit the Company's website at www.airiq.com.

For more information please contact:

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Forward-looking Statements

This News Release contains forward-looking information based on management's best estimates and the current operating environment. These forward-looking statements are related to, but not limited to, AirIQ's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes. Such forward-looking statements are as of the date which such statement is made and are subject to a number of known and unknown risks, uncertainties and other factors which could cause actual results or events to differ materially from future results expressed, anticipated or implied by such forward-looking statements. Such factors include, but are not limited to, changes in market and competition, technological and competitive developments and potential downturns in economic conditions generally. Therefore, actual outcomes and results may differ materially from those expressed in such forward-looking statements. Other than as may be required by law, AirIQ disclaims any intention or obligation to update or revise any such forward-looking statements, whether as a result of such information, future events or otherwise.