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

FORM 27

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:

Velocity Computer Solutions Ltd.
302 - 3602 Gilmore Way
Burnaby, BC V5G 4W9

Item 2. Date of Material Change

December 2, 1999

Item 3. Press Release

The Press Release dated December 2, 1999 was forwarded to the Vancouver Stock Exchange and disseminated via Canada News-Wire Ltd., Canada Stockwatch, and Market News.

A copy of the Press Release is attached as Schedule "A".

Item 4. **Summary of Material Change**

Velocity Computer Solutions Inc., a wholly-owned subsidiary of Velocity Computer Solutions Ltd. announced the acquisition of GT Net Works Inc., a computer solutions company focused on servicing the technology needs of legal professionals in Vancouver.

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 Schedule ”A”.

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:

Steve Jillings
Vice President, Acquisitions
604-320-6566

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Burnaby, B.C., this 16th day of December, 1999.

VELOCITY COMPUTER SOLUTIONS LTD.

Per:
"Basil Peters"

Basil Peters,
Chairman and Director

Schedule "A"

NEWS RELEASE **CDNX Trading Symbol: VCS.U**

Velocity Completes Fifth Acquisition

VANCOUVER, BC, December 2, 1999 - Velocity Computer Solutions Inc., a wholly owned subsidiary of Velocity Computer Solutions, Ltd. ("Velocity") of Bermuda, announced today the acquisition of GT Net Works Inc., a computer solutions company focused on servicing the technology needs of legal professionals in Vancouver.

Operated by an experienced team of technical staff, GT Net Works services many of Vancouver's most prestigious law firms. Velocity will integrate key technical, sales and support staff as well as maintaining GT Net Works' existing office under the Velocity name. The acquisition of GT Net Works, along with its customer base, will increase Velocity's employee base to over 100 and increase annualized revenues by $2 million.

"This acquisition represents a key strategic move into the legal services market allowing Velocity to immediately establish a full-service offering to a new base of Inc.

Jillings continues, " Offering services customized to meet the needs of specific markets is core to Velocity's approach. People want immediate solutions to technical problems as well as service by professionals who understand the inherent challenges of their particular work environment. The legal profession requires high levels of service and the programs that Velocity offers, such as 24 x 7 technical support and 60 Minute Emergency Response will ensure a successful transition for GT Net Works' customers."

GT Net Works President Glenn Schentag says "Joining forces with Velocity will bring distinct advantages to our customers including an expanded range of information technology services. Combining our manpower and technical resources will improve our service response time as well as accelerating the implementation of more advanced technology offerings. We have been ready for this kind of opportunity for some time, and regard our acquisition by Velocity as the most effective way to enhance the degree of support we can offer our existing customer base."

GT Net Works, like Velocity, carries all major authorizations including Microsoft, Novell Platinum and Citrix. This technical expertise will be an asset in the execution of the next phase of Velocity's business plan, which calls for the deployment of web-enabled support and remotely managed IT services.

GT Net Works is Velocity's fifth acquisition since August 1998 and represents the continued success of the company's strategy that calls for growth driven both organically and through acquisition.

About Velocity Computer Solutions

Velocity is a full-service information technology (IT) company focused on providing the small-to-midsize business market with a single point of contact to address their entire computer and IT needs.

Staffed by a seasoned team of professionals, its scope of business encompasses the entire range of technology solutions from desktop support and training through to network design, systems integration, installation and maintenance to advanced technical solutions management.

Velocity's Canadian subsidiary has regional offices in Vancouver and Calgary with over 100 employees serving 1,800 active customers online, on the phone, or onsite 24 hours a day, 7 days a week.

This News Release may contain certain statements related to revenue, expenses, development plans and similar items that represent forward-looking statements. Such statements are based on assumptions and estimates related to future economic and market conditions. The assumptions are reviewed regularly by management, however, they involve risks and uncertainties, including, without limitation, changes in markets and competition, technological and competitive developments, and potential downturns in economic conditions generally, that could cause actual results to differ materially from those contemplated in the forward-looking statements. This news release is not for dissemination in the United States of America or to United States of America news services.