

FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

Azura Ventures Ltd. (the “Corporation”)
402 Gould Street
Dieppe, New Brunswick
E1A 1V3

Item 2 Date of Material Change

December 20, 2011

Item 3 News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was released through Marketwire on December 29, 2011.

Item 4 Summary of Material Change

The material change is described in the Corporation’s news release attached hereto as Schedule “A”, which news release is incorporated herein.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

No information other than that provided in item 4 above is presently available.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report on the basis that it is confidential information.

Item 8 Executive Officer

For further information please contact:

Denis Lanteigne, Chief Executive Officer
Azura Ventures Ltd.
402 Gould Street
Dieppe, New Brunswick E1A 1V3

Phone: (506) 866-7101

Item 9 Date of Report

December 29, 2011

SCHEDULE "A"

Azura and Excellium Announce Proposed Qualifying Transaction

(NOT FOR DISTRIBUTION IN THE UNITED STATES)

December 29, 2011 – Azura Ventures Ltd. (TSX-V: AZV.P) (the “**Corporation**” or “**Azura**”), a Capital Pool Company (“**CPC**”) listed on the TSX Venture Exchange (the “**Exchange**”) announces that it has entered into a Share Purchase Agreement (the “**SPA**”) with the shareholders of Excellium Technologies Inc. (“**Excellium**”) on December 20, 2011 for the acquisition of all of the issued and outstanding shares of Excellium (the “**Transaction**”). The Transaction together with a concurrent debt or equity financing (as described below) is intended to serve as Azura’s qualifying transaction (the “**Qualifying Transaction**”) under Exchange Policy 2.4 *Capital Pool Companies* (the “**CPC Policy**”) and remains subject to the approval of the Exchange. The Corporation intends to list on the Exchange as a Tier 2 industrial issuer upon completion of the Qualifying Transaction. The Transaction is an arm’s length transaction and therefore does not require approval of Azura’s shareholders.

Excellium is a private company based in the Province of Quebec and is incorporated under the *Canada Business Corporations Act* (“**CBCA**”) on January 10, 2003. Excellium is a leader in biometric identity systems and proactive security management. Excellium provides advanced technology-based security solutions that combine and integrate various security specialties to a broad range of markets including government, law enforcement agencies, airports, corporations, as well as organizers of major international events.

Denis Lanteigne, CEO of Azura commented, “Excellium is a company with great potential in a sector that is growing quickly. The world is moving towards enhanced security and Excellium is well positioned to establish itself solidly in this market, to the benefit of our shareholders.”

Monique Imbeault, a director of Excellium remarked, “Combining forces with Azura and going public is a strategic step for Excellium at this stage of its development. This transaction will assist us in our expansion throughout Canada and in competing for significant contracts abroad.”

The Transaction

The SPA contemplates that, subject to the fulfillment of certain conditions, Azura will issue 29,205,000 common shares in the capital of Azura to the shareholders of Excellium for the acquisition of all of the issued and outstanding common shares of Excellium, including Excellium common shares to be issued pursuant to the conversion of amounts due to General Financial Corporation Ltd. (“**GFC**”). The Azura common shares to be issued to the shareholders of Excellium will be at a deemed price of \$0.12 per share, representing a total consideration payable of \$3,504,600. There are currently 9,735,000 issued and outstanding common shares in the capital of Azura. Therefore upon closing of the Transaction, the current shareholders of Azura will own approximately 25% of Excellium Inc. (the “**Resulting Issuer**”). See “Arm’s Length Transaction and Matters to be Submitted to Azura Shareholders” below.

GFC, a company wholly-owned by Bernard Imbeault and resident in the Province of New Brunswick, currently owns 100% of the issued and outstanding shares of Excellium. It is anticipated that prior

to the completion of the Transaction, Jean-Claude Siew, the Chief Executive Officer of Excellium, will acquire 10% of Excellium common shares. Mr. Siew is resident in the Province of Quebec. Assuming the completion of the acquisition of Excellium shares by Mr. Siew, prior to closing of the Transaction GFC will own 90% of the issued and outstanding share of Excellium and following completion of the Transaction GFC will hold approximately 67.5% of the Resulting Issuer.

It is anticipated that following the Transaction, the two entities will amalgamate.

Sponsor

Union Securities Ltd. (the “Sponsor”), subject to the completion of satisfactory due diligence, has agreed to act as sponsor in connection with the Qualifying Transaction. The Sponsor will be paid a sponsorship fee and as part of its remuneration, on the closing of the Qualifying Transaction, will be issued warrants enabling the purchase of up to 250,000 shares of the Resulting Issuer at an exercise price of \$0.15 per share for a period of 24 months.

Arm’s Length Transaction and Matters to be Submitted to Azura Shareholders

No insiders of Azura has a beneficial interest in or owns or exercises control over any common shares of Excellium or GFC shares and therefore the Transaction is not a “Non Arm’s Length Qualifying Transaction” as defined in the CPC Policy. Although Azura will not seek shareholder approval for the Transaction, Azura anticipates that it will seek shareholder approval at its annual and special shareholders meeting to be held on February 17, 2012, to, upon completion of the Qualifying Transaction, (i) change the Corporation’s name to “Excellium Inc.” and (ii) permit the continuance of Azura from the *Business Corporations Act* (New Brunswick) to the CBCA. If Azura’s shareholders approve such resolutions, subsequent to the completion of the Qualifying Transaction, the Resulting Issuer will continue under the CBCA, change its name from Azura Ventures Ltd. to “Excellium Inc.” and complete a short form vertical amalgamation.

Assets of the Resulting Issuer

Excellium, with facilities in Ville St-Laurent, Quebec, is an integrator of security products for the institutional and industrial markets. Excellium is active in two distinct but related lines of business:

- Background checks and biometric identification; and
- Security management, access control and video surveillance.

Background checks and biometric identification

Excellium possesses the intellectual properties related to the UNI suite of software. UniDAC is an Automated Finger Identification System, capable of communicating with the RCMP database for the purpose of background checks. Two versions are offered, UniDAC Pro is used by police forces as a Criminal Judicial Identification Management whereas UniDAC Standard is sold to companies as a civil version of Background Checks Management. UniGEA and Unic-ID are used in delivering accreditation services for large international events such as the recently held G20 and G8 summits in the Toronto area, and the 2011 visit of Prince William and Kate Middleton to Canada. Clients

include the RCMP, the Canadian Air Transport Security Authority (CATSA) and the police forces in Québec and Ontario.

Security management, access control and video surveillance

Excellium provides customized solutions that seamlessly integrate across multiple security applications including access control, analytic video surveillance and intrusion detection as well as linking to critical business systems such as human resources, identity management and enterprise resource planning (ERP). Excellium is a certified Honeywell Integrated Security (HIS) system integrator. Excellium owns and markets the Controlperfect suite of software comprised of seven modules, namely: Accessperfect, Equipmentperfect, IDperfect, Keyperfect, Reportperfect, Tourperfect and Visitorperfect. This suite of products provides comprehensive decision-making software solutions to security managers. Clients include large corporations, municipalities, public services organizations and universities.

New product in development

Excellium is working on new technology for home detention electronic monitoring. This technology would be used to manage low risk home detention while improving public safety.

The following is a summary of Excellium financial information prepared in accordance with generally accepted accounting principles for Canadian private companies. The ten month interim financial statements have been prepared by management whereas fiscal years 2009 and 2010 were prepared under a review engagement by an independent accounting firm.

	Interim at October 2011	Fiscal 2010	Fiscal 2009
Assets	\$2,234,939	\$2,623,192	\$2,543,667
Current liabilities	\$1,100,427	\$851,038	\$879,756
Working capital	\$123,652	\$927,713	\$1,013,020
Long-term debt	\$117,431	\$0	\$0
Due to a shareholder - GFC	\$4,081,074	\$3,946,074	\$3,930,074
Shareholder's deficiency	\$3,063,993	\$2,173,920	\$2,266,163
Sales	\$2,961,156	\$6,925,024	\$6,814,519
Net income (loss)	\$(890,074)	\$92,243	\$1,530,097

As a pre-closing condition, the due to a shareholder - GFC will be converted into common shares of Excellium. Excellium will be preparing audited annual financial statement for its fiscal year ending December 31, 2011, which financial statements will be included in the Azura Filing Statement to be prepared and filed on SEDAR prior to the completion of the Transaction, as is required by the CPC Policy.

Directors and Management of the Resulting Issuer

It is anticipated that the Board of the Resulting Issuer will be comprised of seven directors. As of this date, the following individuals are proposed to be directors and executive officers of the Resulting Issuer following completion of the Transaction:

Monique Imbeault, LLB, Director and Chair of the Board

Mrs. Imbeault is the Chair of Imvescor Restaurant Group Inc. (TSE: IRG) since March 2011, along with being a Director since January 2011. Mrs. Imbeault is the CEO of GFC, a diversified holding of mostly wholly-owned companies. She provides strategic counsel and management oversight to these companies to ensure long term profitability. With Excellium, Mrs. Imbeault has worked closely with management during the past two years as a Director and Officer. Prior to joining GFC, she was Counsel with the firm of McInnes Cooper where she specialized in corporate and trademark law for 10 years. Previous experience includes chemical research in Toronto, technical sales in Montreal, both in the pulp and paper division of C.I.L. Inc. and entrepreneurial and business experience, having owned and operated Pizza Delight restaurants for over eight years. Mrs. Imbeault recently completed the Rotman School of Management's Financial Literacy for Directors and the Director Education Program. She received the ICD.D designation granted by the Institute of Corporate Directors in 2011.

Jean-Claude Siew, P.Eng., President, Chief Executive Officer and Director

Since 2007, Jean-Claude Siew has been the President and Chief Executive Officer of Excellium where he has integrated access control, video surveillance to software and biometric identification. Before taking the helm of Excellium, Mr. Siew accumulated over 20 years of experience, particularly in managing large projects, at CAE Inc., which he joined in 1986. From 1988 to 2007, Mr. Siew successively became Project Director, Director of Business Development, Vice-President of Immersive and Viewing Systems, and Vice-President of Systems Engineering. Mr. Siew graduated from l'École Polytechnique de Montréal in Engineering.

Jacques Duchesneau, C.M., C.Q., C.D., Director

Mr. Duchesneau is an associated professor at l'École Nationale d'Administration publique du Québec since 2009. He recently led a Province of Quebec Task Force investigating potential collusion in the road construction industry. Mr. Duchesneau was named the very first CEO of CATSA; a federal crown corporation tasked with the implementation of air transport security and held that position from 2002 to 2008. From 1999 to 2002, he was employed in senior positions with private sector companies, notably Datacom Wireless. He has had a long and distinguished career from 1968 to 1998 with the Montreal City Police culminating with five years as Chief of Police. Mr. Duchesneau has served on numerous boards of directors over the last 25 years, including Garda World (TSX: GW) from 1999 to 2002. He is currently writing a thesis to earn a Ph.D. Philosophy from the Royal Military College based in Kingston, Ontario. Mr. Duchesneau holds a Master in Public Administration earned in 1988. In 1996, he was named Member of the Order of Canada (C.M.). He was also bestowed the title of Knight, Ordre national du Québec (C.Q.) and was awarded the Canadian Decoration (C.D.).

Ross Finlay, Director

Ross Finlay, a Director of Azura, is a co-founder and Director of the First Angel Network Association since 2005. This group is an Atlantic Canadian association for private investors. Mr. Finlay manages a portfolio of about eighteen angel investments in promising early-stage technology companies. An angel investor since 2000, he owns a consulting practice, Grey Matter Development Limited, where he assists a number of companies raise private equity and provides entrepreneurial training. He is a recognized facilitator, business planner, and strategic change advisor who has an extensive

background in public, private and not-for-profit sectors. From 2000 to 2002, he served as Director of Corporate Services at SolutionInc Ltd. (TSX: STL). In 1972, Mr. Finlay earned a Business Administration degree from Humber College in Toronto.

David Holt, CA, Director

Mr. Holt is a Director and Chair of the Audit Committee of Azura. He serves as President of Modern Enterprises Limited and the Modern Group of Companies. With over 200 employees, the Modern Group operates within the construction sector manufacturing explosives, processing aggregates and asphalt, and constructing highways, bridges and industrial/commercial buildings. Prior to joining Modern in 1994, Mr. Holt was a partner with Grant Thornton, Chartered Accountants. From 2005 to 2009, Mr. Holt served as an independent director of Landdrill International Inc. (TSX: LDI). During that period he was the Chair of Landdrill's Audit Committee. He earned his Chartered Accountant designation in 1977 and holds a Bachelor in Business Administration from Acadia University, 1972.

Denis Lanteigne, CA, CF, Director

Mr. Lanteigne is currently the President, CEO and a Director of Azura. He is employed by the Atlantic Canada Opportunities Agency, an economic development unit of the Government of Canada since November 2002. In October 2008, he founded Kice Capital Inc. as President. From 1998 to 2002, he ran a consulting practice, serving selected technology companies and the Caisse de dépôt et placement du Québec as manager of Accès Capital Acadie, for whom he sought and completed private equity investments. From 1996 to 1998, Mr. Lanteigne worked at Deloitte as a Senior Manager within the Corporate Finance Group. In 1987, he obtained a Bachelor in Business Administration from the Université de Moncton and, in 1991, the designation of Chartered Accountant. In 2007, Mr. Lanteigne earned the recognition of the Corporate Finance Qualification Program of the Canadian Institute of Chartered Accountants and is one of a few hundred professionals in Canada with the right to use the letters "CF".

Denis Bourget – VP and Chief Security Officer

Denis Bourget has been directly involved in the Canadian security industry for almost 30 years. From 1977 to 1996, Mr. Bourget performed different functions from operating an alarm central to selling large integrated security systems. In 1996, Mr. Bourget founded Les Logiciels Sirius Inc. and served as its Chief Executive Officer. He developed and marketed the Controlperfect software suite, which manages the physical security of institutions and companies, some of which are part of the Canadian "Fortune 500." Mr. Bourget is a Certified Protection Professional (CPP).

Sylvain Lemieux – VP Business Development and Special Projects

In 1995, Sylvain Lemieux co-founded Unicom, where he held the position of Director of Technologies and oversaw the UniDAC and UniGEA projects. Mr. Lemieux supervised all aspects of research and development. In 1997, Mr. Lemieux led Unicom's technical team responsible for the design and development of the UniGEA software, which manages the logistics coordination, the accreditation and the security during important events. Mr. Lemieux was responsible for development and maintenance during various important events that have used UniGEA. He was responsible for the technical and accreditation team. Mr. Lemieux is a Project Management Professional (PMP).

Claude Roussin, CA – VP Accounting and Interim Secretary

Claude Roussin has worked within national distribution and retailing companies where he has acquired an expertise in internal control, financial analysis, information management and general administration. Throughout his career, Mr. Roussin has had experience with the accounting, financial, judicial and managing aspects of company management. Mr. Roussin earned the Chartered Accountant designation in 1979.

Bernard Imbeault

Although Mr. Imbeault will not be actively involved with the Resulting Issuer, he will be considered an insider by virtue of his ownership of GFC. The founder of Imvescor Restaurant Group Inc. (TSE: IRG), Mr. Imbeault has a long career as an entrepreneur, starting with the acquisition of Pizza Delight Corporation in 1969, one year after its inception. Forty-two years later, this company with over 250 restaurants is a significant part of IRG. He owns GFC, a diversified holding which, over the years, acquired businesses in a variety of sectors with Mr. Imbeault playing an active strategic role until his recent retirement. He has held positions on boards of directors of a number of private companies and organizations. Mr. Imbeault holds a BA in Economic Science, a Masters in Commercial Science (Management) and a Masters in Business Administration (Finance) while also completing postgraduate studies at the École nationale d'administration in France. In 2003, Mr. Imbeault received an honorary Doctorate in Business Administration from the Université de Moncton and in 2004, an honorary Doctorate in Law from Mount Allison University. In 2003, Mr. Imbeault was awarded the Ernst & Young Atlantic Entrepreneur of the Year as well as being a Top 50 CEO from the Atlantic Business Magazine. He received the Paul Harris Award from the Rotary Club of Greater Moncton for his service to the community. Inducted to the New Brunswick Business Hall of Fame in 2005, he was named the Atlantic Business Magazine's CEO of the Year in 2006 and was also inducted to the Top 50 CEO Hall of Fame by the Atlantic Business Magazine in 2007. In 2008, he received the *Order of Merit* from the Université de Moncton Alumni Association and was presented with the *Order of New Brunswick*. In 2009, Mr. Imbeault was nominated as Honorary Lieutenant-colonel for the Fusilliers du St-Laurent by the Minister of Defense, Mr. Peter McKay.

In addition to the individuals listed above, a seventh director will be nominated subject to Exchange approval. In addition, the Chief Financial Officer of the Resulting Issuer has yet to be named. Further disclosure regarding these nominations and officers will be made in future news releases.

Concurrent Financing

Subject to all regulatory approvals, Azura and/or Excellium will secure a minimum of \$1,000,000 in additional financing that will be used to (i) finance the execution of the Resulting Issuer's business plan, (ii) pay for costs associated with the Qualifying Transaction, and (iii) finance certain general corporate expenditures. This financing may be structured as equity, debt or a combination thereof and may be invested in either company prior to, or at the closing of the Transaction. Should the capital be raised through an equity financing into Azura prior to the Transaction, the new common shares of Azura will not be issued at a price less than \$0.12 per share. Any equity financing will result in dilution to the shareholders of the Resulting Issuer. At this time the Corporation does not plan to engage the services of a registered dealer or other adviser with respect to any financing but may do so in the future, subject to Exchange approval.

Conditions to the closing of the Qualifying Transaction

The closing of the Qualifying Transaction is subject to a number of terms and conditions including:

- a) completion of operational, financial and legal due diligence by each of Azura and Excellium;
- b) approval by the Boards of Directors of Azura, Excellium and GFC;
- c) the absence of any judgment, injunction, order or decree adversely affecting or prohibiting the Transaction, or of a material adverse change in the business, affairs or results of operations of either party;
- d) compliance in all material respects by Azura and Excellium with their covenants and truth of representations and warranties provided for in the definitive agreement as at closing;
- e) conversion of the due to a shareholder - GFC into common shares of Excellium;
- f) receipt of a satisfactory Report of the Sponsor; and
- g) approval of the Qualifying Transaction by the Exchange.

Azura Ventures Ltd.

Azura was incorporated on May 22, 2009 under the *Business Corporations Act* (New Brunswick). Trading of the common shares of Azura has been halted since November 16, 2011 and it is anticipated that trading will remain halted pending the Exchange's receipt and review of satisfactory documentation.

As at the date hereof, there are 9,735,000 common shares in the capital of Azura issued and outstanding. In addition, Azura currently has 908,600 outstanding options issued in 2010 to its directors and officers, entitling them to purchase a total of 908,600 common shares of Azura at a price of \$0.10 per share. There are also 513,500 Azura warrants outstanding, such warrants entitling the holders to purchase a total of 513,500 common shares of Azura at a price of \$0.10 per share. These warrants were issued as part of the compensation paid to the agents at the closing of Azura's initial public offering and such warrants expire on June 7, 2012.

Other Information and Updates

Azura and Excellium will continue to provide further details in respect of the Qualifying Transaction, in due course, by way of press release.

This press release contains forward-looking statements with respect to the Transaction, the financing, and matters concerning the business, operations, strategy and financial performance of Excellium and the Corporation. All statements, other than statements of historical fact, which address activities, events or developments that we expect or anticipate may or will occur in the future are forward-looking information. Forward-looking information typically contains statements with words such as "may", "estimate", "anticipate", "believe", "expect", "plan", "intend", "target",

“project”, “forecast” or similar words suggesting future outcomes or outlook. The within discussion is intended to identify certain factors, although not necessarily all factors, which could cause future outcomes to differ materially from those set forth in the forward looking information. Examples of such statements include the intention to complete the Transaction, pass annual and special business at the meeting of Azura shareholders, completion of a debt or equity financing, completion of the Qualifying Transaction and development of a new product by Excellium. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in the press release. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including but not limited to: the ability of the Corporation and/or Excellium to obtain the necessary financing; the ability of the Corporation or the Excellium shareholders to satisfy the conditions under the SPA; the ability of the Corporation satisfy the requirements of the Exchange with respect to the Qualifying Transaction; the continuation or growth of opportunities for Excellium and the Resulting Issuers and its ability to develop and expand its business internationally; general economic and market factors; changes in government regulation; competition; continuing and growth in customer interest in Excellium’s services and products; and anticipated and unanticipated costs. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date hereof and Azura does not undertake any obligation to update publicly or to revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by law. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

Completion of the Transaction is subject to a number of conditions, including but not limited to, further due diligence, Exchange acceptance, and directors approval. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Azura Filing Statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Azura should be considered highly speculative.

Union Securities Ltd., subject to completion of satisfactory due diligence, has agreed to act as sponsor in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

For further information, contact Mr. Denis Lanteigne, CEO of Azura at (506) 866-7101 or Monique Imbeault, Director of Excellium at (506) 862-9001.