

FORM 51-102F3

**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Carbon Friendly Solutions Inc. (the "Company")  
2500 – 555 W. Hastings St.  
Vancouver, B.C.  
V6B 4N5

**Item 2. Date of Material Change**

July 4, 2011

**Item 3. News Release**

The news release was disseminated through Canadian News Wire Group on July 4, 2011.

**Item 4. Summary of Material Change**

Carbon Friendly Solutions Inc. has announced that, further to its news release dated June 21, 2011 it will close the first tranche of a nonbrokered private placement following the 24 hour period as required by CNSX policy.

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

*5.1 Full Description of Material Change*

See attached news release.

*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**

Stan Lis, President and Director



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(signature)

**Item 9. Date of Report**

July 4, 2011



**FOR IMMEDIATE RELEASE**

Contact Investor Relations

Phone: 604-676-9792

**CARBON FRIENDLY ANNOUNCES CLOSING OF INITIAL TRANCHE OF PRIVATE PLACEMENT**

**Vancouver, B.C., Canada – July 4, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ)** (“CFS” or the “Company”) is pleased to announce that, further to its news release dated June 21, 2011 it will close the first tranche of a non-brokered private placement following the 24 hour period as required by CNSX policy. The Company will issue an aggregate of 5,002,750 units (each a “Unit”) of the Company, at a subscription price of \$0.20 per Unit, for gross proceeds of \$1,000,550 (the “Offering”).

Each Unit is comprised of one common share (each a “Share”) and one share purchase warrant (each a “Warrant”) of the Company, and each Warrant entitles the holder thereof to purchase one additional Share of the Company (each a “Warrant Share”) at an exercise price of \$0.35 per Warrant Share up to and including June 30, 2013.

All Shares issued pursuant to the Offering, and any Warrant Shares issuable in connection with the exercise of any of the Warrants, if any, will be subject to a four month hold period expiring on November 1, 2011, in accordance with the policies of the CNSX and applicable securities laws.

Finders’ fees will be paid in accordance with CNSX policies. Proceeds of the Offering will be used by the Company for general working capital.

**About Carbon Friendly Solutions Inc.**

Carbon Friendly Solutions Inc., through its subsidiaries, is focused on the development of clean energy technology, renewable energy and reforestation projects. **MicroCoal Inc.** (Denver, CO, USA) is a leading clean energy company focused on commercializing the use of its patented technologies to decontaminate and upgrade low-rank coals to match the energy levels of high-rank coals, for use by power utilities. **Carbiopel – Eco Stream S.A.** (Lezajsk, Poland) is an operating biomass producer in Poland and part of a rapidly growing renewable energy market in The European Union. **CO2 Reduction Poland Sp. z o.o** (Warsaw, Poland), through cooperative action with several private land owners, is implementing an afforestation project in Poland to restore forest cover on disused agricultural land which will lead to the generation of carbon credits for sale in the global Voluntary market. **Global CO2 Reduction Inc.** (Vancouver, BC) is a holding company for CFS subsidiaries in Europe.

On behalf of the Board of Directors

**Carbon Friendly Solutions Inc.**

“Stan Lis”

President and Director

**Certain statements included in this News Release contain forward-looking statements, including disclosure concerning possible or assumed future results of operations of the Company. Forward-looking statements typically are preceded by, followed by or include the words – “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans”, or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and the Company’s results could differ materially from those anticipated in these forward-looking statements.**

**We seek safe harbor.**