

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

*Carbon Friendly Solutions
(the "Company")
2500-555 West Hastings St.
PO Box 12072
Vancouver, BC
V6B 4N5*

Item 2. Date of Material Change

June 27, 2012

Item 3. News Release

Not applicable.

Item 4. Summary of Material Change

The Company issued 40,000 common shares in settlement of an outstanding liability.

Item 5. Full Description of Material Change

The Company settled the Provincial Court legal action initiated by CPS Carbon Project Solutions Inc. (CPS) against the Company and its subsidiary, Global CO2 Reduction Inc., with respect to monies owed to CPS for consulting fees for a claimed amount of \$24,605.63 and settled the counterclaim initiated by the Company. In settlement of such amount dated June 13, 2012, the Company agreed to issue 40,000 common shares in the capital stock of the Company at a deemed price of \$0.30 per share in the name of Joseph Pallant, who is the sole owner of CPS.

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

This Report is not being filed on a confidential basis.

Item 7. Omitted Information

None.

Item 8. Executive Officer

*Slawomir Smulewicz
CEO and Director
604.676-9792*

Item 9. Date of Report

June 27, 2012