

**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**

*August 15, 2012*

**Item 3. News Release**

*A news release was issued on August 16<sup>th</sup>, 2012 and disseminated through the facilities of FSCWire.*

**Item 4. Summary of Material Change**

*William P.C. Hudson has been appointed as Chairman of the Board. Stock options to purchase up to an aggregate of 1,085,000 common shares have been issued to directors, officers and consultants, which are exercisable for a period of five years at a price of \$0.11 per share.*

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

*See attached Schedule "A".*

**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**

*August 17<sup>th</sup>, 2012*

## SCHEDULE “A”



NR-12-13

### Appointment of Chairman and Granting of Options

**Vancouver, BC, Canada –August 15, 2012 – Carbon Friendly Solutions Inc. (CNSX: CFQ)** (“CFS” or the “Company”) is pleased to announce that William P.C. Hudson has been appointed as Chairman of the Board. Mr. Hudson brings extensive financial and business expertise to Carbon Friendly Solutions Inc. He graduated with a B.S. in Geology from the University of Texas at Austin. In 1990, he co-founded International UNP Holdings, which successfully raised over \$20 MM for investment in Poland. After five years at ConocoPhillips as a geologist, he co-founded the Domus Group, a private holding company investing in and developing property in South Texas, including a 1,000 acre Master Planned Community with 2,600 households, which to date has generated over \$300 million of tax base. From 1968 to 1997 he was also a Director of First Valley Bank Group Inc., a \$450 million bank with branches in the Rio Grande Valley of Texas; this directorship with the Bank ended when it was sold to Wells Fargo.

Slawek Smulewicz, CEO and Director of the Company, states: “We have been very fortunate to have Mr. Hudson’s contributions as a valued member of the Board since 2010. Moving forward I am very excited to have Bill bring his talents and expertise to the role of Chairman and lead the Company as it commercializes the **MicroCoal™** technology and generates strong revenue growth from **Carbiopel S.A.** and **Global CO2 Reduction Inc™.**”

The Company also announces that stock options to purchase up to an aggregate of 1,085,000 common shares have been issued to directors, officers and consultants, which are exercisable at a price of \$0.11 per share. The Options carry a five-year term and expire on August 10, 2017.

#### **About Carbon Friendly Solutions**

**Carbon Friendly Solutions Inc.**, through its subsidiaries MicroCoal Inc. (Denver, CO, USA), Global CO2 Reduction Inc. (Vancouver, BC) and Carbiopel S.A. (Lezajsk, Poland); is focused on the development of clean energy technology, renewable energy and forestry projects.

On behalf of the Board of Directors

**Carbon Friendly Solutions Inc.**

“Slawek Smulewicz” CEO and Director

#### **For Information:**

**Phone: 604 676 9792**

**Email: [info@carbonfriendly.com](mailto:info@carbonfriendly.com)**

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Forward Looking Statements

*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. Neither CNSX nor its Regulation Services Provider (as that term is defined in the policies of the CNSX) accepts responsibility for the adequacy or accuracy of the release.*

*We seek safe harbor.*