

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Fundamental Applications Corp. (the "Company")
242 - 515 West Pender Street, Vancouver, British Columbia V6B 6H5

Item 2 Date of Material Change

December 17, 2014

Item 3 News Release

A news release was issued and disseminated on December 17, 2014 through Stockwatch and Market News and filed with SEDAR.

Item 4 Summary of Material Change(s)

Further to an initial news release dated October 6, 2014, the Company issued a news release on November 10, 2014 announcing an alteration of terms to include up to 2,500,000 units at \$0.30 per unit for gross proceeds of up to \$750,000, with each unit comprised of 1 common share and 1 warrant exercisable to purchase 1 additional common share at \$0.75 per share for 12 months (the "Private Placement"). The Company announced the closing of an initial tranche of the Private Placement on October 30, 2014 and is pleased to announce the closing of the second tranche (the "Second Tranche") for \$56,550. Of the Second Tranche, 140,000 units were issued to a company controlled by a controlling shareholder and director of the Company. The Company is continuing to raise funds for the balance of the Private Placement. The shares comprising the Private Placement units are subject to a hold period of 4 months and 1 day.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See news release attached as Schedule "A".

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

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Justin Rasekh, President, CEO and Director
778.998.4235 or Justin@funappcorp.com

Item 9 *Date of Report*

December 18, 2014

SCHEDULE "A"



242 – 515 West Pender Street
Vancouver, BC V6B 6H5

FUNDAMENTAL ANNOUNCES CLOSE OF SECOND TRANCHE OF PRIVATE PLACEMENT

Vancouver, B.C. – (December 17, 2014) **Fundamental Applications Corp.** ("**Fundamental**") (CSE: FUN) announces the close of the second tranche of a previously announced non-brokered private placement.

Further to an initial news release dated October 6, 2014, the Company issued a news release on November 10, 2014 announcing an alteration of terms to include up to 2,500,000 units at \$0.30 per unit for gross proceeds of up to \$750,000, with each unit comprised of 1 common share and 1 warrant exercisable to purchase 1 additional common share at \$0.75 per share for 12 months (the "Private Placement"). Fundamental announced the closing of an initial tranche of the Private Placement on October 30, 2014 and is pleased to announce the closing of the second tranche (the "Second Tranche") for \$56,550. Of the Second Tranche, 140,000 units were issued to a company controlled by a controlling shareholder and director of Fundamental. Fundamental is continuing to raise funds for the balance of the Private Placement. The shares comprising the Private Placement units are subject to a hold period of 4 months and 1 day.

About Fundamental

Fundamental Applications Corp. was founded in 2014 to launch innovative mobile applications targeted at millennials. Millennials are described as a demographic born between 1980 and 2000 into a digital world with significant discretionary income. Fundamental launched their first application, Serum™, earlier this month. Serum™ is an innovative and unique mobile chat application which enables users to post questions and have text conversations with a group of their friends anonymously; nobody involved in the conversation is aware of who in the group is responding. Serum™ also provides control to the users over conversations they initiate, such as adding or removing participants. Serum™ goes beyond existing applications such as Whisper and Secret, which only allow for one-way conversations, by creating an interactive way of sharing. Serum™ also goes above and beyond in terms of implementing protocols for anti-bullying. Fundamental intends to develop additional apps targeting privacy, anonymity and chat once it has built a large Serum™ user base.

Further information about the Fundamental is available under its profile on the SEDAR website www.sedar.com and on the CSE website www.thecse.com.

For further information on Fundamental, please contact:

Justin Rasekh
President & Chief Executive Officer
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Email: justin@funappcorp.com
www.funappcorp.com

Forward-Looking Information

This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of Fundamental. Forward-looking information is based on certain key expectations and assumptions made by the management of Fundamental. Although Fundamental believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Fundamental can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. Fundamental disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.