

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Carl Data Solutions Inc. (the "Company")
Suite 700 - 510 West Hastings Street
Vancouver, BC V6B 1L8

Item 2 Date of Material Change

January 5, 2016

Item 3 News Release

The news release was disseminated through Marketwired on January 5, 2016.

Item 4 Summary of Material Change

The Company announced that it has commenced a due diligence process with an Ontario-based investment fund (the "Investor") to undertake a possible private placement financing by issuing to the Investor, senior secured collateralized convertible notes (the "Notes") for a maximum of \$2,000,000.

A due diligence fee of \$25,000 has been paid to the Investor by the Company and 250,000 common shares of the Company have been issued to the Investor at a deemed price of \$0.30 per share. The Company has agreed that a break fee of \$100,000 will be payable to the Investor if, for any reason, the Company decides not to proceed with the Notes.

Proceeds from the Notes are expected to be used for the development of the Company's BDaaS technology, develop the business of recently acquired FlowWorks Inc. and for general working capital purposes.

The Company has also entered into loan agreements with various lenders to borrow \$143,000 due on May 31, 2016 with interest of 15% annualized in cash and a number of shares equal to 15% of the face value of the loan converted at \$0.30 per share, and \$400,000 due on May 31, 2016 with interest on repayment of 30% in cash or shares converted at \$0.30 per share at the option of the Company. The proceeds of these loans were used to fully satisfy the terms of the merger and debt conversion agreement announced in a news release dated September 28, 2015. Proceeds from the equity private placement announced in a news release dated December 9, 2015 are expected to be used to repay these loans.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the Company's News Release of January 5, 2016 attached as Schedule "A" hereto.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 **Omitted Information**

None

Item 8 **Executive Officer**

Greg Johnston, President and Chief Executive Officer, 604.209.0034

Item 9 **Date of Report**

January 5, 2016

SCHEDULE "A"



CSE: CRL
Frankfurt: 7C5

CARL ANNOUNCES DUE DILIGENCE FOR ISSUE OF UP TO \$2M IN CONVERTIBLE NOTES

January 5, 2016 - Vancouver, British Columbia - Carl Data Solutions Inc. (CSE: CRL, Frankfurt: 7C5) ("Carl" or the "Company"), a developer of Big-Data-as-a-Service ("BDaaS")-based solutions for data integration and business intelligence, is pleased to announce that it has commenced a due diligence process with an Ontario-based investment fund (the "Investor") to undertake a possible private placement financing by issuing to the Investor, senior secured collateralized convertible notes (the "Notes") for a maximum of \$2,000,000.

A due diligence fee of \$25,000 has been paid to the Investor by Carl and 250,000 common shares of Carl have been issued to the Investor at a deemed price of \$0.30 per share. Carl has agreed that a break fee of \$100,000 will be payable to the Investor if, for any reason, Carl decides not to proceed with the Notes.

Proceeds from the Notes are expected to be used for the development of the Company's BDaaS technology, develop the business of recently acquired FlowWorks Inc. and for general working capital purposes.

Carl has also entered into loan agreements with various lenders to borrow \$143,000 due on May 31, 2016 with interest of 15% annualized in cash and a number of shares equal to 15% of the face value of the loan converted at \$0.30 per share, and \$400,000 due on May 31, 2016 with interest on repayment of 30% in cash or shares converted at \$0.30 per share at the option of Carl. The proceeds of these loans were used to fully satisfy the terms of the merger and debt conversion agreement announced in a news release dated September 28, 2015. Proceeds from the equity private placement announced in a news release dated December 9, 2015 are expected to be used to repay these loans.

Greg Johnston, CEO of Carl, commented, "We're excited to be partnering with the Ontario-based investment fund that understands the unique potential of BDaaS. This financing will allow us to accelerate the development and launch of new applications in data intensive industries."

All securities issued or issuable in connection with the Notes and loans are or will be subject to a statutory hold period expiring on the date that is four months and one day after the distribution date.

None of the securities issued or issuable in connection with the Notes and loans will be registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall

not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Carl Data Solutions Inc.

Carl Data Solutions Inc. is focused on providing next generation information collection, storage and analytics solutions for data centric companies. Building on its recent acquisitions, FlowWorks Inc., a company that helps its clients analyze and understand all forms of environmental data through a powerful platform of data collection, monitoring, analysis, and reporting tools, and Extend to Social Media Inc., a company with an application that allows clients to leverage their customers' social networks for referral marketing and analytics, Carl develops applications to work with new cloud-based mass storage services and analytics applications (Big-Data-as-a-Service (BDaaS)). Carl is creating a virtually unlimited data storage environment from which informative visual representation of data can be created and new insights generated. Carl's goal is to deliver a comprehensive data management solution for datasets of any size and type from any source. More information can be found at www.CarlSolutions.com.

On behalf of the Board of Directors:

Greg Johnston
President, Chief Executive Officer, Director
Carl Data Solutions Inc.

For further information please contact:

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Investor Relations
Carl Data Solutions Inc.
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The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.

Disclaimer for Forward-Looking Information

Certain statements in this press release related to the Notes and the various loans are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the private placement financing of the Notes, including the proceeds to be raised pursuant to the Note financing, resale restrictions relating to the securities to be issued, and the use of proceeds to be raised pursuant to the Notes and the previously announced equity private placement; a statement that the Note financing will allow the Company to accelerate the development and launch of new applications in data intensive industries; and a statement that Carl's goal is to deliver a comprehensive data management solution for datasets of any size and type from any source. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding the Company's ability to complete the private placement financing for the Notes, including the risk that the entire amount may not be raised as expected or at all, that the proceeds from the Notes may be used other than as set out in this news release and other factors beyond the control of the Company. Such forward-looking statements should therefore be construed in light of such factors, and the Company is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.