

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Carl Data Solutions Inc. (the "Company")
Suite 488 - 1090 West Georgia Street
Vancouver, BC V6E 3V7

Item 2 Date of Material Change

January 18, 2018

Item 3 News Release

The news release dated January 18, 2018 was disseminated through GlobeNewswire.

Item 4 Summary of Material Change

On January 18, 2018, the Company issued Brian Lofquist, a director and officer of the Company's wholly-owned subsidiary, FlowWorks Inc. (the "Subsidiary") 99,267 common shares of the Company at a deemed price of CDN\$0.31 per share as full and final payment and satisfaction of the debt of the Subsidiary (the "Debt Settlement"). The Subsidiary was indebted to Mr. Lofquist in the aggregate amount of US\$24,175 for unpaid remuneration for services performed by Mr. Lofquist as an employee of the Subsidiary during the months of July through November 2017.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See Item 4 above and the attached news release for a full description of the material change.

MI 61-101 Requirements

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

See Item 4 above for a description of the Debt Settlement.

(b) the purpose and business reasons for the transaction:

The purpose of the Debt Settlement is to settle unpaid remuneration for services performed by an employee of the Subsidiary.

(c) *the anticipated effect of the transaction on the issuer's business and affairs:*

The Company does not anticipate any material effect on the Company's business and affairs.

(d) *a description of:*

(i) *the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:*

Brian Lofquist, a director and officer of the Subsidiary, acquired 99,267 common shares of the Company at a deemed price of CDN\$0.31 per share as full and final payment and satisfaction of the debt of the Subsidiary in the aggregate amount of US\$24,175 for unpaid remuneration for services performed by Mr. Lofquist as an employee of the Subsidiary during the months of July through November 2017. As such, the Debt Settlement was a "related-party transaction" as such term is defined in MI 61-101. The Debt Settlement was approved by disinterested members of the board of directors of the Company.

(ii) *the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:*

The following table sets out the effect of the Debt Settlement on the percentage of securities of the Company beneficially owned or controlled by Mr. Lofquist:

Name and Position	Dollar Amount of Units Acquired	Number of Securities Acquired	No. of Shares Held prior to Closing of the Debt Settlement	Percentage of Issued and Outstanding Shares prior to Closing of the Debt Settlement	No. of Shares Held After Closing of the Debt Settlement	Percentage of Issued and Outstanding Shares After Closing of the Debt Settlement
Brian Lofquist <i>Director and Officer of FlowWorks Inc.</i>	US\$24,175 (CDN\$30,772.77)	99,267 common shares	Undiluted: Nil Diluted: Nil	Undiluted: Nil ⁽¹⁾ Diluted: Nil ⁽¹⁾	Undiluted: 99,267 ⁽³⁾ Diluted: 99,267 ⁽³⁾	Undiluted: 0.15% ⁽²⁾ Diluted: 0.15% ⁽²⁾

(1) Based on 66,298,431 common shares of the Company outstanding prior to the completion of the Debt Settlement on January 18, 2018.

(2) Based on 66,397,698 common shares of the Company outstanding after the completion of the Debt Settlement on January 18, 2018.

(3) Comprised of 99,267 common shares of the Company held directly.

- (e) *unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

The Debt Settlement was approved by disinterested members of the board of directors of the Company. A special committee was not established in connection with the approval of the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director.

- (f) *a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

- (g) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

- (i) *that has been made in the 24 months before the date of the material change report:*

Not applicable.

- (ii) *the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

- (h) *the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

On January 18, 2018, the Company entered into an assignment, assumption, debt settlement and subscription agreements with Brian Lofquist and the Subsidiary pursuant to which the Company issued 99,267 common shares of the Company at a deemed price of CDN\$0.31 per share as full and final payment and satisfaction of the debt of the Subsidiary. The Subsidiary was indebted to Mr. Lofquist in the aggregate amount of US\$24,175 (the "Debt") for unpaid remuneration for services performed by Mr. Lofquist as an employee of the Subsidiary during the months of July through November 2017. In connection with the Debt Settlement, the Subsidiary assigned, and the Company assumed, the Debt and in consideration for the assumption of the Debt by the Company, the Subsidiary agreed to pay the Company an amount equal to the Debt (the "Outstanding Amount") on demand and the outstanding Amount will bear no interest.

See Item 4 above and the attached news release for a description of the Debt Settlement.

- (i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

MI 61-101 requires that issuers obtain a formal valuation and minority shareholder approval of related party transactions, unless an applicable exemption is available. The Debt Settlement was exempt from the valuation requirement of MI 61-101 by virtue of the exemptions contained in (i) Section 5.5(a) of MI 61-101 in that the fair market value of the Debt Settlement did not exceed 25% of the Company's market capitalization and (ii) section 5.5(b) of MI 61-101 as the Company's common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the Debt Settlement did not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was necessary to immediately close the Debt Settlement and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's and the Subsidiary's financial position.

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 ♦, 2018

SCHEDULE "A"

NEWS RELEASE