

FORM 7
MONTHLY PROGRESS REPORT
For the Month of January, 2017

Name of CSE Issuer: **Healthspace Data Systems Ltd. (the “*Issuer*”).**

Trading Symbol: **HS**

Number of Outstanding Listed Securities: **92,702,438 common shares**

Date of filing: **February 2, 2017**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Healthspace continues to take its HS Touch App to the market and has received very positive feedback from its user base. The HSTouch product is an iPad and Android native app that allows inspectors to work in the field conducting inspections.

Healthspace continues to build out its cloud infrastructure which will reflect a positive impact on the company’s service offerings and provide expansion selling opportunities. The HSCloud product is the only of its kind in the market as it allows the customer to customize and set up the software to suit their business needs, without the need of long development cycles.

Healthspace is leading the industry with these innovative products to further improve the public health industry and government SaaS space.

2. Provide a general overview and discussion of the activities of management.

Please see item 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see description above.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

On January 16, 2017 the Company announced a contract with Fraser Health Authority to host and maintain its environmental health inspection, permitting and regulatory enforcement system. The agreement is for five years with four additional options years and replaces the agreement that expired in 2016. The contract is worth \$759,720 excluding option years.

On January 26, 2017 the Company announced that Lane County, Oregon, in conjunction with the State of Oregon, has increased their request for the Company's system to 24 additional counties. The term of the contract has also been extended by an additional year to October of 2018. The contract now has an aggregate value of over USD\$230,000.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer is working with its legal counsel on the response to a legal claim filed in November 2016 against the Issuer.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

On January 24, 2017 the Company announced that it issued 300,000 incentive stock options to Steven Lee at a price of \$0.08 per share for a period of five years from the grant date.

Provide details of any loans to or by Related Persons.

None.

Provide details of any changes in directors, officers or committee members.

On January 11, 2017 the Company announced the appointment of George Moen and Ian Tostenson to its Advisory Board.

On January 24, 2017 the Company announced the appointment of Steven Lee to its Advisory Board.

On January 24, 2017 the Company announced that George Moen, who had recently been appointed to the Company's Advisory Board has been appointed as Chair of the Advisory Board.

15. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: February 2, 2017

Zula Kropivnitski
Name of Director or Senior
Officer

"Zula Kropivnitski"
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i>		
Name of Issuer Healthspace Data Systems Ltd.	For Month End January, 2017	Date of Report YY/MM/DD 2017/02/___
Issuer Address 201 7491 Vedder Road		
City/Province/Postal Code Chilliwack, BC V2R 6E7	Issuer Fax No. ()	Issuer Telephone No. 1-866-860-4224
Contact Name Zula Kropivnitski	Contact Position CFO	Contact Telephone No. 604-681-0084