

FORM 7
MONTHLY PROGRESS REPORT
For the Month of January, 2018

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

Trading Symbol: **HS**

Number of Outstanding Listed Securities: **134,087,988 common shares**

Date of filing: **February 1, 2018**

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 is now delivering its new Software-as-a-Service (SaaS) flagship technology platform HS Cloud Suite Pro, which incorporates a cloud-enabled administration dashboard; with a multi-endpoint mobile auditing and reporting system that offers native apps on all major platforms; and a rich reporting and analytics toolset to maximize business intelligence activities. Feedback on this new platform from existing customers and new prospective clients in both government and commercial enterprise engagements has been very positive.

HealthSpace's ongoing engagement with government customers in both the US and Canada continues to drive growth and viable learning opportunities to continue to innovate our technology offerings. In 2018, we are now actively introducing our platform and services into commercial enterprise clients in food & beverage, hospitality, assisted living, and child-care. Ongoing discovery work based on HealthSpace's agricultural capabilities is now being integrated into cannabis production and distribution processes through work with both US and Canadian partners.

- **On January 25, 2018, the Company announced that it intends to release its alpha prototype, testing blockchain based quality and safety audits with industry partners in Q1 2018. This will include cannabis production, the food service and hospitality sectors and various government agencies.**

HealthSpace is in the final stages of developing its whitepaper for a decentralized verification, inspection and audit blockchain network. This whitepaper will provide the guiding basis for defining business strategy and use cases as well as outlining the technical thesis on how HealthSpace and partners will achieve this vision. HealthSpace is creating the

whitepaper in conjunction with its blockchain partners at SIMBA Chain Inc. and the Vanbex Group along with Etherparty.

The prototype will be used to demonstrate how HealthSpace's next phase of technological advancement will benefit both public and private sectors alike. HealthSpace intends to create a blockchain based network that supports commerce between government regulation and private business providing direct, trusted and immediate interaction to facilitate increased efficiencies and reliability of business transactions. Creating a decentralized network which allows for third party quality and safety audits to be chained to government inspection, verification and oversight, will allow for completely transparent and rapid commerce, in addition to boosting consumer confidence.

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.

- **On January 18, 2018, the Company announced that it recently signed new contracts with the Adams County Health Department in Washington, the Bureau, Putnam, Marshall County Health Departments in Illinois, the Erie County Health Department, Buffalo, New York and the Eastern Ontario Health Unit. The contracts are worth \$235,990 USD.**

HealthSpace has retained every client since its inception in 1998 and every new client signed adds to annual reoccurring revenue.

- **On January 29, 2018, the Company announced that it signed a five-year contract with the State of Tennessee State Department of Health to deploy its new cloud and mobile inspection management system called HealthSpace CS Pro. This is a result of a successful one-year pilot**

where the department was able to test the mobile inspection app. The contract value is minimum USD\$294,000 and may be as high USD\$440,800 depending on the number of users that eventually use the system.

The Tennessee Department of Health inspects and regulates state-wide food establishments, public swimming pools, hotels/motels, bed and breakfasts, tattoo parlors and body piercing studios, organized campgrounds, child care facilities, schools and correctional institutions.

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.

Please see item 5

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.

The Company intends to release its alpha prototype, testing blockchain based quality and safety audits with industry partners in Q1 2018.

10. Report 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 claim and counterclaim filed in November 2016.

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

\$705,000 of Convertible Debenture was exercised and converted into 7,050,000 shares.

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

Please see item 13. In addition, 1,050,000 shares were issued upon exercise of stock options.

15. Provide details of any loans to or by Related Persons.

None.

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

None.

17. 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 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 1, 2018

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 2018/02/01
Issuer Address 201 7491 Vedder Road		
City/Province/Postal Code Chilliwack, BC V2R 6E7	Issuer Fax No. ()	Issuer Telephone No. 1-866-860-4224