

**FORM 7**  
**MONTHLY PROGRESS REPORT**  
**For the Month of September, 2018**

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

Trading Symbol: **HS**

Number of Outstanding Listed Securities: **140,672,988 common shares**

Date of filing: **October 2, 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 develops and provides sophisticated information management system for the surveillance, business management, compliance and tracking of regulatory and quality control applications. Clients include government regulatory agencies and private sector businesses who require collected data along with auditing applications for the purpose of improving productivity, quality control and performance analysis.**

**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.**

**HealthSpace has developed several relationships within the cannabis space and has begun detailing some product changes in order to cultivate market traction. The Company is exploring opportunities with multiple regulatory agencies that oversee and regulate cannabis producers. The Company intends on leveraging its vast experience in developing SaaS platforms for enforcement and compliance into the cannabis space where there is little in the way of software offerings that adequately handle compliance.**

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.  
**None.**
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 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 Company is subject to a legal proceeding commenced by a service provider in November 2016. In June 2017 the Company filed a counterclaim to this service provider. Currently the Company is working with its legal counsel on the claim and counterclaim.**

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 September 6, 2018, the Company announced that it granted stock options and restricted stock units to directors, officers and employees of the Company. The stock options granted allow the optionees the ability to purchase a total of 970,000 common shares of the company at an exercise price of \$0.08 cents per share for a five-year term. The restricted stock units granted allow the recipients the ability to purchase a total of 2,100,000 common shares of the Company for a five-year term.**

**The Company also announced a shares for debt settlement of \$100,000 in debt to one creditor for services provided to the Company through the issuance of 1,000,000 shares at a price of \$0.10.**

- **On September 18, 2018, the Company announced that it intends to issue and sell by way of private placement secured convertible debentures (“New Debentures”) for an aggregate principal amount of up to \$500,000 (“CD Financing”). In conjunction with the private placement, the Company also announces that it has amended the terms of the secured convertible debentures (“Previous Debentures”) issued on September 29, 2016 by extending the maturity date for a period of two years. A portion of the net proceeds of the CD Financing will be used to extinguish a portion of the Previous Debentures and the balance will be used for general working capital. After this transaction is complete HealthSpace will have an aggregate amount of \$795,000 of total convertible debentures (“Debentures) outstanding.**

**The Debentures will bear interest at a rate of 10% per annum payable monthly. The Debentures will mature two years from the date of issuance and will be convertible into common shares of the Company (the “Shares”) at \$0.075 per Share if converted within 12 months from**

the date of issuance of the Debenture, and \$0.10 if converted after 12 months from the date of issuance of the Debenture.

The Debentures will be secured by a General Security Agreement issued in favour of the holders of the Debenture.

The Company also announced that it granted stock options to a consultant and employee of the Company. The stock options granted allow the optionees the ability to purchase a combined total of 65,000 common shares of the company at an exercise price of \$0.08 cents per share for a five-year term.

The Company also announces that it has extinguished its previously announced (September 7, 2018) shares for debt settlement of \$100,000 in debt to one creditor for services provided to the Company through the issuance of 1,000,000 shares at a price of \$0.10.

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

**None.**

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

- **On September 6, 2018, the Company announced the appointment of Silas Garrison as Chief Executive Officer of the Company.**

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: October 2, 2018

Zula Kropivnitski  
Name of Director or Senior  
Officer

"Zula Kropivnitski"  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b>		
Name of Issuer <b>Healthspace Data Systems Ltd.</b>	For Month End <b>September, 2018</b>	Date of Report YY/MM/DD <b>2018/10/02</b>
Issuer Address <b>201 7491 Vedder Road</b>		
City/Province/Postal Code <b>Chilliwack, BC V2R 6E7</b>	Issuer Fax No. ( )	Issuer Telephone No. <b>1-866-860-4224</b>

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