

FORM 7
MONTHLY PROGRESS REPORT
For the Month of June, 2020

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

Trading Symbol: **HS**

Number of Outstanding Listed Securities: **198,919,762 common shares**

Date of filing: **July 7, 2020**

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 enterprise cloud and mobile solutions to governmental regulatory agencies, with a heavy focus on Environmental Health and Agriculture departments. The aim of the product suite is to streamline inefficiencies in the regulatory process and aid in all things from surveillance to business management, as well as compliance tracking and quality control applications as it relates to the regulatory process. Clients include over 500 government agencies with a segment of the product targeted at private sector businesses aimed to help them manage their regulatory data and better keep up with their required compliance.

HealthSpace’s ongoing engagement with government customers in both the US and Canada continues to drive aggressive growth and viable learning opportunities to continue to innovate its technology offerings. In 2019, the Company began expanding efforts to distribute the product line to a broader set of regulatory agencies which yield higher revenue streams. Such agencies include Code Enforcement and Building departments.

In addition to its core SaaS market, the Company is now developing a proprietary payments solution to create a governmental FinTech platform for online and mobile payments. This new platform will revolutionize the way State and Local governments agencies collect revenue from private businesses they regulate. This new platform will target the tens of billions of dollars these agencies charge to private businesses to allow them to operate. These charges include annual licensing fees, such as a restaurant permit, as well as application fees, fines and more. The Company will be able to share in the revenue through a profit share from payment processors and convenience fees charged to the local business. This new line of revenue is

not only accretive to its current market, but also has the ability to far exceed the amount of revenue generated from software sales.

The Company is working with its clients to utilize the Company's HSCloud Suite platform for COVID-19 contact tracing.

- During the month of June, the Company changes its fiscal year-end from July 31st to December 31st. As a result, Healthspace will report audited financial results for the year ended July 31, 2020, the three months ended October 31, 2020 and for the five-month transitional financial year ending December 31, 2020. Thereafter the Company will revert to a customary quarterly reporting calendar based on a December 31st financial year-end, with fiscal quarters ending on the last day in March, June, September and December of each year.

- 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 June 12, 2020, the Company announced that it signed a contract with Mecklenburg County Health Department in North Carolina to use HSCloud Suite for Contact Tracing and managing its Onsite Program. HealthSpace signed the contract on June 10th which is worth US \$157,800 over the next five years. This is the first paid contract to be signed with the use of contact tracing included as part of the package.

The Company also announced it begun working with Montgomery County, OH, Santa Cruz County, AZ, and McDonough and Schuyler counties in Illinois to utilize the Company's HSCloud Suite platform for COVID-19 contact tracing. The Company provided access to these counties on June 10th, June 6th and May 25th, respectively. HealthSpace is providing use of the platform on a gratis basis for the duration of the COVID-19 pandemic.

- On June 25, 2020, the Company announced that it has finalized a contract amendment, pursuant to the Company's previous release on November 20, 2019, for Franklin County Public Health in Ohio to utilize HSPay. HSPay will be utilized as the exclusive online payment service for the Franklin County Public Health Department.

This is the first contract to fully include HSPay which allows the Company to begin deploying its payment solution immediately. Franklin County Public Health collects over \$8m a year in revenue. All of this revenue has the ability to be processed through HSPay when a person or business desires to pay their regulatory fees online.

- On June 30, 2020, the Company announced that it signed a contract with Orange County Health Care Agency in California. The total worth of the contract is \$1,006,121.61 over the next five years.

This is the second contract the Company has signed in the State of California. Orange County, which resides in the Los Angeles metropolitan area, is the 3rd most populous county within California. The contract comes after the Company was awarded their bid in response to Orange County's RFP in April.

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.

None.

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: July 7, 2020

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 June, 2020	Date of Report YY/MM/DD 2020/07/07
Issuer Address 201 7491 Vedder Road		
City/Province/Postal Code Chilliwack, BC V2R 6E7	Issuer Fax No. ()	Issuer Telephone No. 1-866-860-4224