

**FORM 7
MONTHLY PROGRESS REPORT
For the Month of May, 2016**

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

Trading Symbol: **HS**

Number of Outstanding Listed Securities: **50,419,232 common shares**

Date of filing: **June 1, 2016**

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.

None other than described 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 May 10, 2016 the Company announced the signing of a three year contract extension with each of Pueblo-City County Health Department, Genesee County Health Department and Cheyenne-Laramie County Health Department. Combined the extensions are worth CDN\$77,520.

On May 16, 2016 the Company announced the signing of a three year contract renewal with the Sanilac County Health Department, located in Michigan.

On May 19, 2016 the Company announced the signing of a new three year contract with the Gwinnett, Newton and Rockdale County Health Departments, located in the State of Georgia, with a total value of USD\$82,625

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.
None.
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 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: June 1, 2016

Conrad Krebs
Name of Director or Senior
Officer

"Conrad Krebs"
Signature

Chief Financial Officer
Official Capacity

<i>Issuer Details</i>		
Name of Issuer Healthspace Data Systems Ltd.	For Month End May, 2016	Date of Report YY/MM/DD 2016/06/01
Issuer Address 201 7491 Vedder Road		
City/Province/Postal Code Chilliwack, BC V2R 6E7	Issuer Fax No. ()	Issuer Telephone No. 1-866-860-4224
Contact Name Conrad Krebs	Contact Position CFO	Contact Telephone No. 1-866-860-4224