

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Carl Data Solutions Inc. (the "Issuer")

Trading Symbol: CRL

Number of Outstanding Listed Securities: 48,052,008

Date: November 2, 2017

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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.

During the month of October 2017, the Issuer continued to focus on developing the enterprise application platform for the collection and storage of data sets. The application improves the scalability and functionality of each acquired

application with the integration of advanced analytics and machine learning. The Issuer's goal is to deliver a comprehensive data management solution for datasets of any size, type and complexity, and to continue to build a universal platform for other data-centric applications for industry and government.

The Issuer also continued its organizational integration process with acquired FlowWorks Inc. ("FlowWorks") during fiscal 2016. FlowWorks' technology helps its clients analyze and understand a combination of sensor and environmental data to manage water and waste water systems. The Issuer continues to adapt this powerful tool to take advantage of the opportunities in other data intensive verticals such as oil, power and gas, electrical utilities that are helping to drive the Industrial IoT revolution. As part of this integration, the company has taken steps to finance the expansion and development of FlowWorks' business.

During the month of February 2017, the Issuer entered into a settlement agreement with the dissenting former shareholder of FlowWorks. The terms of settlement are noted below.

The Issuer continued to work with AIP Asset Management Inc. During the month of October 2017, the Company continued to provide AIP with monthly financial report as required under the Note Purchase Agreement and entered into an amendment allowing for the early settlement of royalty payments in exchange for shares as discussed in further detail below.

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

See above.

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.

N/A

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.

N/A

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.

N/A

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.

During the month of October 2017, the Company elected to withdraw its bid into the securities exchange agreement with AB Embedded Systems announced March 9, 2017, due to delays in closing. The Company is pursuing alternative options for continuing its business relationship with AB Embedded.

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.

N/A

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

N/A

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.

N/A

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

N/A

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

N/A

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.

With respect to the ongoing negotiations with the former dissenting shareholder, the Issuer is continuing its discovery process with Mr. Timothy Hicks in the Superior Court of Washington for King County. The parties involved are FlowWorks Inc. (the "Plaintiff"), a wholly-owned subsidiary of the Issuer, and Mr. Hicks (the "Defendant"). During the month of February 2017, the Issuer has

entered into a settlement agreement with Mr. Hicks by agreeing to the following terms:

- (i) Cash payment of US\$1,000 within 30 days of the signing of final settlement;
- (ii) Cash payment of US\$100,000 within 90 days of the signing of final settlement;
- (iii) Issuing 444,444 common shares of the Company, subject to certain restrictions, within 5 days of the signing of final settlement with certain restrictions not yet finalized;
- (iv) Issuing 444,444 common shares of the Company, subject to certain restrictions, within 10 days of the signing of a final settlement; and
- (v) Issuing 44,444 common shares of the Company, subject to certain restrictions, within 6 months of the signing of final settlement.

Prior to October 2017, an aggregate of US \$111,000 and 888,888 common shares had been paid and issued and as a result, only 44,444 common shares, to be issued later in 2017 remain owing.

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

During the month ended October 2017, the Company made a payment of \$14,000 towards debt owing to a third-party lender on a balance of \$60,000 plus \$20,268 in accrued interest.

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

During the month of October 2017, the Company closed the second tranche of the private placement announced in August 2017 and issued 1,618,824 common share units (each, a "Unit") at \$0.26 for gross proceeds of \$420,894. Each Unit consisted of one common share and one common share purchase warrant exercisable for a period of two years at \$0.40. The Company paid a cash commission of \$11,846 and issued 45,560 non-transferable unit purchase warrants (each, a "Finder's Warrant") to one finder in connection with the subscriptions. Each Finder's Warrant entitles the holder to purchase one Unit (each, a "Finder's Unit") at a price of \$0.33 per Finder's Unit for a two-year period from the Closing Date, with each Finder's Unit consisting of one common share and one common share purchase warrant (each, a "Finder's Unit Warrant"). Each Finder's Unit Warrant entitles the holder to purchase one common share at a price of \$0.40 for a period of 2 years from the closing date.

Concurrent with the close of the private placement, the Company settled an aggregate amount of \$79,500 of indebtedness with three debtholders by issuance of 305,768 Units at a price of \$0.26. Each Unit consisted of one common share and one common share purchase warrant exercisable for a period of two years at \$0.40.

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

N/A

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

During October 2017, Kevin Ma was appointed to the Audit Committee as Chair.

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

N/A

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 no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated November 2, 2017.

Alastair Brownlow

Name of Director or Senior Officer

"Alastair Brownlow"

Signature

CFO

Official Capacity

Name of Issuer <u>Carl Data Solutions Inc.</u>	For Month Ended <u>October 31, 2017</u>	Date of Report <u>November 2, 2017</u>
Issuer Address <u>1090 West Georgia Street, Suite 488</u>		
City/Province/Postal Code <u>Vancouver, BC V6E 3V7</u>	Issuer Fax No. <u>N/A</u>	Issuer Telephone No. <u>(778) 379-0275</u>
Contact Name <u>Alastair Brownlow</u>	Contact Position <u>CFO</u>	Contact Telephone No. <u>(778) 989-4533</u>
Contact Email Address <u>alastair@carlsolutions.com</u>	Web Site Address <u>www.carlsolutions.com</u>	