

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Fundamental Applications Corp.** (the "Issuer").

Trading Symbol: **FUN**

Number of Outstanding Listed Securities: **21,745,068**

Date: **January 7, 2016**

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.

The Issuer designs, develops, markets, and acquires innovative mobile applications targeted at the Millennial Generation, a demographic with birth years ranging from the early 1980s to the early 2000s. This demographic is an early adopter of mobile technology, has significant discretionary income, and is lifestyle-driven with a willingness to try new products.

The Issuer's three leading mobile platforms are Foro, a peer-to-peer mobile ecommerce marketplace; Truth, a one-to-one anonymous messaging application previously listed in the top

100 social networking applications in the Apple App Store; and Serum™, an application that enables users to post questions to their friends and receive answers anonymously.

On December 23, 2015, the Issuer announced it had closed the first tranche of a non-brokered private placement ("First Tranche"), issuing a total of 957,272 Units at a price of \$0.22 per Unit to raise gross proceeds of \$210,600.

The First Tranche is part of a private placement offering of up to 4,500,000 Units (the "Private Placement"). Each Unit consists of one (1) common share and one-half (1/2) common share purchase warrant, whereby each whole warrant entitles the holder to purchase one additional common share of the Company for a period of two (2) years from closing at an exercise price of \$0.30 per share. The securities distributed under the First Tranche and the Private Placement, in general, are and will be subject to a statutory hold period of four months plus one day from the date of issuance. The proceeds from the Private Placement will be used for general working capital and corporate purposes.

In connection with the closing of the First Tranche, the Issuer paid finders' fees in the amount of \$99 to PI Financial Corp.

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

In addition to Item 1 above, during the month of December 2015, management focused on creating broader awareness of the Issuer and continued development of existing product line.

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 during the month of December 2015.

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 during the month of December 2015.

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 during the month of December 2015.

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 during the month of December 2015.

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 during the month of December 2015.

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

None during the month of December 2015.

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 during the month of December 2015.

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

None during the month of December 2015.

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

None during the month of December 2015.

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 during the month of December 2015.

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

None during the month of December 2015.

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

On December 23, 2015, the Issuer closed the first tranche of a non-brokered private placement, issuing a total of 957,272 Units at a price of \$0.22 per Unit to various investors, thereby raising gross proceeds of \$210,600. Each Unit consisted of one (1) common share and one-half (½) of a common share purchase warrant, whereby each whole warrant is exercisable to purchase one additional common share of the Issuer at a price of \$0.30 per common share until December 23, 2017.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	957,272	Issued December 23, 2015, pursuant to closing of first tranche of private placement	\$210,600 - general working capital and corporate purposes
Common share purchase warrants	478,636		

(1) State aggregate proceeds and intended allocation of proceeds.

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

None during the month of December 2015.

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

None during the month of December 2015.

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

Trends and risks, which may impact the Issuer, are detailed in Item 17, *Risk Factors*, of the Issuer's Form 2A – Listing Statement dated September 16, 2014.

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 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 January 7, 2016.

Richard Whitehead
Name of Director or Senior Officer

/s/ "Richard Whitehead"
Signature
Director/Chief Executive Officer
Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer Fundamental Applications Corp.	December 2015	YY/MM/DD 16/01/07
Issuer Address Suite 242, 515 West Pender Street		
City/Province/Postal Code Vancouver, BC V6B 6H5	Issuer Fax No. N/A	Issuer Telephone No. (604) 563-4225
Contact Name Richard Whitehead	Contact Position Director/CEO	Contact Telephone No. (604) 563-4225
Contact Email Address rwhitehead@funappcorp.com	Web Site Address www.funappcorp.com	