

HealthSpace Data Systems Ltd.

NEWS RELEASE

HealthSpace Closes 2nd Tranche of \$365,000 for an Aggregate Financing of \$3,460,352

VANCOUVER, BC – October 28, 2016 - HealthSpace Data Systems Ltd. (the “Company” or “HealthSpace”) is pleased to announce it has closed the second and final tranche of its previously announced offering of units (the “Units”) at a purchase price of \$0.05 per Unit for gross proceeds of \$365,000 for 7,300,000 Units. Each Unit consists of one common share in the capital of the Company (a “Share”) and one half of one Share purchase warrant (each whole Share purchase warrant, a “Warrant”), each whole Warrant being exercisable for 12 months at an exercise price of \$0.075, and being subject to acceleration in accordance with the terms in the Company’s news release of August 11, 2016.

Gross proceeds of the first and second tranche (the “Financing”) totals \$1,960,352 for 39,207,040 Units as well as a \$1,500,000 secured convertible debenture offering that closed concurrently with the first tranche, as indicated in a news release of the Company dated September 30, 2016.

The Financing was oversubscribed both in the first tranche and in the second tranche, and the maximum was increased to accommodate all subscriptions received by the Company. All securities issued pursuant to the second tranche are subject to a four month and one day hold, which expires on February 28, 2017.

Pursuant to the Financing the Company paid commissions to eligible finders consisting of total cash commissions of \$77,387 and the issuance of a total of 971,740 warrants (the “Finders’ Warrants”), in addition to 2,000,000 Shares distributed by the Company to Canaccord Genuity Corp in connection with their services as an eligible finder for the Financing. Each Finders’ Warrant entitles the holder to purchase one common share of the company at a price of \$0.075 cents per common share for a period of twelve months.

The proceeds of the second tranche of the Financing will be used by Healthspace for general working capital purposes.

About HealthSpace Data Systems Ltd.

HealthSpace is an industry leader providing inspection, information and communication management systems for federal, state, county and municipal governments. Over the last decade the Company has successfully developed both enterprise and mobile internet-based applications currently serving over 300 state and local government organizations across North America. Clients range in size from small county organizations to state-wide systems with over 910 concurrent users, as well as national programs. HealthSpace specializes in the field of developing, installing, and maintaining inspection and regulatory management systems for environmental and public health organizations.

Forward-Looking Statements

This release may contain forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although HealthSpace believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. HealthSpace expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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