

HealthSpace Data Systems Ltd.

NEWS RELEASE

HealthSpace Announces Contract with Tennessee Department of Health

VANCOUVER, BC – September 20, 2016 - HealthSpace Data Systems Ltd. (the "Company" or "HealthSpace") is pleased to announce the signing of an annual contract with the Tennessee Department of Health. The contract includes an initial set up and license value of USD \$58,500 and reoccurring annual revenues of USD \$42,000.

"We are very pleased to be working with the Tennessee Department of Health who becomes our ninth state-wide client. The Tennessee Department of Health employs 150 inspectors working throughout the state doing approximately 187,500 inspections a year of which over 103,000 are restaurant and food service inspections," commented Joseph Willmott, President of the Company.

This is the second state-wide deployment of HSTouch. The HS Touch Inspection App will be used by state health inspectors for FDA food inspections and to inspect public swimming pools, hotels/motels, bed & breakfast establishments, tattoo and body piercing studios, campgrounds, child care facilities as well as schools and correctional institutions.

The Company also announces that Christopher Morris has resigned as a director of the Company. The Board wishes to thank Mr. Morris for his service.

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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