Form 51-102F3
Material Change Report

Item 1. **Name and Address of Company**

Functional Technologies Corp. (the **"Company"**)
5511 West Boulevard, Suite 218
Vancouver, BC, V6M 4H3

Item 2. **Date of Material Change**

May 7, 2010

Item 3. **News Release**

A news release dated May 12, 2010 was disseminated through Marketwire.

Item 4. **Summary of Material Change**

The Company has raised approximately $1,638,000 through a warrant exercise incentive program previously announced on April 8, 2010.

Item 5.1 **Full Description of Material Change**

The Company has raised approximately $1,638,000 through a warrant exercise incentive program previously announced on April 8, 2010. A total of 2,729,666 outstanding share purchase warrants issued in November 2008 were exercised under the program at an exercise price of $0.60. As an incentive to exercise their November 2008 warrants, the warrant holders were issued, for every November 2008 warrant exercised, one share purchase warrant (the "**Incentive Warrants**") in addition to the one common share to which they were entitled. Each Incentive Warrant entitles the holder to purchase one common share until May 7, 2012 at a price of $0.70. All securities issued pursuant to the program will be subject to a hold period expiring on September 7, 2010.

Item 5.2 **Disclosure for Restructuring Transactions**

Not applicable.

Item 6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7. **Omitted Information**

Not applicable.

Item 8. **Executive Officer**

Howard Louie, *chief executive officer*
Telephone: 604 648 2200

Item 9. **Date of Report**

May 12, 2010.