

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

March 29, 2011

Item 3. News Release

A news release dated March 29, 2011 was disseminated through Marketwire.

Item 4. Summary of Material Change

The Company has entered into a collaboration agreement with an undisclosed, leading multinational company (the "Partner") to evaluate the Company's proprietary acrylamide-preventing ("AP") yeasts in one of several applicable sectors of food-related products.

Item 5.1 Full Description of Material Change

The Company has entered into a collaboration agreement with the Partner to evaluate the Company's proprietary AP yeasts in one of several applicable sectors of food-related products.

This preliminary collaboration is a fundamental step in the process of developing partnerships with global firms that possess established and significant capabilities in bioindustrial applications as well as in the manufacture, production and distribution of microorganism-based products.

Under the terms of this initial agreement, the Company and the Partner will seek to confirm the general and performance characteristics of the Company's AP yeasts, including the ability to reduce the main precursor asparagine to prevent the formation of acrylamide in the pre-specified food sector, and under industrial conditions provided by the Partner. Other multinational companies are able to begin or continue to evaluate the Company's AP yeasts in this particular food category, as well as the other various applicable food-based sectors. The Partner is granted a right of negotiation to license or commercialize the Company's AP technologies that precludes other commercial agreements in this pre-specified sector during a fixed evaluation period. The Company retains the rights to negotiate commercial agreements for its AP yeast technologies in all other food applications.

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

Connie Chen, *Vice-President, Corporate Development and Communications*
Telephone: 647 282 5038

Item 9. Date of Report

March 29, 2011