

**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**

August 17 and 18, 2011

**Item 3. News Release**

A news release dated August 19, 2011 was disseminated through Marketwire.

**Item 4. Summary of Material Change**

Gerri Greenham has resigned as a director of the Company and James D. Pratt has ceased to be an officer of the Company.

**Item 5.1 Full Description of Material Change**

Gerri Greenham has resigned as a director of the Company to pursue other interests and business commitments. James D. Pratt has ceased to be an officer upon the Company's termination of his services agreement.

**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**

August 19, 2011