

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

November 16, 2011

Item 3. News Release

A news release dated November 16, 2011 was disseminated through Marketwire.

Item 4. Summary of Material Change

The Company has commenced evaluation food trials for a leading European producer of intermediary starch-based food products including extruded snack food pellets, which are purchased and integrated by numerous downstream food manufacturers into a variety of other food products.

Item 5.1 Full Description of Material Change

The Company has commenced evaluation food trials for a leading European producer of intermediary starch-based food products including extruded snack food pellets (the "**Collaborator**"), which are purchased and integrated by numerous downstream food manufacturers into a variety of other food products.

These trials are being conducted to confirm the efficacy of the Company's proprietary acrylamide-preventing ("**AP**") yeast technology in a variety of materials received from the Collaborator, used in non-bread related food applications. The Company's recently announced third generation AP yeast technology will be employed, with the results expected to not only build on but also surpass the level of, and timing required for, efficacy that was previously attained in the products of another leading European food producer using the Company's first generation technology. The determination of efficacy will be conducted under simulated commercial conditions and product manufacturing protocols specified by the Collaborator, in which yeast is both traditionally and non-traditionally employed. This provides the Company with valuable opportunities to optimize the conditions and parameters under which its proprietary AP yeast platform is most effective. The collaboration also illustrates the efforts and willingness of major global food producers to seek and adopt innovative acrylamide-mitigating strategies and solutions in their processing practices.

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

November 16, 2011