

Current Water Technologies Inc.

Management's Discussion and Analysis

November 29, 2018

Management's Discussion and Analysis ("**MD&A**") of the financial condition, results of operation and cash flows for the month ended September 30, 2018 ("**the period**") should be read in conjunction with the financial statements and accompanying notes for the same period. This discussion covers the most recently completed year and the subsequent period to November 29, 2018.

The financial statements ("**financial statements**") of Current Water Technologies Inc. in conjunction with its subsidiary Pumptronics Incorporated ("Current Water" or the "Company" or the "Corporation") were approved for issuance by the Board of Directors on November 29, 2018. The financial statements were prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). All comparisons of results for the month ended September 30, 2018 are against results for the month ended December 31, 2017. All dollar amounts refer to Canadian dollars except where otherwise stated.

Management's Discussion and Analysis contains certain forward-looking statements and information related to Current Water, which are based on the beliefs of Management as well as assumptions made by and information currently available to Management. These statements, which can be identified by the use of forward-looking terminology such as "anticipates," "believes," "estimates," "expects," "may," "will," "should" or the negative thereof or other variations thereon and similar expressions, as they relate to Current Water or its management, are intended to identify forward-looking statements.

The forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued research and development and marketing of the patented and proprietary technologies of Current Water. Such statements reflect the current views of the management of Current Water with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Current Water to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Additional information relating to Current Water is available on the SEDAR web site at www.sedar.com.

Description of the business

The company was incorporated on February 15, 1996 under the laws of the Province of Ontario. The company provides innovative patented and proprietary technologies for: 1) the treatment of waste water and drinking water that are contaminated by metals or nutrients (e.g. arsenic, nitrate/ammonia) associated with the mining, metal processing, chemical, agricultural, municipal and waste management sectors; and, 2) the environmentally friendly recovery of nickel and other valuable metals from waste mill sulphide tailings associated with the mining sector.

Overall performance

Current Water continues to focus on marketing and business development efforts during the current year via establishment of strategic alliances and non-exclusive and exclusive distributorships. The Company is currently marketing its technologies in Asia, Europe, the Middle East, North America, South America and Africa.

Selected financial information

The following table provides selected financial information, which should be read in conjunction with the financial statements and the accompanying notes of the Company.

	For nine months ended	For Audited Year ended	Audited Year ended
	September 30, 2018	December 31, 2017	December 31, 2016
Total Revenues	2,313,746	\$1,004,439	\$590,790
Net loss	(\$909,599)	(\$1,293,089)	(\$1,109,535)
Net loss per share – basic and diluted	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)
Total assets	\$4,184,706	\$402,323	\$489,838

The following summary of quarterly results was prepared by management for the previous eight quarters.

	3 rd Quarter September 30, 2018	2 nd Quarter June 30, 2018	1 st Quarter Mar 31, 2018	4 th Quarter Dec 31, 2017	3 rd Quarter Sep 30, 2017	2 nd Quarter June 30, 2017	1 st Quarter Mar 31, 2017	4 th Quarter Dec 31, 2016
Total Revenues	672,126	976,477	\$665,143	\$330,141	\$188,769	\$284,085	\$201,444	\$127,867
Net gain (loss)	(342,913)	(197,489)	(\$369,197)	(\$916,889)	(\$164,541)	(\$69,611)	(\$142,048)	(\$624,550)
Net gain (loss) per share – basic and diluted	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)	≈ (\$0.01)

Current Water's revenue for the period ended September 30, 2018 was \$2,313,746, as compared to \$674,298 for the same period in 2017. This increase was due to the timing in the number of projects and business activities, and the timing of those projects in progress.

Project revenue for test units are normally recorded when risks and benefits of ownership are transferred, which is generally upon delivery. Receivables are normally due and payable within 30 days of delivery; however, management, in an effort to gain strategic relationships, may enter into a payment schedule with key customers who have an on-going relationship with Current Water and its technologies.

The net loss for the quarter was \$342,913, or approximately \$0.01 per share, as compared to a net loss of \$164,541, or approximately \$0.01 per share, for 2017. Direct expenses include project materials, office salaries, labour, general overhead, professional consulting, travel, and a percentage of general and administrative costs. Direct expenses increased from \$216,486 in 2017 to \$803,061 for the same period in 2018. General and administrative expenses include marketing, research and development, and accounting and auditor fees, as well as director fees and public company expenses; these increased from \$75,959 in 2017 to \$168,099 in 2018. Increases in Direct and General Expenses result from costs related to CWTI's acquisition of Pumptronics Incorporated.

Cash flow from operations for the nine months ending September 30, 2018 was negative \$1,408,310 compared to negative \$82,675 for the same period in 2017. Decreased cash flow resulted from costs related to CWTI's acquisition of Pumptronics Incorporated. The expense for share-based payments was \$91,380 for the period ended September 30, 2018 as compared to \$107,544 for the same period in 2017.

There is no certainty that the money spent by Current Water on research and development of its electrochemical water treatment technologies will result in the acquisition of large scale commercial sales. The long-term profitability of Current Water will be related in part to the success of its marketing and business development initiatives, which may be affected by a number of factors that are beyond the control of the Company. The success of the Corporation will largely depend upon the performance of its officers, consultants and employees.

Events

October 10, 2017 The Company announced that it entered into a Binding Letter of Intent with the owners of Pumptronics Incorporated ("Pumptronics") to acquire 100% of the issued share capital for a transaction value equal to \$3,000,000, which is comprised of \$1,200,000 cash payment and 12,000,000 common shares of Current Water Technologies Inc. Current Water demonstrated its commitment to the transaction, by providing an advance payment of \$100,000 to Pumptronics. No finder's was to be issued in conjunction with the acquisition of Pumptronics.

January 2, 2018 The Company announced a Corporate Name (Ticker Symbol) change from ENPAR Technologies Inc. (ENP) to Current Water Technologies Inc. (WATR) on the Toronto Venture Exchange. The website for the company was launched on January 2, 2018 under www.currentwatertechnologies.com.

January 8, 2018 Current Water Technologies acquired 100% of the Class B shares of Pumptronics Inc. for a total purchase price of \$3,000,000. Cash consideration totaling \$1,200,000 included \$700,000 cash paid on the date of closing, \$100,000 by way of credit of the deposit previously paid by the Company to the vendor, and payment of \$400,000 by issuance of a promissory note to the vendor or as the vendor may direct. The balance was settled through the issue of 12,000,000 common shares of the Company at a purchase price of \$0.15 per common shares issued and delivered on closing. The primary reason for the purchase is expected synergies with both organizations. Within 150 days after the closing date, the vendor will provide a statement detailing the Closing working capital (Current Assets, less Current Liabilities, determined as of the Closing Date). It is indeterminable at this date if any adjustment to the consideration will be required.

March 13, 2018, The Company announced that it received a milestone payment of CAD \$425,000 from Chemsbro of the Kingdom of Saudi Arabia (KSA). To date, CWTI has received a total of CAD \$1,400,000 toward the purchase of the ESD 900K system. The final payment of approximately CAD \$400,000 will be received immediately prior to shipping the system.

The system is being constructed inside four, 40-foot shipping containers. The Company expects the system to be shipped this summer, and its installation and commissioning to occur in the fall. The system will be installed at an industrial site located near the city of Jeddah, which is situated in western KSA on the shore of the Red Sea.

April 2, 2018, The Company announced that Mr. Bertan Atalay has joined CWTI as its Chief Financial Officer and Director.

In connection with the appointment of Mr. Atalay, Mr. Edward Tsang has resigned his position as CFO, but will remain a director of the Company.

April 23, 2018, The Company announced that it has received a contract to install and demonstrate its patented ammonia treatment system at an active mining site in Central Canada. CWTI has successfully mobilized and demonstrated the efficacy of the AmmEL system under varying industrial site conditions, including near freezing waste-water conditions characteristic of winter months in Canada and the northern USA. The technology is a cost effective strategy for year-round management of ammonia by North American and global mining companies.

April 26, 2018, The Company announced that the transfer of Pumptronics to CWTI's facility in Guelph, ON has been completed. To accommodate Pumptronics, the Company has leased an additional 10,000 sq. ft unit immediately adjacent to its existing office and manufacturing space.

To improve the profitability of Pumptronics in its inaugural year as a member of the CWTI brand, management has revamped its pricing structure, renegotiated supplier relationships, reduced its overhead, augmented its sales/marketing and service teams, and streamlined its production circuit. Already, there is a \$800,000 pipeline of new sales and service contracts.

April 30, 2018, The Company announced that Mr. Bernard Gillery has stepped down as director. The Board of Directors has initiated discussions with potential candidates.

May 14, 2018, The Company announced it will participate with their sponsor, Canada China Trade Innovation Alliance (CCTIA), in the 2018 China Langfang International Economic And Trade Fair jointly

organized by China's Ministry of Commerce and the People's Government of Hebei Province from May 18 to May 21, 2018.

June 01, 2018, The Company announced that it had completed a highly successful demonstration project with its patented ammonia treatment technology ("AmmEL System") at a Canadian gold mining site located within the Abitibi Mining Region of Central Canada. This followed successful demonstration projects previously conducted within the Abitibi Mining Region and in Western Canada.

As part of the next step, CWTI was invited by the industry partner to participate in a "Brain Storming Session" in late June.

August 31, 2018, Guelph, Ontario: The Company announced that it continues build on our recent large scale on-site demonstration successes in the Abitibi region of Quebec and Western Canada, as well as the new Metal & Diamond Mining Effluent Regulations that included unionized ammonia as a prescribed deleterious substance. CWTI reported that another prominent mining company, this time in northern Ontario, engaged CWTI for the purpose of mini- pilot testing its AmmEL ammonia destruction technology.

September 18, 2018, The Company announced the overwhelming support received from shareholders by management nominees at its annual meeting (the "Meeting") that was held on September 14, 2018. A record high percentage of common shares were represented at the Meeting: 70.58% of its issued and outstanding shares were voted with 58.8% of these votes supporting management.

All eight (8) management nominees for directors were elected with overwhelming support of the shareholders with approximately 63 million shares voted in favour of the management nominees. These included Nizar Kammourie, Zachery Dingsdale, Peter Kennedy, Bertan Atalay, Dr. Gene Shelp, Edward Tsang, Dr. Barry Shelp, and Sunil Ghorawat.

In addition, shareholders approved the appointment of BDO Canada LLP as auditors.

Subsequent Events

November 12, 2018, The Company announced that it had received a consulting contract to evaluate water treatment options for a Canadian gold mining operation owned by a major North American-based mining company.

CWTI anticipates completing the Scope of Work by year-end.

Senior Officers' compensation

There were no long-term incentive awards made to the Chief Executive Officer or any other officer of the Corporation during the month ended September 30, 2018. None of the Chief Executive Officers, senior officers or directors of the Corporation is indebted to the Corporation. The Chief Financial

Officer is entitled to receive \$1,000 quarterly. The Corporate Secretary is entitled to receive \$1,000 quarterly. No fees for the period was paid to Senior Officers for 2018.

Employment contracts

The Directors entered into a written employment agreement with Dr. Gene S. Shelp, President and Chief Executive Officer of the Corporation effective September 29, 2003. The terms of the agreement are in compliance with the requirements of the TSX Venture Exchange. The Corporation has no compensatory plan or arrangement with respect to the Chief Executive Officer that results or will result from the resignation, retirement or any other termination of employment of such officer's employment with the Corporation from a change of control of the Corporation or a change in the Chief Executive Officer's responsibilities following a change of control.

Compensation of directors

Directors of the Corporation, with the exception of the Chairman of the Board, are entitled to receive \$1,250 quarterly, as well as \$500 for each meeting or committee meeting attended in person, \$200 for each meeting attended by electronic communication, and reimbursement of expenses incurred in attending such meetings. The Chairman of the Board is entitled to receive \$5,000 quarterly in cash, as well as the attendance fees and reimbursement of expenses as described for the other directors. The by-laws of the Corporation provide that the remuneration to be paid to directors shall be determined from time to time by the Board of Directors. No fees were paid to Directors in 2018.

Insurance

The company currently maintains a comprehensive insurance package at a cost of \$14,523 for the period ended September 30, 2018, compared to \$10,891 for the same period in 2017. The package includes Commercial General Liability and Pollution Liability with an incident and aggregate limit of \$5,000,000, a Professional Liability with a claim limit of \$2,000,000, and a Directors' and Officers' Liability Policy with a per Claim limit and Aggregate limit of \$2,000,000. The company also carries key man insurance for two executives.

Risks and uncertainties

Current Water faces a number of risk factors and uncertainties due to the nature of the water treatment technologies business in which it is engaged, the limited extent of the Company's assets and the present stage of development. The factors given below, among others, should be considered.

KEY EMPLOYEES

Current Water's future growth and its ability to develop depend on its ability to attract and retain highly qualified personnel. The Company is highly dependent on the principal members of its senior management group and the loss of their services might impede Current Water's business strategy and growth.

CONFLICTS OF INTEREST

Certain members of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or may have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

MARKET CONDITIONS

The principal business of the Company is development and sales of 1) electrochemical wastewater and drinking water treatment technologies, and 2) hydrometallurgical metal recovery technologies. The ability to attract capital to the Company is largely dependent on the efficacy of its technologies. Relaxed enforcement of government water quality standards and regulations, or lower prices for key metals may represent the primary barriers to deployment of the Company's products. If, as a result of the inability to attract investors, financing was not available to meet cash operating costs, the feasibility of continuing operations would be evaluated and if warranted, would be discontinued. Although market conditions cannot be predicted with certainty, the Company monitors those conditions, among other factors and issues, all of which have the potential to affect sales.

GOVERNMENT REGULATIONS

Management anticipates that some of the future demand for the Company's technologies will be generated by the enactment or enforcement of human health and environmental regulations and standards directly affecting water treatment facilities or the management of waste mill sulphide tailings associated with the mining sector. Delays in the introduction of new regulations, or decreased government enforcement action relating to existing regulations, could slow the rate of growth in demand for some of the Company's products within Canada.

COMPETITION AND TECHNOLOGICAL CHANGE

The water treatment marketplace is highly competitive. The ability of the Company to market its current array of products and to introduce new products or enhancements of existing products could require significant additional research and development expenditures. The future success of the Company depends substantially on its ability to develop new or enhanced products that achieve marketplace acceptance. While Current Water has developed unique, proprietary technologies, there is significant competition from various companies that supply long-standing water treatment systems. With respect to Current Water's hydrometallurgical system, there is currently no competition for the recovery of nickel directly from waste mill sulphide tailings, but as the technology is expanded to other applications, competition may be expected.

While there can be no assurance of the ability of Current Water to penetrate target markets and sustain a share of those markets, the Company has no knowledge of existing or upcoming technologies that would render obsolete or significantly displace our products in the near future.

However, such risk exists and, if it was to materialize, would have an adverse impact on the future growth of the Company.

Although markets remain highly competitive, Current Water remains committed to meeting client needs by setting leadership standards in the design and delivery of innovative, highly efficient, cost-effective technologies for water treatment or metal recovery.

LICENSES AND PERMITS

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to design, construct and maintain continued operations of its technologies that economically justify the cost.

PATENTS

Although a patent has a statutory presumption of validity, its issuance is not conclusive as to its validity or as to the enforceability of its claims. Moreover, the laws of certain countries may not protect proprietary rights to the same extent, as do the laws of Canada, the United States and the United Kingdom. Accordingly, there can be no assurance that the Company's patents will afford legal protection against competitors, nor can there be any assurance that the patents will not be infringed by others or that others will not obtain patents that the Company would need to license. Furthermore, successful challenges to certain of the Company's patents could materially and adversely affect its competitive and financial condition.

FOREIGN EXCHANGE RATES

Management anticipates that the Company will engage in international operations within the near term and expects to incur costs and expenses in a number of foreign currencies other than the Canadian dollar. The exchange rates covering such currencies can vary substantially. Substantial portions of our expenses will be incurred in United States dollars while our financing is conducted in Canadian dollars. Fluctuations in exchange rates between the U.S. dollar and the Canadian dollar and between the U.S. dollar and certain other currencies give rise to foreign currency exposure, either favourable or unfavourable, which may materially affect and may continue to affect our results of operations and financial condition. The Company does not hedge foreign currencies against our functional currencies.

SHARE PRICE FLUCTUATIONS

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered in the development stages, have experienced fluctuations in price which would not necessarily be related

to the Company's operations and asset values. There is no assurance that fluctuation in share price will not continue to occur.

Liquidity and Capital resources

Current Water has no history of profitable operations because its technologies are at the early stage of commercialization. Therefore, the Company is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources, as well as a lack of revenues.

The financial statements for the month ended September 30, 2018 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Current Water will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Current Water's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company obtains financing by the issuance of share capital. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing in the near future will result in the delay or the indefinite postponement of further research and development and marketing initiatives.

Current Water's financial statements reflect management's opinion that the going concern assumption is appropriate. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses, and the balance sheet classifications used.

Off-balance sheet arrangements

The Company had no off-balance sheet arrangements.

Related party transactions

Included in general and administrative expenses are fees paid to the five directors of the Company in the amount of \$NIL (2017: \$NIL). These expenses were paid in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements. The capital structure consists of debt, cash and cash equivalents and shareholders' equity, excluding accumulated other comprehensive income (loss). The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities, and therefore does not have a numeric target for its capital structure. There were no changes to the Company's approach to capital

management during the current year compared to the year ended December 31, 2017. The Company does not have any covenants respecting its capital ratios.

Financial instruments

Current Water's financial instruments predominantly consist of cash, short-term deposits, HST receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. As at September 30, 2018, cash and cash equivalents were \$239,565.

Outstanding share data

January 4, 2018 550,000 options were exercised at a price of \$0.10 per share for gross proceeds of \$55,000.

January 8, 2018 The Company closed a private placement to accredited investors for 8,834,001 units at a price of \$0.15 per unit for gross proceeds of 1,325,999. Each Unit is comprised of one Common Share in the capital stock of the Corporation and 0.50 of a Common Share Purchase Warrant exercisable for a period of two (2) years from the date of closing. Should the Investor wish to fully exercise the Warrants, the Investor is entitled to purchase a total of 4,416,998 additional Common Shares at price of \$0.25 per share. The Company paid \$77,548 in commissions on this private placement. All securities issued under, or in connection with, the Offering are subject to a four-month hold period under applicable Canadian securities laws.

February 2, 2018 The Company closed a private placement to accredited investors for 6,003,332 units at a price of \$0.15 per unit for gross proceeds of \$900,499. Each Unit is comprised of one Common Share in the capital stock of the Corporation and 0.50 of a Common Share Purchase Warrant exercisable for a period of two (2) years from the date of closing. Should the Investor wish to fully exercise the Warrants, the Investor is entitled to purchase a total of 3,001,666 additional Common Shares at price of \$0.25 per share. The Company paid \$53,240 in commissions on this private placement. All securities issued under, or in connection with, the Offering are subject to a four-month hold period under applicable Canadian securities laws.

February 17, 2018 The Company closed a private placement to accredited investors for 3,059,000 units at a price of \$0.15 per unit for gross proceeds of \$458,850. Each Unit is comprised of one Common Share in the capital stock of the Corporation and 0.50 of a Common Share Purchase Warrant exercisable for a period of two (2) years from the date of closing. Should the Investor wish to fully exercise the Warrants, the Investor is entitled to purchase a total of 1,529,500 additional Common Shares at price of \$0.25 per share. The Company paid \$36,408 in commissions on this private placement. All securities issued under, or in connection with, the Offering are subject to a four-month hold period under applicable Canadian securities laws.

March 17, 2018 800,000 options were exercised at a price of \$0.10125 per share for gross proceeds of \$81,000.

Basic income (loss) per share was calculated on the basis of the weighted average number of common shares outstanding for the year. Fully dilutive income (loss) per share has not been disclosed as the exercise of the common share purchase options and warrants outstanding as at June 30, 2018 and 2017 would have anti-dilutive effect.

Current Water's authorized capital stock consists of an unlimited number of common shares and an unlimited number of first preferred shares. The Company has 147,600,252 common shares outstanding as at June 30, 2018. To date the Company has not issued any first preferred shares.

WARRANTS AND OPTIONS

During the period ending June 30, 2018, the Company did not grant stock options to any employees or consultants. During the period, no stock options were exercised and no options were cancelled during the period. No options expired during the period. The Company's stock option plan has a total of 19,907,450 options representing the maximum number of options that can be outstanding and exercisable. The Company had outstanding at period end, 11,225,000 options to purchase common shares at an average exercise price of \$0.11.

In determining the share based payments expense for the period, the fair value of the options were estimated using a Black-Scholes option pricing model with the following weighted average assumptions used for grants as follows: dividend yield of 0%; expected volatility of 83% (2017: 83%); risk-free interest rate of 1.46% (2017: 1.46%); and expected life of 2 to 10 years.

During the period ending September 30, 2018, the Company granted no warrants to investors, and no warrants expired. As at September 30, 2018, the Company has a total of 13,361,804 warrants outstanding and exercisable with a weighted average exercise price of \$0.24.

Accounting standards, policy changes, and critical accounting estimates

Please refer to note 1 of this financial statement for the period ended September 30, 2018 for our significant accounting policies and critical accounting estimates.

Approval

The Board of Directors and the Audit Committee of the Corporation have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.