

PRESS RELEASE
December 20, 2017

BQE Water Proposes Extension to \$1.5 Million Convertible Loans

VANCOUVER, BC – BQE Water Inc. (TSX-V: BQE) (“BQE Water” or the “Company”), a leader in the treatment and management of mine impacted waters, has made a proposal to its lenders to amend the terms of the \$1,500,000 convertible loans (the "Loans") by extending the maturity date by 12 months to January 6, 2019. The lenders included certain directors, management, and employees of the Company, individual investors, and non-management insiders of the Company. The proposed amendment is subject to TSX Venture Exchange approval.

If the proposed amendment is approved, the Loans will continue under the same terms and conditions with the exception of the extension of the maturity date described previously. The Loans bear interest at a rate of 8% per annum and are repayable in full on maturity. Interest is payable semi-annually in arrears. BQE Water may elect to prepay all or any portion of the outstanding balance at any time during the term of the Loans without penalty. During the term of the Loans, the lenders will hold a first charge security interest over the assets of the company.

Upon prepayment or maturity of the Loans, each lender may elect to convert all or any portion of the repaid principal into common shares of BQE Water at a conversion price of \$0.06 cents per share. Any accrued but unpaid interest thereon will be converted into common shares at a conversion price equal to the greater of \$0.06 cents per share or the then-prevailing market price of the common shares.

The proposed amendment will ensure that BQE Water’s management has the financial resources to continue executing on its longer term growth strategy.

About BQE Water

BQE Water is a service provider specializing in water treatment and management for the mining and metallurgical industry. We are focused on reducing Life Cycle Costs through customized solutions that reduce risks and long-term environmental liabilities while introducing sustainability into the overall water management plan. We have extensive expertise in the removal, recovery, and/or recycle of a broad range of metals, sulphate, selenium, cyanide, ammonia and other nitrogen species. BQE Water has commercialized several water treatment technologies and built plants at mine sites around the world for organizations including Glencore, Jiangxi Copper, Freeport-McMoRan and the US EPA. A key part of our business is our involvement in the ongoing operation and maintenance of treatment plants. We currently operate several plants under long-term contract and provide operations support to other plants globally. Our capabilities in implementing technical innovation and plant operations provides us with first-hand experience to deliver practical and actionable consultancy services. The company operates water testing laboratories and mobile pilot treatment facilities in North and South America, and China. BQE Water is headquartered in Vancouver, Canada and trades on the TSX Venture Exchange under the symbol BQE. Please visit www.bqewater.com for more information.

The Toronto Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained herein may not be based on historical fact and therefore constitutes "forward-looking information" under applicable Canadian securities legislation. This includes without limitation statements containing the words "plan", "expect", "project", "estimate", "intend", "believe", "anticipate", "may", "will" and other similar words or expressions. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks, uncertainties and other factors that may cause actual events or results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the Company's dependence on key personnel and contracts, uncertainty with respect to the profitability of the Company's technologies, competition, technology risk, the Company's ability to protect its intellectual property and proprietary information, fluctuations in commodity prices, currency risk, environmental regulation and the Company's ability to manage growth and other factors described in the Company's filings with the Canadian securities regulators at www.sedar.com (including without limitation the factors described in the section entitled "Risks and Uncertainties" in the Company's MD&A for the year ended December 31, 2016). Given these risks and uncertainties, the reader is cautioned not to place undue reliance on forward-looking statements. All forward-looking information contained herein is based on management's current expectations and the Company undertakes no obligation to revise or update such forward-looking information to reflect subsequent events or circumstances, except as required by law.

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