

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Reporting Issuer

BQE Water Inc. (the “**Company**”)
Suite 250 – 900 Howe Street
Vancouver, B.C. V6Z 2M4

Item 2 – Date of Material Change

December 14, 2018

Item 3 – News Release

A news release announcing the material change was issued on December 13, 2018 and disseminated through Newswire. A copy of the news release was filed on SEDAR.

Item 4 – Summary of Material Change

On December 14, 2018, the Company completes the full conversion of \$1,500,000 of outstanding convertible loans (the "Loans"), together with \$112,599 of accrued but unpaid interest, into common shares of the Company.

Item 5 – Full Description of Material Change

On December 14, 2018, all holders of the outstanding Loans elected to convert the full \$1,612,599 of outstanding principal and interest under the Loans into an aggregate of 26,876,644 common shares of BQE Water at a conversion price of \$0.06 cents per common share. Following the conversion of the Loans, BQE Water will have a total of 120,843,316 shares outstanding. A full description of the material change can be found in the News Release.

Item 6 – Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 – Omitted Information

Not applicable.

Item 8 – Executive Officer

David Kratochvil, CEO
dkratochvil@bqewater.com

Heman Wong, CFO
hwong@bqewater.com

(604) 685-1243

Item 9 – Date of Report

December 14, 2018