

**CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.**

**NOTICE OF CHANGE OF AUDITOR**  
**PURSUANT TO NATIONAL INSTRUMENT 51-102**

**TAKE NOTICE THAT** Clear Blue Technologies International Inc. (the "Corporation") is changing its auditor from MNP LLP (the "Former Auditor") to Crowe Soberman LLP. The Former Auditor was terminated by the Corporation effective as of November 13, 2018.

The termination of the Former Auditor and the recommendation to appoint Crowe Soberman LLP as successor auditor has been approved by the Corporation's Board of Directors. The change of auditor will be ratified at the next annual meeting of shareholders of the Corporation.

The Corporation confirms that there were no reservations or modified opinions in the Former Auditor's reports in connection with:

- (a) the financial statements of Clear Blue Technologies Inc., a wholly-owned subsidiary of the Corporation, for the most recently completed fiscal year ending December 31, 2017; and
- (b) any period subsequent to the most recently completed period for which an audit report was issued and preceding the date of expiry of the Former Auditor's term of office.

In the opinion of the Corporation, there are no reportable events (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*), during the period the Former Auditor was the auditor for the Corporation, other than an unresolved issue (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) relating to the application of IFRS 15 Revenue from Contracts with Customers to orders of the Company's Illumient light pole systems, comprised of various component parts (the "Illumient Systems"). More specifically, these components are often shipped from multiple locations and at different times. Subsequent to the issuance of the December 31, 2016 and December 31, 2017 audited financial statements of the Corporation and the issuance of the March 31, 2018 unaudited financial statements of the Corporation (collectively the "Previous Financial Statements"), the Company indicated to the Former Auditor that it believed that revenue from the sale of the Illumient Systems should be recognized as each component is shipped or delivered (depending on shipping terms) and that such treatment was supported by IFRS 15, whereas in the Previous Financial Statements recognition of revenue and the related costs for orders of the Illumient Systems was deferred until all components of the system had been shipped or delivered. At the time of termination of the Former Auditor, the Corporation and the Former Auditor had a difference of opinion respecting the application of IFRS 15 to the Illumient Systems, as the Former Auditor had advised the Corporation that it believed that revenue and costs in relation to the sale of the Illumient Systems should be deferred until all components of the system have been delivered, consistent with the approach taken in the Previous Financial Statements. Recognition of revenue from the sale of Illumient Systems on a component by component basis during the period covered by the Previous Financial Statements would have increased revenue by \$24,840,

\$82,373 and \$nil, respectively, increased cost of sales by \$17,032, \$57,798 and \$nil, respectively, and decreased net loss of \$7,808, \$24,575, and \$nil, if applied to the Corporation's December 31, 2016, December 31, 2017 audited financial statements and March 31, 2018 unaudited financial statements, respectively. The Former Auditor has advised the Corporation that it believes that this unresolved issue could have a material impact on the Corporation's revenue and cost of sales in the Corporation's unaudited June 30, 2018 and September 30, 2018 financial statements its December 31, 2018 audited financial statements, to the extent that there are significant orders of Illumient Systems which are partially shipped as of the quarter or year-end.

The Corporation's Board of Directors has discussed this unresolved issue with the Former Auditor, and the Corporation has authorized the Former Auditor to respond fully to inquiries by any successor auditor concerning this unresolved issue.

*[Signature page to follow]*

DATED as of the 16<sup>th</sup> day of November, 2018.

**CLEAR BLUE TECHNOLOGIES  
INTERNATIONAL INC.**

Per: "Lawrence Tjan"  
Lawrence Tjan  
Chief Financial Officer