

FORM 9

NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES **(or securities convertible or exchangeable into listed securities)**

Please complete the following:

Name of Listed Issuer: International Wastewater Systems Inc. (the "Issuer").

Trading Symbol: IWS

Date: October 31, 2016.

Is this an updating or amending Notice: ☒ Yes ☐ No

If yes provide date(s) of prior Notices: October 12, 2016.

Issued and Outstanding Securities of Issuer Prior to Issuance: 89,382,000

Date of News Release Announcing Private Placement: n/a

Closing Market Price on Day Preceding the Issuance of the News Release: \$0.42

- 1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

The shares are being issued in lieu of a cash fee payable to a consultant.

Full Name & Residential Address of Creditor	Number of Securities to be Issued	Issue price per Security (CDN\$)	Conversion Price (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed	Payment Date(1)	Describe relationship to Issuer (2)
Zimtu Capital Corp.	262,500	\$0.40	n/a	NI 45-106 Section 2.24	none	n/a	Consultant

(1) Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.

(2) Indicate if Related Person.

¹An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: n/a .
2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. n/a
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: n/a
4. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities. See attached schedule A – Consulting Agreement.
5. Description of securities to be issued:
 - (a) Class common shares.
 - (b) Number 262,500
 - (c) Price per security \$0.40.
 - (d) Voting rights one share is entitled to one vote
6. Provide the following information if Warrants, (options) or other convertible securities are to be issued:
 - (a) Number n/a.
 - (b) Number of securities eligible to be purchased on exercise of Warrants (or options) n/a .
 - (c) Exercise price n/a .
 - (d) Expiry date n/a.
7. Provide the following information if debt securities are to be issued:
 - (a) Aggregate principal amount n/a .
 - (b) Maturity date n/a .
 - (c) Interest rate n/a .
 - (d) Conversion terms n/a .

- (e) Default provisions n/a .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): n/a.
- (b) Cash n/a.
- (c) Securities n/a.
- (d) Other n/a .
- (e) Expiry date of any options, warrants etc. n/a.
- (f) Exercise price of any options, warrants etc. n/a.
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship n/a .
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).
n/a .
11. State whether the private placement will result in a change of control.
no .
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders n/a .
13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102.

2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: n/a .
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: n/a
3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
 - (a) Total aggregate consideration in Canadian dollars: n/a .
 - (b) Cash: n/a .
 - (c) Securities (including options, warrants etc.) and dollar value: n/a .
 - (d) Other: n/a .
 - (e) Expiry date of options, warrants, etc. if any: n/a .
 - (f) Exercise price of options, warrants, etc. if any: n/a .
 - (g) Work commitments: n/a .
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).
n/a
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: n/a .
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:
n/a

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer ⁽¹⁾

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: n/a .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
 - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): n/a.
 - (b) Cash n/a .
 - (c) Securities n/a .
 - (d) Other n/a .
 - (e) Expiry date of any options, warrants etc. n/a
 - (f) Exercise price of any options, warrants etc. n/a .
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. n/a
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. n/a

Certificate Of Compliance

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The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated October 31, 2016.

Yaron Conforti
Name of Director or Senior
Officer



Signature

CFO, Director
Official Capacity

SCHEDULE A – CONSULTING AGREEMENT

Consulting Agreement

Between

International Wastewater Systems Inc.

1443 Spitfire Place

Port Coquitlam, BC V3C 6L4

(604) 475-7710

and

Zimtu Capital Corp.

1450 – 789 West Pender Street,
Vancouver, BC V6C 1H2

(604) 681-1568

CONSULTING AGREEMENT

WHEREAS:

- A. Zimtu Capital Corp. ("**Zimtu**") administers a cooperative marketing program, including the provision of limited management services, on a cost-sharing basis (the "**Program**") and certain other consulting services; and
- B. International Wastewater Systems Inc. ("**IWS**") wishes to avail itself of the services of Zimtu set forth and described in Section 1 of this Agreement (the "**Services**") and Zimtu is prepared to provide the Services upon the terms and conditions hereinafter provided;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and other good and valuable consideration (the receipt whereof is hereby acknowledged) the parties hereto agree as follows:

1. **Services to be rendered:** Zimtu will, and will make personnel available to, operate the Program and carry out the following services:
 - (a) Corporate Development;
 - (b) Strategic Planning;
 - (c) Negotiating Agreements;
 - (d) Coordinating services of professionals;
 - (e) Assisting with the Due Diligence Process; and
 - (f) Such additional services as are requested by IWS and agreed to be provided by Zimtu.
2. **Fee:** In consideration for Zimtu's entering into this Consulting Agreement, IWS shall pay Zimtu a signing bonus of \$35,000 (inclusive of 5% GST) as a signing bonus, which shall be payable by the issuance of 87,500 common shares of IWS to Zimtu at a deemed price of \$0.40 per common share upon the approval of this Agreement by the board of directors of IWS. For services rendered by Zimtu in accordance with this Agreement, IWS shall pay Zimtu a total \$70,000 (inclusive of 5% GST), which will be payable by the issuance of 175,000 common shares of IWS at a deemed price of \$0.40 per common share. The common shares will be issuable in two tranches (87,500 shares per tranche) according to the following schedule:
 - a. 87,500 shares to be released on January 15, 2016; and
 - b. 87,500 shares to be released on April 15, 2017.
3. **Term:** This Agreement shall be in effect for a period of six consecutive months upon ratification. This Agreement may be terminated immediately by either party upon any breach hereof or violation of the law by the other party.

4. **Time Commitment:** Zimtu management and the Zimtu management team of professionals agree that they will spend a significant amount of time designing, implementing and managing the corporate strategy for IWS over the next six month period.
5. **Confidential Information.** "Confidential Information" means any information, whether or not owned by or developed by IWS, which is not generally known and which Zimtu may obtain through direct or indirect contact with IWS. Such Confidential Information includes, but is not limited to: business records and plans, marketing strategies, cost, discounts, product design information, technical information, business affairs, financial reports, customer lists, and other proprietary information.

Confidential Information does not include information that is:

- (a) In the public domain.
- (b) Rightfully received from a third party without any obligation of confidentiality.
- (c) Rightfully known to Zimtu without any limitations on use or disclosure prior to its receipt from IWS.
- (d) Independently developed by Zimtu without use of or reference to the Confidential Information by persons who had no access to the Confidential Information.

Zimtu acknowledges that the Confidential Information is and will at all times continue to be the property of IWS. Zimtu will not, and shall cause its representatives to not, directly or indirectly, without IWS's prior written consent, disclose any Confidential Information to any person directly or indirectly in any manner whatsoever, in whole or in part, nor use the Confidential Information for any purpose other than to perform the Services in accordance with this Agreement.

Within thirty (30) days after the expiry or termination of this Agreement or the date of any request in writing of IWS, Zimtu shall return to IWS all Confidential Information received by Zimtu including all reproductions or copies including electronic copies made by Zimtu or any representative working on Zimtu's behalf.

6. **Conflict of Interest.** Zimtu represents and warrants that its delivery of the Services will not in any way conflict with any continuing interests or obligations of Zimtu or its employees or contractors.
7. **Independent Contractor.** Zimtu acknowledges that it is at all times acting as an independent contractor under this Agreement and except as specifically provided herein, not as an agent, employee, or partner of IWS. Zimtu has no authority to enter into any contract or incur any other obligation on behalf or in the IWS of IWS. Zimtu agrees to be solely responsible for all matters relating to compensation of its employees, including but not limited to all related taxes and benefits.
8. **Entire Agreement:** This Agreement contains the entire agreement between Zimtu and IWS regarding this matter and fees, charges and expenses relating thereto. This Agreement shall not be modified except by written agreement signed by Zimtu and IWS. Each provision of this

Agreement shall be severable and if any provision is determined by a court to be invalid or unenforceable, the validity of the remaining provisions shall not be affected thereby.

9. General

- (a) Time shall be of the essence of this Agreement.
- (b) Where required, this Agreement is subject to the acceptance of the applicable regulatory authorities having jurisdiction over the subject matter hereof.
- (c) The parties hereto agree from time to time after the execution hereof to make, do, execute or cause or permit to be made, done or executed all such further and other lawful acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.
- (d) This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and undertakings, whether oral or written, relative to the subject matter hereof.
- (e) This Agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
- (f) Any reference herein to the IWS or Zimtu shall include their respective heirs, successors and permitted assigns.
- (g) If any provisions of this Agreement or any part thereof shall be found or determined to be invalid it shall be severable from this Agreement and the remainder of this Agreement shall be construed as if such invalid provision or part has been deleted from this Agreement.
- (h) This Agreement and all matters arising thereunder shall be governed by the laws of British Columbia and all disputes arising under this Agreement shall be referred to a court of British Columbia.
- (i) Any notice, direction or instrument required or permitted to be given hereunder shall be given in writing and be mailed, postage prepaid or delivered by one party to the other at the addresses first herein appearing. Any notice, direction or other instrument aforesaid if delivered shall be deemed to be given or made on the day on which it was delivered or, if mailed, shall be deemed to have been given or made on the fifth business day following the day on which it was mailed, provided that if there shall be a postal strike, slow down or other labour dispute which may affect the delivery of such notice through the mail between the time of mailing and the actual receipt of notice then such notice shall only be effective if actually delivered. Any party may, from time to time, give notice of any change of its respective address and, in such event, the address of such party shall be deemed to be changed accordingly.
- (j) Zimtu in performing his duties hereunder is acting as an independent contractor in providing the Services and will not be entitled to any benefit plans to which regular employees of the IWS are entitled. Zimtu hereby acknowledges that Zimtu is responsible for remitting its own taxes and any contributions required by law to be remitted and the Company shall have no responsibility in respect of any failure by Zimtu to properly remit

such amounts when due, and Zimtu agrees to indemnify and save the Company harmless from and against assessments, losses or penalties actually incurred by the Company in this respect.

- (k) Zimtu shall not, without the prior written consent of the IWS, use the name of the IWS nor the relationship arising out of this Agreement in any manner during or after the term hereof in any materials advertising or promoting Zimtu or otherwise.
- (l) This Agreement may be executed in counterpart and by facsimile, each of such counterparts so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

Confirmed and accepted this 15th day of October, 2016.

ZIMTU CAPITAL CORP.

BY: _____

INTERNATIONAL WASTEWATER SYSTEMS INC.

BY: _____