

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of CNSX Issuer: International Wastewater Systems Inc. (the "Issuer" or "IWS").

Trading Symbol: IWS

Number of Outstanding Listed Securities: 80,870,000

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**During May 2016 the Issuer was focused on fulfilling existing purchase orders, business development for potential new orders, opening new sales territories and strengthening the Issuer's operating and financial platform.**

- 2. Provide a general overview and discussion of the activities of management.

**In May 2016 Management continued their focus on building and fulfilling the sales pipeline. Management was also engaged in capital raising activities during the month as well as completing and filing the Issuer's financial statements for the first quarter of 2016.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**Not applicable for the preceding month.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**Not applicable for the preceding month.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**In May 2016 the Issuer announced a collaboration with the city of Fier, Albania (see press release dated May 18, 2016). IWS and Fier have agreed to collaborate on a strategic plan to develop District Energy Networks utilizing IWS's SHARC wastewater heat exchange system along with the integration of sewage treatment capabilities.**

6. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**Not applicable for the preceding month.**

7. Describe the acquisition of new customers or loss of customers.

**Not applicable for the preceding month.**

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**There were no new developments or effects on intangible products.**

9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**Not applicable for the preceding month.**

10. Report on any labour disputes and resolutions of those disputes if applicable.

**None.**

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None.**

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None.**

13. Provide details of any securities issued and options or warrants granted.

**None.**

Security	Number Issued	Details of Issuance			Use of Proceeds
		Name of Party	Exercise Price	Grant Date	

14. Provide details of any loans to or by Related Persons.

**Not applicable for the preceding month.**

15. Provide details of any changes in directors, officers or committee members.

**Not applicable for the preceding month.**

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**Not applicable for the preceding month.**

## Certificate Of Compliance

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.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 3, 2016.

Yaron Conforti  
Name of Director or Senior  
Officer

"Yaron Conforti"  
Signature

CFO, Director & Corp. Secretary  
Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer		YY/MM/DD
International Wastewater Systems Inc.	May 31, 2016	16/06/03
Issuer Address: 1443 Spitfire Place		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Port Coquitlam, BC V3C 6L4	No fax number	604-475-7710
Contact Name	Contact Position	Contact Telephone No.
Yaron Conforti	CFO, Director & Corporate Secretary	(416) 716-8181
Contact Email Address	Web Site Address	
info@iwhes.com	<a href="http://sewageheatrecovery.com">sewageheatrecovery.com</a>	