

FORM 9

NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES **(or securities convertible or exchangeable into listed securities¹)**

Please complete the following:

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

Trading Symbol: IWS

Date: January 20, 2017.

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

If yes provide date(s) of prior Notices: December 22, 2016.

Issued and Outstanding Securities of Issuer Prior to Issuance: 92,765,044

Date of News Release Announcing Private Placement: November 30, December 19, 2016 and January 19, 2017.

Closing Market Price on Day Preceding the Issuance of the News Release: \$0.32

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)

Full Name & Residential Address of Placee	Number of Securities Purchased or to be Purchased	Purchase 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)
Please see the attached schedule A							

(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: up to \$2,682,600.10 (\$682,600.10 for the first tranche), if the Agent (as defined in section 8 below) exercises the Over-Allotment Option in full (as such term is defined in section 10 below), the Issuer will raise an additional of up to \$300,000 for gross proceeds of up to \$2,982,600.10.
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. The Issuer will use the proceeds to fulfill its pipeline of projects in Canada, the United States, Scotland, England, Australia and China, and for general corporate purposes.
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. n/a
5. Description of securities to be issued:
 - (a) Class common shares (the “Shares”)
 - (b) Number up to 8,942,000 (including 2,275,333 for the first tranche). If the Agent exercise the Over-allotment option in full, the Private Placement will be increased from up to 8,942,000 to up to 9,942,000.
 - (c) Price per security \$0.30 per unit (a “Unit”), each Unit consists of one Share and one transferable common share purchase warrant (a “Warrant”).
 - (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 up to 8,942,000 Warrants (including 2,275,333 Warrants to be offered to purchasers from the first tranche reflecting amendments to the terms of the private placement). If the Agent exercises the Over-allotment option in full, the number of Warrants to be issued will be increased to up to 9,942,000 Warrants.
 - (b) Number of securities eligible to be purchased on exercise of Warrants (or options) up to 9,942,000 (including 2,275,333 for the first tranche).
 - (c) Exercise price \$0.40.

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- (d) Expiry date 24 months following the closing of the private placement.
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:
- Canaccord Genuity Corp. ("**Canaccord**")
2200 - 609 Granville Street
Vancouver, BC V7Y 1H2
- Haywood Securities Inc. ("**Haywood**" or the "**Agent**" for the brokered portion of the Private Placement)
700-200 Burrard Street
Vancouver, BC V6C 3L6
- (b) Cash: up to \$233,695.01 (assuming full exercise of the Over-allotment Option), being 7.5% of the gross proceeds of the Private Placement (\$12,862.51 was paid to Haywood and \$25,425.00 was paid to Canaccord for the first tranche).
- (c) Securities: up to 745,650 Broker Warrants (assuming full exercise of the Over-allotment Option), being 7.5% of the total number of the Units to be issued under the Private Placement (42,875 finder's warrants were issued to Haywood and 84,750 were issued to Canaccord for the first tranche.)
- (d) Other n/a .
- (e) Expiry date of any options, warrants etc. Two years from closing
- (f) Exercise price of any options, warrants etc. \$0.30

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.).

The Agent will have the option to increase the size of this Private Placement by up to an additional of 1,000,000 Units, being 15% of the Units being offered under the brokered portion of the Private Placement, exercisable up to 30 days from the last closing of this Private Placement (the “Over-allotment Option”).

11. State whether the private placement will result in a change of control: n/a.

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. Yes.

2. Acquisition N/A

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
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

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: January 20, 2017.

Yaron Conforti
Name of Director or Senior
Officer


Signature

CFO, Director
Official Capacity

SCHEDULE "A"

SUBSCRIBER DETAILS (First tranche)

Full Name & Residential Address of Placee	Number of Units Purchased	Total Purchase price of Shares (CDN\$)	Conversion Price ⁽¹⁾ (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed ⁽¹⁾	Payment Date	Related Person
Alistair Squire White Rock, BC	10,000	\$3,000.00	n/a	Section 2.5(1) of National Instrument 45-106	50,000	Effective December 23, 2016	No
Martin Burian Vancouver BC	50,000	\$15,000.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Siwash Corporate Services Inc. North Vancouver BC	33,500	\$10,050.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Anne Yong Vancouver BC	16,667	\$5,000.10	n/a	Investment dealer exemption (BC, AB, SK, MB, NB)	0	Effective December 23, 2016	No
Dorothy Atkinson Vancouver BC	67,000	\$20,100.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Dorothy Atkinson Vancouver BC	67,000	\$20,100.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No

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Michael Cunningham New Westminster BC	67,000	\$20,100.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Tom Cunningham Vancouver BC	33,500	\$10,050.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Vivian B Pura &/Or Richard A Pura Victoria BC	67,000	\$20,100.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Isidor M Wolfe Vancouver BC	33,500	\$10,050.00	n/a	Section 2.3(1) of National Instrument 45-106	20,000	Effective December 23, 2016	No
Barry Muir Vancouver BC	14,500	\$4,350.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Ingrid Hibbard Burlington ON	30,000	\$9,000.00	n/a	Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Anna-Catharina Kenklies Sooke BC	10,000	\$3,000.00		Section 2.3(1) of National Instrument 45-106	10,000	Effective December 23, 2016	No
Richard J Mark North Vancouver BC	15,000	\$4,500.00		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No

Full Name & Residential Address of Placee	Number of Units Purchased	Total Purchase price of Shares (CDN\$)	Conversion Price ⁽¹⁾ (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed⁽¹⁾	Payment Date	Related Person
Michael D Sweatman Delta BC	10,000	\$3,000.00		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
David Boyd Vancouver BC	30,000	\$9,000.00		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Dan Hintz Surrey BC	7,000	\$2,100.00		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Michael Price Port Moody BC	10,000	\$3,000.00		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Michelle Wendling Edmonton, AB	50,000	\$15,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Brett Lavender Calgary, AB	20,000	\$6,000		Investment dealer exemption (BC, AB, SK, MB, NB)	0	Effective December 23, 2016	No
John F. Elliott Edmonton, AB	50,000	\$15,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Elizabeth A. Macdonald Edmonton, AB	50,000	\$15,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No

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Gloria Heisterman Campbell River, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Tom Heisterman Campbell River, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Robin Laver Victoria, BC	50,000	\$15,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Edward Laver Victoria, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Andreas Wichary Surrey, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
James Allan Langley, BC	20,000	\$6,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Clayton Ellams Calgary, AB	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Corinne Ellams Calgary, AB	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No

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Chris Block New Westminster, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
William Crawford Ponoka, AB	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Judy Crawford Ponoka AB	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Glen Stewart Calgary, AB	35,000	\$10,500		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Nadine Stewart Calgary, AB	35,000	\$10,500		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Heather Ridpath Guelph, ON	25,000	\$7,500		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
J. Robert Ridpath Guelph, ON	25,000	\$7,500		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
George Dyck Surrey, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No

Full Name & Residential Address of Placee	Number of Units Purchased	Total Purchase price of Shares (CDN\$)	Conversion Price ⁽¹⁾ (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed⁽¹⁾	Payment Date	Related Person
Crystal Dyck Surrey, BC	30,000	\$9,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Benjamin and Jacqueline Sutton Salt Spring Island, BC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Arleen Agate Calgary, AB	50,000	\$15,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Geoff Heisterman Nanaimo, BC	20,000	\$6,000		Investment dealer exemption (BC, AB, SK, MB, NB)	0	Effective December 23, 2016	No
Brandi Heisterman Nanaimo, BC	20,000	\$6,000		Investment dealer exemption (BC, AB, SK, MB, NB)	0	Effective December 23, 2016	No
Susan Brookes Vancouver, BC	50,000	\$15,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Bernadett Maxwell Calgary, AB	30,000	\$9,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Garnet Peterson North Vancouver, BC	35,000	\$10,500		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No

Full Name & Residential Address of Placee	Number of Units Purchased	Total Purchase price of Shares (CDN\$)	Conversion Price ⁽¹⁾ (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed⁽¹⁾	Payment Date	Related Person
Deborah Chamitoff Victoria, BC	35,000	\$10,500		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Brent Todd West Vancouver, BC	60,000	\$18,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 23, 2016	No
Yvon Nadeau Otterburn Park QC	33,500	\$10,050		Section 2.3(1) of National Instrument 45-106	22,500	Effective December 9, 2016	No
Andre Cardinal Pierrefonds QC	33,500	\$10,050		Section 2.3(1) of National Instrument 45-106	33,500	Effective December 5, 2016	No
Gilles Racine St. Bruno QC	40,000	\$12,000		Section 2.3(1) of National Instrument 45-106	40,000	Effective December 13, 2016	No
Lorne Torjhelm Surrey, BC	250,000	\$75,000		Section 2.3(1) of National Instrument 45-106	350,000	Effective December 2, 2016	No
Richard T. Uyesugi New Westminster, BC	70,000	\$21,000		Section 2.3(1) of National Instrument 45-106	50,000	Effective December 9, 2016	No
Wayne Pearson Delta BC	66,666	\$20,000		Section 2.3(1) of National Instrument 45-106	0	Effective December 19, 2016	No

Full Name & Residential Address of Placee	Number of Units Purchased	Total Purchase price of Shares (CDN\$)	Conversion Price ⁽¹⁾ (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed⁽¹⁾	Payment Date	Related Person
Charles E. Brehon Calgary AB	80,000	\$24,000		Section 2.3(1) of National Instrument 45-106	87,000	Effective December 22, 2016	No
Total	2,275,333	\$682,600.10					

Note:

- (1) These are the numbers of shares held by the placees prior to the issuance of shares under this private placement.
- (2) The warrants forming part of the Units have an exercise price of \$0.40 per Share.
- (3) The Shares forming part of the Units were issued to the above placees on December 23, 2016. The Warrants will be issued on closing of the second tranche which will be the brokered portion of the Private Placement.