

Form 51-102F3
Material Change Report

Item 1: Name and Address of Company

CellCube Energy Storage Systems Inc.
Ste 10 – 8331 River Road
Richmond, BC V6X 1Y1

Item 2: Date of Material Change:

August 7, 2018

Item 3: News Release

Issued August 7, 2018 and distributed through the facilities of Canada Stockwatch and Market News.

Item 4: Summary of Material Change

News: Cellcube Provides Corporate Update, Comments on Unusual Trading Activity

Item 5: Full Description of Material Change

August 7, 2018, Toronto, Canada – CellCube Energy Storage Systems Inc. (“CellCube” or the “Company”) (CSE CUBE) (OTCQB CECBF) (Frankfurt 01X) is pleased to announce the following update to its shareholders and the broader investment community.

The Company continues to successfully execute its strategy of providing innovative grid scale energy storage solutions and related products and services to companies, utilities and other customers around the globe. CellCube is one of the most advanced and proven large scale energy storage systems utilizing leading vanadium flow battery technology.

Several leading independent research firms are forecasting rapid growth in energy storage. According to Bloomberg New Energy Finance’s research, storage markets are estimated to reach 40 GW by 2030, and are estimated to spend over \$100 billion in the ramp-up phase over the same time period. According to Navigant Research, the grid-connected energy storage market is expected to grow 44 per cent annually with the market size reaching \$18-billion (U.S.) by 2024.

CellCube believes that the energy storage industry is on the verge of a tipping point to mass deployment. To-date, vanadium flow batteries (VFBs) have proven to be a leading method of grid scale energy storage. Management strongly believes CellCube is ideally positioned to capitalize on the growing demand for VFBs worldwide to help meet the world’s rapidly growing energy storage needs and to be part of the solution to address global warming and advance the transition away from fossil fuels toward greater reliance on renewable energy sources.

2018 Highlights:

- Acquisition of Gildemeister Energy Storage GmbH assets. Gildemeister has been one of the world’s first and largest researchers, developers, manufacturers and distributors of vanadium flow batteries. As industry leaders, they installed 130 VFBs on sites around the world. Several of its VFBs have nearly 10 years of operating history, and have proven to be extremely robust. CellCube’s VFBs are used for a variety of purposes including grid storage; microgrids; off grid storage for solar and wind power; diesel power replacement; back-up power systems; farming applications; electrical vehicle charging stations; industrial plants and office building applications; and emergency power sources.
- Appointment of Mr. Mike Neylan as CEO of CellCube. Mr. Neylan has over 20 years of extensive financial, legal and international corporate experience. Most recently, he was a portfolio manager in the private equity division of Sprott Inc. (“Sprott”), a leading alternative investment manager with over \$11 billion in assets under management, where he was primarily responsible for

establishing Sprott Asia. While at Sprott, he helped raise over \$500 million of institutional investment capital from China and Korea and executed over \$300 million of investments predominantly in the resource and renewable power sectors. Sprott, and certain investment entities managed by Sprott, have also invested in CellCube.

- Appointment of Mr. Stefan Schauss as President of CellCube. Mr. Schauss has over 20 years of sales and business development experience worldwide with a focus in recent years on utility scale energy storage. He has extensive experience in marketing and sales of VFBs, the leading battery for large scale stationary energy storage. Stefan has worked extensively in both Europe and North America. He has a MSc. Physics from University Mainz, Germany with a concentration in physical chemistry and electronics.
- Purchase of Jet Power & Control Systems Ltd. (renamed EnerCube Switchgear Systems Inc.). EnerCube is one of Western Canada's largest independently owned switchgear manufacturers providing custom and turnkey solutions. The Corporation will continue to provide innovative and high-quality products such as: Arc Resistant and Metal Clad Switchgear, Motor Control Centers, VFD's and inverters to heavy power users, pipelines, refineries, manufacturers, municipalities and infrastructure providers.
- Appointment of Mr. Brian Ricker as President & CEO of EnerCube Switchgear Systems Inc. Mr. Ricker brings over 30 years of business experience in the electrical industry, including 15 years in senior management roles. He recently left Eaton Corporation (a multinational power management company) where he was responsible for managing domestic and international projects in the engineered equipment space.
- CellCube announced its intention to spin-out its 100% owned vanadium project, the Bisoni MacKay and Bisoni Rio in Nevada, USA, into a newly formed entity, V23 Resource Corp., which is to be publicly listed. Vanadium prices have increased over 320% since January 2017 with V2O5 prices now approximately US \$19 per pound. Vanadium, widely used as an alloy to strengthen steel and in vanadium flow batteries for the energy storage industry, is the best performing battery metal over this time period surpassing cobalt, copper and nickel. CellCube will retain 19.9% and certain off-take rights. Shareholders of record will receive one share of V23 Resource Corp. for every two shares of CellCube held by CellCube shareholders. The spin-out and the record date are expected to occur in September 2018.
- First product shipment of CellCube VFB to Germany. The Company shipped its first energy storage system to the German municipal utility Gelsenwasser for their EnerPrax project.
- Shipment of 2 VFBs to New York. The Company announced that the first of two CellCube energy storage systems was installed at O'Connell Electric in Victor, New York. The battery will be part of a micro-grid solar plus storage system to maximize the use of energy and lower costs by 30-40%.
- CellCube further announced the purchase of a 10% stake in Braggawatt Energy Inc., a FinTech platform for financing North America's C&I and non-profit solar projects. The companies have agreed to co-develop financial solutions for energy storage projects.

While CellCube does not normally comment on market activity or market rumours, the Company believes it is appropriate to issue the following remarks in light of the unusual activity related to its common shares.

CellCube reiterates that neither the prospects for the energy storage industry nor the fundamentals of its business have changed since the acquisition of the Gildemeister assets. The Company is aware of no material events that would contribute to the unusual trading activity.

"We continue to execute our growth strategy, and our business is progressing as expected," commented Mike Neylan, CEO. "We are very encouraged by the interest shown in CellCube by institutional investors and clean energy companies in both North America and Europe." The Company also states that certain officers and directors have been buying shares in the market over the past several weeks.

About CellCube:

CellCube's acquisition of the assets of Gildemeister Energy Storage GmbH has transformed CellCube and its wholly-owned subsidiary, Enerox GmbH, into a leading integrated resource and energy storage company. Together with the company's recent acquisition of Jet Power & Control Systems Ltd. (now renamed EnerCube Switchgear Systems Inc.) and Hillcroft Consulting Ltd. (renamed PowerHaz Energy Mobile Solutions Inc.) and its investment in Braggawatt Energy Inc., CellCube is gearing up to deliver fully vertically integrated energy storage solutions to utilities and independent power producers for both stand-alone energy storage projects as well as projects where energy storage enhances the value proposition from renewable energy generation.

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This news release contains certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts which address events, results, outcomes or developments that the Company expects to occur; they are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Certain material assumptions regarding such forward-looking statements are discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedar.com. Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7: Omitted Information

There are no significant facts that are required to be disclosed herein that have been omitted.

Item 8: Executive Officer

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Item 9: August 7, 2018