

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:

October 22, 2018

Item 3: News Release

Issued October 22, 2018 and distributed through the facilities of Canada Stockwatch and Market News.

Item 4: Summary of Material Change

CELLCUBE BATTERY STORAGE PROVIDES INDEPENDENT REPORT ON THE SURGE IN VANADIUM PRICES (AND DIRECTOR RESIGNATION)

Item 5: Full Description of Material Change

October 22, 2018, – Toronto, Canada, CellCube Energy Storage Systems Inc. (“CellCube” or the “Company”) (CSE CUBE) (OTCQB CECBF) (Frankfurt 01X) is pleased to report the following independent article that has been prepared by Mining.com - a leading digital publication covering the global mining sector.

CellCube owns a 100% interest in the Bisoni Mackay and Bisoni Rio vanadium properties, located in Nye and Eureka Counties, Nevada. The properties are set to spin out November 30, 2018 to a newly formed company V23 Resource Corp. (see news release dated June 28, 2018).

The properties consist of 201 contiguous lode mining claims (approximately 1,680 hectares). With Only 12 per cent of the Bisoni McKay area has been adequately drilled tested to date, and none of the Bisoni Rio. This has already resulted in the estimation of a National Instrument 43-101 indicated resource of 11.9 million tons at an average grade of 0.39 per cent vanadium pentoxide (V₂O₅), and an inferred resource of 7.0 million tons at an average grade of 0.42 per cent V₂O₅ (see Company news release dated September 13, 2016).

The effective date of the Mineral Resource estimate is August 29, 2016. The estimates were based on data from 15 reverse circulation drill holes and 3 diamond drill holes. A cut-off grade of 0.20% V₂O₅ was applied. Using Vulcan software, block grades were estimated using the inverse distance squared method applied to 100x100x100 ft blocks, with 10x10x10m sub-blocks. A density factor of 0.077 tons/ft³ was used. There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources.

The indicated resource is contained in a zone approximately 300 metres in strike length, while the inferred resource covers approximately an additional 200 m of strike length extending to the south. The mineralized zone appears to be open at depth, as well as along strike, and is interpreted to extend to the north into the Bisoni-Rio property. In 2017, CellCube staked 162 claims on the Bisoni-Rio property from the Bisoni McKay right up to and abutting the Gibellini vanadium property. (see Company news release dated June 28, 2018).

“CellCube's Bisoni McKay and Bisoni-Rio project is a significant pure play vanadium project totaling 4,115 acres and contiguous to the Gibellini deposit held by Prophecy Development Corp.” says Mike Neylan, CEO of CellCube. “CellCube shareholders of record will be able to participate in the newly formed V23 company during a very strong vanadium market.”

Chris M. Healey, P. Geo, geological consultant to CellCube, is the independent Qualified Person who has reviewed and approved the scientific and technical contents of this press release.

“Vanadium price leaps to near-record high

Frik Els Oct 15,18

While not as exciting as the transformation in the auto market with the shift to electric vehicles, demand growth from batteries used for renewable energy storage has the potential to have a bigger impact on mining.

One of the prime technologies that could grab market share from lithium ion for large scale storage systems is so-called vanadium redox flow cells.

The rally in vanadium prices is only accelerating with vanadium pentoxide (V₂O₅) flake used in energy storage systems leaping to \$27.50 a pound in China putting it within shouting distance of the all-time high reached in 2005. V₂O₅ is up more than 550% since September 2016.

Vanadium pentoxide is only a fraction of the overall market and the raw material is primarily used to strengthen steel (today it makes up more than 90% of the market). Ferro vanadium prices jumped 10% just over the past week also hitting a 13-year high to \$118 a tonne in Europe. In 2005 vanadium prices briefly peaked at \$120 a tonne.

While the long term story for vanadium may be the battery sector, China's introduction of new rebar standards next month is creating tightness in the market right now.

In a research note BMO Capital Markets, an investment bank, says it anticipates that that Chinese ferrovanadium exports will dwindle over the coming year as domestic demand for the rebar industry continues to rise:

Undoubtedly, current pricing will generate a response from marginal supply and through some substitution with niobium, and is thus a spike price, but we anticipate pricing trading at strong levels compared to recent history over the coming years.

Going with the flow

Vanadium flow batteries have lifespans of over 20 years without capacity loss and are non-flammable. Another advantage over lithium ion is that this type of battery can be charged and discharged simultaneously making it highly suitable for large-scale storage from renewable sources such as solar and wind when connected to an electricity grid.

The amount of V₂O₅ in a single MWh is just under 10 tonnes. South Africa, China and Russia produce more than 80% of the world's vanadium, mostly as a byproduct of magnetite mining. Only around 80,000 tonnes of vanadium was produced last year. Glencore, South Africa's Bushveld Minerals and Canada's Largo Resources are major listed producers.

Denver-based uranium producer Energy Fuels recently announced plans to restart its vanadium processing facility (from pond solutions) and is commencing limited conventional vanadium production at its Utah mines. The company's White Mesa Mill is expected to go into production in November and Energy Fuels estimates the ponds contain roughly 4 million pounds of recoverable V₂O₅.”

Source: <http://www.mining.com/vanadium-price-leaps-near-record-high/>

Resignation of Director

CellCube also announces the resignation of Mr. Brian Murray from the Board of Directors. The Board wishes to extend their sincere appreciation for Mr. Murray's efforts and support for the company.

About CellCube Energy Storage Systems Inc.

CellCube is a Canadian public company listed on the Canadian Securities Exchange (symbol CUBE), the OTCBB (symbol CECBF), and the Frankfurt Exchange (Symbol 01X) focused on the fast-growing energy storage industry which is driven by the large increase in demand for renewable energy.

CellCube supplies vertically integrated energy storage systems to the power industry and recently acquired the assets of Gildemeister Energy Storage GmbH, now Enerox GmbH the developer and manufacturer of CellCube energy storage systems. CellCube recently acquired EnerCube Switchgear Systems (formerly Jet Power and Controls Ltd.) and Power Haz Energy Mobile Solutions Inc. (formerly HillCrest Consulting Ltd.) and has also invested in an online renewable energy financing platform, Braggawatt Energy Inc.

CellCube develops, manufactures, and markets energy storage systems on the basis of vanadium redox flow technology and has over 130 project installations and a 10 year operational track record. Its highly integrated energy storage System solutions features 99% residual energy capacity after 11,000 cycles with the focus on larger scale containerized modules. Basic building blocks consist of a 250kW unit family with 4, 6 and 8 hours variation in energy capacity.

On Behalf of CellCube Energy Storage Systems Inc.,
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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

Contact: Mike Neylan
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Item 9: October 22, 2018