

PRESS RELEASE
November 22, 2017

BQE Water Reports Q3 2017 Results

VANCOUVER, BC – BQE Water Inc. (TSX-V: BQE), a leader in the treatment and management of mine impacted waters, releases its consolidated financial results for the quarter ending September 30, 2017.

Q3 2017 Financial Highlights:

- Revenues as reported under GAAP were \$1.6 million compared to \$1.4 million in Q3 2016;
- Proportional Revenues were \$3.1 million compared to \$2.4 million in Q3 2016;
- Net income as reported under GAAP was \$831,000 compared to \$117,000 in Q3 2016;
- Adjusted EBITDA was \$1.1 million compared to \$414,000 in Q3 2016;
- Cash and cash equivalents reported under GAAP as of September 30, 2017 was \$1.2 million compared to \$2.2 million at December 31, 2016; and
- Proportional cash and cash equivalents, which includes our share held in joint ventures, as of September 30, 2017 was \$3.6 million compared to \$3.0 million at the end of 2016.

Q3 2017 Operating Highlights:

The Raglan Project, Quebec

The Company operates three Water Treatment Plants (“WTP”) at the Raglan Mine, an active nickel mine in Northern Quebec which is owned by Glencore Canada Corporation (“Glencore”). The three plants are: WTP using BQE Water’s ChemSulphide® process, WTP using BQE Water’s Met-IX™ process and WTP using conventional lime neutralization. Both WTP using ChemSulphide® and Met-IX™ not only treat water for environmental discharge but also recover nickel that is blended into the nickel concentrate produced by the mine.

During Q2 2017, we commenced our 14th operating season at the site, under a newly extended contract which extends to the end of 2020. Due to the lack of precipitation at the mine site resulting in lower than usual inventory of water requiring treatment, BQE Water started up and operated only two of the three plants at site in 2017. Based on the volume of water requiring treatment at site in 2017, we anticipate that the total treated volume at the end of the year to be lower than 2016. Operating results of all three plants for the current quarter and the current year were as follows:

(in '000s)	3 months ended Sept. 30		9 months ended Sept. 30	
	2017	2016	2017	2016
Water treated (cubic metres)	1,002	1,115	1,142	1,157

Joint venture with Jiangxi Copper Company, China

Our joint venture in China, with partner Jiangxi Copper Company (“JCC”), operated three WTP during Q3 2017. Two of the plants are located at the Dexing Mine site as well as a plant at the Yinshan Mine site. Both mine sites are owned by JCC. The following is summary of operating results for all three plants during Q3 2017.

(in '000s)	3 months ended Sept. 30		9 months ended Sept. 30	
	2017	2016	2017	2016
Water treated (cubic metres)	6,444	4,809	14,502	16,178
Copper produced (pounds)	1,056	891	2,860	3,083

The volume of water treated and pounds of copper recovered at all three plants will fluctuate depending on precipitation levels and the prevailing environmental conditions at both sites. The two plants Dexing 1 and Dexing 2 treat water from the same sources at the Dexing Mine and water may be diverted from one plant to the other to optimize operations. The Yinshan plant treats water from a separate source at the neighbouring Yinshan Mine. JCC is continuing to complete water management changes at the Yinshan Mine that are expected to improve the efficiency in capturing mine impacted water which will increase the throughput of the Yinshan plant in the future. The impact of these changes are expected to positively influence the JCC operating results in 2018.

During Q3 2017, all three plants met or exceeded mechanical availability and process performance.

Q3 2017 Sales and Project Highlights:

Selen-IX™ Technology Demonstration

In Q3 2017, BQE Water initiated work on the design and construction of an industrial scale demonstration unit specifically for the Kemess Underground project in BC. The industrial scale unit encompasses the critical processes of Selen-IX™ to achieve the electro-reduction of selenium with concurrent stabilization of selenium as a stable solid residue with off-take potential by steel manufacturers. The objectives of the demonstration includes the confirmation of performance, engineering design for a scaled-up Selen-IX™ plant to treat 60 liters of water per second, reduction of risks related to scale-up and operability of a full-scale commercial plant which uses multiples of the same size units as tested in 2017. Following the completion of the demonstration for Kemess, two other mining companies expressed interest in using the demonstration unit for evaluating the potential deployment of Selen-IX™ at their sites.

Consulting Services

Also during the quarter, BQE Water continued to provide consulting services for several water treatment projects in Canada, United States, Asia, Europe and Mexico. These services covered a broad spectrum of activities including the preparation of water and contaminant management plans for mine sites, optimization of existing water treatment plants, technical support to ongoing treatment plant operations, engineering assessments of different treatment options, assistance with permitting, and expansion of and subsequent commissioning of a cyanide recovery plant utilizing the SART process at a gold mine.

Lab Testing Services

During Q3 2017, BQE Water continued to perform lab scale testing of its technologies at various mine sites with customers in Northern Canada, United States and Latin America. These tests will allow mine sites to assess BQE Water's technologies and provide high level cost estimates for possible full-scale

plants. If results prove favourable, they could lead to additional services including pilot scale testing, design, construction and operation of full-scale plants in the future.

Zinc and Copper Recovery – Joint Venture

In late 2015, we announced the formation of a new joint venture in China with Shandong MWT. The immediate goal of the joint venture is to build, own and operate a zinc and copper recovery plant at a smelter in China. Following initial stages of engineering and project permitting, the construction phase began in Q3 2017 with the expectation to start the commissioning of the plant by the beginning of Q3 2018. Under the terms of the joint venture contract, BQE Water will receive an operating fee for the first three years of plant operation and an ongoing 20% profit share from the expected recovery of up to six million pounds of zinc and 160,000 pounds of copper annually based on the current flow and metal loading in the smelter wastewater.

Q3 2017 COMMENTARY AND OUTLOOK

Our results for Q3 2017 build not only on the results achieved in the first and second quarter of 2017 but also on the steady trend of year over year improvements in financial performance since 2014. While the revenues during the first half of the year are typically lower due to the seasonal nature of our operations at Raglan Mine and our joint venture operations at Dexing Mine, Q3 is usually our strongest quarter and the results are no exception. However, the financial results in Q3 2017 and year-to-date are notable for the significant improvement including the year-to-date Proportional Revenue increase of 23% and Adjusted EBIDTA increase of \$1.4M when compared to the same period in 2016.

The improved financial performance in 2017 is a reflection of several factors. First, the 24% increase in the average copper price compared to 2016 increased our share of revenues from the Dexing joint venture. However, this accounts for less than 50% of the total increase in Proportional Revenue year over year. The remainder of the increase comes from the increase in project revenue. In this context, the results in 2017 reflect the long sales cycle in our industry where efforts over the past three years are finally having a positive impact on revenues this year. Aside from the increase in revenues, the reduction in Company expenses and ongoing fiscal discipline applied in recent years are responsible for the dramatic improvement in year-to-date Adjusted EBIDTA from negative \$102,000 to positive \$1.3M.

During Q3 2017, we worked on multiple new projects including optimizing a treatment plant to remove arsenic and selenium at a smelter in Mexico, re-starting a cyanide recovery plant built by BQE Water in 2008 using SART technology to reduce the cost of gold production at the Lluvia de Oro Mine which is now under new ownership, demonstrating a pilot scale of Sulf-IX™ at a zinc refinery in Peru where BQE Water's technology can enable the client to achieve complete water recycle and Zero Liquid Discharge, and performing several lab scale projects in Canada and Chile for the removal and/or recovery of a wide spectrum of constituents from mine impacted waters.

Although most of these projects provide significant opportunities for future revenues, all of these projects happen in stages, typically over a period of two to three years and the timing of revenues and cash-flows are uncertain. Consequently, the consistency of the Company's profitability through 2017 and 2018 cannot be guaranteed and the continued growth of the projects pipeline, sales bookings, and execution of projects to generate cash-flow are the primary areas of focus for the Company.

Despite the positive results reported throughout 2017, we no longer expect to generate sufficient cash-flow through the rest of 2017 to enable us to repay the principle amount of the convertible loan due on January 6, 2018 and have sufficient cash reserves to ensure ongoing Company operations. This is partly due to the change in timing of revenues from existing and upcoming projects. Although this represents a change in our narrative, we have commented on our inability to control timing of revenues and the risk of temporary shortage in working capital. Management and our Board of Directors are currently in discussions with the lenders to restructure the existing loan to ensure sufficient levels of working capital moving into 2018. While the Company has been successful in securing financing in the past, there is uncertainty whether financing will be available in the future on terms acceptable to the Company.

Q3 2017 Financial Results

For a complete set of Financial Statements and Management Discussion and Analysis, please go to www.bqewater.com

(in \$'000 except for per share amounts)

	3 months ended Sept. 30		9 months ended Sept. 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenues	1,578	1,356	3,199	2,390
less: Plant and other operating costs (excluding depreciation)	642	494	1,716	1,078
	936	862	1,483	1,312
General and administration	383	410	1,254	1,301
Sales and development	263	356	855	973
Stock-based compensation	34	30	43	76
Depreciation and amortization	31	60	98	176
Share of results of equity accounted joint ventures	(470)	(160)	(1,268)	(351)
Income (loss) from operations and joint ventures	695	166	501	(863)
Other expense, net	17	49	134	1,482
Income taxes recovery	(153)	-	(153)	-
Net income (loss) for the period	831	117	520	(2,345)
Translation (loss) gain on foreign operations	(97)	22	(140)	1,048
Comprehensive income (loss) for the period	734	139	380	(1,297)
Net income per share (basic and diluted)	0.01	0.00	0.01	(0.02)
Proportional Revenues ¹	3,147	2,411	7,437	6,066
Adjusted EBITDA ¹	1,088	414	1,333	(102)

¹See "Non-GAAP Measures" in 2017 MD&A

About BQE Water

BQE Water is a service provider specializing in water treatment and management for the mining and metallurgical industry. We are focused on reducing Life Cycle Costs through customized solutions that reduce risks and long-term environmental liabilities while introducing sustainability into the overall water management plan. We have extensive expertise in the removal, recovery, and/or recycle of a broad range of metals, sulphate, selenium, cyanide, ammonia and other nitrogen species. BQE Water has commercialized several water treatment technologies and built plants at mine sites around the world for organizations including Glencore, Jiangxi Copper, Freeport-McMoRan and the US EPA. A key part of our business is our involvement in the ongoing operation and maintenance of treatment plants. We currently operate several plants under long-term contract and provide operations support to other plants globally. Our capabilities in implementing technical innovation and plant operations provides us with first-hand experience to deliver practical and actionable consultancy services. The company operates water testing laboratories and mobile pilot treatment facilities in North and South America, and China. BQE Water is headquartered in Vancouver, Canada and trades on the TSX Venture Exchange under the symbol BQE. Please visit www.bqewater.com for more information.

The Toronto Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained herein may not be based on historical fact and therefore constitutes "forward-looking information" under applicable Canadian securities legislation. This includes without limitation statements containing the words "plan", "expect", "project", "estimate", "intend", "believe", "anticipate", "may", "will" and other similar words or expressions. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks, uncertainties and other factors that may cause actual events or results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the Company's dependence on key personnel and contracts, uncertainty with respect to the profitability of the Company's technologies, competition, technology risk, the Company's ability to protect its intellectual property and proprietary information, fluctuations in commodity prices, currency risk, environmental regulation and the Company's ability to manage growth and other factors described in the Company's filings with the Canadian securities regulators at www.sedar.com (including without limitation the factors described in the section entitled "Risks and Uncertainties" in the Company's MD&A for the year ended December 31, 2016). Given these risks and uncertainties, the reader is cautioned not to place undue reliance on forward-looking statements. All forward-looking information contained herein is based on management's current expectations and the Company undertakes no obligation to revise or update such forward-looking information to reflect subsequent events or circumstances, except as required by law.

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