

EARLY WARNING REPORT

Pursuant to National Instrument 62-103

This report is made pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in respect to certain acquisitions of securities of International Wastewater Systems Inc. (formerly Amana Copper Ltd.) (the “Company”).

1. Name and Address of Offeror:

Paul Bernard Lee
180 Swick Road
Kelowna, BC
Canada, V1W 4J5

(the “Offeror”)

2. Designation and number or principal amount of securities and the Offeror’s securityholding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:

On October 27, 2015 the Offeror acquired ownership of 27,500,000 common shares in the capital of the Company (the “Shares”), approximately 34% of the Company’s issued Shares, pursuant to a share exchange agreement (the “Agreement”) among the Company, International Wastewater Heat Exchange Systems Inc. (“IWHES”), and the shareholders of IWHES, dated September 4, 2015 (the “Transaction”). The Shares were acquired in exchange for the Offeror’s common shares of IWHES at a ratio of 250,000 common shares of the Company for each common share of IWHES.

3. Designation and number or principal amount of securities and the Offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to file a news release:

The acquisition of the Shares on October 27, 2015 represents all securities of the Company that the Offeror owns or controls. The Shares represent approximately 34% of the Company’s issued shares.

4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 above, over which:

- (a) the Offeror, either alone or together with any joint actors, has ownership and control:**

See Item 3 above.

- (b) the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor:**

Nil.

- (c) the Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:**

Nil.

5. The name of the market in which the transaction or occurrence that gave rise to the reporting obligation took place:

The Transaction did not occur through a market as the securities were acquired pursuant to the Agreement; however, the Company is listed on the Canadian Securities Exchange.

6. The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:

Pursuant to the Transaction, the purchase price attributable to the Shares is \$3,850,000, representing a deemed issue price of \$0.14 per Share. The consideration provided was in the form of common shares in the capital of IWHES, exchanged for the Shares, pursuant to the terms of the Agreement.

7. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to the reporting obligation, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:

The acquisition of the Shares is part of reverse takeover transaction, pursuant to which the Company has acquired all issued and outstanding securities in IWHES.

The Offeror acquired the Shares for investment purposes. The Offeror may, or may not, acquire additional securities of the Company in the future.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the reporting obligation, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Pursuant to the Agreement, for a period of three years following the closing date, the Offeror will not transfer any of the Shares unless the Offeror first offers by notice in writing to the Company the right to purchase such Shares from the Offeror.

The Shares are subject to an escrow agreement under the policies of the Canadian Securities Exchange which provides for the release of 10% of the Shares upon listing of the Shares on the CSE and an additional 15% of the Shares every six months thereafter.

9. **Names of any joint actors in connection with the disclosure required here:**

Not applicable.

10. **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror:**

Pursuant to the Agreement, the purchase price attributable to the Shares is \$3,850,000, representing a deemed price of \$0.14 per Share, with the consideration consisting of 110 common shares of IWHES.

11. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:**

Not applicable.

12. **If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance:**

The Shares were issued to the Offeror pursuant to 2.16 of NI 45-106 – *Prospectus Exemptions*.

DATED: this 28th day of October, 2015

PAUL BERNARD LEE

