
**INTERNATIONAL WASTEWATER SYSTEMS INC.
(FORMERLY AMANA COPPER LTD.)
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed consolidated interim financial statements of International Wastewater Systems Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at March 31, 2016	As at December 31, 2015
ASSETS		
Current assets		
Cash	\$ 417,238	\$ 367,812
Receivables (note 3)	397,096	422,189
Prepaid expenses	18,589	42,438
Inventory (note 4)	674,040	595,436
Loans receivable (note 13)	72,004	115,235
Total current assets	1,578,967	1,543,110
Non-current liabilities		
Deposits	1,200	6,683
Equipment (note 6)	113,443	144,302
Total assets	\$ 1,693,610	\$ 1,694,095
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 731,883	\$ 645,722
Loans payable (note 7)	359,989	61,478
Deferred revenue (note 8)	605,533	265,280
Warranty liability (note 8)	14,000	-
Total current liabilities	1,711,405	972,480
Non-current liabilities		
Warranty provisions (note 9)	12,296	24,011
Loans payable (note 7)	57,881	75,570
	1,781,582	1,072,061
Shareholders' equity (deficiency)		
Share capital (note 10)	5,421,804	5,421,804
Reserves (note 11)	1,201,687	551,753
Currency translation reserve	1,554	(15,782)
Deficit	(6,713,017)	(5,335,741)
Total shareholders' equity (deficiency)	(87,972)	622,034
Total liabilities and shareholders' equity (deficiency)	\$ 1,693,610	\$ 1,694,095

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Nature and continuance of operations (note 1)
 Commitment (note 14)
 Subsequent events (notes 11)

Approved on behalf of the Board:

"Lynn Mueller", Director

"Yaron Conforti", Director

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three months ended March 31, 2016	Three months ended March 31, 2015
Revenues	\$ 25,478	\$ 4,691
Cost of sales	(178,612)	(56)
Gross margin	(153,134)	4,635
Expenses		
Accounting and legal (note 13)	59,385	7,559
Advertising and promotion	22,920	4,563
Consulting (note 13)	176,338	90,374
Depreciation	24,875	5,917
Foreign exchange	(21,466)	-
Insurance	8,832	4,083
Office and miscellaneous	65,666	24,923
Regulatory and filing fees	3,966	-
Rent	23,500	16,448
Repairs and maintenance	2,315	24,105
Share-based payments (note 13)	546,434	-
Telephone and utilities	7,931	3,659
Trademarks	912	-
Travel	32,155	5,268
Wages and benefits (note 13)	250,122	109,452
Warranty expense (note 9)	2,284	-
	(1,206,169)	(296,351)
Government grant	-	32,529
Interest expense	(17,973)	-
Loss for the period	\$ (1,377,276)	\$ (259,187)
Loss attributable to:		
Shareholders of the Company	\$ (1,377,276)	\$ (223,375)
Non-controlling interest	-	(35,812)
	\$ (1,377,276)	\$ (259,187)
Other comprehensive income		
Items that will not be reclassified subsequently to income		
Foreign currency translation	\$ 17,336	\$ 2,179
Total comprehensive loss for the period	\$ (1,359,940)	\$ (257,008)
Comprehensive loss attributable to:		
Shareholders of the Company	\$ (1,359,940)	\$ (222,263)
Non-controlling interest	-	(34,745)
	\$ (1,359,940)	\$ (257,008)
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	80,870,000	25,000,000

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three months ended March 31, 2016	Three months ended March 31, 2015
Operating activities		
Loss for the period	\$ (1,377,276)	\$ (259,187)
Adjustments for:		
Depreciation	24,875	5,917
Unrealized foreign exchange	(5,565)	17,132
Share-based payments	546,434	-
Accrued interest expense	18,572	-
Changes in non-cash working capital items:		
Receivables	(2,983)	14,476
Prepaid expenses	23,601	(4,535)
Inventory	(81,256)	(188,672)
Accounts payable and accrued liabilities	134,278	130,195
Deferred revenue	340,253	116,322
Warranty provisions	2,285	-
Net cash used in operating activities	(376,782)	(168,352)
Investing activities		
Deposits	5,483	-
Acquisition of International Wastewater Heat Exchange Systems Inc.	-	-
Net cash provided by investing activities	5,483	-
Financing activities		
Proceeds from loans payable	384,000	41,404
Repayment of loans payable	(6,640)	-
Funds advanced to related party	-	-
Repayment of loans receivable	43,689	-
Net cash provided by financing activities	421,049	41,404
Net change in cash	49,750	(126,948)
Impact of exchange rate changes on cash	(324)	(4,096)
Cash, beginning of period	367,812	255,913
Cash, end of period	\$ 417,238	\$ 124,869

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
Unaudited

	Number of shares	Share capital	Reserves	Currency translation reserve	Non-controlling interest	Deficit	Total
Balance, December 31, 2014	25,000,000	\$ 4	\$ -	\$ (3,180)	\$ 55,686	\$ (1,575,125)	\$ (1,522,615)
Currency translation adjustment	-	-	-	2,179	-	-	2,179
Non-controlling interest	-	-	-	-	(35,812)	35,812	-
Loss for the period	-	-	-	-	-	(259,187)	(259,187)
Balance, March 31, 2015	25,000,000	4	-	(1,001)	19,874	(1,798,500)	(1,779,623)
Balance, December 31, 2015	80,870,000	\$ 5,421,804	\$ 551,753	\$ (15,782)	\$ -	\$ (5,335,741)	\$ 622,034
Warrants issued to acquire warrants	-	-	103,500	-	-	-	103,500
Share-based payments	-	-	546,434	-	-	-	546,434
Currency translation adjustment	-	-	-	17,336	-	-	17,336
Loss for the period	-	-	-	-	-	(1,377,276)	(1,377,276)
Balance, March 31, 2016	80,870,000	\$ 5,421,804	\$ 1,201,687	\$ 1,554	\$ -	\$ (6,713,017)	\$ (87,972)

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Notes to Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
Unaudited

1. Nature and continuance of operations

International Wastewater Systems Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 4, 2011. The Company's shares are listed on the Canadian Securities Exchange (the "CSE") under the trading symbol "IWS". The Company provides wastewater heat exchange products and services. The registered office of the Company is located at 1443 Spitfire Place, Port Coquitlam, British Columbia, V3C 6L4.

International Wastewater Heat Exchange Systems Inc. ("IWHES"), was incorporated under the Business Corporations Act (British Columbia) on May 30, 2011. On October 27, 2015, the Company completed the acquisition (the "Acquisition") of IWHES pursuant to a share exchange agreement dated September 4, 2015 (the "Agreement"). The Acquisition constituted a reverse takeover ("RTO"). Upon completion of the Acquisition, the Company changed its name from Amana Copper Ltd. to International Wastewater Systems Inc.

These unaudited condensed consolidated interim financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. For the three months ended March 31, 2016 the Company incurred a loss of \$1,377,276 (three months ended March 31, 2015 - \$259,187). As of March 31, 2016 the Company has a deficit of \$6,713,017 (December 31, 2015 - \$5,335,741) and a working capital deficiency of \$132,438 (December 31, 2015 - working capital of \$570,630). The Company has not generated positive cash flows from operations and additional financings will be required to maintain operations for the near term. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets and/or debt to fund its operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company's ability to continue as a going concern is dependent upon it securing the necessary working capital to eventually generate positive cash flows either from operations or additional financing. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of May 30, 2016, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed consolidated interim financial statements.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Notes to Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
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2. Significant accounting policies (continued)

Change in accounting policies

Amendments to IAS 16 – Property, Plant and Equipment (“IAS 16”) and IAS 38 – Intangibles (“IAS 38”) were issued in May 2014 and prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets. At January 1, 2016, the Company adopted these amendments and there was no material impact on the Company’s unaudited condensed consolidated interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

IFRS 15 - Revenue from Contracts with Customers - Establishes a new single five-step control-based revenue recognition model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Management is currently assessing the impact of the new standard.

IFRS 9 – Financial instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently assessing the impact of the new standard.

IFRS 16, Leases (“IFRS 16”) was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if the Company is also applying IFRS 15. The Company has not yet assessed the impact of adoption.

3. Receivables

	As at March 31, 2016	As at December 31, 2015
GST recoverable (Canada)	\$ 88,264	\$ 107,832
VAT recoverable (UK)	31,403	13,056
Other receivables	7,833	12,338
Trade receivables	269,596	288,963
	\$ 397,096	\$ 422,189

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)**Notes to Condensed Consolidated Interim Financial Statements****Three Months Ended March 31, 2016****(Expressed in Canadian Dollars)****Unaudited**

4. Inventory

	As at March 31, 2016	As at December 31, 2015
Materials and supplies	\$ 123,949	\$ 130,750
Work-in-progress	550,091	464,686
	\$ 674,040	\$ 595,436

5. Equity investment

During the year ended December 31, 2015, the Company acquired a 40% interest in Sharc Caledonia Limited ("Caledonia") for £4,000 (\$7,817). As the Company exerts significant influence over Caledonia but does not control it, the investment is accounted for as an equity investment.

The Company's unrecognized share of the loss for the three months ended March 31, 2016 was \$68,706 (December 31, 2015 - \$48,470).

The following table presents a continuity of the equity investment:

Balance, December 31, 2014	\$ -
Acquisition	7,817
Loss from equity investment	(7,817)
Balance, December 31, 2015 and March 31, 2016	\$ -

The table below discloses selected financial information for Caledonia on a 100% basis:

	As at March 31, 2016	As at December 31, 2015
Current assets	\$ 319,186	\$ 375,557
Non-current assets	1,199,324	1,312,170
Current liabilities	(281,138)	(212,059)
Non-current liabilities	(140,092)	(1,602,207)
Revenue	-	-
Total comprehensive loss	(50,590)	(140,718)

6. Equipment

Cost	Equipment and furniture and fixtures	Computer hardware	Computer software	Leasehold improvements	Total
Balance, December 31, 2014	\$ 42,443	\$ 20,702	\$ 6,299	\$ 17,854	\$ 87,298
Additions	3,637	7,224	163,126	1,171	175,158
Currency translation adjustment	-	-	3,451	-	3,451
Balance, December 31, 2015	46,080	27,926	172,876	19,025	265,907
Currency translation adjustment	-	-	(16,853)	-	(16,853)
Balance, March 31, 2016	\$ 46,080	\$ 27,926	\$ 156,023	\$ 19,025	\$ 249,054

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Notes to Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2016
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6. Equipment (continued)

Accumulated Depreciation	Equipment and furniture and fixtures	Computer hardware	Computer software	Leasehold improvements	Total
Balance, December 31, 2014	\$ 4,244	\$ 5,694	\$ 6,299	\$ 1,785	\$ 18,022
Depreciation for the year	8,091	10,242	81,562	3,688	103,583
Balance, December 31, 2015	\$ 12,335	\$ 15,936	\$ 87,861	\$ 5,473	\$ 121,605
Depreciation for the period	1,753	1,649	20,522	951	24,875
Currency translation adjustment	-	-	(10,869)	-	(10,869)
Balance, March 31, 2016	\$ 14,088	\$ 17,585	\$ 97,514	\$ 6,424	\$ 135,611

Carrying Value	Equipment and furniture and fixtures	Computer hardware	Computer software	Leasehold improvements	Total
Balance, December 31, 2015	\$ 33,745	\$ 11,990	\$ 85,015	\$ 13,552	\$ 144,302
Balance, March 31, 2016	\$ 31,992	\$ 10,341	\$ 58,509	\$ 12,601	\$ 113,443

7. Loans payable

(i) During the year ended December 31, 2015 IWWS received a loan of \$40,814 (£20,000) from a shareholder of IWWS. The loan accrues interest at a rate of 6% per annum and was payable on March 24, 2016. The outstanding balance of the loan and accrued interest as at March 31, 2016 was \$38,983. The loan was guaranteed by the Chief Executive Officer ("CEO") of IWWS. The loan was repaid subsequent to March 31, 2016.

(ii) During the year ended December 31, 2015 IWWS received a loan of \$102,035 (£50,000) from an unrelated company. The loan accrues interest at a rate of 12.5% per annum and is payable on April 17, 2020. The loan must be repaid in monthly payments of £1,125 with the first payment required on June 17, 2015. An arrangement fee of £1,000 was paid prior to the loan being advanced. The loan is guaranteed by the CEO of IWWS. During the three months ended March 31, 2016, the Company made payments totalling \$6,640 (£3,375), of which \$3,246 (£1,650) related to interest and \$3,394 (£1,725) related to principal. The balance of the loan as at March 31, 2016 is \$83,061 (£44,532), of which \$25,180 is recognized as short-term.

(iii) In March 2016, the Company entered into an agreement with an arm's length private lender to loan the Company an aggregate of \$400,000.

The loan is secured against the assets of the Company, bears interest at a rate of 2% per month and carries a commitment fee equal to 4% of the loan. The loan matures and becomes payable in 3 months and may be prepaid by the Company at any time prior to the maturity date. In consideration for the loan, the Company issued an aggregate of 500,000 share purchase warrants (valued at \$103,500) exercisable into 500,000 common shares at a price of \$0.28 per common share. The warrants are exercisable for three years and are subject to an acceleration clause in the event that the shares of the Company trade at a price of \$0.56 or greater for a period of 20 consecutive days with an average daily trading volume of a minimum 100,000 shares during the same 20-day period.

The grant date fair value of \$103,500 was assigned to the warrants as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 129.28% which is based on historical volatility, risk-free rate of return of 0.56% and an expected maturity of 5 years.

During the three months ended March 31, 2016, the Company recorded accretion of \$15,326. The balance of the loan as at March 31, 2016 is \$295,826.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)**Notes to Condensed Consolidated Interim Financial Statements****Three Months Ended March 31, 2016****(Expressed in Canadian Dollars)****Unaudited**

7. Loans payable (continued)

	Three months ended March 31, 2016	Year ended December 31, 2015
Balance, beginning of period	\$ 137,048	\$ 2,119,236
Proceeds from loans, net of costs	280,500	642,849
Repayment of loans	(6,640)	(2,634,625)
Interest and accretion on loans	18,572	9,912
Foreign exchange	(11,610)	(324)
Balance, end of period	417,870	137,048
Less: non-current portion	(57,881)	(75,570)
	\$ 359,989	\$ 61,478

8. Deferred revenue

During the year ended December 31, 2015 the Company entered into agreements with Stone Hill Contracting Co., Inc. and Dan-Jen Mechanical Ltd. As at March 31, 2016, \$605,533 (December 31, 2015 - \$265,280) was recorded as deferred revenue for these projects which are expected to be completed during the second quarter of 2016.

	Three months ended March 31, 2016	Year ended December 31, 2015
Balance, beginning of year	\$ 265,280	\$ 85,678
Revenue recognized	-	(85,678)
Sales contracts	357,441	265,280
Currency translation adjustment	(17,188)	-
	\$ 605,533	\$ 265,280

9. Warranty provisions

The Company has recognized warranty provisions for projects that have been completed.

	Three months ended March 31, 2016	Year ended December 31, 2015
Balance, beginning of year	\$ 24,011	\$ -
Warranty provisions recognized	2,285	47,500
Warranty expenses incurred	-	(23,489)
	\$ 26,296	\$ 24,011
Less: non-current portion	(12,296)	(24,011)
	\$ 14,000	\$ -

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)**Notes to Condensed Consolidated Interim Financial Statements****Three Months Ended March 31, 2016****(Expressed in Canadian Dollars)****Unaudited**

10. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2014 and March 31, 2015	25,000,000	\$ 4
Balance, December 31, 2015 and March 31, 2016	80,870,000	\$ 5,421,804

c) Escrow shares

In connection with the RTO, 47,000,000 common shares were placed into escrow with 10% released on the day after closing of the Acquisition and 15% released every six months thereafter. At March 31, 2016 35,250,000 shares were held in escrow (December 31, 2015 – 42,300,000).

11. Stock options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2014 and March 31, 2015	-	\$ -
Balance, December 31, 2015 and March 31, 2016	6,575,000	\$ 0.47

The following table reflects the actual stock options issued and outstanding as of March 31, 2016:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
April 27, 2016 ⁽¹⁾	0.15	0.07	250,000	250,000
October 27, 2020	0.42	4.58	500,000	500,000
December 1, 2020 ⁽²⁾	0.50	4.67	5,700,000	-
May 15, 2022	0.15	6.13	125,000	125,000
	0.47	4.61	6,575,000	875,000

(1) Subsequent to March 31, 2016, 125,000 options were exercised and 125,000 options expired.

(2) Subsequent to March 31, 2016, the Company determined not to proceed with the option grant of 5.7 million options and effective May 24, 2016 the options were cancelled.

Share-based payments

During the three months ended March 31, 2016, the Company recognized share-based payments of \$546,434 (three months ended March 31, 2015 - \$nil) relating to the vesting terms of the stock options granted during the year.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Notes to Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
Unaudited

12. Warrants

	Number of warrants	Weighted average exercise price
Balance, December 31, 2014 and March 31, 2015	-	\$ -
Balance, December 31, 2015	1,200,000	\$ 0.14
Issued (note 7(iii))	500,000	0.28
Balance, March 31, 2016	1,700,000	\$ 0.18

The following are the warrants outstanding at March 31, 2016:

Number of Warrants	Exercise Price (\$)	Expiry Date
1,120,000	0.14	June 30, 2017
80,000	0.14	July 16, 2017
500,000	0.28	March 21, 2019
1,700,000	0.18	

13. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

During the three months ended March 31, 2016 (three months ended March 31, 2015), the Company incurred the following charges with key management personnel:

- (i) Consulting fees of \$46,787 (\$nil) to companies controlled by directors and officers of the Company.
- (ii) Wages and benefits of \$82,050 (\$42,981) to the president, director of the Company and a director of IWHES.
- (iii) Accounting fees of \$4,000 (\$6,000) to a company controlled by a director of IWHES.
- (iv) Share-based payments of \$450,568 (\$nil) was recognized in connection with the vesting of 5,700,000 options granted to directors and officers of the Company and directors of the subsidiaries.

Other transactions with related parties included:

Rent of \$2,798, included in cost of sales (\$nil) and additional cost of sales of \$1,017 (\$nil) due to a company controlled by a director of IWWS.

Included in accounts payable is \$88,886 (December 31, 2015 - \$54,979) due to related parties.

At March 31, 2016, included in receivables is \$278,584 (December 31, 2015 - \$288,963) due from Caledonia.

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Notes to Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2016
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13. Related party transactions (continued)

Loans receivable

During the year ended December 31, 2015 the Company advanced \$80,000 to the CEO of the Company. During the three months ended March 31, 2016, \$40,000 was repaid. The advance bears interest at a rate of 3% per annum and is due on demand. In addition there is an advance of \$24,702 (December 31, 2015 - \$24,702) to the CEO which is non-interest bearing and is due on demand.

14. Commitment

The Company entered into a lease agreement commencing March 1, 2014 for a two year term at an annual rental rate of \$65,791 with the option to renew the lease for an additional 2 year term. During the three months ended March 31, 2016, the Company renewed the lease for a one year term at an annual rate of \$65,542 with the option to renew the lease for an additional 2 year term. In the event of failure to reach an agreement on base rent prior to commencement of the renewed term, the Company will provide ninety days notice to vacate the property plus 3 months' rent at a rate of 110% of the base rate.

15. Segmented information

The Company currently operates in one reportable operating segment, currently being wastewater heat recovery systems and services.

Geographic information as at March 31, 2016 is as follows:

	Canada	United Kingdom	Total
Assets			
Inventory	\$ 650,747	\$ 23,293	\$ 674,040
Equipment	57,614	55,829	113,443
	\$ 708,361	\$ 79,122	\$ 787,483

Geographic information as at December 31, 2015 is as follows:

	Canada	United Kingdom	Total
Assets			
Inventory	\$ 557,150	\$ 38,286	\$ 595,436
Equipment	62,860	81,442	144,302
	\$ 620,010	\$ 119,728	\$ 739,738

Geographic information for the three months ended March 31, 2016 is as follows:

	Canada	United Kingdom	Total
Revenues	\$ -	\$ 25,478	\$ 25,478
Cost of sales	-	(178,612)	(178,612)
Gross Margin	-	(153,134)	(153,134)
Loss for the period	\$ (1,028,790)	\$ (348,486)	\$ (1,377,276)

International Wastewater Systems Inc. (formerly Amana Copper Ltd.)
Notes to Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2016
(Expressed in Canadian Dollars)
Unaudited

15. Segmented information (continued)

Geographic information for the three months ended March 31, 2015 is as follows:

	Canada	United Kingdom	Total
Revenues	\$ -	\$ 4,691	\$ 4,691
Cost of sales	-	(56)	(56)
Gross Margin	-	4,635	4,635
Loss for the period	\$ (117,444)	\$ (141,743)	\$ (259,187)
