

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Sharc International Systems Inc.  
1443 Spitfire Place  
Port Coquitlam, British Columbia Canada V6C 6L4

**Item 2. Date of Material Change**

News Release dated July 9, 2018.

**Item 3. News Release**

News Release dated July 9, 2018 was disseminated via Nasdaq GlobeNewswire and SEDAR filed on July 9, 2018.

**Item 4. Summary of Material Change**

Sharc International Systems Inc. wins three top awards.  
Change in Management.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

Sharc International Systems Inc. (the “**Company**”) announced on July 9, 2018 *inter alia*,

i) the Company’s revolutionary SHARC™ wastewater heat exchange system has won three top awards at the prestigious Water’s Next Award program that honours the achievements of individuals and companies that successfully improve freshwater in Canada; and

ii) David Alexander has stepped down as Chief Financial Officer of the Company due to health reasons and replacing Mr. Alexander as Chief Financial Officer in an interim capacity is Hanspaul Pannu, CPA-CA, Chartered Professional Accountant.

**5.2 Disclosure for Restructuring Transactions**

Not Applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

None.

**Item 8. Executive Officer**

Lynn Mueller, Chairman and CEO, telephone: 604 475-7710.

**Item 9. Date of Report**

July 12, 2018.