

Monterey Minerals Inc.
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

MONTEREY MINERALS INC. (the "Issuer")
5728 EAST BOULEVARD
VANCOUVER, BRITISH COLUMBIA
V6M 4M4

Item 2: Date of Material Change

June 12, 2018

Item 3: News Release

A news release was issued and disseminated through the facilities of Stockwatch and Baystreet on June 21, 2018 and filed on SEDAR (www.sedar.com). A copy of the news release is attached as Schedule "A" hereto.

Item 4: Summary of Material Change

On June 12, 2018, the Issuer completed a statutory arrangement with Blue Aqua Holdings Ltd. ("Blue Aqua") under a plan of arrangement pursuant to an arrangement agreement (the "Arrangement") entered into between the Issuer, Blue Aqua, 1093681 B.C. Ltd., 1093682 B.C. Ltd., and 1093683 B.C. Ltd. Under the Arrangement, the effective date for the Arrangement can be set separately as between the Issuer and each of the other parties to the Arrangement. Pursuant to the Arrangement, the effective date for the Arrangement with Blue Aqua was set for June 12, 2018. As a result of completing the Arrangement, Blue Aqua became a reporting issuer in Alberta and British Columbia. The CUSIP number for Blue Aqua's common shares is "09524E107".

Item 5: Full Description of Material Change

See attached news release at Schedule "A" to this report.

Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

The following executive officer of the Issuer is knowledgeable about the material change and this report:

Gary Handley
Director, CEO

Item 9: Date of Report

June 21, 2018

SCHEDULE "A"

Monterey Minerals Inc.
c/o 5728 EAST BOULEVARD
VANCOUVER, BRITISH COLUMBIA
V6M 4M4

NEWS RELEASE

Blue Aqua Holdings Ltd. (“Blue Aqua”) Completes Plan of Arrangement with Monterey Minerals Inc. and Issues Shares in Furtherance and to Effect of the Plan of Arrangement

Vancouver, B.C., June 21, 2018 – Monterey Minerals Inc. (the “Company” or “Monterey”) is pleased to announce that it has now completed the plan of arrangement between Monterey and Blue Aqua (the “Arrangement”) effective as of June 12, 2018. Pursuant to the Arrangement and as a result of said completion, Blue Aqua has become a reporting issuer in the provinces of Alberta and British Columbia. Pursuant to the Arrangement, Blue Aqua will issue shares effective as of June 12, 2018 to Monterey shareholders of record as of April 18, 2018. Blue Aqua’s ISIN is “CA09524E1079” and its CUSIP is “09524E107”.

The Company had received the final order from the Supreme Court of British Columbia on November 29, 2016 to effect the Arrangement on or after November 29, 2016. The Arrangement is pursuant to an arrangement agreement entered into between Monterey and each of Monterey’s wholly-owned subsidiaries, including: Blue Aqua (formerly known as 1093684 B.C. Ltd.), 1093681 B.C. Ltd., 1093682 B.C. Ltd., and 1093683 B.C. Ltd. Under the Arrangement, the effective date for the Arrangement can be set separately as between Monterey and each of the other parties to the Arrangement. Pursuant to the Arrangement, the effective date for the Arrangement as between Monterey and Blue Aqua was set for June 12, 2018. Further information regarding the Arrangement can be found on Monterey’s SEDAR profile at www.sedar.com.

Blue Aqua was incorporated on October 19, 2016 and its fiscal year end is September 30th. Furthermore, Blue Aqua changed its name from “1093684 B.C. Ltd.” to “Blue Aqua Holdings Ltd.” on March 28, 2018.

On behalf of the Board of Directors of Monterey Minerals Inc.

Forward-Looking Information: This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking information is based on are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.