

**BLUE AQUA HOLDINGS LTD.  
MATERIAL CHANGE REPORT  
(Amended and Restated)**

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

BLUE AQUA HOLDINGS LTD. (the “Issuer”)  
372-1917 W. 4th Ave., Vancouver, BC, V6J 1M7

**Item 2: Date of Material Change**

June 12, 2018, as amended herein on September 20, 2018

**Item 3: News Release**

A news release disclosing the material change described below 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 Monterey Minerals Inc. (“Monterey”) under a plan of arrangement pursuant to an arrangement agreement (the “Arrangement”) entered into between the Issuer, Monterey, 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 with the Issuer was set for June 12, 2018. As a result of completing the Arrangement, the Issuer became a reporting issuer in Alberta and British Columbia. The CUSIP number for the Issuer’s common shares is “09524E107”.

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

**5.1 Full Description of Material Change**

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

**5.2 Disclosure for Restructuring Transactions**

The following provides prospectus level disclosure with respect to the Issuer:

***Market for securities***

The Issuer’s securities are not currently listed or quoted for trading on any stock exchange or quotation system.

***Corporate Structure***

**Name, address and incorporation**

The Issuer was incorporated under the laws of the Province of British Columbia on October 19, 2016, and changed its name from “1093684 B.C. Ltd.” to “Blue Aqua Holdings Ltd.” on March 28, 2018.

The Issuer’s head office and registered and records office is located at 372-1917 W. 4th Ave., Vancouver, BC, V6J 1M7.

### Intercorporate relationships

Prior to the Arrangement, the Issuer was a wholly-owned subsidiary of Monterey.

As of the completion of the Arrangement on June 12, 2018, the Issuer is no longer a subsidiary of Monterey.

### ***Description of the Business***

The Issuer currently has not commenced any commercial operations and management continues to seek viable business opportunities in the mining and exploration sector.

Under the Arrangement, Monterey was to transfer \$1,000 cash deposit and a letter of intent dated as of September 30, 2016 (the “LOI”) between Monterey and Railhead Resources Ltd. to the Issuer in exchange for the issuance of common shares of the Issuer issued to Monterey’s shareholders of record as of April 18, 2018, on a pro rata basis, pursuant to the Arrangement, and is currently exploring business opportunities. The LOI has no determinable fair value.

On June 12, 2018, the \$1,000 deposit due to the Company by Monterey was offset against an invoice from Monterey for administrative services regarding the Arrangement.

### ***Dividends or distributions***

Since incorporation and to the date of this amended report, the Issuer has not declared or paid any dividends or distributions for any of its securities. The board of directors of the Issuer, at its sole discretion, can decide to declare and pay dividends or distributions to securityholders.

### **Financial Statements, and Management’s Discussion and Analysis**

The Issuer’s:

- (1) Audited financial statements, and management’s discussion and analysis for the period ended September 30, 2017,
- (2) Unaudited financial statements, and management’s discussion and analysis for the three months ended December 31, 2017 (Q1);
- (3) Unaudited financial statements, and management’s discussion and analysis for the interim period ended March 31, 2018 (Q2); and
- (4) Audited financial statements, and management’s discussion and analysis for the interim period ended June 30, 2018 (Q3),

are posted and accessible on the Issuer’s SEDAR profile located at [www.sedar.com](http://www.sedar.com), and are incorporated herein by reference.

### ***Description of the Securities Distributed as part of the Arrangement***

Under the Arrangement, Monterey transferred the LOI to the Issuer in exchange for the issuance of common shares of the Issuer issued to Monterey’s shareholders of record as of April 18, 2018, on a pro rata basis, pursuant to the Arrangement. The \$1,000 cash deposit was offset against an invoice from Monterey to the Company for administrative services as noted above.

The Arrangement involved the issuance and exchange of securities between Monterey and the Issuer, as fully described under section 3.1 of schedule “A” (the plan of arrangement) to the arrangement agreement between the parties as posted on SEDAR on June 21, 2018, which agreement is incorporated herein by reference, which issuances and exchanges

culminated with the issuance of the Issuer's common shares to Monterey's shareholders of record as of April 18, 2018 as mentioned in the previous paragraph. The common shares of the Issuer each carry one voting right, have rights to dividends and proceeds of any windup or dissolution on a pro rata basis with all other common shareholders, and carry no preemptive, conversion/exchange, redemption or retraction rights.

### Capitalization

The Issuer's authorized share capital consists of an unlimited number of common shares without par value and without special rights and restrictions.

The following table represents all issuances of common stock and activity to date:

<b>Common Shares</b>	<b>Number</b>
Issued to incorporator	100
Incorporator shares cancelled	(100)
Issued under Arrangement	1,010,549
Issued to settle management fees payable	500,000
<b>Balance, September 18, 2018</b>	<b>1,510,549</b>

### Prior securities sales

Prior to the Arrangement, the Issuer issued 100 common shares at \$0.01 per share for total proceeds of \$1.00 CAD to the incorporator on October 19, 2016 (the date of its incorporation). On June 12, 2018, the 100 incorporator shares were returned to treasury for cancellation in conjunction with completion of the Arrangement and spin-out of the Company from Monterey.

Effective June 12, 2018, the Issuer issued 1,010,549 common shares to Monterey shareholders for the Arrangement in exchange for Monterey transferring the LOI to the Company and the \$1,000 cash deposit which was offset against an invoice from Monterey to the Company for administrative services as noted above.

On June 12, 2018, the Company issued 500,000 common shares at a deemed price of \$0.02 per share to Carl Chow, director and CEO, for the settlement of \$10,000 in management fees payable.

With the exception of the aforementioned common share issuances, no other securities of the Issuer have been issued.

### Directors and Executive Officers

<u>Name, occupation</u>	<u>Security holdings (common shares)</u>
Carl Chow, CEO and Director	1,100,000
Patrick Brown, CFO and Director	NIL
Ronald Ozols, Director (independent)	12,305

### Cease trade orders, bankruptcies, penalties or regulatory sanctions

Carl Chow – none

Patrick Brown – none

Ronald Ozols – none

On August 3, 2018, Ron Ozols resigned as CEO and CFO and Carl Chow and Patrick Brown were appointed CEO and CFO, respectively.

Biographies

**Carl Chow**

***Director (Chairman) and CEO***

Mr. Carl Chow (age: 49) is a director and CEO of the Issuer. Mr. Chow has a degree in Operations Management and Financial Management from British Columbia of Institute of Technology. Mr. Chow has been a director and chairman of the Board of the Issuer since April 5, 2018 and CEO since August 3, 2018. In these capacities, Mr. Chow works as an independent contractor consultant with the Issuer and dedicates significant time to ensure his duties and obligations are met in addition to diligent efforts to source business opportunities. Since November 2017, Mr. Chow has been a Director for Pharamalogix Investments Corporation (a reporting issuer). From 2010 to 2015, he was on the board of directors of Interact Investments Inc., a Singapore domiciled company. From 2006 to 2009, Mr. Chow was a senior Investor Relations manager for NewAge Financing Limited, with his duties and responsibilities including liaising with start-up companies and locating strategic venture capital funding. Prior to 2006, he served as CEO and director of Meadow Springs, Inc. Mr. Chow has not entered into non-competition or non-disclosure agreement with the Issuer.

**Patrick E. Brown**

***Director and CFO***

Mr. Patrick Brown (age: 52) became the Issuer's CFO on August 3, 2018 and director on May 11, 2018. He is a former chartered accountant (CA) with more than 20 years of experience serving large, complex organizations in Canada and the United States. Mr. Brown works as an independent contractor consultant with the Issuer and spends approximately 20 hours a week with the Issuer. Mr. Brown maintains a boutique consulting firm that provides guidance and support to private and publicly listed companies in both Canada and the United States. In his position as the Issuer's CFO, he is responsible for the financial oversight of the Issuer. Mr. Brown's principal occupations or employment during the five years before the date of this amended report were with K.M. Delaney & Assoc. (from 2014 – 2016) as its CFO, Argyle Corporate Services (from 2016 – 2017) as its office director, and founded Parabolic Communications Inc. that provides social media, marketing, and public relations to public companies (from February 2018 to date) acting as its President, CFO and director. Mr. Brown has had lengthy experience in the capital markets industry with minimal exposure to mining. Mr. Brown has not entered into a non-competition or non-disclosure agreement with the Issuer.

**Ron Ozols**

***Director (independent)***

Mr. Ron Ozols (age: 61) has been a director of the Issuer since its incorporation, and its chief executive officer (CEO) and chief financial officer (CFO) from incorporation until August 3, 2018. His responsibilities include assisting in the transition of duties and responsibilities of CEO and CFO to the new CEO (Carl Chow) and new CFO (Patrick Brown), respectively, and assisting other directors as part of the board of directors. Mr. Ozols completed two years of post-secondary studies and his background is in multi-media including print and online media. For over 30 years, he was involved in the advertising departments of major daily newspapers across Canada. In addition to his media experience, he has experience at the management level with healthcare and mining companies. He currently holds the following position with these reporting issuers in Canada, which encompass his work experience over the past 5 years: Since 2016 through June 4, 2018 (date of resignation) he worked as CEO and director of Monterey Minerals Inc.; CEO, CFO and director of Rotonda Ventures Corp. since 2016; and director of Evitrade Health Systems Corp. since 2013. Additionally, Mr. Ozols was previously with the advertising department of Post Media until 2014. With respect to the Issuer, he will be working part time (approximately 10 hours per week) to help the new CEO and CFO with organizing the company. Mr. Ozols is an

independent contractor consultant with the Issuer in the capacity of director and has not entered into a non-competition or non-disclosure agreement with the Issuer.

#### Conflicts of interest

There are no known conflicts of interest between the Issuer and any of its management or directors.

#### Executive Compensation

The Issuer has not yet set any executive compensation policy and has not entered into any management agreements with its executive officers.

#### Indebtedness of Directors and Executive Officers

As of the date of this amended report, no director or officer of the Issuer is indebted to the Issuer.

#### Audit Committees and Corporate Governance

##### Audit committees

The audit committee consists of all directors of the Company.

##### Corporate governance

##### Board of Directors

Ron Ozols is an independent member of the Issuer's board of directors (the "**Board**"), while Carl Chow (Director, CEO) and Patrick Brown (Director, CFO) are not independent members of the board due to their executive officer positions. The board facilitates independent judgement in carrying out its responsibilities by ensuring that the independent director is in attendance for all board meetings. All board meetings are attended by all members of the Board.

For information on the directors involvement with other reporting issuers, please refer to the directors biographies above.

##### Board Mandate; Position Description

The Board does not have a written mandate and delineates its role and responsibilities through resolutions of the Board. Similarly, there is no written position description for the CEO developed between the Board and the CEO, and the CEO's roles and responsibilities are mandated through Board resolutions authorizing the CEO to take action on behalf of the Issuer.

##### Orientation and Continuing Education

The Board engages all new directors with orientation and discussion regarding the Issuer, duties and responsibilities of the Board, oversight, and potential business opportunities including but not limited to:

- (i) the role of the board, its committees and its directors, and
- (ii) the nature and operation of the Issuer's business (noting that it has not commenced any commercial operations).

The Issuer does not currently have a formal orientation program for new directors or continuing education program for directors regarding the role of the Board, any of its committees, directors, and the Issuer's business.

The Board currently does not provide any continuing education for its directors but encourages its directors to read and study all currently available materials for seated directors on a Canadian company with particular focus on public

company reporting and oversight. The Board ensures that its directors meet their obligations as directors by requiring all directors to attend Board meetings and updates each member on the Issuer's business developments as soon as possible.

#### Ethical Business Conduct

The Board has not currently adopted a written code of conduct for directors. Should a member of the Board have a conflict of interest or material interest regarding a matter brought for consideration by the Board, then such member would not cast a vote at the Board's meeting with respect to the matter; however, if all members have such a conflict of interest or material interest then all Board members will vote on the matter.

#### Nomination of Directors

There is currently no formal nomination procedure with respect to new candidates to the Board.

#### Compensation

There is currently no formal compensation procedure with respect to Board members.

#### Board Committees

Other than the audit committee, the Board has no other committee.

#### Assessments

There is currently no formal assessment procedure with respect to Board members assessing their effectiveness and contribution to the Board. The Issuer currently has no operation and it will develop such assessment procedures when business operations begin.

#### **Auditor, Transfer Agent and Registrar**

##### Auditor

The Issuer's auditor is Adam Sung Kim Ltd. located at Unit 114B (2nd floor), 8988 Fraserton Court, Burnaby, BC, V5J 5H8.

##### Transfer agent & registrar

The transfer agent and registrar for the Issuer's common shares is Integral Transfer Agency Inc., incorporated in the Province of Ontario, with registered address of 100 Queen St E, Suite 203, Toronto, ONT M5C 1S6., and the securities register and register of transfers for the Issuer are maintained, and transfers of securities are recorded, at said agent's Toronto, ON office.

#### **Material contracts**

With the exception of the arrangement agreement with respect to the Arrangement as posted on the Issuer's SEDAR profile, the Issuer has not entered into any material contracts still in effect as of the date of this report since its incorporation.

#### **List of exemptions from National Instrument 41-101**

The issuance of the Issuer's common shares to Monterey shareholders as aforementioned relies on the exemption from the prospectus requirement of National Instrument 41-101 (General Prospectus Requirements) found under section 2.11 of National Instrument 45-106 (Prospectus Exemptions).

**Risk factors****The Issuer has a limited Operating History**

The Issuer was incorporated on October 19, 2016, has no active business, and has had no earnings since incorporation. There is no assurance that Issuer will be able to achieve and then maintain earnings in the future.

**No Listing; No Quotation**

The Issuer's common shares are not currently listed on any stock exchange or quoted on quotation system, which limit and may completely undermine the ability of any shareholder to sell or otherwise transfer their common shares.

**Conflicts of Interest**

The Issuer will be relying on its respective officers and directors to advise it with respect to the development of its business. The officer(s) and director(s) of the Issuer are now or may become in the future officers and/or directors of other entities or act as principals, officers or directors of other businesses. They may have conflicts of interest in allocating management time, services and functions among the Issuer and any other present or future businesses which they may organize, or provide management services to, as well as other business ventures in which they are or may become involved.

**Additional Financing**

To achieve its future business objectives, the Issuer may raise funds through loans, or debt or equity offerings of its securities. The issuance of any common shares of the Issuer for any future equity offering will have a dilutive effect on the current common shareholders of the Issuer. The issuance of any convertible debt or non-common share equity that is convertible or otherwise exchangeable to common shares of the Issuer will have a dilutive effect on the current common shareholders of the Issuer upon such conversion/exercise. Additionally, debt financing, if available, may involve restrictive covenants with respect to distributions, raising future capital and other financial and operational matters, and may otherwise limit the Issuer's ability to raise additional equity capital.

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

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officers**

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

Carl Chow, CEO and director (chairman)

Patrick Brown, CFO and director

Ron Ozols, director (independent) and former CEO/CFO  
E-mail: ronozols@gmail.com

**Item 9: Date of Report**

June 21, 2018, as amended on September 20, 2018



**SCHEDULE "A"**

**BLUE AQUA HOLDINGS LTD.  
c/o 5728 EAST BOULEVARD  
VANCOUVER, BRITISH COLUMBIA  
V6M 4M4**

**NEWS RELEASE**

**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** – Blue Aqua Holdings Ltd. (the “Company” or “Blue Aqua”) is pleased to announce that it has now completed the plan of arrangement between Monterey Minerals Inc. (“Monterey”) and the Company (the “Arrangement”) effective as of June 12, 2018. Pursuant to the Arrangement and as a result of said completion, the Company has become a reporting issuer in the provinces of Alberta and British Columbia. Pursuant to the Arrangement, the Company 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 the Company was set for June 12, 2018. Further information regarding the Arrangement can be found on Monterey’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

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

For further information please contact:

BLUE AQUA HOLDINGS LTD.  
Ronald Ozols, CEO, CFO and Director  
E-mail: [ronozols@gmail.com](mailto:ronozols@gmail.com)

**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.