

**Rating**  
**BUY**  
Unchanged

**Target Price**  
**\$90.00**  
Unchanged

**March 19, 2026**

**Disseminated on Behalf of BQE Water Inc.**

All figures in CAD unless otherwise stated

BQE Water Inc.	BQE:TSXV
Rating	BUY
Target Price	\$90.00
Return to Target	44%

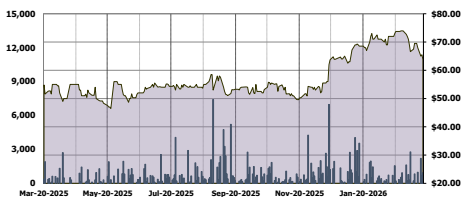
**Market Data**

Share Price	\$62.50
Average Daily Volume	890.0
FD ITM Shares (M)	1.3
Market Cap (\$M)	\$82.2
Cash (\$M)	\$17.0
Debt (\$M)	\$2.3
Enterprise Value (\$M)	\$67.5

FYE Dec 31	2025E	2026E	2027E
Proportional Revenue (\$M)	\$38.0	\$45.6	\$50.0
Revenue (\$M)	\$34.0	\$40.4	\$44.7
Gross Margin (%)	41%	45%	47%
Adj. EBITDA (\$M)	\$9.4	\$11.0	\$13.1
Adj. EBITDA Margin (%)	25%	24%	26%
Net Income (\$M)	\$7.5	\$7.8	\$8.9
EPS (Basic)	\$5.81	\$6.01	\$6.85
FCFF (\$M)	\$5.2	\$6.3	\$10.8

Valuation	2025E	2026E	2027E
EV/EBITDA	7.2x	6.1x	5.1x
P/E	10.8x	10.4x	9.1x
FCF Yield (%)	8%	9%	16%
EV/Sales	1.8x	1.5x	1.4x

Please refer to the applicable disclosures on the back page  
Source: Atrium Research, CapitalIQ, Company Documents



BQE Water is a service provider specializing in water treatment and management for mining, smelting, and refining businesses. BQE Water invests in innovation and has developed unique intellectual property through the commercialization of several new technologies at mine sites around the world for organizations including Glencore, Codelco, Jiangxi Copper, Freeport-McMoRan and South32. BQE Water is headquartered in Vancouver, Canada.

**Nicholas Cortellucci, CFA** | Equity Research Analyst | ncortellucci@atriumresearch.ca | 647-391-3314  
**Ben Pirie** | Equity Research Analyst | bpirie@atriumresearch.ca | 647-688-9661

**What you need to know:**

- BQE has entered into a 3-year agreement through its JV with Nuvumiut Development with Canadian Royalties Inc. to operate mine water treatment plants at the Nunavik Nickel Project in Quebec.
- The contract covers the seasonal operation of five treatment systems, typically running from May to October, further expanding BQE's recurring revenue base in Eastern Canada.
- This is the fourth significant contract announcement since December, as management continues to execute.

This morning, BQE Water (BQE:TSXV, BTQNF:OTC) announced that its joint venture with Nuvumiut Development has entered into a 3-year operating agreement with Canadian Royalties Inc. (CRI) to operate mine water treatment plants at CRI's Nunavik Nickel Project in Quebec. The contract involves the seasonal operation of five treatment systems, typically from May to October. BQE continues to execute at a high level, having now announced four contracts since December 2025, and we view today's announcement as further evidence that BQE's value proposition resonates across the new state of the mining industry. Our model remains unchanged as we bake in these announcements in our growth assumptions. **We are maintaining our BUY rating and our \$90.00/share target price on BQE.**

The Nunavik Nickel Project is owned and operated by CRI, a private mining company headquartered in Montreal. The project comprises an open pit and underground mines, as well as a concentrator plant that produces copper and nickel sulphide concentrates. The contract was awarded to BQE Water Nuvumiut Development Inc., a JV registered with Makivvik Corporation, an Inuit land claims organization that administers and invests funds while promoting economic growth and the preservation of Inuit culture, language, health, and education in Northern Quebec.

We would also like to highlight a key insight that both today's agreement and the landmark Britannia Mine operating agreement were won at sites that BQE did not build. This demonstrates that BQE's water remediation expertise and its ability to optimize plant operations are valued by clients well beyond its proprietary IP.

**Recent Momentum**

BQE has been signing contracts at a record pace over the last few months. We believe this speaks to the recognition of BQE's value proposition and the momentum in the mining sector. This includes the following:

- November 19<sup>th</sup> – First phase of engineering of a long-term water treatment solution for the Eagle Mine in BC.
- December 18<sup>th</sup> – 20-year contract with BC Government for operation and maintenance of Britannia Mine Water Treatment Plant. This was the largest contract in the Company's history (read our note [here](#)).
- February 18<sup>th</sup> - Contract to operate the water treatment plant at Eagle Gold Mine in the first half of 2026 (read our note [here](#)).
- February 25<sup>th</sup> - Contract with Hudbay Minerals Inc. to progress the engineering design of a SART plant at its mill in Snow Lake, Manitoba (read our note [here](#)).

**Rivemont MicroCap Cocktail Event**

We also wanted to flag that we are co-hosting an event with Mathieu Martin, Portfolio Manager of the Rivemont Microcap Fund, on March 25<sup>th</sup> in Montreal, Quebec. The event will feature presentations from BQE Water and Amerigo Resources (BUY \$7.25 Target). Analyst Nicholas Cortellucci will also give a keynote speech on the importance of research coverage and the CSR model. Get your tickets [here](#)!

### Why We Like BQE

- BQE has a growing stream of recurring revenue (operational services). Recurring revenue represented 13% of proportional revenue in 2020 and has grown to 42% in 2024.
- The Company has strong tailwinds in increasingly strict government regulations for water discharge and increasing mining capex globally.
- BQE Water has been steadily increasing its EBITDA margins from negative levels a decade ago to 23% in 2024. Given its asset-light business model, we expect this to continue scaling up.
- BQE has a clean balance sheet with a large cash position and no interest-bearing debt. The Company has not raised equity since 2018 and has three private investors owning 46%.
- BQE's valuation is cheaper than that of water treatment and engineering service firms.

### Catalysts

- Quarterly Financial Results & Increasing Recurring Revenue – Ongoing
- New Contract Announcements (Including “Company Maker” Projects) – Ongoing
- Share Repurchases & Acquisitions – 2025

### Tear Sheet

Market Data		Capital Structure	
Ticker	BQE:TSXV	Basic Shares Outstanding (M)	1.3
Stock Price	\$62.50	Warrants (M)	0.0
Rating	BUY	Options (M)	0.0
Target Price	\$90.00	FD Shares (M)	1.3
Upside	44%	FD ITM Shares (M)	1.3
Market Cap (\$M)	\$82.2	Ownership	
Cash (\$M)	\$17.0	Management & Board	27%
Debt (\$M)	\$2.3	Other Insiders	26%
EV (\$M)	\$67.5	Retail	47%

Financial Estimates												
	2024A	Q1/25A	Q2/25A	Q3/25E	Q4/25E	2025E	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2026E	2027E
<b>Revenue (\$M)</b>	<b>17.2</b>	<b>7.4</b>	<b>11.3</b>	<b>9.3</b>	<b>6.0</b>	<b>34.0</b>	<b>9.4</b>	<b>11.2</b>	<b>10.7</b>	<b>9.1</b>	<b>40.4</b>	<b>44.7</b>
<b>Proportional Revenue (\$M)</b>	<b>24.8</b>	<b>7.9</b>	<b>12.9</b>	<b>10.7</b>	<b>6.5</b>	<b>38.0</b>	<b>10.0</b>	<b>13.1</b>	<b>12.6</b>	<b>9.8</b>	<b>45.6</b>	<b>50.0</b>
% YoY	9%	133%	112%	12%	12%	53%	26%	2%	18%	52%	20%	10%
<b>Gross Profit (\$M)</b>	<b>8.4</b>	<b>3.2</b>	<b>3.7</b>	<b>4.7</b>	<b>2.5</b>	<b>14.1</b>	<b>4.0</b>	<b>5.0</b>	<b>4.9</b>	<b>4.3</b>	<b>18.2</b>	<b>20.8</b>
Gross Margin	49%	43%	33%	51%	41%	41%	42%	45%	46%	47%	45%	47%
<b>Adj. EBITDA (\$M)</b>	<b>5.6</b>	<b>1.9</b>	<b>2.5</b>	<b>3.3</b>	<b>1.7</b>	<b>9.4</b>	<b>2.0</b>	<b>3.3</b>	<b>3.3</b>	<b>2.5</b>	<b>11.0</b>	<b>13.1</b>
Adj. EBITDA Margin	23%	24%	19%	31%	26%	25%	20%	25%	26%	25%	24%	26%
Net Income (\$M)	4.8	1.7	1.9	2.8	1.1	7.5	1.4	2.4	2.4	1.7	7.8	8.9
EPS (Basic)	3.78	1.34	1.48	2.15	0.86	5.81	1.05	1.83	1.81	1.32	6.01	6.85
FCFF (\$M)	2.5	(1.0)	2.6	1.2	2.1	5.2	2.1	1.6	1.0	1.5	6.3	10.8

Figure 1: Tear Sheet

## Disclosures

### Analyst Certification

Each authoring analyst of Atrium Research on this report certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated securities discussed (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the research, (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer, (iv) the analyst does not own common shares, options, or warrants in the company under coverage, (v) the analysts adhere to the CFA Institute guidelines for analyst independence, and (vi) this report belongs to the CFA Institute.

### Atrium Research Ratings System

**BUY:** The stock is expected to generate returns of over 20% over the next 24 months.

**HOLD:** The stock is expected to generate returns of 0-20% over the next 24 months.

**SELL:** The stock is expected to generate negative returns over the next 24 months.

**NOT RATED (N/R):** Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	41
HOLD	0
SELL	0

### About Atrium Research

Atrium Research provides institutional quality company sponsored research on public equities in North America. Our investment philosophy takes a 3-5 year view on equities currently being overlooked by the market. Our research process emphasizes understanding the key performance metrics for each specific company, trustworthy management teams, and an in-depth valuation analysis. For further information on our team, please visit <https://www.atriumresearch.ca/team>.

### General Information

Atrium Research Corporation (ARC) has created and distributed this report. This report is a general discussion of the merits and risks of a security or securities only, was prepared for general circulation, is not in any way meant to be tailored to the needs and circumstances of any recipient and does not provide investment recommendations specific to individual investors. As such, the securities discussed in this report may not be suitable for all investors and investors must make their own investment decisions based upon their specific investment objectives and financial situation, utilizing their own financial advisors as they deem necessary.

This report is based on information we considered reliable; we have not been provided with any material non-public information by the company (or companies) discussed in this report. We do not represent that this report is accurate or complete and it should not be relied upon as such; further any information in this report is subject to change without any formal or type of notice provided. Investors should consider this report as only one factor in their investment decisions; this report is not intended as a replacement for investor's independent judgment.

ARC is not a CIRO registered dealer and does not offer investment-banking services to its clients. ARC (and its employees) do not own, trade or have a beneficial interest in the securities of the companies we provide research services for and does not serve as an officer or Director of the companies discussed in this report. ARC does not make a market in any securities. This report is not disseminated in connection with any distribution of securities and is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

ARC does not make any warranties, expressed or implied, as to the results to be obtained from using this information and makes no express or implied warranties for particular use. Anyone using this report assumes full responsibility for whatever results they obtain. This report does not constitute a personal recommendation or take into account any financial or investment objectives, portfolio holdings, strategy, financial situations or needs of individuals. This report has not been prepared for any particular individual or institution. As such, any advice or recommendation in this report may not be suitable for a particular recipient. ARC assumes recipients of this report are capable of evaluating the information contained herein and of exercising independent judgment. A recipient of this report should not make any investment decision without first considering whether any advice or recommendation in this report is suitable for the recipient based on the recipient's particular circumstances and, if appropriate or otherwise needed, seeking professional advice, including tax advice. ARC does not perform any suitability or other analysis to check whether an investment decision made by the recipient based on this report is consistent with a recipient's investment objectives, portfolio holdings, strategy, financial situation, or needs. Past performance is not an indication or guarantee of future results, future returns are not guaranteed, and loss of original capital may occur. By providing this report, ARC does not accept any authority, discretion, or control over the management of the recipient's assets. Any action taken by the recipient of this report, based on the information in the report, is at the recipient's sole judgment and risk. The recipient must perform his or her own independent review of any prospective investment. Neither ARC nor any person employed by ARC accepts any liability whatsoever for any direct or indirect loss resulting from any use of its research or the information it contains.

This report contains "forward-looking" statements. Forward-looking statements regarding the Company and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Such statements involve a number of risks and uncertainties such as competition, market demand, and the company's (and management's) ability to correctly forecast financial estimates. As a result, the actual results, events, performance or achievements of the financial product may be materially different from those expressed or implied in such statements. Please see the Company's MD&A "Risk Factors" Section for a more complete discussion of company specific risks for the company discussed in this report. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. ARC assumes no obligation to maintain or update this report based on subsequent information and events.

ARC is receiving a cash compensation from BQE Water Inc. for 12-months of research coverage. This report was disseminated on behalf of BQE Water Inc. ARC retains full editorial control over its research content. ARC does not have investment banking relationships and does not expect to receive any investment banking driven income. ARC reports are primarily disseminated electronically and, in some cases, printed form. Electronic reports are simultaneously available to all recipients in any form. This report or any portion hereof may not be copied, reprinted, sold, or redistributed or disclosed by the recipient or any third party, by content scraping or extraction, automated processing, or any other form or means, without the prior written consent of ARC. Any unauthorized use is prohibited. Neither ARC nor any of its respective directors, officers or employees is responsible for guaranteeing the financial success of any investment, or accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this report or its contents.

To receive future reports on covered companies please visit <https://www.atriumresearch.ca/research> or subscribe on our website.

This report has been prepared independently of any issuer of securities mentioned herein and not as agent of any issuer of securities. No ARC personnel have authority whatsoever to make any representations or warranty on behalf of the Company. Any comments or statements made herein are those of ARC.

The information contained herein is not, and under no circumstances is to be construed as, an offer to sell securities described herein, or solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators, if applicable, and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. The information contained herein is under no circumstances to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed judgment upon this research report, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence.

The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.