

Black Birch Capital Acquisition III Corp.

Management's Discussion and Analysis of Financial Position and Results of Operations ("MD&A")

The following information, prepared as of November 29, 2017, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Black Birch Capital Acquisition III Corp. (the "Company") for the three and nine months ended September 30, 2017, as well as the audited consolidated financial statements for the year ended December 31, 2016 and the related management's discussion and analysis (the "Annual MD&A"). The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company was incorporated on September 24, 2012 and on July 10, 2013 completed its initial public offering ("IPO") in accordance with TSX Venture Exchange Inc. (the "Exchange") Policy 2.4 – *Capital Pool Companies* ("Policy 2.4") and became a capital pool company (a "CPC" or "Capital Pool Company"). During the fourth quarter of fiscal 2015 the Company was transferred to the NEX Board of the TSX (NEX") when it failed to complete a Qualifying Transaction within the allowed time frame.

Additional information about the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Such statements made by the Company are based on current expectations, factors and assumptions and reflect our expectations as at November 29, 2017. Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. The Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and uncertainties".

Overview of the Company

The Company was incorporated on September 24, 2012 and operates as a Capital Pool Company as defined in Policy 2.4 of the Exchange. Despite its move to the NEX the Company must still follow the operating rules of Capital Pool Companies while it is on the NEX.

The Company has no commercial operations and no assets other than cash and receivables. The Company's cash will be used to identify and evaluate businesses or assets with a view to completing a "Qualifying Transaction" (a "QT") (as defined in Policy 2.4). Any proposed Qualifying Transaction must be accepted by the Exchange and potentially the shareholders of the Company.

The Company is not pursuing a specific business, industry sector, or particular geographic.

Results of Operations Third Quarter of Fiscal 2017

For the three months ended September 30, 2017, the Company incurred a net operating loss of \$33,729 or \$0.00 per share (2016 – \$8,603 and \$0.00 per share). The loss for the quarter was mostly attributable to listing, filing and other public company costs as well as significant legal fees. The legal fees were primarily attributable to the Company’s AGM and the resulting legal work for our change in jurisdiction and share consolidation. In the prior year the Company incurred additional audit and legal fees that were not incurred this year.

Results of Operations For the First Nine Months of Fiscal 2017

For the nine months ended September 30, 2017, the Company incurred a net operating loss of \$38,927 or \$0.00 per share (2016 – \$31,770 and \$0.02 per share). The loss for the nine months was primarily attributable to listing, filing and other public company costs as well as the legal fees discussed above. In the prior year the company incurred additional legal, audit and other fees related to a cancelled qualifying transaction.

Summary of Quarterly Results (unaudited)

Three months ended	Sept. 30, 2017	June 30, 2017	March. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Total revenues	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Net loss	\$33,729	\$2,069	\$18,907	\$104,831	\$8,603	\$9,669	\$13,499	\$104,734	\$(45,371)
Net loss per share (Basic and diluted)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.02	\$(0.00)

Liquidity and Capital Resources

As at September 30, 2017 the Company had cash of \$197,1673.

The Company believes it has sufficient funds to find a Qualifying Transaction, the Company may be required to raise additional funds as part of a Qualifying Transaction.

Additional Disclosures

Critical accounting estimates

The accounting estimate considered to be significant to the Company is the computation of share-based payments expense.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- (i) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company’s control, are feasible and are within management’s ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that

materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Transactions with related parties

The Company’s related parties consist of directors and officers or companies associated with them. The Company’s directors have advanced approximately \$5,000 to the Company to cover expenses. This amount is included in accounts payable at year-end and is unsecured and non-interest bearing.

Key management includes the Chief Executive Officer and the Chief Financial Officer. In accordance with Exchange policies for CPCs, no salaries or other benefits may be paid or accrued to key management.

Off-balance sheet arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Financial instruments

The Company’s financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Cash and accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities. Both are measured at their amortized cost which approximates their fair value due to their short-term nature.

The Company classifies fair values of financial instruments within a three-level hierarchy that prioritizes the inputs to fair value measurement and reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. As at September 30, 2017, the Company had no financial instruments measured at fair value and requiring classification in the hierarchy.

Outstanding share data

As at September 30, 2017, and November 29, 2017 the Company had 14,170,740 common shares issued and outstanding, and 93,295 stock options entitling the holder to acquire an additional share by paying \$0.10 per common share.

Proposed transactions

The Company is not party to any proposed transactions not outlined elsewhere in this MD&A.

Other Information

Additional information related to the Company, including its final prospectus is available for viewing on SEDAR at www.sedar.com.