Decisive Dividend
Corporation

Management Discussion and Analysis of the Financial Condition and Results of Operations for the three and nine-month periods ended September 30, 2017

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2017 and the audited financial statements for the year ended December 31, 2016 and the notes contained therein, of Decisive Dividend Corporation ("the Company"). This MD&A covers the three and nine-month periods ended September 30, 2017 and the subsequent period up to the date of filing.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, commitments, contingencies, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

The unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. The unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as our most recent audited financial statements and do not include all of the information required for full audited financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

The accompanying interim financial statements include the accounts of the Company and its wholly owned subsidiaries. All inter-company balances and transactions have been eliminated on consolidation.

This MD&A was prepared effective November 13, 2017.

Corporate Overview

Decisive Dividend Corporation (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 2, 2012 and is listed on the TSX Venture Exchange (the "Exchange"), trading under the symbol "DE". The Company is an acquisition-oriented corporation focused on opportunities in manufacturing. The business plan of the Company is to acquire or invest in profitable, well-established manufacturing companies with strong cash flows. To date, the Company has completed the acquisition of two manufacturing companies, as described below.

The objectives of the Company are:

(i) to provide shareholders with stable and growing dividends;
(ii) to maximize share value through on-going active monitoring of its operating subsidiaries; and
(iii) to continue to acquire additional companies or businesses or interests therein, in order to expand and diversify the Company's investments.

The address of the Company's Head Office is #201, 1674 Bertram Street, Kelowna, B.C. V1Y 9G4.

Business Overview

The Company currently has two separate operating divisions, Blaze King (as defined below) and Unicast (as defined below). It is the intention of the Company to acquire additional businesses in the manufacturing sector as opportunities present themselves. An overview of the businesses of the two operating divisions of the Company is set forth below.

Blaze King

On February 27, 2015, the Company acquired PGR Ventures Inc. which carries on business through its wholly-owned subsidiary, Valley Comfort Systems Inc. and its wholly-owned subsidiary, Blaze King Industries Inc. This transaction served as the Company's "qualifying transaction" for the purposes of the Exchange. PGR Ventures Inc., Valley Comfort Systems Inc. and Blaze King Industries Inc. are herein collectively referred to as "Blaze King".

The business of Blaze King is producing and selling high-quality, high-efficiency wood burning stoves, all manufactured in its premises in Penticton, British Columbia and Walla Walla, Washington. Blaze King has been operating since 1977, and its hearth products are sold across North America. Blaze King's stoves are recognized as some of the longest-burning, most high efficiency stoves in the hearth market. Management believes that Blaze King's stoves have developed a strong reputation for quality. These factors have helped build the Blaze King brand and reputation, which drives sales through dealer and customer loyalty. Blaze King has a growing distribution base that includes distributors across Canada and the United States.

Unicast

On June 23, 2016, the Company completed its second business acquisition when it acquired Unicast Inc. ("Unicast").

The business of Unicast is producing and distributing wear parts and valves for the mining, aggregate and cement industries. Wear parts are consumable parts for machinery that wear out when crushing rock, which is done extensively in the mining, aggregate and cement industries. Unicast has been in operation since 1994.

Unicast is focused on providing wear parts that are more durable and last much longer that the products of its competitors. Unicast's products are also designed to have fewer issues regarding installation and maintenance. Management believes that these are Unicast's primary competitive advantages over its competitors.

Unicast offers its customers volume discount options, as well as a corporate discount program. Unicast has developed a "Make and Hold Program", which guarantees on-site part supply as well as bulk shipping, which result in cost savings for the customer. Unicast has a growing distribution base that includes distributors across Canada and the United States, with planned growth in Latin America and Asia.

When discussing the Company and its subsidiaries in this MD&A, they are collectively referred to as the "Group".

Non-IFRS Measures

In this MD&A, reference is made to the measure "Adjusted EBITDA", which is believed to be meaningful in the assessment of the Company's performance. This metric is a non-standard measure under IFRS, and may not be identical to similarly titled measures reported by other companies. Also, in the future, we may disclose different non-IFRS financial measures in order to help our investors more meaningfully evaluate and compare our future results of operations to our previously reported results of operations. Readers are cautioned that the disclosure of these items is meant to add to, and not replace, the discussion of financial

results as determined in accordance with IFRS. The primary purpose of these non-IFRS measures is to provide supplemental information that may prove useful to investors who wish to consider the impact of certain non-cash or uncontrollable items on the Company's operating performance and who wish to separate costs associated with business acquisitions that do not relate to the ongoing performance of the Company's existing business.

In calculating Adjusted EBITDA, certain items are excluded from earnings or loss including: interest, taxes, depreciation and share-based compensation. Set forth below are descriptions of the financial items that have been excluded from net income or loss to calculate Adjusted EBITDA and the material limitations associated with using this non-IFRS financial measure as compared to net income or loss:

- Depreciation and amortization expense may be useful for investors to consider because it generally represents the wear and tear on our property and equipment used in our operations. However, we do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating costs.
- The amount of interest expense we incur or interest income we generate may be useful for investors to consider and may result in current cash inflows or outflows. However, we do not consider the amount of interest expense or interest income to be a representative component of the day-to-day operating performance of the Company.
- Income tax expense may be useful for investors to consider because it generally represents the taxes which may be payable for the period and the change in deferred income taxes may reduce the amount of funds otherwise available for use in the future. However, we do not consider the amount of income tax expense to be a representative component of the day-to-day operating performance of the Company.
- Implementation costs including one-time user fees and overtime costs are a non-recurring item that affected costs in the first quarter of 2016 relating to the installation of a new Enterprise Resource Planning ("ERP") system that was installed in Blaze King on January 1, 2016. While a necessary expense, these costs will not be recurring in every quarter, and as such, are not considered to be a representative component of the day-to-day operating performance of the Company.
- Acquisition costs are non-operating items that have affected costs in each quarter of fiscal 2016 with respect of the Unicast acquisition. While a necessary expense as part of closing acquisitions, the magnitude and timing of these items may vary significantly depending upon the acquisition. As such, we do not consider acquisition costs incurred to be a representative component of the day-to-day operating performance of the Company.
- Cost of Goods Sold include charges to expense the fair value increment of Unicast inventories sold in the quarter that were acquired as part of the original purchase on June 23, 2016. The acquisition adjustment is a non-cash expense and has been and will be incurred each quarter until the entire amount of inventory purchased on June 23, 2016 has been sold or written-off by Unicast.
- Share-based compensation may be useful for investors to consider because it is an estimate of the non-cash component of compensation received by the Company's directors, officers, employees and consultants. Share-based compensation has been excluded from the Company's operating expenses because the decisions that gave rise to these expenses were not made to increase revenue in a particular period, but were made for the Company's long-term benefit over multiple periods. Strategic decisions, such as the issuance of share-based awards to further the Company's long-term strategic objectives, impact the Company's earnings under IFRS, and may likely affect multiple periods' results.

Overall Performance

Financial Highlights

The financial results of the Company for the periods indicated below are as follows:

FINANCIAL PERFORMANCE						
		2017	**per share basic and fully diluted**		2016	per share basic and fully diluted
For the three months ended September 30						
Total revenue(1)	**$**	**5,946,883**		$	5,124,150	
Gross margin		**2,652,688**			2,041,592	
Operating expenditures (2)		**(1,630,544)**			(1,325,893)	
Adjusted EBITDA (3)		**1,022,144**			715,699	
Amortization and depreciation (4)		**(266,083)**			(292,389)	
Interest expense		**(131,730)**			(116,270)	
Acquisition costs		**-**			(32,044)	
Cost of goods sold fair value adjustment		**(170,504)**			(135,384)	
Share-based compensation expense		**(89,669)**			(127,111)	
Interest revenue		**1,888**			859	
Earnings before tax		**366,046**	**0.06**		13,360	0.00
Earnings		**207,137**	**0.04**		118,970	0.02
Dividends declared		**552,491**	**0.09**		452,561	0.075
For the nine months ended September 30,						
Total revenue (1)	**$**	**15,906,853**		$	9,966,150	
Gross margin		**6,934,212**			4,078,435	
Operating expenditures (2)		**(4,933,935)**			(3,464,844)	
Adjusted EBITDA (3)		**2,000,277**			613,591	
Amortization and depreciation (4)		**(796,214)**			(524,094)	
Interest expense		**(364,860)**			(243,176)	
Acquisition costs		**-**			(302,644)	
ERP implementation costs		**-**			(33,900)	
Cost of goods sold fair value adjustment		**(357,142)**			(135,384)	
Share-based compensation expense		**(343,890)**			(1,019,857)	
Interest revenue		**5,660**			2,106	
Gain on sale of equipment		**2,141**			-	
Earnings (loss) before tax		**145,972**	**0.03**		(1,643,358)	(0.37)
Loss		**(42,113)**	**(0.01)**		(1,470,463)	(0.33)
Dividends declared		**1,593,017**	**0.26**		620,673	0.23

FINANCIAL POSITION		**September 30, 2017**		December 31, 2016
Working capital	**$**	**5,604,698**	$	5,900,931
Capital assets		**1,609,790**		1,699,000
Total assets		**21,585,102**		22,214,218
Bank debt		**8,817,662**		8,628,560
Equity		**7,629,147**		8,819,581
Share Information		**September 30, 2017**		December 31, 2016
Common shares issued [5]		**6,142,165**		6,056,495
Common shares issued and outstanding [5]		**5,922,166**		5,763,163

(1) Operating results for the nine months ended September 30, 2017 include Unicast operations for nine months in 2017, and three months and seven days from its acquisition on June 23, 2016 in 2016. Results for the three months ended September 30, 2017 include three months of operations of Unicast in 2017 and three months in 2016.
(2) Operating expenditures include all expenses other than amortization, interest, acquisition, ERP implementation costs, stock compensation expense and cost of goods sold fair value adjustment.
(3) “Adjusted EBITDA” is used as a profitability measure in this document. Please refer to the “Non-IFRS Measures” section of this MD&A for further discussion on these measures.
(4) Amortization and depreciation includes depreciation in expenses on the income statement and depreciation included in cost of goods sold.
(5) Due to the Unicast acquisition, there are 219,999 shares that are issued, but not outstanding. Please refer to discussion on page 6 regarding the Unicast acquisition for a further explanation.

Discussion of Overall Performance

The revenue for the nine months ended September 30, 2017 for the Company was $15,906,853, up 59.6% year over year from the nine months ended September 30, 2016. This increase was due to the inclusion of nine- months of operations of Unicast, as compared to three months and seven days in 2016; and improved revenue by Blaze King in the comparable nine-month period. Additionally, year over year, gross margins for the nine-month period increased from 40.9% to 43.6%.

The revenue for the three month period ended September 30, 2017 for the Company was $5,946,883, up 16% year over year from the three month period ended September 30, 2016. This increase was due to a better quarter than last year for Unicast, and a much improved Q3 in 2017 for Blaze King versus Q3 2016. Year over year gross margins for the three-month period improved to 44.6% from 40.0% in 2016. The gross margin improvement was primarily due to production efficiencies in Blaze King driven by the increased number of units produced year over year. This higher production and the reduced lower overhead cost per unit was partially offset by the higher Canadian dollar that impacted realized revenue per unit.

As noted above, the financial statements for the three and nine month period ended September 30, 2017 include three and nine months of operations of Unicast, but include only three months and seven days of results of Unicast operations for the three and nine month period ended September 30, 2016, as that purchase closed on June 23, 2016. This resulted in both revenue and expenses being higher for the comparable three and nine month period in 2017 versus 2016.

Share-based compensation expense was $343,890 for the nine months ended 2017, and was primarily the result of contingent share remuneration in relation to the purchase of Unicast and the Employee Share Purchase Plan.

Detailed reporting of the Company’s segmented results are disclosed in Note 18 of the September 30, 2017 Interim Condensed Consolidated Financial Statements.

Industry Trends

North American Hearth Industry

A significant industry trend in the North American hearth industry (in which Blaze King operates) is that some consumers are now considering the wood or gas stove as a piece of furniture, and are wanting stoves that match current design trends. This demand extends not only to wood stoves but to fireplace inserts as well. Blaze King has launched a number of new products over the last five years to address this; these new products include freestanding and fireplace insert models, which are offered in both cast iron and traditional steel options.

Mining, Aggregate, and Cement Wear Parts Industry

Current industry trends in the mining, aggregate and cement plant wear parts industry (in which Unicast operates) include a shift towards different alloys and metals and away from traditional manganese and steel fabrication. Demand for titanium carbide wear parts and ceramic sleeves for valves are continuing to grow due to the increases in wear life attributed to these new innovations. Unicast is continuing to build market share in both of these areas by adding more titanium carbide products to its current product line and introducing new ceramic products as they are designed and tested.

Regulatory Trends

On May 15, 2015, new United States Environmental Protection Agency ("EPA") standards for wood stoves came into effect. The new standards have two phases of implementation. The first phase lowered the maximum emissions permitted by wood stoves to the current Washington State standard of 4.5 grams per hour and will cover the 5 year period to the year 2020. The majority of wood stoves on the market today already meet that standard. The new rule has one standard for the entire market and includes products such as pellet stoves that were previously exempt. The second phase, which will start in 2020, will further lower emissions to 2.0 grams per hour.

All of Blaze King's products already meet phase 1 requirements, and almost all meet or exceed the 2 gram emission limit requirements for 2020. The King, Chinook 20, Sirocco 20, Ashford 20, Chinook 30, Sirocco 30, Ashford 30, Princess Insert, Sirocco 25 and Ashford 25 all meet the 2 gram emission limit requirements for 2020. As the Princess free-stand model meets phase 1 but not phase 2 standards, replacements for this model have been designed and are currently being beta tested to ensure it will exceed phase 2 requirements for 2020. All new wood stove models being developed by Blaze King will also meet the EPA's phase 2 requirements.

Risks and Uncertainties

For a discussion of the risks and uncertainties that management of the Company believe may impact the future results of the Company, see "Risk Factors" below.

Unicast Acquisition

On April 29, 2016, the Company and the former shareholders of Unicast entered into a share and loan purchase agreement pursuant to which the Company and its wholly-owned subsidiary agreed to purchase all of the issued and outstanding shares of Unicast (and certain shareholder loans of its shareholders) for a purchase price of $10,061,338.

The Company completed the acquisition of Unicast on June 23, 2016. The Purchase Price was satisfied through the issuance of the purchase-related shares of 223,664 common shares of the Company with a fair value of $3.20 per share, with the balance of $8,945,624 paid in cash. The cash portion of the purchase

price was paid from the net proceeds of a $5,500,000 loan from the Company's senior lender and from the proceeds of a private placement of 1,659,114 common shares at a price of $3.00 per share for aggregate gross proceeds of $4,977,342.

In addition to the purchase-related common shares mentioned above, an additional 293,332 shares (the "Contingent Shares") with a total fair value of $938,662 were issued to certain shareholders. The Contingent Shares are issued but will only become outstanding when released from escrow. The release of the Contingent Shares from escrow is contingent upon the continued employment of two shareholders for a period of three years through June 2019 (the "Employment Period"). 73,333 shares were released in June 2017, with 73,333 shares to be contingently released in June 2018, and 146,666 shares to be contingently released in June 2019. For accounting purposes, the Contingent Shares are considered to be post-acquisition remuneration and are not included as part of the related acquisition consideration, resulting in the recognition of stock compensation expense over the Employment Period. During the nine-month period ended September 30, 2017, the Company recognized share-based compensation expense of $322,665 related to the Contingent Shares (2016 - $127,111).

Discussion of Operations

Blaze King

Three Months Ended September 30, 2017

During the three month period ended September 30, 2017, Blaze King recorded revenues of $4,015,272 ($3,467,727 in 2016). The sales strength seen in the first two quarters of 2017 extended into the third quarter of 2017 as Blaze King built on the momentum generated by their early buy program for dealers and distributors. In anticipation of the expected improved sales strength, management increased production and inventory year over year to meet this demand. Demand in 2017 continues to be much more robust than 2016 as dealers have started re-stocking for the 2017/18 heating season.

During the three month period ended September 30, 2017, Blaze King realized gross margins of $1,654,075 or 41.2% ($1,219,053 or 35.2% in 2016). Overhead costs are allocated to cost of goods sold based on normalized, annual production levels, and as year over year production was higher in Q3 2017 versus Q3 2016, the effects of this allocation on margin were not as big a factor this year. Margins were higher in Q3 2017, despite the Company experiencing a higher Canadian dollar and an increase in the price of inputs, including steel prices, which have risen close to 15% in 2017 versus 2016. These negative factors were offset by a 3% price increase that was brought in effect in Q3 2017, and by increased production which resulted in efficiencies in labour and materials.

Blaze King's business is seasonal, with the first and second quarters being the weakest of the year. Traditionally, Blaze King has experienced between 35% – 40% of its sales in the first two quarters of the year, and 60% to 65% of its sales in the final two quarters of the year. Blaze King is seeing this seasonal trend continuing to occur in 2017.

Unicast

Three Months Ended September 30, 2017

In the three-month period ended September 30, 2017, Unicast recorded $1,931,611 ($1,656,421 in 2016) of sales revenue and had cost of sales of $932,998 ($833,881 in 2016), which resulted in a gross margin of $998,613, or 51.7% ($822,540 or 49.5% in 2016). Included in cost of sales was $170,504 of non-cash expenses related to the write off of the fair value to cost difference on Unicast inventory sold in Q3, 2017.

Decisive Dividend Corporation ("Head Office")

Three Months Ended September 30, 2017

During the three month period ended September 30, 2017, Head Office expended $337,048 on corporate activities ($304,283 in 2016). The most significant expenses during this period were stock compensation expense of $89,669 relating to Contingent shares issued to Unicast vendors ($127,111 in 2016, salaries and benefits of $44,347 ($28,856 in 2016), interest on long term debt of $108,017 ($32,112 in 2016) and transfer agent fees of $14,530 ($23,045 in 2016).

Blaze King

Nine Months Ended September 30, 2017

During the nine-month period ended September 30, 2017, Blaze King recorded sales revenues of $9,661,267 (September 30, 2016 - $8,164,676). The sales strength seen in the latter part of 2016 continued into 2017 as the winter heating season was extended in the first and second quarters of 2017, and was followed by a strong Q3 as customers began stocking up for the 2017 winter heating season as demand continues to be strong. Blaze King also experienced a stronger early buy from dealers and distributors in the first and second quarters of 2017 compared to 2016 as customers took advantage of sales incentives introduced as part of the new Blaze King sales commitment program.

During the nine-month period ended September 30, 2017, Blaze King realized gross margins of $3,836,758, or 39.7% (September 30, 2016 - $3,154,768 or 38.6%). Gross margins were slightly higher for Blaze King for the first nine- months of 2017 versus the first nine- months of 2016 despite several factors, including higher input costs for such items as steel, higher shipping costs year over year, and more dealers taking advantage of Blaze King's early buy program and freight incentives on a year over year basis. These factors were offset by a price increase enacted in July, 2017 of 3%, by overhead being allocated over much higher production, and efficiencies gained year over year in production from better utilization of labour.

Sales of the Sirocco 25, a new wood-burning fireplace insert model which launched in 2016, continue to exceed management's expectations. The second wood-burning fireplace insert model, a cast-iron version called the Ashford 25, was introduced in the first quarter of 2017 and experienced continued growing sales in the third quarter of 2017. Sales of the Sirocco 25 and the new Ashford 25 insert have performed well in the third quarter of 2017 and management is confident this trend will continue for the remainder of 2017.

Unicast

Nine Months Ended September 30, 2017

Since Unicast was acquired on June 23, 2016, the prior year nine--month period contains only three months and seven days of Unicast results, while the nine- month period ended September 30, 2017 includes nine months of Unicast operations. In this period, Unicast recorded $6,245,586 ($1,801,472 in September 30, 2016 of sales revenue and had cost of sales of $3,148,132 ($877,804 in September 30, 2016, which resulted in a gross margin of $3,097,454, or 49.6% ($923,668 or 51.3% in September 30, 2016). Included in cost of sales was $357,142 of non-cash expenses related to the write off of the fair value to cost difference on Unicast inventory sold in Q1, Q2, and Q3 2017.

Decisive Dividend Corporation ("Head Office")

Nine Months Ended September 30, 2017

During the nine-month period ended September 30, 2017, Head Office expended $985,795 on corporate activities (September 30, 2016 - $1,744,789). The most significant expenses during this period were share-based compensation expense of $343,890 relating to Contingent shares issued to the Unicast vendors (September 30, 2016 - $892,746, resulting from a stock option issuance to officers and directors of the Company and $127,110 relating to Contingent shares issued to the Unicast vendors), legal fees of $40,218 (September 30, 2016 $139,998, relating mostly to the acquisition of Unicast), salaries and benefits of $193,875 (September 30, 2016 - $134,212), accounting and audit fees of $34,840 (September 30, 2016 - $112,917), transaction and advisory fees of $17,405 (September 30, 2016 - $98,078, relating mostly to the Unicast acquisition), interest on long term debt of $63,347 (September 30, 2016 - $98,745), and transfer agent fees of $32,829 (September 30, 2016 - $57,849).

	For the three months ended September 30, 2017 ($)	For the three months ended June 30, 2017 ($)	For the three months ended March 31, 2017 ($)	For the three months ended December 31, 2016 ($)
Revenue	5,946,883	4,902,307	4,980,497	7,546,559
Net income (loss) before taxes	366,046	(63,554)	(156,520)	1,177,144
Income taxes	(158,909)	(746)	(28,430)	(169,895)
Net income (loss)	207,137	(64,300)	(184,950)	1,007,251
Total comprehensive income (loss)	55,535	(149,678)	(58,252)	1,140,963
Total assets	21,585,102	21,854,861	22,351,227	22,214,218
Common shares issued and outstanding	5,922,166	5,916,060	5,842,727	5,763,163
Weighted average shares outstanding	5,853,832	5,821,260	5,793,850	5,755,396
Net income (loss) per share - basic	0.04	(0.01)	(0.03)	0.18

	For the three months ended September 30, 2016 ($)	For the three months ended June 30, 2016(1) ($)	For the three months ended March 31, 2016 ($)	For the three months ended December 31, 2015 ($)
Revenue	5,124,150	2,254,369	2,587,631	4,353,005
Net income (loss) before taxes	13,360	(1,518,380)	(138,338)	811,154
Income taxes	105,610	62,285	5,000	(448,987)
Net income (loss)	118,970	(1,456,095)	(133,338)	362,167
Total comprehensive income (loss)	138,916	(1,672,440)	(258,162)	560,103
Total assets	21,468,364	21,131,119	9,122,024	9,842,087
Common shares issued	5,755,131	6,005,510	3,773,400	3,750,570
Weighted average shares outstanding	5,734,593	3,957,013	3,757,305	3,479,965
Net income (loss) per share - basic	0.02	(0.37)	(0.04)	0.10

Notes:

(1) Results for the three month period ended June 30, 2016 include Unicast operations for the seven day period from its acquisition on June 23, 2016.

For a discussion of the factors that have caused variations in results over the eight most recently completed financial quarters of the Company, see “Discussion of Operations” above.

Liquidity and Capital Resources

As at September 30, 2017, the Company had a net cash position of negative $189,280 (December 31, 2016 - positive $1,447,451) and net working capital of $5,604,698 (December 31, 2016 - $5,900,931).

		September 30, 2017		December 31, 2016		**Change**
Cash and cash equivalents	$	**(189,280)**	$	1,447,451	$	(1,636,731)
Accounts receivable		**4,696,659**		3,448,317		1,248,342
Inventory		**4,898,157**		4,452,969		445,188
Prepaid expenses		**461,985**		352,687		109,298
Accounts payable		**(2,809,555)**		(2,352,555)		(457,000)
Dividends payable		**(184,265)**		(151,412)		(32,853)
Warranty provision		**(196,430)**		(201,203)		4,773
Prepaid deposits		**(140,292)**		(93,120)		(47,172)
Current portion of long-term debt		**(932,281)**		(1,002,203)		69,922
Net working capital	$	**5,604,698**	**$**	5,900,931	$	(296,233)

Dividends Declared and Paid

The Company’s dividend policy is to pay cash dividends on or about the 15th of each month to shareholders of record on the last business day of the previous month. The Company’s Board of Directors regularly examines the dividends paid to shareholders.

Cumulative dividends for the nine months ended September 30, 2017 and 2016 are as follows:

		September 30, 2017		September 30, 2016
Cumulative dividends, beginning of period	**$**	**2,200,522**	$	673,454
Dividends during the period		**1,593,017**		1,073,233
Cumulative dividends, end of period	**$**	**3,793,539**	$	1,746,687

The amounts and record dates of the dividends for the nine months ended September 30, 2017 and 2016 are as follows:

Month	Record Date 2017	Per Share ($)	2017 Dividend Amount ($)	Record Date 2016	Per Share ($)	2016 Dividend Amount ($)
January	31-Jan-17	0.025	151,668	29-Jan-16	0.025	93,764
February	28-Feb-17	0.025	152,531	29-Feb-16	0.025	93,765
March	31-Mar-17	0.030	184,081	31-Mar-16	0.025	94,335
April	28-Apr-17	0.030	184,082	29-Apr-16	0.025	94,335
May	31-May-17	0.030	184,082	31-May-16	0.025	94,335
June	30-Jun-17	0.030	184,082	30-Jun-16	0.025	150,138
July	31-Jul-17	0.030	184,113	29-Jul-16	0.025	150,138
August	31-Aug-17	0.030	184,113	31-Aug-16	0.025	151,212
September	29-Sep-17	0.030	184,265	30-Sep-16	0.025	151,212
Total		**0.260**	**1,593,017**		**0.225**	**1,073,233**

Subsequent to September 30, 2017 and before the filing of this MD&A, the Company undertook the following dividend actions:

- a dividend to shareholders of record on September 30, 2017 was paid on October 13, 2017.
- a dividend of $0.030 per share was declared on October 13, 2017, for shareholders of record on October 31, 2017, and will be paid on November 15, 2017.

Short-Term Debt Facilities

On June 21, 2017, the Group refinanced its short-term debt facilities with a Canadian financial institution to obtain better terms and conditions. The details are as follows:

The Company has an operating loan facility authorized up to $4,000,000 (September 30, 2016 - $3,100,000, expandable to $3,600,000 for the months of June, July and August), bearing interest at the lender's prime rate plus 0.75%, of which $3,405,000 was unused as at September 30, 2017 (September 30, 2016 - $1,727,198).

The operating loan facility and the debt are secured by a general security agreement, assignment of insurance, and guarantees. In addition, the Company and its subsidiaries have agreed to maintain the following ratios as a group:

- Maximum total funded debt to EBITDA of 3.50:1
- Minimum Fixed Charge Coverage ratio of 1:10:1

As at September 30, 2017, the Group was in compliance with these ratios.

Long-Term Debt

		September 30, 2017		December 31, 2016
Loan 1 [1]	**$**	**8,358,333**	$	-
Loan 2 [2]		**-**		5,270,833
Loan 3 [3]		**-**		2,887,500
Loan 4 [4]		**-**		77,217
Loan 5 [5]		**311,284**		393,010
		8,669,617		8,628,560
Less: current portion		**(932,281)**		(1,002,203)
Long-term portion	**$**	**7,737,336**	$	7,626,357
Less: debt issuance costs		**(41,235)**		-
Total long-term debt	**$**	**7,696,101**	$	7,626,357

On June 21, 2017, the Company completed a refinancing of current outstanding long-term debt with a Canadian financial institution. Three term loans with one Canadian financial institution amounting to $7,774,250 (Loans 2, 3 and 4) were replaced with one term loan of $8,500,000 (Loan 1) from another Canadian financial institution, as follows:

[1] Loan 1: Entered into in June 2017 to refinance loans2,3 and 4.. The principal amount of $8,500,000 is repayable in monthly instalments of $70,833 plus interest at the lender's prime rate plus 1.25%. The loan matures in June 2020, at which point the residual amount of $5,950,000 is repayable in full.

[2] Loan 2: Term loan entered into in February 2016 to finance the acquisition of Blaze King, repayable in monthly instalments of $29,167 plus interest at the lender's prime rate plus 1.5%.

[3] Loan 3: Term loan entered into in April 2016 repayable in monthly instalments of $1,883 plus interest at the lender's prime rate plus 1.5%.

[4] Loan 4: Term loan entered into in June 2016 to finance the acquisition of Unicast, repayable in monthly instalments of $45,833 plus interest at the lender's prime rate plus 1.5%. .

[5] Loan 5: Term loan entered into in July 2016 to finance the acquisition of property and equipment repayable in monthly instalments of $5,865 USD including interest at the rate of 4.15%, loan maturing in July 2021.

Principal payments required over the next five years are estimated as follows:

Remainder of 2017	$	234,494
2018		930,388
2019		934,430
2020		6,533,833
2021		36,472
		8,669,617
Less: current portion		(932,281)
Long-term portion	$	7,737,336

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

The Group's related parties consist of directors, officers and key management or companies associated with them.

During the nine-month period ended September 30, 2017, the Group incurred legal fees of $12,318 (September 30, 2016 - $13,138) with a law firm in which two directors of the Group were either a partner or employee.

Key management, including directors and officers of the Group, are those personnel having the authority and responsibility for planning, directing, and controlling the Group.

Salaries and benefits, bonuses and share-based payments are included in compensation expenses.
Key management compensation for the nine-month period ended September 30, 2017 included $131,625 of salary and benefits (September 30, 2016 - $118,272). Currently, the Chief Executive Officer and Chief Operating Officer positions are unpaid.

Since the inception of the Company, no cash compensation has been distributed to directors in their capacity as directors.

Changes in Accounting Policies

There were no changes in accounting policies during the quarter ended September 30, 2017.

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company, in accordance with National Instrument 52-109 ("NI 52-109"), have both certified that they have reviewed the most recent interim financial report and this MD&A (the "Interim Filings") of the Company and that, based on their knowledge having exercised reasonable diligence: (a) the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the Interim Filings; and (b) the interim financial report together with the other financial information included in the Interim Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the Interim Filings.

Investors should be aware that there are inherent limitations on the ability of the certifying officers to cost effectively design and implement Disclosure Controls and Procedures and Internal Controls over Financial Reporting (as those terms are used in NI 52-109). This may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

The Group is subject to a number of risks. These risks relate to the structure of the Group. The risks and uncertainties described below are the most significant risks that management of the Group is aware of and believe to be material to the business and results of operations of the Group.

Operational Performance and Growth

The Group's principal source of funds is cash generated from its subsidiaries. It is expected that funds from these sources will provide it with sufficient liquidity and capital resources to meet its current and future financial obligations at existing business levels, including meeting certain financial ratios with our lender. In the event that additional capital and operating expenditures dependent on increased cash flow or additional financing arise in the future, lack of those funds could limit or delay the future growth of the subsidiaries and their cash flow. Furthermore, underperformance of a material subsidiary and/or combination thereof could have an adverse effect by also limiting or delaying future growth of the subsidiaries and their cash flow, while also potentially impacting the amount of cash available for dividends to the shareholders.

General Economic Conditions

Although the North American economy is showing signs of continuing strength, there are many factors that could cause the North American economy to weaken. Should the economic environment deteriorate, demand for the Group's products could be reduced and have a negative impact on revenues and earnings. This would result in the Group having to implement cost control measures in order to manage through an economic downturn. In the first two quarters of last year, management of Blaze King implemented cost cutting measures due to the warm winter that caused a reduction in sales. Even though sales have now been improving as anticipated, management is continuing to review other areas for possible cost savings and is implementing long-term strategies regarding workflows and production scheduling to further enhance productivity and efficiencies.

Government Regulation

The wood burning stove market in which Blaze King operates is significantly affected by government regulations and standards in North America and these regulations are constantly changing. There can be no assurance that Blaze King's prospects would not be adversely affected in the event of additional regulation in the wood burning stove market. Unicast's products are also subject to government regulations and standards, but to a much lesser degree.

Environmental Regulation

The past and present operation by the Group of manufacturing facilities and real property are subject to extensive and changing federal, provincial, state and local environmental laws and regulations, including those relating to discharges in air, water and land, the handling and disposal of solid and hazardous waste and the remediation of contamination associated with releases of hazardous substances. Compliance with environmental regulations has not had a material effect on the capital expenditures, earnings or competitive position of Blaze King or Unicast to date; however, compliance with current laws or more stringent laws or regulations which may be imposed on the Group in the future, stricter interpretation of existing laws or discoveries of contamination at the leased business locations of the Group which occurred prior to Blaze King or Unicast's lease of such sites or the advent of environmental regulation may require the Group to incur additional expenditures in the future, some of which may be material.

Dependence on Distributors and Strategic Relationships

The future revenue growth of the Group will depend in large part upon its ability to successfully establish and maintain a network of suppliers and distributors for its subsidiaries as well as its ability to enter into strategic alliances. The Group may not be able to successfully manage such relationships. If the Group is unable to attract such distributors and strategic partners, it may not be able to generate sufficient revenues to maintain profitability.

Ability to Develop New Products

The Group's market position is dependent on its ability to effectively anticipate consumer habits and expectations and develop new or modified products in a timely fashion to satisfy these expectations. If the Group is not able to develop new products that are attractive to customers, the Group risks losing those customers to competitors.

Supply and Cost of Raw Materials and Purchased Parts

The Group will rely on a stable and consistent supply of materials and finished goods in carrying out its operations. Blaze King and Unicast secure supplies of raw materials and finished goods from various suppliers on an ongoing basis at negotiated prices, with Unicast sourcing the majority of their products from Chinese suppliers. An interruption in the availability of these raw materials or finished goods, trade barriers inflicted on the countries where these suppliers are located, geopolitical factors in certain parts of the world, other factors not within the control of the Group or otherwise, or significant increases in the prices paid by the Group for them, could have a material effect on the Group's business.

The pricing of certain commodities used to produce Blaze King and Unicast's products, such as steel, titanium carbine and manganese, are still largely driven by overall market conditions and increases in the cost of these components could increase the Group's manufacturing costs.

Foreign Exchange Exposure

Most of the Group's products will be sold in markets outside of Canada, while most of its operating expenses and capital expenditures are denominated in Canadian dollars. Additionally, a significant amount of the raw materials and finished goods used by the Group in its business are denominated in foreign currency since they are mainly sourced from outside of Canada. As a result, the Group will be exposed to fluctuations in the foreign exchange rates between the Canadian dollar and the currency in which a particular purchase or sale is transacted, which may result in foreign exchange losses that could affect earnings.

Implementation of the Growth Strategy

As part of its business strategy, the Company intends to expand the operations of its subsidiaries and complete new acquisitions. The Company may not effectively select acquisition candidates or successfully negotiate or finance such acquisitions. There can be no assurance the acquisitions will be completed on acceptable terms or that the newly acquired companies will be successfully integrated into the Group's operations. The Group may be subject to increased production costs or problems, difficulty in obtaining financing and increased cost of borrowing as a result of such acquisitions. With the Group's intention to expand the sales focus into new geographic areas there may be exposure to political and economic risks not currently experienced in current geographic sales areas.

Competition

The wood burning stove industry and the mining and cement wear parts industry are competitive and the Group competes with a substantial number of companies which have greater technical and financial resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Group or that new or existing competitors will not enter the various markets in which the Group is active or that the Group wishes to enter. In certain aspects of its business, the Group also competes with a number of small and medium-sized companies, which, like the Group, have certain competitive advantages such as low overhead costs and specialized regional strengths.

There can be no assurance that competitors will not develop new and unknown technologies with which the Group may have difficulty competing. As well, without remaining cost competitive, there is also a risk that the Group may lose business to its competitors.

Reliance on Management and Key Personnel

The Group's success and future operations will be dependent upon the ability, expertise, experience, judgment and effort of senior management and key personnel of the Group. Any loss of the services of these personnel could have a materially adverse impact on the Group's business, technical capabilities, operating results or financial condition or could result in delays to or abandonment of the Group's projects and ultimately the shareholders' investments could be negatively affected.

Financial Risk

In order to execute its business plan, the Group may require a combination of additional debt and equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Group when needed or on terms acceptable to the Group. The Group's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Group's growth and may have a material adverse effect upon the Group.

The Group has significant debt service obligations pursuant to the financing agreements relating to the credit facility and our long-term debt. The degree to which the Group are leveraged could have important consequences to shareholders, including:

- the ability of the Group to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited;
- a substantial portion of cash flow from operations of the subsidiaries of the Company will be dedicated to servicing its indebtedness, thereby reducing funds available for future operations;
- certain borrowings of the Group will be at variable rates of interest, which will expose the Group to future fluctuations of interest rates; and

- the Group may be more vulnerable to economic downturns and may be limited in their ability to withstand competitive pressure.

The ability of the Group to make scheduled payments of the principal of or interest on, or to refinance, their respective indebtedness will depend on future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The financing agreements relating to the credit facility and long-term debt contain restrictive covenants that limit the discretion of management with respect to certain business matters. These covenants may place significant restrictions on, among other things, the ability of the Group to incur additional indebtedness, to create liens or other encumbrances, to pay dividends, to redeem equity or debt or make certain other payments, investments, capital expenditures, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. The financing agreements also contain a number of financial covenants that require the Group to meet certain financial ratios and financial condition tests. A failure to comply with the obligations and covenants under the financing agreements relating to the credit facility could result in an event of default under such agreements, as the case may be, which, if not cured or waived, could permit acceleration of indebtedness. If the indebtedness under such agreements were to be accelerated, there can be no assurance that the assets of the Group would be sufficient to repay that indebtedness in full.

Income Tax Matters

The business and operations of the Group are complex and the computation of income taxes payable involves many complex factors including the Group's interpretation of relevant tax legislation and regulations. While management believes that the provision for income tax is adequate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities who may challenge the Group's interpretation of the applicable tax legislation and regulations. If any challenge to the Group's tax filing positions were to succeed, it could result in a reassessment of taxes or otherwise have a material adverse effect on the Group's tax position. Furthermore, federal or provincial or foreign tax legislation may be amended, or its interpretation changed (whether by legislative or judicial action or decision), retroactively or for the future, which could adversely affect the Group's tax position.

Litigation

The insurance company for Valley Comfort Systems Inc. and Blaze King Industries Inc. (collectively, the "insured companies") has confirmed receipt of the claim by Constance Well et al. in the amount of $11,000,000, plus aggregate punitive, aggravated or exemplary damages of $10,000,000, against the insured companies and other third parties in relation to bodily injury and property damages filed against the insured companies in the Ontario Superior Court of Justice. The insurance company has acknowledged that the insurance policy requires it to pay claims that the insured companies are legally obligated to pay as compensatory damages in an amount of up to $10 million.

Compensatory damages do not include punitive, aggravated or exemplary damages. Accordingly, the insured companies have retained legal counsel to represent them for the punitive damages claim (which is not covered by the insurance policy) and compensatory damages in excess of the $10 million policy limit. Based upon discussions with legal counsel and the circumstances underlying the plaintiff's claim, the Corporation and the insured companies will continue to vigorously defend the claim and are of the view that the likelihood of punitive damages being awarded against them in any amount, and the likelihood of compensatory damages being awarded against the insured companies in any amount, or in an amount exceeding $10 million, is low.

The plaintiffs have named a number of defendants (in addition to Valley Comfort Systems Inc. and Blaze King Industries Canada Ltd.) against whom damages are sought, including propane providers, a propane service company, a propane technician and the manufacturer of a valve within one of Valley Comfort's fireplaces

Product Liability and Warranty Claims

The Group may be subject to potential product liabilities connected with its operations, including liabilities and expenses associated with product defects. The Group's operations will be covered by liability and other insurance coverage that management of the Group believes is generally in accordance with the market practice in its industry, but there can be no assurance that the Group will always be adequately insured against all such potential liabilities.

A malfunction or the inadequate design of the Group's products could result in product liability or other tort claims. Accidents involving the Group's products could lead to personal injury or physical damage. Any liability for damages resulting from malfunctions could be substantial and could materially adversely affect the Group's business and results of operations. In addition, a well-publicized actual or perceived problem could adversely affect the market's perception of the Group's products. This could result in a decline in demand for the Group's products, which would materially adversely affect the Group's financial condition and results of operations.

The sale and use of products developed by the Group may entail potential liability and possible warranty claims. The Group may be subject to personal injury claims for injuries resulting from use of its products. Although the Group will maintain product liability insurance, there can be no assurance that such insurance will continue to be available on commercially reasonable terms and that it will be sufficient to cover all claims.

Reliance on Technology

The Group will depend upon improvements in technology to meet customer demands in respect of performance and cost, and to explore additional business opportunities. There can be no assurance that the Group will be successful in its efforts in this regard or that it will have the resources available to meet this demand. The commercial advantage of the Group will depend to an extent on the intellectual property and proprietary technology of the Group.

The Group currently relies on intellectual property rights and other contractual or proprietary rights, including (without limitation) copyright, trade secrets, confidential procedures, contractual provisions, licenses and patents, to protect its proprietary technology. The Group may have to engage in litigation in order to protect its patents or other intellectual property rights, or to determine the validity or scope of the proprietary rights of others. This type of litigation can be expensive and time consuming, regardless of whether or not the Group is successful. The Group may seek patents or other similar protections in respect of particular technology; however, there can be no assurance that any future patent applications will actually result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Group. Moreover, the process of seeking patent protection can itself be long and expensive. In the meantime, competitors may develop technologies that are similar or superior to the technology of the Group or design around the patents owned by the Group, thereby adversely affecting the Group's competitive advantage in one or more of its businesses.

Trading Volatility of Common Shares

Management of the Company cannot predict at what price its common shares will trade and there can be no assurance that an active trading market for the common shares will be sustained. The market price of the common shares could be subject to significant fluctuations in response to variations in financial results, general trends in the industry and other factors, including extreme price and volume fluctuations which have been experienced by the securities markets from time to time.

Dividends

Although the Company intends to continue to declare and pay monthly dividends on common shares, there can be no assurance that dividends will continue in the future at the same frequency and in the same amounts, or at all. The actual amount of dividends declared and paid by the Company in respect of the common shares will depend upon numerous factors, including profitability, fluctuations in working capital, and the sustainability of margins and capital expenditures of the Group.

Financial Instruments and Other Instruments

Fair Value Measurement of Financial Assets and Liabilities and Disclosure

The Group has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Group’s financial assets and financial liabilities including long-term debt are measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Group’s policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the current period.

Fair Value Disclosures

At September 30, 2017 and September 30, 2016, long-term debt is measured and recognized in the consolidated statement of financial position at fair value as a level 2 financial instrument. Management determined that the fair value of the debt due to its interest rate at approximately market lending rates, approximates the fair value.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature.

Financial Risk Management

The Group's primary business activities consist of the acquisition of corporations in the manufacturing sector. The business plan of the Company is to invest in profitable, well-established companies with strong cash flows to create a portfolio of diversified and strong returns. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include liquidity risk, credit risk, currency risk, and interest rate risk. The Company's risk management program strives to evaluate the unpredictability of financial and commodity markets and its objective is to minimize the potential adverse effects of such risks on the Group's financial performance, where financially feasible to do so. When deemed material, these risks may be monitored by the Group's corporate finance group and they are regularly discussed with the Company's board of directors or one of its committees.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they become due. To mitigate this risk, the Group has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Group's cash and cash equivalents are held in business accounts which are available on demand for the Group's programs. The accounts payable are due within 12 months of the dates on the statements of financial position. The debt matures in 2021.

	Total	Within One Year	Two to Five Years
Long-term debt	$ 8,669,617	$ 932,281	$ 7,737,336
Operating leases	767,606	270,700	496,906

Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Group by those counterparties, less any amounts owed to the counterparty by the Group where a legal right of set-off exists and also includes the fair values contracts with individual counterparties which are recorded in the consolidated financial statements..

The Group's credit risk is predominantly limited to cash and cash equivalent balances held in financial institutions, and the recovery of the Group's accounts receivable. The maximum exposure to the credit risk is equal to the carrying value of such financial assets. At September 30, 2017, the Company expects to recover the full amount of such assets, less any allowance for doubtful accounts in accounts receivable.

As at September 30 2017, the Group had the following accounts receivable ageing:

	Total	Current	31 - 60 days	61 - 90 days	90 days plus
Accounts Receivable	$ 4,606,516	$ 3,143,563	$ 647,554	$ 232,651	$ 582,748

The objective of managing counterparty credit risk is to minimize potential losses in financial assets. The Group assesses the quality of its counterparties, taking into account their credit worthiness and reputation, past performance and other factors.

Cash and cash equivalents are only deposited with or held by major financial institutions where the Group conducts its business. In order to manage credit and liquidity risk, the Group invests only in high-interest savings accounts with our financial institution.

Sales are made to customers the Group believes to be of sound credit worthiness.

Approximately 37% of the "90 days plus" receivables outstanding are related to a sales incentive program that Blaze King engages in during the first two quarters of the year. This sales incentive program includes allowing longer than normal payment terms, which results in receivables in excess of 90 days outstanding. The remaining amount of the "90 days plus" receivables outstanding relate to Unicast's receivables with long-term customers, some of whom have been given favorable payment terms. Management is working with Unicast's accounting group to improve collection timelines.

Currency risk

The Group's functional currency for Blaze King USA and Unicast is the US dollar, while all other entities in the group have a Canadian dollar functional currency, and the reporting currency is the Canadian dollar, therefore the Group's earnings and total comprehensive income are in part impacted by fluctuations in the value of the US dollar in relation to the Canadian dollar.

The table below summarizes the net monetary assets and liabilities held in foreign currencies in entities whose functional currency is the US dollar:

		September 30, 2017		December 31, 2016
Net monetary assets	**$**	**569,854**	$	523,031
Net monetary liabilities		**(456,537)**		(454,547)
	$	**113,318**	$	68,484

The table below summarizes the net monetary assets and liabilities held in foreign currencies in entities whose functional currency is the Canadian dollar:

		September 30, 2017		December 31, 2016
Net monetary assets	**$**	**295,303**	$	104,175
Net monetary liabilities		**(311,283)**		(393,010)
	$	**(15,979)**	$	(288,835)

The effect on net income before income tax at September 30, 2017 of a 10.0% change in the foreign currencies against the US dollar on the above mentioned net monetary assets and liabilities of the Group is estimated to be an increase/decrease of $9,734 (December 31, 2016 - $22,035) assuming that all other variables remained constant.

The calculations above are based on the Group's statement of financial position exposure at September 30, 2017.

Interest rate risk

The Group is exposed to interest rate risk on its credit facility and long term debt due to the interest rate on these facilities being variable. The Group does not enter into derivative contracts to manage this risk.

As the Group's interest rate exposure is variable with the prime rate, the carrying value of the credit facility and long-term debt approximates their fair values. At September 30, 2017, a 1.0% increase of the prime rate on the long term debt would increase interest expense by $87,000 (September 30, 2016 - $89,000). Additionally, a 1.0% decrease of the prime rate on the long term debt would decrease interest expense by $87,000 (September 30, 2016 - $89,000).

Disclosure of Outstanding Share Data

The following table sets forth the Company's share capital data as at November 13, 2017, September 30, 2017 and December 31, 2016. Each stock option and each agents' warrant entitle the holder thereof to purchase one common share of the Company.

	November 13, 2017	September 30, 2017	December 31, 2016
Common shares, basic	5,922,166	5,922,166	5,763,163
Contingent common shares[1]	219,999	219,999	293,332
Common shares issued	6,142,165	6,142,165	6,056,495
Stock options outstanding	506,000	506,000	530,500
Agents' warrants outstanding	86,074	86,074	122,576
Common shares, fully diluted	6,734,239	6,734,239	6,709,571

Notes:

[1] Further detailed in the Unicast Acquisition section above

Please refer to the financial statements of the Group for a detailed listing of all share issuances for the three and nine month periods ended September 30, 2017.

Escrowed Shares

As at September 30, 2017, there were 142,125 (December 31, 2016 – 426,375) shares in escrow relating to shares held by directors and insiders issued before the completion of the Company's Qualifying Transaction. The remaining 142,125 shares of escrowed stock are scheduled to be released on March 19, 2018.

As at September 30, 2017, there were 49,500 shares in escrow (December 31, 2016 – 148,500) relating to the Company's acquisition of Blaze King. The remaining 49,500 shares of escrowed stock are scheduled to be released on February 27, 2018.

As at September 30, 2017, there were 274,998 shares in escrow (December 31, 2016 – 366,664) relating to the Company's acquisition of Unicast, of which 219,999 shares are Contingent Shares. The release dates for the remaining escrowed stock are, as follows:

- 91,666 to be released on June 23, 2018
- 183,332 to be released on June 23, 2019

In total, as at September 30, 2017, there were 466,623 shares in escrow (December 31, 2016 – 941,539).

Subsequent Event

There were no subsequent events.

Outlook

Market Conditions – Blaze King

Building on sales strength that was witnessed in the third and fourth quarters of 2016, Blaze King saw continued demand in the first nine months of 2017, and recorded $1,500,000 more in sales year over year. In addition to a much colder heating season in 2016-2017, Blaze King sales were positively affected by the first new model of our fireplace insert line, the Sirocco 25, which was introduced in the second quarter of 2016 and has exceeded management's sales expectations. The Ashford 25 was introduced to dealers and distributors in the first quarter of 2017, and now Blaze King has three models in the wood-burning fireplace insert market in 2017.

The first in a line of gas-burning products, the Clarity 26 free-standing stove was introduced to the market in the third quarter of 2017 and Management is very pleased with the reception so far from dealers and distributors and consumers.

The second offering in the Blaze King gas line up, the Clarity 2118 Gas fireplace, has been tested and approved and is expected to be ready for sale in Q1 2018.

Management plans to introduce prototypes of a new gas insert and a new linear gas fireplace at the Hearth Products Association show in March of 2018. This will further deepen the gas offering from Blaze King towards the end of 2018.

Blaze King will use their existing dealer and distribution network to achieve sales growth in this segment. These new sales are part of an overall growth strategy to go beyond the core wood business.

After two years of rigorous in-house testing, the Sirocco 30 unit passed the ULEB (Ultra-Low Emission Burners) test in Christchurch, New Zealand during Q2. Standards were set at a maximum of 0.5 grams of emissions per kilogram of wood burned, and the Sirocco came in at 0.36 grams of emissions per kilogram of wood burned. Final approvals have been received and orders are due to start shipping in Q4 2017. This marks a significant step forward for potential sales increases in a previously untapped market.

Blaze King's BX24 Boxer freestanding woodstove finalized their certification process in Q3 of 2017. This modern looking stove, featuring a large 'wide screen' glass door and wood storage, will be available for sale in Q1 of 2018.

Market Conditions – Unicast

The market for Unicast's wear parts continues to be buoyant as the economy continues to grow in the United States, Canada, and other markets that Unicast serves. Increased infrastructure spending has caused continued upward demand on the cement industry. As well, mining continues its recovery as commodity prices have strengthened and new mines open across North America and Central and South America. Unicast has continued to introduce new products and to grow their product line in response to customer demands.

Unicast is also seeing increasing demand from non-traditional markets such as Latin America, Australia and the Philippines, and in response, Unicast is looking at strengthening their Latin American sales team in Q4 to service these new markets. Unicast also bolstered their management team in Q3 by adding a new Vice-President, Devin Mintz, who brings considerable experience in sales and marketing to the Unicast team. Fiscal year 2016 was a year of significant growth for Unicast, and new management is planning to build on this momentum through 2017 and into 2018.

Conclusion

Management is maintaining a positive outlook for the Company and its two subsidiaries, Blaze King and Unicast. Management believes that the Group is positioned for future growth, and is continually looking for further acquisitions to bolster diversity, which adds strength and resilience to operations. Management believes that continuing to follow a balanced and disciplined acquisition approach is the best path to generating shareholder value.

Management remains confident in its strategic and operational plans and in its seasoned leadership. The Company is committed to enhancing customer service in both subsidiaries and growing the sales teams to accommodate a plan of steady growth. The Company continues to develop and expand its network of referral sources that regularly present it with potential acquisitions. The Company also independently assesses certain markets and regions to identify potential targets and believes that its disciplined approach to acquisitions is largely responsible for the success to date. While the deal flow brought to the Company is considered strong, the Company is disciplined in the investment choices it makes as they must adhere to our investment parameters. Therefore, there can be no assurance target companies meeting management's standards will be identified.

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.com, or on the Company's website at www.decisivedividend.com.