



**SHARC INTERNATIONAL SYSTEMS INC.
(FORMERLY INTERNATIONAL WASTEWATER SYSTEMS INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2017**

Introduction

The following management's discussion and analysis ("MD&A") of Sharc International Systems Inc. (formerly International Wastewater Systems Inc.) (the "Company" or "SHARC") for the three and nine months ended September 30, 2017 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the year ended December 31, 2016. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2016 and 2015 and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 29, 2017 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of SHARC's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget",

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

“scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause SHARC’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on February 4, 2011. The Company’s shares are listed on the Canadian Securities Exchange (the “CSE”) under the trading symbol “SHRC”. The Company provides wastewater heat exchange products and services. The registered office of the Company is located at 1443 Spitfire Place, Port Coquitlam, British Columbia, V3C 6L4.

On September 5, 2017, the Company changed its name from International Wastewater Systems Inc. to Sharc International Systems Inc.

International Wastewater Heat Exchange Systems Inc. (“IWHES”) was incorporated under the Business Corporations Act (British Columbia) on May 30, 2011. On October 27, 2015, the Company completed the acquisition (the “Acquisition”) of IWHES pursuant to a share exchange agreement dated September 4, 2015 (the “Agreement”). The Acquisition constituted a reverse takeover (“RTO”).

During the year ended December 31, 2014 the Company acquired 51% of IWWS (UK) Ltd. (“IWWS”), in July 2015 the Company acquired an additional 9% and concurrent with the Acquisition the Company acquired the remaining 40% interest.

Highlights

- On January 5, 2017, the Company announced that Mr. Steve Moddemeyer, Mr. Qu Yuxiu and Mr. Alfred Ng, have joined as members of the SHARC Advisory Board. See press release of January 5, 2017 for detailed biographies of each member.

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

- On February 7, 2017, the Company announced a partnership with Prospect Silicon Valley, a California-based urban technology accelerator (“Prospect Silicon Valley”). Prospect Silicon Valley focuses on the commercialization of urban technologies for sustainable, smart cities. They bring government, corporations and academia together with pioneering companies to accelerate innovations in transportation, energy and buildings.

Multi-partner projects are developed by Prospect Silicon Valley to bring next-generation approaches to the fore, and to assist early adopters in public sector applications. Prospect Silicon Valley has worked successfully with local governments in California to pilot advanced urban technologies, resulting in over 150 million lbs. of CO2 reductions committed over the next ten years.

Through this partnership, SHARC will have access to Prospect Silicon Valley’s network of property owners, trade groups and strategic partners in the California buildings sector. SHARC will work jointly with Prospect Silicon Valley in the planning and execution of the Company’s commercialization strategy, targeting early adopters of SHARC’s wastewater heat exchange technology in the California market.

- On February 27, 2017 and April 7, 2017, the Company completed a brokered private placement in two tranches pursuant to which the Company issued an additional 1,450,528 units at a price of \$1.05 per share for aggregate gross proceeds of \$1,523,055. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share until February 27, 2019 at an exercise price of \$1.40 per share.

In connection with the placement, the Company paid finder’s fees of \$91,129 and issued 86,790 finders’ warrants. Each finders’ warrant entitles the holder to purchase one common share until February 27, 2019 at an exercise price of \$1.05 per share.

- On March 2, 2017, the Company announced that it is currently collaborating with a licensed marijuana cultivator operating an industrial growing facility in the United States (“Cannabis Cultivation Facility”).

The collaboration enables SHARC and the Cannabis Cultivation Facility to exchange data and evaluate the application of SHARC’s thermal energy exchange technology in an industrial marijuana growing facility.

- On April 12, 2017, the Company announced that it has completed the installation of a SHARC thermal energy exchange system at the South East False Creek Neighborhood Energy Utility in Vancouver under the collaboration with Metro Vancouver which was originally announced in August 2016.
- On May 2, 2017, the Company announced it has been awarded a US\$330,000 (\$478,000) contract to supply its innovative SHARC thermal energy exchange system to the new headquarters of the District of Columbia Water and Sewer Authority (“DC Water”) in Washington, DC.

The new \$60 million headquarters (“DC Water HQ”) is being constructed on the waterfront of the Anacostia River in Southeast Washington, DC and will serve as the new public face for the agency.

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

DC Water's green initiatives will be showcased in a deeply innovative facility featuring a bold and distinctive design developed by SmithGroupJJR in collaboration with Skanska. The building is designed to achieve LEED Platinum certification from the U.S. Green Building Council and will also employ many advanced strategies that will surpass LEED Platinum certification.

The SHARC system will allow DC Water HQ to use its own wastewater as a source of thermal energy to condition the building. This project represents a historic HVAC first. The DC Water HQ building will be the first ever deployment of this technology used to both heat and cool a building in the USA.

With two-thirds of all the outflow from DC's sewers flowing through the underground infrastructure on the site, the system will have a virtually uninterrupted supply of thermal energy. Utilizing this technology, the design team has calculated that the DC Water HQ will take its place as one of the lowest energy-consuming office buildings in the region.

- On May 8, 2017, the Company announced Yaron Conforti will be leaving his role as the Company's Chief Financial Officer and a member of its Board of Directors, to pursue new opportunities and the appointment of Mr. David Alexander, CA, CPA as the Company's Chief Financial Officer.
- On May 10, 2017, the Company announced IWWS has been awarded grant support to facilitate the installation of SHARC wastewater heat recovery systems at five locations across Scotland totaling £9.8 million.

Funding from the Low Carbon Infrastructure Transition Programme (LCITP) – managed through the Scottish Government – has been granted to enable the development of five new projects that will play a pioneering role in transforming heating systems at various commercial and local authority sites.

Under the plans, SHARC's 'heat-from-wastewater' technology is earmarked to heat Kelvingrove Museum in Glasgow, a leisure centre and public library in Campeltown, a leisure centre in Orkney and a new district heating scheme at the Clyde Gateway regeneration project in Glasgow. The LCITP funding is being matched by commercial finance that will facilitate the required capital investment to establish local energy centres that will generate their income from sales of heat to the customers involved.

- On May 30, 2017 and June 29, 2017, the Company issued two tranches of senior unsecured convertible debenture units with total principal amounts of \$1,320,000 and \$1,023,000. The debentures mature on May 30, 2020 and June 29, 2020, respectively, and bear interest at an annual rate of 12%. The debentures are convertible, in whole or in part, at the option of the holder at any time prior to the maturity date into common shares of the Company at a conversion price of \$1.05 per common share.

Each debenture unit consisted of one \$1,000 principal amount senior unsecured convertible debenture and 714 share purchase warrants, each exercisable into one common share of the Company at \$1.05 per share three years from issuance.

- On July 28, 2017, the Company announced the appointment of Mr. Saško (Sashko) Despotovski to its board of directors. Mr. Despotovski is a seasoned investment banker and an active investor in both

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

private and public companies. He is a Canadian national living in the Nordics, with international corporate finance experience in the energy, real estate, and technology sectors. Sashko has held posts within several funds and hedge funds in the investment banking capacity in USA and Canadian markets, as well as on the operational side as management and as a director for a number of companies.

- On August 8, 2017, the Company announced the opening of its European Headquarters at Clyde Gateway's Red Tree Building in Bridgeton, Glasgow.
- On September 5, 2017, the Company changed its name from International Wastewater Systems Inc. to Sharc International Systems Inc. and completed the share consolidation of its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 3.5 pre-consolidation common shares.
- During the period ended September 30, 2017, the Company issued 728,679 stock options at \$0.63 for a period of one year to directors, management, and employees. As well, the Company cancelled 1,460,000 stock options previously exercisable at \$1.05 until July 12, 2021.
- During the period ended September 30, 2017, the final 25,000 common shares were issued pursuant to a consulting agreement entered into.
- On October 3, 2017, the Company announced the listing of the Company onto the OTC-QB exchange under the trading symbol of INTWD.
- On October 23, 2017, the Company announced the appointment of the former Premier of British Columbia, the Honourable Michael "Mike" Harcourt, BA, LL.B., as a Director of the Company
- On October 26, 2017, the Company announced a strategic Licensing Agreement with Environmental Technology Solutions Pty Ltd. ("ETS") of Australia, for the commercialization of its PIRANHA™ and SHARC™ wastewater heat recovery systems in Australia and New Zealand.

Under the terms of the agreement, SHARC has granted ETS an exclusive license for the commercialization of PIRANHA and SHARC systems across Australasia. In return for these rights, SHARC will receive royalties and an undisclosed payment on the manufacturing of PIRANHA and SHARC systems.

ETS anticipates installing approximately 20 PIRANHA™ units in the current fiscal year followed by 27 and 36 units in the subsequent two fiscal years, and 4 SHARC™ installations in the current fiscal year, with 6 and 8 units in the subsequent two fiscal years.

- On October 31, 2017, the Company announced completed the in-house design of the newest PIRANHA™ wastewater heat exchange system, (the "PIRANHA HC").

The PIRANHA HC is a self-contained heat exchange system specifically designed to provide domestic hot water pre-heating and space conditioning (heating and cooling). With its specially

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

engineered direct expansion heat exchanger, the PIRANHA HC is designed for multi-unit residential (50-200 units) and stand-alone commercial applications.

The PIRANHA HC is easily installed in new and retrofit construction projects, is attributable to LEED® credit criterion, and promotes the numerous environmental and energy-saving benefits of an expertly engineered wastewater heat exchange system.

- On November 7, 2017, the Company announced that the SHARC 660 system fabrication for DC Water, as described above, is complete and undergoing factory testing. The Company expects the SHARC wastewater heat exchange system to be shipped in January 2018.
- On November 15, 2017, the Company announced that it has entered Sales Representative Agreements with Midwest Machinery Co. and Johnson Barrow Inc.

Under the terms of the Agreement, Midwest Machinery has been authorized to sell and promote the sale of SHARC products throughout the Midwestern United States. Midwest has offices located in St. Louis, Denver, Kansas City, Oklahoma City and Tulsa.

- On November 15, 2017, the Company announced that the revolutionary SHARC wastewater heat exchange system has helped Borders College win a top award at the prestigious Green Gown Awards.

Established in 2004, the Green Gown Awards recognize the exceptional sustainability initiatives being undertaken by universities and colleges. With sustainability becoming increasingly important, the Awards have become established as the most prestigious recognition of best practice within the further and higher education sector.

The Green Gown Awards' Best Newcomer Award was won for the work Borders College did alongside SHARC and Scottish Water Horizons.

- Subsequent to September 30, 2017, the Company issued 1,447,250 stock options at \$0.44 for a period of one year and 300,000 stock options at \$0.60 for a period of one year to directors, management, and employees.
- Subsequent to September 30, 2017, 100,000 options were exercised for proceeds of \$60,000.
- Subsequent to September 30, 2017, the Company received advances of \$272,000 related to an offering to be closed at a later date.

Overall Performance

The unaudited condensed consolidated interim statements of financial position as of September 30, 2017, indicate a cash position of \$1,225,942 (December 31, 2016 - \$373,430) and total current assets of \$2,458,911 (December 31, 2016 - \$1,230,157). Current liabilities at September 30, 2017, total \$796,364 (December 31, 2016 - \$893,243).

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

Working capital, which is current assets less current liabilities, is \$1,662,547 (December 31, 2016 – working capital of \$336,914).

During the three and nine months ended September 30, 2017, the Company reported net loss of \$721,512 and \$2,893,613 (\$0.03 and \$0.11 basic and diluted loss per share) on revenue of \$174,537 and \$381,924 a gross margin of \$128,424 and \$(30,224). This compared to a net loss of \$902,433 and \$1,980,681 (\$0.04 and \$0.08 basic and diluted loss per share) for the three and nine months ended September 30, 2016 on revenue of \$59,202 and \$1,009,453 and a gross margin of \$21,240 and \$123,667.

Discussion of Operations

SHARC has spent the last six years researching and developing its award-winning technology which recycles heat from wastewater on a carbon reduced basis, but very much on a true economic basis as well. This quarter ended September 30, 2017, marks the moment for the Company transitioning from research and development, to the commercialization of its innovative heat recycling technology.

During the quarter, as part of this transition, the Company changed its name from International Wastewater Systems Inc. to Sharc International Systems Inc., as it better reflects the strategy as the Company moves into commercialization, and embarks on a sales and deployment program to ensure SHARC is strengthening its first to market advantage to all parts of the world.

During this 6 year period, the Company has installed 14 systems providing heating and cooling to over 5 million square feet on several continents, explored new international markets, refined and developed the SHARC™ and PIRANHA™ through pilot projects and rigorous testing, and we have successfully developed the most efficient method of deploying our technology and services.

The Company has developed a preferred system of service delivery through a focus on equipment sales and Heat Purchase Agreements (“HPA”). Through the Company’s efficient system of service delivery, SHARC continues to work with end users to improve their energy efficiency and carbon reduction program.

Scotland and California have provided receptive environments as regulatory compliance has driven a demand for clean energy technology. Both jurisdictions have set aggressive emission targets and have invested heavily in creating a cleaner economy, thereby meeting their ambitions to mitigate climate change.

Scotland

The Scottish Government is committed to aggressively cut carbon emissions through the implementation of clean technology. Their renewable energy policies and incentives continue to provide a thriving market for SHARC technology. The Company’s strategic alliance with the Scottish Government’s public water utility, Scottish Water, has established five initial projects. Construction has commenced and completion is expected by Q3- 2018. As a global leader in combating climate change, Scotland has also provided the ideal location for the SHARC’s newly established European Headquarters, from which the Company

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

expects to expand throughout Scotland and the rest of European Union. Our offices in Glasgow were opened in August 2017.

California

In California, the California Energy Commission has played an instrumental role in the State's energy policy and its transition from fossil fuels, providing the ideal marketplace for the Company's wastewater heat recycling technology. SHARC has created strategic alliances with local partners for growth, such as Prospect Silicon Valley and RENEW Energy Partners LLC. During the Quarter, the Company has been legally allowed to commence completing sales in California.

While conducting the necessary research and development through pilot projects, tests, and certifications, has caused delays to the Company's Scotland and California projects thus far, these processes have provided SHARC with the necessary foundation to launch into commercialization and expand across the globe.

Lynn Mueller CEO stated, "Six years of building and developing the SHARC systems with a hard-working team of engineers and designers has brought us to this next chapter. We look forward to showing everyone this world class clean energy technology the team has brought us, as we all becoming stronger together on combating climate change."

Three months ended September 30, 2017 compared with three months ended September 30, 2016

SHARC's net loss totaled \$721,512 for the three months ended September 30, 2017, with basic and diluted loss per share of \$0.03. This compares with net loss of \$902,433 with basic and diluted loss per share of \$0.04 for the three months ended September 30, 2016. The decrease of \$180,921 in net loss was principally because:

- For the three months ended September 30, 2017, revenue increased by \$115,335, cost of sales increased \$5,151 and the gross margin increased by \$107,184. The increases were partially due to their being one contract completed by IWHES in the three months ended September 30, 2017 versus none in the prior period as well as the capitalization of research and development costs in the current period.
- For the three months ended September 30, 2017, the Company had \$(162,233) in share-based payments versus \$273,649 in the comparable period. The negative share-based payments were the result of the cancellation of options in the current period versus the vesting of stock options granted to certain directors, officers, employees and consultants in the prior period.
- For the three months ended September 30, 2017, interest and financing expense increased by \$70,664. The increase is attributable to the accretion on convertible debentures outstanding during the current period.
- For the three months ended September 30, 2017, advertising and promotion increased by \$77,354. The increase is attributable increased advertising and promotion with the growth of the Company.

Liquidity and Financial Position

As at September 30, 2017, the Company's cash balance was \$1,225,942 (December 31, 2016 - \$373,430) and the Company had working capital of \$1,662,547 (December 31, 2016 – working capital of \$336,914).

As of September 30, 2017, the Company had 28,319,258 common shares issued and outstanding, 4,198,921 warrants outstanding that would raise \$5,134,951 if exercised in full and 995,608 options outstanding that would raise \$789,234 if exercised in full. The Company does not know when or if the warrants or options will be exercised.

Cash used in operating activities was \$2,679,195 for the nine months ended September 30, 2017. Operating activities were affected by the net loss of \$2,893,613 partially offset by non-cash expenses of \$377,838 and a negative change in non-cash working capital balances of \$163,420 largely because of an increase in receivables.

Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors. During the three and nine months ended September 30, 2017 (three and nine months ended September 30, 2016), the Company incurred the following charges with key management personnel:

(i) Consulting fees of \$nil and \$71,000, \$15,000 and \$25,000, and \$nil, respectively (\$30,000 and \$90,000, \$nil and \$25,323 and \$56,328) to companies controlled by directors, officers and former officers of the Company (Yaron Conforti, David Alexander and Russ Burton).

(ii) Wages and benefits of \$39,000 and \$117,000, \$22,500 and \$67,500, and \$nil respectively (\$39,000 and \$117,000, \$22,500 and \$67,500 and \$23,948 and \$61,556, respectively) to the CEO, director and a director of IWHES (Lynn Mueller, Daryle Anderson and Russ Burton) of the Company.

(iii) Accounting fees of \$nil (\$nil and \$4,000) to a company controlled by a director (Daryle Anderson) of IWHES.

(iv) Share-based payments of \$142,111 and \$303,961 (\$599,108 and \$(148,540)) was recognized in connection with the vesting, modification and cancellation of options granted to directors and officers of the Company and directors of the subsidiaries as follows:

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

	Three months ended September 30, 2017 (\$)	Three months ended September 30, 2016 (\$)	Nine months ended September 30, 2017 (\$)	Nine months ended September 30, 2016 (\$)
Lynn Mueller	(182,027)	169,818	46,759	59,204
Daryle Anderson	11,243	9,704	24,317	3,383
Yaron Conforti	-	16,982	22,879	10,661
Paul Lee	-	-	-	(6,321)
Mark McCooley	11,243	9,704	24,317	3,383
Russ Burton	11,243	9,704	24,317	3,383
Ian Craft	-	-	-	(6,321)
John Williams	-	9,704	13,074	9,704
Total	(148,298)	225,616	155,663	77,076

Other transactions with related parties included:

Rent of \$nil (\$2,511 and \$8,009) and additional cost of sales of \$9,838 and \$83,101 (\$nil and \$1,017) due to a company controlled by a director of IWWS (Ian Craft).

Included in accounts payable is \$131,027 (December 31, 2016 - \$134,729) due to related parties as follows:

	September 30, 2017 (\$)	December 31, 2016 (\$)
Lynn Mueller	-	3,304
Daryle Anderson	127,500	60,000
Yaron Conforti	-	3,065
Company controlled by Ian Craft	3,527	68,360
Total	131,027	134,729

Loans receivable

During the year ended December 31, 2015 the Company advanced \$80,000 to the CEO of the Company. During the year ended December 31, 2016, \$40,000 was repaid. The advance bears interest at a rate of 3% per annum and is due on demand. As at September 30, 2017 the outstanding balance was \$42,466 (December 31, 2016 - \$41,211). In addition there is an advance of \$27,702 (December 31, 2016 - \$27,702) to the CEO which is non-interest bearing and is due on demand.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2016, available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

SHARC INTERNATIONAL SYSTEMS INC.
(Formerly International Wastewater Systems Inc.)
Management's Discussion & Analysis – Quarterly Highlights
Three and Nine Months Ended September 30, 2017
Dated November 29, 2017

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.