This "Management's Discussion and Analysis" ("MD&A") has been prepared as of April 23, 2020, and should be read in conjunction with the audited consolidated financial statements of Environmental Waste International Inc. (the "Company", "EWI") for the years ended December 31, 2019 and 2018. The Company's audited consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars unless otherwise stated. All financial analysis, data and information set out in this MD&A are unaudited.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon the Company's current expectations which involve risks and uncertainties associated with the Company's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below.

Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating shareholder value; ability to fund future operating costs, and timing for future research and development of the Company's current and future technologies, including the costs and potential impact of complying with existing and proposed laws and environmental regulations; management's outlook regarding commercialization of its tire recycling system and generation of revenues; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility of the Company's products; and general business and economic conditions.

Readers are cautioned that the above factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

OVERVIEW OF BUSINESS

EWI currently develops environmentally friendly products for waste treatment and disposal. Its predominant focus is on recycling waste rubber, primarily tires, into valuable by-products which can be sold and reused.

The Company researches, designs, develops, sells, and maintains technologically advanced systems based on the patented Reverse Polymerization™ process ("RP") and patented delivery systems.

Governments and industries worldwide recognize the need for technology to deal with the processing, treatment and eventual disposal or recycling of tires and other waste rubber products in an environmentally safe manner. EWI provides unique and effective solutions to these challenges.

The Company has built a full-scale Pilot Plant Tire System which breaks the molecular bonds in tires and other rubber products, reducing them to their base components of carbon black, steel and hydrocarbon vapors. An off-gas system processes the vapors to recover the oil, and then scrubs the remaining gas for use as fuel in the power generation system that runs the plant. The valuable carbon black, oil and steel are collected and sold into many product streams. After successfully running for five years as a research and development pilot facility the Plant is currently undergoing an environmental review by the Ontario Ministry of Environment, which is expected to result in approval to run it commercially..

In addition to tires, EWI has designed solutions for the safe disposal, recycling and/or recapture of useable by-products for the following waste streams:

- Liquid Biological Waste Systems;
- Food Waste;
- Medical Waste and Animal Waste.

Currently, the Company is focused on the commercialization of its technology for the recycling and recapture of used tires and other rubber waste. The Company's RPProcess reduces waste tires into basic commodities in an environmentally safe manner. Rubber is the last major commodity for which there is no meaningful recycling method, (unless burning them for fuel is deemed "recycling"), and waste tires are a growing worldwide problem. The RP process breaks the molecular bonds in a tire and other rubber products, reducing them to their base components: carbon black, oil, steel and hydrocarbon vapours. The carbon black is recycled for tires, rubber compounding weather-stripping, colour concentrates and plastics, among other applications. The syngas provides a significant percentage of the power required to run the plant. The oil and steel are sold as commodities.

Over the past two years the Company has achieved several milestones upgrading its pilot plant and making it more efficient with enhanced capabilities.

The Company has a sales funnel that now includes opportunities to:

- Sell the plant by-products including Carbon Black, Oil, Steel and Syngas
- Sell Plants to third parties that include ongoing royalty payments and maintenance agreements

The focus of the Company during 2018 - 2019, which continues, is to:

- Complete the process of obtaining permanent environmental permits
- Secure long-term financing
- Arrange for financing for the upgrade of the Company's full-scale plant in Sault Ste. Marie
- Make progress towards commercial sales of EWI's technology in the form of plant sales to third parties
- File Additional patents
- Renew the third year of a five-year contract with the US Department of Agriculture to maintain its EWI liquid biological waste unit.

OUTLOOK AND GROWTH STRATEGY

Tire stockpiles and landfills, many of which are massive, exist all over the world since rubber, including tires, is the last major commodity without a meaningful recycling option. Once established, landfills are permanent since rubber is not biodegradable. Approximately 1.5 billion used tires become available worldwide annually. Developed world markets are growing at 1%-2% annually, while the Chinese market is growing at a rate over 10% per year.

EWI has a patented technology that can recycle tires in an environmentally safe manner.

Carbon Black is a commodity with a huge market. More than 13.5 million tonnes of carbon black are sold every year and demand is growing. Currently, demand slightly exceeds supply and prices are continuing to rise. The Company has a number of significant relationships in various parts of the world including Asia. Excluding Japan, Asia will be the fastest-growing region in the world, followed by Central and Eastern Europe. The virgin Carbon Black industry is coming under increased pressure from governments and environmental groups, as production of the product is a significant greenhouse gas emitter.

Commodity Sales

Carbon black, the major raw material in tires, is a specialty product. Stringent environmental laws are forcing the closure of older inefficient carbon black plants, causing pressure on supply. Recycled carbon black, especially if it is produced in a sustainable manner is expected to become an important part of the carbon black market. The growing market for carbon black puts EWI in an excellent position as it enters the commercialization phase. EWI Recycled Carbon Black has now been tested and accepted by a number of companies.

EWI has also developed a process to refine the oil created during its R P process. The refined oil has been successfully tested as a compounding oil by two users and has performed better than the oil they are currently using.

Plant Sales

EWI's strategy is to sell systems at reduced gross margins to accelerate market penetration, while receiving a service fee on all revenues achieved by third party systems. While this will limit profits in the earlier years, it will develop a growing base of high margin, high value recurring profits in later years. There is intense government pressure around the world to deal with waste tires in a way that protects the environment. EWI is currently working on a number of plant sales with both public and private entities in the U.S., Canada, Australia, the UK, Nepal and Italy. The Company is also evaluating a number of potential partners in China.

Owned and Operated Plants

Most rubber manufacturers have a significant issue with their production waste. In many cases, landfill or incineration are the only options for thousands of tons of this waste. EWI believes it has the only technology that can deal with this difficult scrap, especially where raw rubber is intermingled with steel. The Company is seeing interest from rubber manufacturers to deal with their production waste and recycle it. The ideal relationship for EWI with the tire manufacturers would be for them to provide their scrap rubber to EWI and for EWI to sell them the resulting carbon black and oil, while the steel would be sold as scrap. Where these manufacturers provide long-term off-take agreements for the carbon black, EWI might retain ownership of the plant, utilizing the ability to finance the facility because of the guaranteed revenue stream.

Financing

While focusing on sales efforts and refining the final product, Management continues to actively pursue additional funds on an interim and long-term basis. The Company has been successful in the past several years, raising proceeds through private placements and debt. Through fiscal 2011 to 2018 the Company raised $9 million through private placement equity financings and just under $3 million in debt.

The Company has focused on restructuring its balance sheet to better match its cashflows to its business needs. Prior to 2019, Management repaid a second mortgage and accrued interest of $855,300 and the Company made a lump sum payment of accrued interest on their term loan to NOHFC in the amount of $339,762. Debt to investors amounting to $1,156,271 was converted into common shares as were loans from directors totaling $157,701.

In 2019 The Company raised $1,660,000 proceeds through private placements and renegotiated the terms of several loans. The agreement with NOHFC was updated to defer interest payments until April 2020 and principal payments until June 2021.

The Company settled a portion of its $1,710,000 promissory note outstanding at August 31, 2019 by converting $710,000 to common shares of the Company at $0.05 The remaining $1,000,000 principal was deferred to July 15, 2021.

The convertible loan payable which us due in 2022 was increased by $500,000 from $1,350,000 to $1,850,000. Including interest the cash value of the convertible loan was $2,047,041 at year end 2019. In addition, pursuant to a salary deferral agreement between the Company a key member of management who is also a Director, $400,000 of salary and expenses owing was deferred to January 15, 2022.

The commercialization of the Company's core technology is at the early stage and the Company has not yet achieved positive cash flows. The Company needs to continue to obtain additional financing to enable it to continue operations. In the absence of additional financing, the Company is not expected to have sufficient funds to meet its obligations. Management continues to monitor cash needs and believes it has access to additional financing. There can be no assurances that the Company will be able to secure the necessary on-going financing to enable it to continue as a going concern.

HIGHLIGHTS AND SUMMARY

The following summarizes key events during the year ended December 31, 2019, and up to the date of this MD&A:

Financial Highlights during the period and year

- During the three months ended December 31, 2019 the Company reported net losses of $1,565,018 compared with $92,151 during the three months ended December 31, 2018. On a per share basis, for the three months ended December 31, 2019, the Company incurred net losses of $0.007, compared to $0.001 the corresponding period in 2018. Included in Q4 2019 is a non-cash accounting loss for the change in valuation of a derivative liability of $1,019,691 compared to a gain of $277,787 in Q4 ,2018. This change of $1,297,478 accounts for the majority of the increase in the loss reported in Q4 2019 compared to Q4 2018. Without this gain or loss on derivative, the Company would report a loss of $545,327 in Q4 2019 compared to $369,938 in Q4 2018.

- For the year ended December 31, 2019, the Company incurred a net loss of $2,771,546 or $0.02 loss per share compared to $1,142,905 or $0.01 in 2018. Similar to the Q4 explanation, the change in fair value of derivative from a $277,787 gain in 2018 to a $1,019, 691 loss in 2019 accounts for this significant increase in loss in 2019. Without this gain or loss on derivative, the Company would report a loss of $1,751,855 in 2019 compared to $1,420,692 in 2018.

- The Company's working capital (deficiency) at December 31, 2019 was $(1,856,983) compared to $(5,323,539) in 2018. The working capital calculation includes the derivative liability of $2,023,793 (2018 - $557,054) as a current liability. Without this non cash derivative liability, the Company reports working capital at December 31, 2019 of $168,810 compared to a deficit of $4,766,485 in the prior year. Management focused on restructuring the balance sheet in 2019, and renegotiated and amended debt terms to better suit the cash needs of the Company.

- During the year ended December 31, 2019, the Company used $1,163,277 of cash for operating activities, as compared to $781,108 for the year ended December 31, 2018. The increase in cash used is explained by the decrease in accounts payable and accrued liabilities in 2019.

Operating Highlights during the year

The company continues to improve its technology via research and development and progress in marketing activities. New and profitable outlets for Carbon Black have been developed and plant sales have moved closer to conclusion. Through continued testing, the Company has been able to significantly reduce the capital cost of a plant, increase throughput and reduce the energy consumption per tire.

Data gathered from various parts of the world have indicated that the economics of EWI tire processing plants are compelling. The return on investment of a plant ranges from 20% to over 75% depending on the size of the plant and the country of operation. The company has run successful tests to process municipal sludge and continues to obtain client interest in its medical waste system. The company's microwave process is also being tested to dry and extract high value commodities from other organic substances.

A total of 6,010,000 stock options with an exercise price of $010 expired during the year ended December 31, 2019. The Company granted a total of 4,293,750 stock options, with exercise prices ranging between $0.06 and $0.18, including 2,150,000 to Directors and Officers and 214,360 to employees and consultants. All stock options vest over three years and expire in five years except for 331,250 options issued at $0.18 and 662,500 options issued at $0.18 which vest immediately and expire in 5 years.

Subsequent to year end, on March 3, 2020 the Company announced the appointment of Jeffrey Stoss as Chief Financial Officer. "Jeff brings experience in accounting and finance having worked with and advised many public companies over the years in Canada and the United States. His experience will be a significant help as we execute our strategic plan and take the Company to its next level of growth." said Bob MacBean, CEO of Environmental Waste International. Mr. Stoss brings more than 17 years of finance experience to his role at the Company, with a particular speciality in high-growth environments. He is the co-founder and Chief Operating Officer of the outsourced finance services firm, Positive Venture Group Inc. He has previously served as CFO for publicly traded companies and technology start-ups. Mr. Stoss has professional accountant designations in both Canada and the United States.

SELECTED FINANCIAL INFORMATION

The following table sets out selected information for the three most recently completed financials years and have been prepared in accordance with International Financial Reporting Standards.

(audited)	Year ended December 31		
	2019 $	2018 $	2017 $
Net loss	**(2,771,546)**	(1,142,905)	(1,777,956)
Loss per share	**(0.02)**	(0.01)	(0.01)
Weighted average number of shares outstanding	**183,538,872**	165,341,426	156,842,739
Total assets	**2,228,496**	1,293,633	1,391,814
Working capital (deficiency) ***note 1***	**168,810**	(4,766,485)	(2,851,161)
Shareholders' equity (deficiency)	**(5,517,620)**	(5,221,122)	(4,222,479)

Note 1: Working capital at December 31, 2019 excludes $2,023,793 ($557,054 – 2018) derivative liability as it is a non cash item.

DISCUSSION OF OPERATING RESULTS

The following table summarizes the Company's operating results for the three months and year ended December 31, 2019 and 2018.

	Three Months Ended December 31 (unaudited)		Year Ended December 31 (audited)	
	2019	2018	**2019**	2018
	$	$	**$**	$
Revenue	**79,345**	68,881	**222,322**	221,089
Operating, labour and manufacturing	**375,523**	314,871	**1,298,742**	1,156,894
Stock based compensation expense	**35,406**	18,034	**106,597**	70,332
Depreciation and amortization	**32,274**	21,315	**118,168**	85,261
Finance expense	**84,633**	59,741	**266,251**	225,652
Accretion expense	**90,258**	25,327	**171,164**	97,778
Foreign exchange loss (gain)	**6,578**	(469)	**13,255**	5,864
(Gain)/loss on fair value of derivative	**1,019,691**	(277,787)	**1,019,691**	(277,787)
Net loss and comprehensive loss	**(1,565,018)**	(92,151)	**(2,771,546)**	(1,142,905)
Loss per share – basic and diluted	**(0.007)**	(0.001)	**(0.02)**	(0.01)

Three months ended December 31, 2019 and 2018

The Company receives revenues from a maintenance contract and an extended warranty contract with a client in the US. During the three months ended December 31, 2019 revenues of $79,345 were higher compared to revenues of $68,881 during the same period in 2018 due timing of completed maintenance work and the impact of a higher foreign exchange rate on US sales in 2019.

Net loss of $1,565,018 in the three months ended December 31, 2019 compares to a loss of $92,151 during the same period in 2018. Included in these amounts is a non cash item relating to the change in fair value of derivative liability of $1,019,691 loss in 2019 and $277,787 gain in 2018. Net loss for the quarter prior to this non cash item would be $545,327 in Q4 2019 compared to $369,938 in Q4 2018. The actual increase of $175,699 inQ4 2019 over Q4 2018 is attributable to higher accretion expense, finance expense, depreciation and amortization and stock compensation expense as outlined below.

Operating, labour and manufacturing expenses of $375,523 in the three months ended December 31, 2018 were higher than $314,871 in the same period last year primarily due to higher engineering consulting fees incurred in Q4 2019 compared to Q4 2018.

Stock Compensation expense of $35,406 in Q4 2019 was higher than $18,034 in Q4, 2018 due to certain options granted in 2019 that vested and expensed immediately compared to the usual 3 year vesting period.

Depreciation and amortization was $32,274 in Q4, 2019 compared to $21,315 in Q4, 2018. The Company implemented IFRS 16 lease accounting on January 1, 2019 and included in Q4 was $11,317 of amortization of Right of Use Lease asset which accounts for the increase from Q4 2018.

Finance expense in the three months ended December 31, 2018 was $84,633 compared to $59,741 in 2018 due to higher interest expense on the convertible loan which increased $500,000 during 2019, as well as interest starting to accrue on $400,000 of deferred compensation effective October 1, 2019.

Accretion expense of $90,258 during Q4, 2019 was higher than $25,327 in Q4, 2018. Accretion expense relates to the convertible loan which increased by $500,000 in September 2019, resulting in higher accretion in Q4 2019 compared to Q4 2018.

The change in fair value of derivative liability was a loss of $1,019,691 which was recorded in Q4 2019 compared to a gain of $277,787 in Q4 2018. This non-cash loss in 2019 results from the change in conversion terms on the convertible debt and warrants attached, to a lower conversion price compared to $0.11 conversion price in 2018.

Year ended December 31, 2019 and 2018

Revenues in 2019 were $222,322 compared to $221,089 in 2018. These revenues are derived from a maintenance and extended warranty contract from a client in the US. The slight increase may be attributable to a slights higher foreign exchange rate on US sales in 2019 compared to 2018.

Net loss of $2,771,546 in 2019 was higher than prior year's loss of $1,142,905. Included in these amounts is a non cash item relating to the change in fair value of derivative liability of $1,019,691 loss in 2019 and $277,787 gain in 2018. Net loss for the year prior to this non cash item would be $1,751,855 in 2019 compared to $1,420,692 in 2018. The actual increase of $331,163 is attributable to higher accretion expense, finance expense, depreciation and amortization, stock compensation expense and consulting and legal fees in 2019 compared to 2018, as outlined below.

Stock-based compensation expense of $106,597 in 2019 was higher than $70,332 in 2018. In 2019 the Company granted 331,250 options at $0.10 and 662,500 options at $0.18 which vest on the grant date and are expensed immediately. This compares to all options granted in 2018 over a 3 year vesting period.

Depreciation and amortization expense of $118,168 during the year ended December 31, 2019 was higher than $85,261 in 2018, due to the inclusion of amortization of Right for Use lease asset of $34,345 in 2019 with the implementation of IFRS 16 on January 1, 2019.

Finance expense of $266,251 in 2019 was higher than $225,652 in 2018 due to higher interest expense from the additional proceeds of $500,000 added to the convertible loan and the accrual of interest on $400,000 of deferred compensation that started in Q4, 2019.

Accretion expense of $171,164 during 2019 was higher than $97,778 in 2018. Accretion expense relates to the convertible loan which increased by $500,000 in September 2019, resulting in an increase in accretion in 2019 compared to 2018.

The change in value of derivative liability was a loss of $1,019,691 in 2019 compared to a gain of $277,787 in 2018. See explanation under 3 months ended December 31, 2019 and 2018.

The following tables present an analysis of the operating, labor and manufacturing expenses of the Company for the three months and year ended December 31, 2019 and 2018.

	Three Months Ended December 31 (unaudited)		Year Ended December 31 (audited)	
	2019	2018	**2019**	2018
	$	$	**$**	$
Cost of sales	**25,914**	14,121	**78,639**	26,099
Salaries and benefits	**80,933**	76,804	**282,539**	329,800
General and administrative	**53,500**	59,515	**174,480**	173,176
Marketing, promotion and travel	**13,929**	12,999	**34,125**	62,379
Consulting fees	**130,941**	45,623	**342,266**	229,887
Legal, audit, regulatory	**32,214**	59,318	**260,310**	180,752
Occupancy costs	**38,093**	46,491	**126,383**	154,801
Total	**375,523**	314,871	**1,298,742**	1,156,894

Three months ended December 31, 2019 and 2018

Cost of sales include equipment purchases, contractor fees and travel costs associated with the maintenance and warranty contract revenues. $25,914 in Q4 2019 was higher than $14,121 in Q4 2018 due to an accrual of $17,500 relating to former research and development costs.

Salaries and benefits of $80,933 in the three months ended December 31, 2019 were slightly higher than $76,804 in the three months ended December 31, 2018 due to timing of certain employees working part time in Q4 2019 compared to 2018. On a year to date basis, salaries and benefits were lower due to employees working part time for approximately 9 months in 2019 compared to only a few months in Q4 2018.

General and administrative costs of $53,500 in the three months ended December 31, 2019 were slightly lower than $59,515 in the same period of 2018 primarily due to lower office supplies and repairs and maintenance costs.

Marketing, promotion and travel expenses of $13,929 for the three months ended December 31, 2019 were slightly higher than prior year's fourth quarter amount of $12,999, due to timing of these costs throughout the year. On a year to date basis, these costs were lower in 2019 compared to 2018 due to less travel costs related to promotional activities during the 2019 year.

Consulting fees of $130,941 for the three months ended December 31, 2019 were higher than prior year's Q4 amount of $45,623. The increase is due to higher third party engineering costs relating to environmental assessments held in Q4 2019.

Legal, audit and regulatory expenses of $32,214 in the fourth quarter compared to $59,318 in the three months ended December 31, 2018. This decrease is due to timing of these expense throughout the year. On a year to date basis these costs were higher due to an increased in legal and regulatory fees.

Occupancy costs of $38,093 in the three months ended December 31, 2019 were lower than $46,491 in the same period last year. This decrease is due to lower rent expense due to a new agreement negotiated in May 2019 with the landlord for the Ajax premises with lower rent charges and the implementation of IFRS 16 lease accounting effective January 1, 2019.

Year ended December 31, 2019 and 2018

Cost of sales include equipment purchases, contractor fees and travel costs associated with the maintenance and warranty contract revenues. Cost of sales were $78,639 2019 compared to $26,099 in 2018. The higher costs in 2019 are due to third party contract fees incurred in 2019 to facilitate work required under warranty agreement as well as an accrual of $42,500 relating to former research and development costs.

Salaries and benefits of $282,539 in 2019 were lower than $329,800 in 2018. This decrease is due to lower payroll costs due to employees working part time for a period of approximately 9 months in 2019.

General and administrative costs were $174,480 in 2019 which were comparable to $173,176 the prior year. General and administration costs include office administration expenses, telecommunications costs, insurance costs, repairs and maintenance and equipment leases.

Marketing, promotion and travel costs of $34,125 in 2019 were lower than $62,379 incurred in 2018. The decrease was due to less international travel for promotional purposes in the current year.

Consulting fees of $342,266 for 2019 were higher than prior year of $229,887. In 2019 the Company incurred business development fees and higher engineering consulting costs for environmental assessments.

Legal, audit and regulatory expenses of $260,310 in 2019 were higher than $180,752 in 2018. The increase in 2019 is due to higher legal and regulatory fees from significantly more business transactions, regulatory matters and filings in 2019 compared to 2018. In 2019 the Company incurred legal fees pertaining to its submission for reinstatement of the TSX-V as well as fees relating to the debt amendment and salary deferral agreements negotiated in September 2019.

Occupancy costs of $126,383 in 2019 were lower compared to $154,801 in 2018 due to lower rent from a new agreement negotiated in May 2019 with the landlord for the Ajax premises with lower rent charges and a reduction in rent expense as a result of the accounting treatment of the lease, pursuant to the new standard IFRS 16 adopted in January 2019.

QUARTERLY FINANCIAL INFORMATION

The following table sets out the quarterly results for the most recently completed eight quarters.

	2019 (Unaudited)				**2018 (Unaudited)**			
	Dec 31	**Sept 30**	**June 30**	**March 31**	**Dec 31**	**Sept 30**	**June 30**	**March 31**
Net loss ($)	1,565,018	488,199	381,089	337,240	92,151	306,784	381,829	362,141
Weighted average #of Shares (000's)	214,356	173,293	165,827	165,827	165,827	165,827	165,827	163,848
Loss per share ($)	(0.007)	(0.003)	(0.002)	(0.002)	(0.001)	(0.002)	(0.002)	(0.002)

LIQUIDITY AND CAPITAL RESOURCES

In the year ended December 31, 2019, and up to the date of this MD&A, the Company continued to incur losses.

The Company's financial liquidity has been financed through sales of equity, issuance of new debts and government grants and tax credits. The Company has been in the development phase and in transition to commercialization and is not cash flow positive. The Company's ongoing ability to remain liquid will depend on a number of factors including EWI's successful commercialization of its TR900 tire recycling project, and the Company's ability to raise capital to fund this project until commercialization. (See "Risks and Uncertainties").

As outlined in the outlook and growth strategy discussion, the Company has been successful at raising financing as needed over the year through private placements and the issuance of new debt. Management has also repaid old debt and restructured debt terms as well as convert debt into common shares, based on the cashflow needs of the Company.

In 2019 The Company raised $1,660,000 gross proceeds through private placements and renegotiated the terms of several loans. The agreement with NOHFC was updated to defer interest payments until April 2020 and principal payments until June 2021. The Company settled a portion of its promissory note valued at $1,710,000 at August 31, 2019 by converting $710,000 to common shares of the Company at $0.05 The remaining $1,000,000 principal was deferred to July 15, 2021.The convertible loan payable was increased by $500,000 from $1,350,000 to $1,850,000. In addition, pursuant to a salary deferral agreement between the Company a key member of management who is also a Director, $400,000 of salary and expenses owing was deferred to January 15, 2022

Cash used in operating activities

The Company had cash of $885,591 at December 31, 2019, compared to $13,382 at December 31, 2018. This significant increase is due to having cash available from the proceeds of the private placement completed in September 2019 for $1,185,000.

Working capital was positive at December 31, 2019 at $168,810 compared to a working capital deficit as at December 31, 2018 of ($4,766,485). The working capital figures excludes $2,023,793 ($557,054 – 2018) derivative liability as this is a non cash item. The significant increase in working capital is due to Management's efforts to restructure the balance sheet in 2019 to better match cashflows to the needs of the Company. The term loan agreement with the NOHFC was amended to defer payments, the promissory note payable was partially settled with common shares and the remaining balance deferred to a later maturity date, and compensation owing to key management was deferred.

For the year ended December 31, 2019, there was a net cash outflow from operating activities of $1,163,277 compared to $781,108 in the year ended December 31, 2018. The higher amount of cash used in operating activities in 2019 can be explained by increased payments of accounts payable and higher receivables at year end.

Cash provided by financing activities

For the year ended December 31, 2019, cash provided by financing activities was $2,035,486 compared to $766,953 in the prior year. In 2019, the Company raised $1,606,887 net proceeds from private placements and $500,000 from increased debt. This compared to $150,930 of private placement proceeds and $634,210 of new additional debt in 2018.

The Company's financial liquidity has been financed through sales of equity, issuance of new debt and government grants and tax credits. The Company has been in the development and is not cash flow positive. The Company's ongoing ability to remain liquid will depend on a number of factors including EWI's successful commercialization of its TR900 tire recycling project, and the Company's ability to raise capital to fund this project until commercialization. (See "Risks and Uncertainties").

PROVISIONS, COMMITMENTS AND CONTINGENCIES

Except as noted below, the Company does not have any material commitments as at December 31, 2019, or the date of this MD&A.

Under its by-laws, the Company indemnifies its directors/officers, former directors/officers and individuals who have acted at the Company's request to be a director/officer of an entity in which the Company is a shareholder, to the extent permitted by law, against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the directors and officers as a result of any lawsuit or any judicial, administrative or investigative proceeding in which the directors and officers are sued as a result of their service. Indemnification claims will be subject to any statutory or other legal limitation period. There are no indemnification claims known to the Company at this time. The Company has purchased directors' and officers' liability insurance. No amount has been accrued in these consolidated financial statements with respect to any indemnifications.

During the ordinary course of business activities, the Company may be party to claims and may be contingently liable for litigation. Management believes that adequate provisions have been made in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse effect on the consolidated financial position of the Company.

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OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off balance sheet transactions.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern for the benefit of shareholders and other stakeholders by balancing cash conservation and prudent investment in its operations in order to further its business objectives.

The Company includes equity in its definition of capital. Equity is comprised of share capital, contributed surplus, warrant capital and deficit. The Company's approach to raising equity has been to raise sufficient capital to fund operating activities, with an objective of minimizing dilution for shareholders. To secure additional capital to pursue its objectives, the Company may raise additional funds through the issuance of equity. The Company's ability to raise equity capital is a function of many factors, including the state of the capital markets, and there is no assurance that capital will be available to the Company when required or on acceptable terms.

There have been no changes with respect to the overall capital management strategy during the year ended December 31, 2019.

RELATED PARTY TRANSACTIONS

Transactions with related parties other than key management personnel

During the year, the Company engaged in transactions in the normal course of operations with the following related parties. All of these transactions have been accounted for at the exchange amount agreed to by the transacting parties as follows:

The Company recognized an expense during the year ended December 31, 2019 for interest on loans to a director of $163,080 [2018 – $143,987]. At December 31, 2019, $214,374 was included in loans payable [December 31, 2018 - $223,514] relating to unpaid interest on loans from a director. During the year, the Company settled accounts payable of $56,446, including interest, due to directors by issuing common shares *[note 10]*. As at December 31, 2019, the Company has $Nil [2018 – $51,215] included in accounts payable and accrued liabilities owing to directors in addition to the interest included in accounts payable and accrued liabilities.

Transactions with key management personnel

The Company recorded compensation expense during the year ended December 31, 2019 in the amount of $248,200 [2018 – $287,773] and share-based compensation in the amount of $39,946 [2018 – $42,949] to key management personnel.

In 2019, the Company agreed to defer compensation of a key member of management who is also a director, in the amount of $400,000 to January 15, 2022. This amount was formerly included in accounts payable and accrued liabilities. Interest on this amount for the year ended December 31, 2019 was $6,000 [December 31, 2018 – Nil]

Accounts payable as at December 31, 2019, includes $129,601 [2018 – $482,504] related to compensation of key members of management who are also directors.

FINANCIAL INSTRUMENTS

The Company's principal financial liabilities comprise accounts payable and accrued liabilities and various loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's accounts receivable arise from its operations.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily for trade accounts receivable] and from its financing activities, including deposits with banks and financial institutions. Customer credit risk is managed subject to the Company's established policies, procedures and controls relating to customer credit risk management. The requirement for an impairment is analyzed at each reporting date on an individual basis. The maximum exposure to credit risk at the reporting date is the carrying value of trade accounts receivable and cash. One customer (2018 – one) accounted for 100% (2018 – 100%) of trade receivables at year end.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations under its various loans and borrowings. The Company is exposed to liquidity risk from its financing activities, primarily for its various loans and borrowings and accounts payable and accrued liabilities. The Company monitors its risk to a shortage of funds regularly. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined below.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The Company's audited consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management has made certain estimates and assumptions that affect the reported amount of assets and liabilities. Significant areas requiring the use of management estimates relate to amounts recorded as accrued liabilities, provisions, valuation of stock options and warrants, impairment assessment of intangible assets, measurement of deferred tax assets and the fair value of financial instruments. The significant area requiring the use of management judgment relates to the assessment of going concern uncertainties.

Stock Options and Warrants

The fair value of stock-based compensation payments and warrants are calculated using the Black Scholes option pricing model. For stock-based payments that vest on a periodic basis, the Company records the fair value cost over the vesting period. Forfeiture estimates are recognized in the period they are estimated and revised for actual forfeitures in subsequent periods.

As at December 31, 2019 the Company had 12,788,750 stock options outstanding. A total of 6,010,000 stock options with an exercise price of $0.10 expired during the year. In addition, the Company granted a total of 4,293,750 stock options including 3,300,000 at $0.06 which vest over three years and expire in five years. 331,250 options were granted at $0.10 and 662,500 at $0.18 which vest on the grant date and have a term of five years.

The fair value of all options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0% [2018 – 0%]; expected volatility of 176% [2018 – 188%]; risk-free interest rates of 1.39% [2018 – 1.74%]; and an average expected life of five years [2018 – five years]. This resulted in stock-based compensation expense of $106,597 during the year ended December 31, 2019 [2018 – $70,332].

Pursuant to the financings on April 30, 2019 and September 16, 2019, the Company issued 4,750,000 and 11,850,000 common share purchase warrants that entitle the holder to receive one common share at a price of $0.20 for a period of three years. The value of these warrants are $129,089 and $285,726 respectively, for a total value of $414,814 which has been transferred from share capital to warrants. As a result of the new private placements in 2019, the exercise price of the warrants issued in 2017 decreased to $0.05 due to the call price protection feature embedded in those warrants.

The following table summarizes stock options granted during the year ended December 31, 2019:

Date Granted	Number Granted	Exercise Price		Expiry Date
January 31, 2019	237,500 118,750	$0.18 $0.10	On grant date 3 years	January 31, 2024 January 31, 2024
June 30, 2019	425,000 212,500	$0.18 $0.10	On grant date 3 years	June 30, 2024 June 30, 2024
September 17, 2019	2,650,000 (1)	$0.06	3 years	September 17,2024
October 3, 2019	650,000 (2)	$0.06	3 years	October 3, 2024

All options granted with 3 year vesting above vest 33%, 33% and 34% on each anniversary date from the grant.

(1) Includes 1,500,000 granted to directors and officers of the Company.
(2) All 650,000 options granted to directors of the Company.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2019. The nature and the impact of each new standard and amendment is described below:

IFRS 16 - Leases

The Company has adopted IFRS 16 with an initial adoption date of January 1, 2019. The Company utilized the modified retrospective method to adopt the new standard and therefore, the comparative information has not been restated and continues to be reported under IAS 17, Leases and related interpretations. IFRS 16 specifies how leases will be recognized, measured, presented and disclosed and it provides a single lessee model, requiring lessees to recognize right-of-use assets and lease liabilities for all major leases.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

Amendments to IFRS 3 – Business Combinations

The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination of an asset acquisition. The amendments to IFRS 3 – Business Combination may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect there to be any impact to its consolidated financial statements on the adoption of the amendments to IFRS 3.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and its Audit Committee to ensure appropriate and timely decisions are made regarding public disclosure.

Internal controls over financial reporting have been designed by management, under the supervision of, and with the participation of the Company's CEO and CFO to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

The Company will file certifications, signed by the Company's CEO and CFO, with the TSX Venture Exchange. In those filings, the Company's CEO will certify, as required by National Instrument 52-109, the appropriateness of the financial disclosure, the design and effectiveness of the Company's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting. The Company's CEO and CFO will also certify the appropriateness of the financial disclosures in the Company's interim filings with securities regulators. In those interim filings, the Company's CEO and CFO will also certify the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting.

The Company's Audit Committee reviewed this MD&A and the consolidated financial statements and the Company's Board of Directors approved these documents prior to their release.

Management's Report

Management, under the supervision of and with the participation of the Company's CEO and CFO, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined under National Instrument 52-109) and the Company's internal controls over financial reporting (as defined under National Instrument 52-109). Based on that evaluation, management and the CEO and CFO have concluded that, as at December 31 2019, the Company's internal controls were adequate, except those relating to complex accounting issues which will require further strengthening.

Management Responsibility for Financial Reporting

The Company's December 31, 2019 audited consolidated financial statements have been prepared by management in accordance with IFRS, and have been approved by the Board of Directors. The integrity and objectivity of these consolidated financial statements are the responsibility of management. In addition, management is responsible for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

EWI maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. The consolidated financial statements may contain certain amounts based on estimates and judgments.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee has at least one financial expert, and none of its members are involved in the daily operations of the Company. The Audit Committee meets periodically with management and the external auditor to discuss internal controls over financial reporting and auditing matters.

The Audit Committee reports to the Board for approval of the consolidated financial statements as well as to shareholders for the reappointment of the external auditors.

For reference purposes, please refer to the December 31, 2019 year-end financial statements, which have been audited on behalf of the shareholders by MNP, LLP Chartered Professional Accountants, Licensed Public Accountants, the external auditors, in accordance with IFRS. The external auditors have full and free access to the Audit Committee with respect to their findings concerning the fairness of the financial reporting and the adequacy of internal controls.

RISKS AND UNCERTAINTIES

An investment in the Company should be considered highly speculative due to the nature of the Company's activities and its early stage of development. These risk factors and uncertainties could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements contained herein relating to the Company.

Lack of Revenues; History of Operating Losses

The Company has a limited operational history. The Company has never paid dividends and has no present intention to pay dividends. The Company is in the early commercialization stage of its business and therefore will be subject to the risks associated with early stage companies, including uncertainty of revenues, markets and profitability and the need to raise additional funding. The Company will be committing, and for the foreseeable future will continue to commit, significant financial resources to marketing and product development. The Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. Such risks include the evolving and unpredictable nature of the Company's business, the Company's ability to anticipate and adapt to a developing market, acceptance by consumers of the Company's products and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Company will be successful in doing what is necessary to address these risks.

Sales Cycle

Sales cycles for some of EWI's patented RP Process and delivery systems involve unusually lengthy periods of time that can have a direct effect on the profitability of sales through changes in component costs, market conditions, exchange rates, and other costs outside the Company's control.

Additional Financing Requirements and Access to Capital

In order to launch the Company's technology on a commercial level, it will need to raise additional funds from lenders and equity markets in the future. There can be no assurance that the Company will be able to raise additional capital on commercially reasonable terms to finance its objectives. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of common shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution.

Protection of Intellectual Property

Although the Company does not believe that its products infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof which could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's performance and ability to compete are dependent to a significant degree on its proprietary technology.

While the Company will endeavor to protect its intellectual property, there can be no assurance that the steps taken by the Company will prevent misappropriation of its technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property. While the Company's technology is developed and owned by the Company, it may in the future also rely on technology licenses from third parties. There can be no assurance that these third party licenses will be, or will continue to be, available to the Company on commercially reasonable terms. The loss of, or inability of the Company to maintain, any of these technology licenses could result in delays in completing its product enhancements and new developments until equivalent technology could be identified, licensed, or developed and integrated. Any such delays would materially adversely affect the Company's business, results of operations and financial condition.

Competition

The Company may not be able to compete successfully against current and future competitors, and the competitive pressures the Company could face could harm its business and prospects. The reverse polymerization of tires is a technology that is new to the market. New technologies and the expansion of existing technologies may increase competitive pressures on the Company. Increased competition may result in reduced operating margins as well as loss of potential market share. This could result in decreased usage of the Company's technology and may have a material adverse effect on the Company's business, financial condition and results of operations.

Partnerships for Development and Commercialization of Technology

The Company may need, but be unable to obtain partners to support the commercialization of its technology. Equity financings alone may not be sufficient to fund the cost of developing products, and we may need to rely on our ability to reach partnering arrangements to provide financial support for these efforts.

Negative Cash Flow and Absence of Profits

The Company has not earned any profits to date and there is no assurance that it will earn any profits in the future, or that profitability, if achieved, will be sustained. A significant portion of the Company's financial resources in the short term will be to support the efforts to commercialize the TR900 System. The success of the Company will ultimately depend on its ability to generate revenues from its sales of the TR900 and other systems such that the business development and marketing activities may be financed by revenues from operations instead of external financing. There is no assurance that future revenues will be sufficient to generate the required funds to continue such business development and marketing activities.

Conflicts of Interest

Certain proposed directors and officers of the Company may become associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company, as the case may be. Certain of the directors have either other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their time to the affairs of the Company.

Share Price Volatility

A number of factors could influence the volatility in the trading price of the common shares of the Company including changes in the economy or in the financial markets, industry related developments, and the impact of changes in our operations. Each of these factors could lead to increased volatility in the market price of common shares.

COVID 19 Pandemic

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus) see subsequent events.

Dilution

There may be future dilution due to additional future equity financing events by the Company. If outstanding options and warrants of the Company are exercised into common shares, there will be additional dilution.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the year ended December 31, 2019 and to date in 2020, the Company continued to improve the technology of the TR Series System and the production of its main by product, carbon black. EWI has made significant technology enhancements and progress towards commercial operations.

The Company has switched focus from a technology company to a marketing company with the main focus being the commercialization of its TR Series tire recycling project. This project represents an economically viable solution to a large environmental problem. EWI has a sales funnel that includes opportunities to sell plants to third parties that include ongoing royalty payments and maintenance agreements, as well as selling the plant by-products including carbon black, oil, steel and syngas.

SHARE DATA

The following table outlines all outstanding voting or equity securities including options and warrants of the Company which are convertible into, or exercisable or exchangeable for, voting or equity securities as of April 8, 2020:

	Number
Common shares	214,356,649
Issuable under options	12,788,750
Issuable under warrants	20,312,500
Total	**247,457,899**

Features of the options and warrants are described in Note 10 to the audited consolidated financial statements for the year ended December 31, 2019.

SUBSEQUENT EVENTS

COVID 19 Pandemic

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand and supply chain disruptions which could negatively impact the Company's business and financial condition.

Due to the situation concerning COVID-19, the Company has obtained approval from the lender to delay the principal and interest payments for three months starting April 1, 2020 for both its term loan and mortgage payable. Payments will resume July 1, 2020 and the maturity dates have been extended by three months.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com and at the Company's website www.ewi.ca.