This "Management's Discussion and Analysis" ("MD&A") has been prepared as of November 24, 2020, and should be read in conjunction with the interim condensed consolidated financial statements of Environmental Waste International Inc. (the "Company", "EWI") for the nine months ended September 30, 2020 and 2019. The Company's interim condensed 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 for 2020 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
- Conclude 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 Canada, Australia, the UK, Nepal, India, Denmark 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.

HIGHLIGHTS AND SUMMARY

The following summarizes key events during the nine months ended September 30, 2020, and up to the date of this MD&A:

Operating Highlights during the period

Ministry of Environment Approval for Commercial Operations

On September 1, 2020, the Company announced that it has received Environmental Compliance Approvals from the Ministry of Environment, Conservation and Parks ("MECP") to operate its tire recycling plant in Sault Ste. Marie, Ontario as a commercial facility. EWS had successfully run the plant as a demonstration and R&D facility for five years prior to the Company's submission to the MECP. The plant, using the EWS' patented microwave technology, will process end of life tires producing recycled carbon black, oil, steel and syn gas in an environmentally friendly manner. The high-quality carbon black is used as a replacement for virgin carbon black in plastic and rubber products. The oil and steel are utilized as raw feedstock, offsetting the requirement for new virgin materials. The syn gas provides energy for the plant. Tire recycling plants using EWS' technology do not require tipping fees, carbon credits or other government support to generate a compelling ROI. EWS is now in a position to begin the upgrade of the Sault Ste. Marie facility which will include the Company's latest technology.

Additionally, the US Department of Agriculture has renewed a service contract to maintain an EWS effluent contamination system that has been running successfully for over 15 years. This application is a small indication of the diversity and longevity of the Company's microwave technology which has potential in numerous other areas.

Partnership to enter European Market

On August 25, 2020, the Company announced that it signed an agreement with a Danish development and investment Company, Windspace A/S ("Windspace") to enter a partnership in the European market. With this agreement, EWS and Windspace are entering into a partnership to develop waste tire recycling plants across Europe. The first project will be "Elysium Nordic", a TR100 recycling plant in Nyborg, Denmark which utilizes EWS' Reverse Polymerization™ technology. EWS has developed a proprietary system for processing rubber tires, producing reclaimed carbon black (rCB), steel, syn gas and oil (the "Output Products"). A TR100 processes about 100 metric tons of tires per day. Commercialization of EWS' Reverse Polymerization™ technology represents a momentous breakthrough in dealing with one of the world's most stubborn waste problems in an environmentally friendly manner.

Subject to certain conditions, exclusions and performance criteria, EWS grants Windspace exclusive rights to its technology across Europe. In exchange for these exclusive rights, WindSspace is required to meet certain performance criteria including the timely purchase and construction of a TR100 for the Elysium Nordic project. WindSpace must order and build additional plants within the initial five years of the partnership in order to retain their exclusive rights to the EWS technology in Europe. If Windspace contracts to build the plants necessary to remain EWS's exclusive European partner, the revenue to EWS should exceed $100 million. However, consummation of any purchases by Windspace from the Company are contingent upon completion of financing and final documentation. In addition to the sale of the TR100s, EWS will benefit from ongoing licensing revenue tied to the volume of Output Products once a plant is commissioned. Windspace and certain of their principals have made an investment in EWS common stock

Annual General Meeting

On June 30, 2020 the Company held its Annual General Meeting. Shareholders of the Company approved all matters voted on at the meeting. The Company also granted an aggregate of 3,905,000 stock options to certain officers directors and consultants. All options are exercisable at $0.05 and vest over three years with an expiry date of June 30, 2025.

Hiring of Chief Financial Officer

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. 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.

COVID-19

In March 2020 there was a global outbreak of COVID-19 (coronavirus), which has had an impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and social distancing/quarantine guidelines. There was an impact on maintenance revenues during Q2 and Q3 of 2020 due to travel restrictions between the US and Canadian border and not being able to service maintenance revenues in the US.

Financial Highlights during the period

Results for the nine months ended September 30, 2020

During the nine months ended September 30, 2020 the Company reported a net loss of $2,058,490 compared with a net loss of $1,206,528 during the nine months ended September 30, 2019. Included in these results in 2020 is a non-cash accounting loss for the change in valuation of a derivative liability of $553,946. Without this non-cash loss, the loss in the first nine months of the year of 2020 is $1,504,544 compared to $1,206,528 in 2019.

The Company's working capital (deficiency) at September 30, 2020 was $(448,565) compared to $(1,854,983) at December 31, 2019. These working capital calculations include the derivative liability of $537,739 (December 31, 2019 – $2,023,793) as a current liability. Without this non-cash derivative liability, the Company reports positive working capital of $89,174 at September 30, 2020 compared to $168,810 at December 31, 2019. The conversion of the convertible loan and accrued interest on September 11, 2020, and the renegotiation and amendment of debt terms to better suit the cash needs of the Company accounts for the positive changes to working capital.

During the nine months ended September 30, 2020, the Company used $1,038,685 of cash for operating activities, as compared to $832,356 in 2019. The increase in cash used is explained by higher operating expenses incurred in 2020.

The Company raised gross proceeds of $400,000 through a private placement that closed on June 30, 2020. 6,153,846 common shares were issued at $0.065. As part of the financing, 6,153,846 warrants were issued for each share issued with an exercise price of $0.18 per warrant.

In addition, the Company received $80,000 in bank loans from the Government sponsored Canada Emergency Business Account (CEBA) program offered during the COVID-19 pandemic and realized $49,934 of recoveries from the Canada Emergency Wage Subsidy (CEWS) program during the nine months ended September 30, 2020.

Conversion of Debt

September 11, 2020, EWI Investors LLC, debtholder, elected to convert the $1,850,000 principal amount and $268,521 accrued interest owing pursuant to a convertible note dated April 28, 2017. The principal amount of the convertible Note was converted at a price of $0.08 per share per the terms of the convertible Note and the accrued interest was converted at a price of $0.135 per share per TSXV regulations, resulting in the issuance of an aggregate of 25,114,037,000 common shares.

New Mortgage

On July 3, 2020 the Company entered into a $500,000 five-year mortgage with an arm's length third party, secured by the Company's land and building in Sault Ste. Marie. The mortgage bears interest at 10% per annum of which 6% is paid monthly and 4% is accrued and paid at maturity July 3, 2025.

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 in recent years on restructuring its balance sheet to better match its cashflows to its business needs.

In 2019, the Company raised $1,660,000 proceeds through private placements and renegotiated the terms of several loans

In March 2020, the agreement with NOHFC was updated to defer the payment of previously accrued and unpaid interest and principal payments for the three months ended June 30, 2020. Further NOHFC agreed to waive interest for the three months ended June 30, 2020 and to extend the loan's maturity by three months. In June 2020, the Company obtained further approval from the NOHFC to delay the previously accrued and unpaid interest, and new principal payments for the three months ended September 30, 2020. Further, NOHFC agreed to waive interest for the three months ended September 30, 2020 and to extend the loan's maturity by three months. Payments are scheduled to resume October 1, 2020.

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 was due in 2022 was increased by $500,000 from $1,350,000 to $1,850,000. In September 2020, the convertible loan outstanding of $1,850,000 plus accrued interest of $268,520 was converted into shares of the Company.

As well, 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.

During the first nine months ending September 30, 2020 the Company raised gross proceeds of $400,000 through a private placement, including participation by Windspace, and $80,000 by way of CEBA bank loans.

In July 2020, the Company entered into a $500,000 five year new mortgage with a third party, secured by the Company's land and building in Sault Ste. Marie, and used part of the proceeds to repay the outstanding balance of the previous mortgage of $8,634.

The Company obtained approval from the NOHFC to defer principal payments and to waive interest during the period April 1 to October 1, 2020 and to extend the maturity date of the loan by six months. Payments are scheduled to resume October 1, 2020.

Subsequent to the period, an aggregate of 1,308,216 stock options were exercised, raising $127,226 cash for the Company.

The commercialization of the Company's core technology is in process 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.

SELECTED FINANCIAL INFORMATION

The following table sets out selected information for the three and nine months ended September 30, 2020 and 2019:

	Three months ended and as at Sept 30, 2020	Three months ended and as at Sept 30, 2019	**Nine months ended and as at Sept 30, 2020**	Nine months ended and as at Sept 30, 2019
	$	$	**$**	$
Net income (loss) ***note 1***	**(2,091,277)**	(488,199)	**(2,058,490)**	(1,206,528)
Income (loss) per share ***note 1***	**(0.009)**	(0.003)	**0.009**	(0.007)
Weighted average number of shares outstanding	**225,986,806**	173,293,723	**218,284,125**	168,344,050
Total assets	**2,044,100**	2,671,539	**2,044,100**	2,671,539
Working capital (deficiency)	**(448,565)**	524,958	**(448,565)**	524,958
Shareholders' equity (deficiency)	**(3,465,797)**	(3,988,008)	**(3,465,797)**	(3,988,008)

Note 1: Net income for the three and nine months ended September 30, 2020 includes a loss of $1,557,236 and $553,946 respectively, representing the change in fair value of derivative liability, which is a non-cash item. Without this loss in the quarter and nine months, the Company incurred a net loss for the three months ended September 30, 2020 of ($534,041) compared to ($488,199) in 2019, and ($1,504,544) for the nine months ended September 30, 2020 compared to ($1,206,528) in 2019.

DISCUSSION OF OPERATING RESULTS

The following table summarizes the Company's operating results for the three and nine months ended September 30, 2020 and 2019.

(unaudited)	**Three months ended Sept 30, 2020**	Three months ended Sept 30, 2019	**Nine months ended Sept 30, 2020**	Nine months ended Sept 30, 2019
	$	$	**$**	$
Revenue	**23,855**	59,302	**89,550**	142,977
Operating, labour and manufacturing expense	**383,826**	415,099	**1,106,991**	923,219
Stock based compensation expense	**46,060**	17,327	**122,767**	71,191
Depreciation and amortization	**29,211**	28,631	**87,633**	85,894
Foreign exchange loss (gain)	**5,266**	2,718	**(23,279)**	6,677
Operating loss	**(440,508)**	(404,473)	**(1,204,562)**	(944,004)
Finance costs	**93,533**	83,726	**299,982**	262,524
Loss on change in fair value of derivative	**1,557,236**	-	**553,946**	**-**
Net loss and comprehensive loss	**(2,091,277)**	(488,199)	**(2,058,490)**	(1,206,528)
Income loss per share – basic and diluted	**(0.009)**	(0.003)	**(0.009)**	(0.007)

Three months ended September 30, 2020 and 2019

The Company receives revenues from a maintenance contract and an extended warranty contract with a client in the US. During the three months ended September 30, 2020, revenues of $23,855 were lower than revenues of $59,302 during the same period in 2019. This reduction represents less completed maintenance work in 2020 due to travel restrictions imposed by the government due to the COVID-19 pandemic and not being able to service our client in the US.

Operating loss of $440,508 in the three months ended September 30, 2020 compares to an operating loss of $404,473 during the same period in 2019. The slightly higher operating loss in Q3 2020 vs Q3 2019 is primarily due to lower revenues explained above.

Net loss of ($2,091,277) in the three months ended September 30, 2020 compared to ($488,199) in the three months ended September 30, 2019. Included in Q3 2020 was a loss of $1,557,236 resulting from the change in fair value of derivative liability. Without this non-cash loss, net loss in Q3 2020 would be ($534,041) which is higher than the loss of ($488,199) in Q3 2019, primarily due to lower revenues available to cover consistent operating expenses.

Operating, labour and manufacturing expenses of $383,826 in the three months ended September 30, 2020 were lower than $415,099 in the same period last year primarily due to lower professional fees and payroll costs partially offset by higher technology costs associated with advancing our IP.

Stock Compensation expense of $46,060 in Q3 2020 was higher than $17,327 in Q3 2019. This increase is explained by the fact that there were less options granted in 2018 that vested in 2019 compared to options granted in 2019 that vested in 2020 resulting in higher expense which is recorded when options vest.

Depreciation and amortization was $29,211 in Q3 2020 which is comparable to $28,631 in Q3 2019. The Company records depreciation on its property plant and equipment, as well as amortization of the right of use lease asset.

Foreign exchange loss of $5,266 in Q3 2020 compared to a loss of $2,718 in Q3 2019. Foreign exchange is based on the conversion of $US cash to $CAD cash at a rate on the date of conversion.

Finance costs in the three months ended September 30, 2020 of $93,533 was higher than $83,726 in 2019 due to higher accretion expense on the convertible loan, the inclusion of interest on deferred compensation, and interest on the new mortgage, slightly offset by lower interest on the NOHFC term loan due to the deferral of payments in Q2 and Q3.

The change in fair value of derivative liability resulted in a loss of $1,557,236 recorded in Q3 2020 based on the inputs to the Monte Carlos Valuation Model used to re-value the derivative liabilities relating to the convertible loan. On September 11, 2020, the lender converted $1,850,000 principal plus $258,521 accrued interest into common shares of the Company. The principal was converted at price of $0.08 per common share, and the interest at $0.135. The Company's stock price on the date of conversion was $0.145. The value on conversion, resulted in a recording a loss representing the benefit conferred to the lender due to the stock price being significantly higher than the conversion price on that date. The warrants attached to the loan which are still outstanding were revalued at September 30, 2020 and resulted in a loss as well due to the stock price being higher than the exercise price of the warrants on that date.

Nine months ended September 30, 2020 and 2019

The Company receives revenues from a maintenance contract and an extended warranty contract with a client in the US. During the nine months ended September 30, 2020 revenues of $89,550 were lower than revenues of $142,977 during the same period in 2019. The decrease is attributed to travel restrictions from COVID-19 and not being able to go to the US to perform maintenance work in Q2 and Q3 2020.

Operating loss of $1,204,562 in the nine months ended September 30, 2020 compared to a loss of $944,004 in the same period of 2019. The higher loss in 2020 can be explained by lower revenues and higher operating expenses incurred in 2020 relating to technology costs associate with new IP, higher stock compensation expense, partially offset by a foreign exchange gain.

Net loss of $2,058,490 in the nine months ended September 30, 2020 compares to a loss of $1,206,528 during the same period in 2019. Included in the nine months ended September 30, 2020 results is a non-cash loss relating to the change in fair value of derivative liability of $553,946. Prior to this loss, the Company incurred a net loss for the nine months of $1,504,544 compared to $1,206,528 in 2019. The higher loss in 2020 compared to 2019 is attributable to higher operating and manufacturing expenses, stock compensation expense and finance costs.

Operating, labour and manufacturing expenses of $1,106,991 in the nine months ended September 30, 2020 were higher than $923,219 in the same period last year primarily due to technology costs related to new IP, and higher engineering consulting fees in 2020 compared to 2019.

Stock Compensation expense of $122,767 in the first nine months of 2020 was higher than $71,191 in 2019 This increase is explained by the fact that there were less options granted in 2018 that vested in 2019 compared to options granted in 2019 that vested in 2020 resulting in higher expenses which is recorded when options vest.

Depreciation and amortization was $87,633 in the nine months ended September 30, 2020 which was slightly lower than $85,894 over the same period in 2019. The Company records depreciation on its property plant and equipment, as well as amortization of the right of use lease asset.

Foreign exchange gain during the nine months ended September 30, 2020 was $23,279 compared to a loss of $6,677 in 2019.

Finance costs in the nine months ended September 30, 2020 were $299,982 compared to $262,524 in 2019. This increase is mainly due to higher interest and accretion expense on convertible debt prior to conversion on September 11, 2020, interest on the new mortgage issued on July 3, 2020, the inclusion of interest on deferred compensation in 2020, partially offset by lower interest expense on the term loan from NOHFC due to six months interest relief given in Q2 and Q3 2020.

The change in fair value of derivative liability resulted in a loss of $553,946 for the nine months ended September 30, 2020 compared to $nil in 2019. The Company incurred a significant loss of $1,557,236 in Q3, due to conversion of the convertible loan at $0.08 which was much lower than the stock price of $0.145 on the conversion date, which is explained in detail in the section on analysis of results for the " Three months ended September 30, 2020 and 2019". This significant loss in Q3 offset the gain of $1,003,290 recorded in the first six months on the year, resulting in a net loss of $553,946 at September 30, 2020.

The following tables present an analysis of the operating, labor and manufacturing expenses of the Company for the three and nine months ended September 30, 2020 and 2019.

(unaudited)	Three months ended Sept 30, 2020	Three months ended Sept 30, 2019	Nine months ended Sept 30, 2020	Nine months ended Sept 30, 2019
	$	$	**$**	$
Cost of sales	**139,619**	42,157	**244,359**	52,725
Salaries and benefits	**51,087**	63,792	**192,921**	201,606
General and administrative	**32,903**	40,444	**110,579**	120,980
Marketing, promotion and travel	**4,564**	7,917	**17,562**	20,196
Consulting fees	**70,678**	77,120	**243,810**	211,325
Legal, audit, regulatory	**46,903**	148,354	**209,983**	228,097
Occupancy costs	**38,072**	35,315	**87,777**	88,290
Total	**383,826**	415,099	**1,106,991**	923,219

Three months ended September 30, 2020 and 2019

Cost of sales include equipment purchases, contractor fees and travel costs associated with the maintenance and warranty contract revenues, as well as technology costs. $139,619 in Q3 2020 included technology and design costs related to new IP whereas $42,157 in Q3 2019 included only travel and maintenance costs relating to servicing our customer in the US.

Salaries and benefits of $51,087 in the three months ended September 30, 2020 were lower than $63,792 in the three months ended September 30, 2019. In Q3, 2020 the Company received government grants from the Canada Emergency Wage Subsidy program initiated as a result of the global pandemic, which are recorded as a reduction to salary expenses. This reduction was partially offset by higher payroll costs due to all employees working full time in Q3 2020 whereas some employees worked only part time in Q3 2019.

General and administrative costs of $32,903 in the three months ended September 30, 2020 were lower than $40,444 in the same period of 2019 primarily due to timing of expenses and lower insurance costs.

Marketing, promotion and travel expenses of $4,564 for the three months ended September 30, 2020 were lower than prior year's second quarter amount of $7,917 due to no travel incurred in Q3 due to the COVID-19 restrictions.

Consulting fees of $70,678 for the three months ended September 30, 2020 were lower than prior year's Q3 amount of $77,120. This reduction in the quarter is due to timing of expenses, as these costs are higher in 2020 compared to 2019 on a year to date basis due to higher engineering and environmental consulting fees in 2020.

Legal, audit and regulatory expenses of $46,903 in the third quarter compared to $148,354 in the three months ended September 30, 2019. In Q3 2019 the Company incurred significant legal fees for several corporate transactions that closed on Sept 16, 2019 including settlement of debt agreements, amendment agreement to the convertible loan agreement and deferred compensation agreement.

Occupancy costs of $38,072 in the three months ended September 30, 2020 are slightly higher than $35,315 in the same period last year. These costs include rent, utilities and property taxes, and the increase is due to timing of certain expenses as on a year to date basis these costs are consistent.

Nine months ended September 30, 2020 and 2019

Cost of sales include equipment purchases, contractor fees and travel costs associated with the maintenance and warranty contract revenues and technology and design costs for new IP of $244,359 in the nine months ended September 30, 2020 was higher than $52,725 for the same period in 2019. The difference is explained by new costs incurred by the Company in 2020 relating to design and technology of new IP.

Salaries and benefits of $192,921 in the nine months ended September 30, 2020 were slightly lower than $201,606 in the nine months ended September 30, 2019. This decrease is due to CEWS recoveries as a result of the COVID-19 pandemic recorded as a reduction to salary expenses, received in Q2 and Q3 2020. This is partially offset by the fact that all employees are working full time in 2020 compared to certain employees working only part-time in 2019.

General and administrative costs of $110,579 in the nine months ended September 30, 2020 were lower than $120,980 in the same period of 2019 primarily due to lower insurance costs.

Marketing, promotion and travel expenses of $17,562 for the nine months ended September 30, 2020 were slightly lower than $20,196 in 2019. There was no travel in Q2 and Q3 2020 due to COVID-19 travel restrictions.

Consulting fees of $243,810 for the nine months ended September 30, 2020 were higher than prior year's amount of $211,325. The increase is due to higher third-party engineering costs and the hiring of a Chief Financial Officer on a consulting basis in 2020.

Legal, audit and regulatory expenses of $209,983 for the nine months ended September 30, 2020 compared to $228,097 in the nine months ended September 30, 2019. This decrease is explained by significant legal and regulatory costs incurred in 2019 relating to the several corporate transactions that closed on Sept 16, 2019 including settlement of debt agreements, amendment agreement to the convertible loan agreement and deferred compensation agreement.

Occupancy costs of $87,777 in the nine months ended September 30, 2020 are comparable to date with $88,290 in the same period last year. These costs include rent, utilities and property taxes.

QUARTERLY FINANCIAL INFORMATION

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

	2020 (unaudited)			**2019 (unaudited)**				**2018 (unaudited)**
	Sept 30	**June 30**	**Mar 31**	**Dec 31**	**Sept 30**	**June 30**	**March 31**	**Dec 31**
Net income (loss) ($)	(2,091,277)	(674,099)	706,886	(1,565,018)	(488,199)	(381,089)	(337,240)	(92,151)
Weighted average # of Shares (000's)	225,987	214,424	214,356	214,356	173,293	165,827	165,827	165,827
Income (loss) per share ($)	(0.009)	(0.003)	0.003	(0.007)	(0.003)	(0.002)	(0.002)	(0.001)

LIQUIDITY AND CAPITAL RESOURCES

In the nine months ended September 30, 2020, and up to the date of this MD&A, the Company continued to incur operating 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.

On June 30, 2020, the Company raised proceeds of $400,000 through a private placement. On April 30, 2020, the Company received $80,000 from CEBA loans. On July 3, 2020, it entered into a $500,000 five year mortgage with a third party secured by the land and building in Sault Ste Marie. On September 11, 2020, the debtholder of the $1,850,000 convertible loan exercised his right to convert the loan and accrued interest of $268,520 into common shares 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 amended to defer interest payments until April 2020 and principal payments until June 2021. In March 2020, the agreement with NOHFC was updated to defer the payment of previously accrued and unpaid interest and principal payments for the three months ended June 30, 2020. Further NOHFC agreed to waive interest for the three months ended June 30, 2020 and to extend the loan's maturity by three months. In June 2020, the Company obtained further approval from the NOHFC to delay the previously accrued and unpaid interest, and new principal payments for the three months ended September 30, 2020. Further, NOHFC agreed to waive interest for the three months ended September 30, 2020 and to extend the loan's maturity by three months. Payments are scheduled to resume October 1, 2020.

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.

In addition, pursuant to a salary deferral agreement between the Company and 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 $764,979 at September 30, 2020, compared to $885,591 at December 31, 2019. The Company used $1,038,685 of cash in operating activities during the nine months ended September 30, 2020, and also raised a total of $918,073 through financing activities including $400,000 gross proceeds from a private placement, $80,000 from CEBA loan proceeds and $500,000 of proceeds from a new mortgage.

Working capital deficiency was ($448,565) at September 30, 2020 compared to working capital deficiency of ($1,854,983) at December 31, 2019. Without the inclusion of the non-cash derivative liability, the Company had positive working capital of $89,174 at September 30, 2020 compared to $168,810 at December 31, 2019. These working capital figures exclude $537,739 ($2,023,793 – 2019) derivative liability recorded as current liabilities.

For the nine months ended September 30, 2020, there was a net cash outflow from operating activities of $1,038,685 compared to $832,356 in the nine months ended September 30, 2019. The higher amount of cash used in operating activities in 2020 can be explained by the higher operating loss arising from lower revenues as a result of the pandemic and higher technology costs related to the advancement of the Company's IP.

Cash provided by financing activities

For the nine months ended September 30, 2020, cash provided by financing activities was $918,073 compared to $2,066,580 cash provided during the nine months ended September 30, 2019. In the nine months ended September 30, 2020 the Company raised net proceeds of $394,107 in a private placement, $483,383 net proceeds from a new mortgage and $80,000 from CEBA bank loans. In the same period in 2019, the Company raised $1,602,500 net proceeds from private placements and $500,000 proceeds from an increase to the convertible loan.

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 September 30, 2020, 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.

Partnership to enter the European Market

On August 25, 2020, the Company announced that is signed an agreement with a European development and investment company to enter into a partnership to develop waste tire recycling plants across Europe. The first project of this partnership will be a TR100 tire recycling plant in Europe which utilizes the Company's reverse polymerization technology. Subject to certain conditions, exclusions and performance criteria, the Company granted to its partner exclusive rights to its technology across Europe. In exchange for these exclusive rights, its partner is required to meet performance criteria such as the timely purchase and construction of a TR100, and must order and build additional plants within the first five years of the partnership to retain their exclusive rights to this technology in Europe. The counterparty to this agreement participated in the June 30, 2020 private placement.

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 nine months ended September 30, 2020.

RELATED PARTY TRANSACTIONS

During the six months ended September 30, 2020, 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 nine months ended September 30, 2020 for interest on loans to a director of $116,480 [2019 – $115,777]. At September 30, 2020, $62,333 was included in loans payable [December 31, 2019 – $214,374] relating to unpaid interest on loans from a director. The Company recognized an expense of $18,000 [2019 – $nil] during the nine months ended September 30, 2020 for interest on deferred compensation to a key management person who is also a director.

In addition, the Company recorded compensation expense during the nine months ended September 30, 2020 in the amount of $200,950 [2019 – $191,750] and share-based compensation in the amount of $47,922 [2019 – $16,865] to key management personnel.

Accounts payable as at September 30, 2020, includes $147,090 [December 31, 2019 – $129,601] related to compensation of a key member of management who is also a director.

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 receivables 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 (2019 – one) accounted for 100% (2019 – 100%) of trade receivables at period 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 September 30, 2020 the Company had 12,618,758 stock options outstanding. On June 30, 2020, the Company granted a total of 3,905,000 stock options to certain officers, directors, employees and consultants with an exercise price of $0.05, vest over three years and have a term of five years. During the nine months ended September 30, 2020, 3,935,000 stock options with an exercise price of $0.10 expired. On September 25, 2020, a total of 139,992 stock options were exercised including 55,000 stock options exercised at a price of $0.10 for $5,500 and 84,992 stock options exercised at a price of $0.06 for proceeds of $5,100.

During 2019, 6,010,000 stock options with an exercise price of $0.10 expired. 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.

On June 30, 2020 pursuant to the financing completed, the Company issued 6,153,846 common share purchase warrants that entitle the holder to receive one common share at a price of $0.18 for a period of five years. The value of these warrants of $223,756 has been transferred from share capital to contributed surplus.

In 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 of $414,814 was transferred from share capital to contributed surplus.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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 interim condensed 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 September 30, 2020, the Company's internal controls were adequate, except those relating to complex accounting issues which may require reliance on third party professionals.

Management Responsibility for Financial Reporting

The Company's September 30, 2020 interim condensed 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 interim condensed consolidated financial statements.

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.

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.

COVID 19 Global Pandemic

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had an impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and social distancing/quarantine guidelines. We anticipate this outbreak will not have significant impact on the Company with the exception of potentially lower maintenance revenues in fiscal 2020 due to the current travel restrictions to the Unites States. Certain Sales of TR systems that are currently being negotiated may be delayed due to travel restrictions. Management feels confident that it can continue to obtain additional financing through private placements or debt, as it has in the past, in order to meet its ongoing cashflow needs.

SUBSEQUENT EVENTS

Exercise of stock options

On October 5, 2020, 141,658 stock options were exercised for proceeds of $10,899.

On November 16, 2020, 666,558 stock options were exercised for proceeds of $66,327 by a director of the Company.

On November 19, 2020, 500,000 stock options were exercised for proceeds of $50,000 by a key management person who is also a director.

New lease agreement

On October 6, 2020, the Company entered into a new lease agreement for its head office, which replaces the current lease for space in Ajax. The lease is for the term commencing November 1, 2020 and the Company is committed until October 31, 2025, at a similar rate to its current lease.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the nine months ended September 30, 2020 and to date, the Company continued to improve the technology of the TR Series System. 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. On August 25, 2020, the Company announced that it signed its first agreement entering a partnership to develop waste tire recycling plants across Europe. This partnership represents a significant step forward towards achieving future revenues.

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 November 24, 2020:

	Number
Common shares	247,072,740
Issuable under options	11,310,542
Issuable under warrants	26,466,346
Total	**284,849,628**

The total proceeds to the Company from the exercise of all options and warrants outstanding at November 24, 2020 would be $5,837,843.

Features of the options and warrants are described in Note 9 to the interim condensed consolidated financial statements for the nine months ended September 30, 2020.

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.