This "Management's Discussion and Analysis" ("MD&A") has been prepared as of April 28, 2021, and should be read in conjunction with the audited consolidated financial statements of Environmental Waste International Inc. ("Company", "EWI") for the years ended December 31, 2020 and 2019. 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.

This Management discussion and analysis has been authorized for issuance by the Board of Directors on April 28, 2021.

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 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 had an environmental review by the Ontario Ministry of Environment, which resulted 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.
- The Company is currently 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 can provide a significant percentage of the power required to run the plant or be sold to the power grid. The oil and steel are sold as commodities.

During 2020 and up to the date of this MDA the Company achieved several significant milestones for the year set out below:

- Completed the process of obtaining permanent environmental permits;
- Secured both short-term and started planning for long-term financing;
- Arranged financing to upgrade of the Company's plant in Sault Ste. Marie to a full-scale commercial facility;
- Signed a partnership agreement to develop waste tire recycling plants in Europe leveraging EWI's technology, with the first project planned for Denmark;
- Filed additional patents; and
- Renewed its 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 RP 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 has completed an agreement with a group in Denmark and is currently working on a number of plant sales with both public and private entities in Canada, Australia, the UK, Nepal, India, and Italy.

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 year ended December 31, 2020, and up to the date of this MD&A:

Operating Highlights

$1.2 million Private Placement

On April 23, 2021, the Company completed a non-brokered private placement for proceeds of $1,233,000 through the issuance of 4,110,000 common shares at $0.30 per share.

$10 million Joint Venture

On March 19, 2021 the Company entered into an agreement with a private Ontario corporation, whereby it will invest $7,000,000 to convert the pilot plant of the Company's subsidiary Ellsin Environmental Ltd. ("Ellsin") in Sault Ste. Marie into a commercial scale recycling plant utilizing the Company's patented microwave technology. Following the receipt of all the committed financing, the Company, will retain a 30% ownership interest in Ellsin, and will receive a 6% royalty in perpetuity from Ellsin based on total revenue generated by Ellsin. The investment is being made via common share subscriptions in Ellsin, which owns the Company's waste tire facility in Sault. Ste Marie including land, building and equipment. The financing will be used to expand and modernize the plant utilizing the Company's latest technology. In exchange for the investment in Ellsin, the Company will grant the third party the right to build three additional waste tire facilities in Ontario over the next five years if it meets certain conditions.

The first two tranches of share purchases in Ellsin totalling $1 million were completed In March and April 2021. The third party is committed to invest an additional $6 million over the next five months. After investing $7 million, the third-party investor will own 70% of Ellsin.

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. EWI 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 EWI' 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 EWI' technology do not require tipping fees, carbon credits or other government support to generate a compelling ROI. EWI 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 EWI 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, EWI 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 EWI' Reverse Polymerization™ technology. EWI 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 waste rubber per day. Commercialization of EWI' 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, EWI will grant Windspace exclusive rights to its technology in 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 a minimum of four additional plants within the initial five years of the partnership in order to retain their exclusive rights to the EWI technology in Europe. If Windspace contracts to build the plants necessary to remain EWI's exclusive European partner, the revenue to EWI 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, EWI will benefit from ongoing licensing revenue tied to the volume of Output Products once a plant is commissioned. Windspace and certain of its principals have invested in EWI common stock in 2020 and 2021.

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. He 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 the coronavirus COVID-19 which has had an impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments. Measures taken to address the COVID-19 pandemic had an impact on the Company in the year resulting in a decrease in maintenance revenues due to the inability to travel to the US. In addition, the COVID-19 pandemic has slowed negotiations on plant sales, and slowed financing efforts by partners, although none have been abandoned.

Depending on the severity and duration of COVID-19 disruptions, including the current resurgence and possible future resurgences in the number of COVID-19 cases, the company's financial results could continue to be negatively impacted in future periods.

Financial Highlights

Results for the year ended December 31, 2020

During the year ended December 31, 2020 the Company reported a net loss of $2,417,204 compared with a net loss of $2,771,546 during the year ended December 31, 2019. Included in these results in 2020 is a non-cash accounting loss for the change in valuation of a derivative liability of $627,502 (2019 – $1,019,691). Without this non-cash loss, the loss for the year in 2020 is $1,789,702 compared to $1,751,855 in 2019.

The Company's working capital deficiency at December 31, 2020 was $(3,827,527) compared to $(1,854,983) at December 31, 2019. Included in the current working capital deficiency in 2020 is the promissory note of $1,077,904 and term loan of $2,230,344 which were predominantly included in long-term liabilities in 2019, which explains the increase in working capital deficiency. On April 19, 2021 the Company was successful in extending the repayment terms of interest and principal on the term loan.

During the year ended December 31, 2020, the Company used $1,288,855 of cash for operating activities, as compared to $1,163,277 in 2019. The increase in cash used can be explained by lower revenues in 2020 due to the inability to earn maintenance revenues as a result of COVID-19 travel restrictions to the US.

Private Placements

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.

Subsequent to year end, on April 23, 2021 the Company raised an additional $1,233,000 through the issuance of 4,110,000 common shares at $0.30.

Government Assistance

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 received $113,910 of recoveries from the Canada Emergency Wage Subsidy (CEWI) program during the year December 31, 2020.

Subsequent to the year end, the Company received an additional $40,000 in CEBA loans.

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 agreement 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 common shares.

New Mortgage

On July 3, 2020, Ellsin Environmental Ltd. 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 payable at maturity July 3, 2025. The 4% accrued interest can be paid in cash or common shares at the Company's option. As at December 31, 2020, the total value of the interest that may be repayable in shares was $10,000.

Modification to Term Loan Payable

On April 19, 2021, the NOHFC accepted a proposal from the Company to amend the terms of its term loan payable to defer the payment of interest accrued up to August 31, 2021 until August 31, 2021 and to defer the payment of interest accruing from September 2021 to May 2022 until May 31, 2020. Thereafter the Company will make blended payments based on a 5-year amortization that commences June 1, 2022. NOHFC will obtain a corporate guarantee and postponement of claim, supported by a general security agreement from the new majority shareholder of Ellsin.

Financing

While focusing on sales efforts, Management continues to actively pursue additional funds on an interim and long-term basis and has raised over $10 million in equity and $3 million in debt. The Company has been successful in the past several years, raising proceeds through private placements and debt.

The Company has also focused in recent years on restructuring its balance sheet to better match its cashflows and its business needs.

Equity and debt financings

During the years ended December 31, 2019 and 2020, the Company raised proceeds of $1,660,000 and $400,000 respectively through private placements. On April 23, 2021, the Company completed a non-brokered private placement for proceeds of $1,233,000.

During the year ended December 31, 2020, the Company raised gross proceeds of $80,000 by way of two CEBA loans payable, and received a further $40,000 from CEBA loans on January 22, 2021.

In July 2020, the Company entered into a new $500,000 five-year 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 a previous mortgage of $8,684.

Exercise of stock options

During the year ended December 31, 2020, the Company realized proceeds from exercising 1,548,308 of stock options of $147,832. After year-end, and up to the date of filing this MD&A, the Company realized a further $88,182 of proceeds from exercising 953,308 of stock options.

Exercise of warrants

On March 17, 2021, 250,000 warrants were exercised for total proceeds of $50,000.

Modifications of debt

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 $268,521 was converted into shares of the Company.

The Company was able renegotiate the terms of its term loan payable with NOHFC in 2020 and 20201 to defer the payment of accrued interest from April 2020 to August 2021 to be paid no later than August 31, 2021 and to defer the payment of accrued interest from September 2021 to May 2022 to be paid no later than May 31, 2022. Belnded payments thereafter will commence on June 1, 2022 on a 5-year amortization basis.

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 owing was deferred to January 15, 2022. Accrued interest on this amount to December 31, 2020 was $30,000.

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.

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)	**2020 $**	2019 $	2018 $
Net loss	**(2,417,204)**	(2,771,546)	(1,142,905)
Loss per share	**(0.02)**	(0.02)	(0.01)
Weighted average number of shares outstanding	**225,392,179**	183,538,872	165,341,426
Total assets	**1,948,979**	2,228,496	1,293,633
Working capital (deficiency), adjusted – *see Note 1*	**(3,070,232)**	168,810	(4,766,485)
Shareholders' equity (deficiency)	**(3,797,430)**	(5,517,620)	(5,221,122)

Note 1: *Working capital, adjusted at December 31, 2020 excludes a non-cash derivative liability item of $757,295 (2019 – $2,023,793).*

DISCUSSION OF RESULTS

The following table summarizes the Company's operating results for the three months and year ended December 31, 2020 and 2019.

(Unaudited)	Three Months Ended December 31		Year Ended December 31	
	2020 $	2019 $	2020 $	2019 $
Revenue	**23,818**	**79,345**	**113,368**	**222,322**
Technology development	65,918	96,754	495,260	298,475
Plant operations	36,250	116,631	196,186	301,143
Selling, marketing and administration	123,409	162,138	641,122	699,124
Stock-based compensation	35,849	35,406	158,616	106,597
Depreciation and amortization	29,059	32,274	116,692	118,168
Total expenses	**290,485**	**443,203**	**1,607,876**	**1,523,507**
Operating loss	**(266,667)**	**(363,858)**	**(1,494,508)**	**(1,301,185)**
Gain on recognition of interest-free loan	16,699	-	16,699	-
Finance costs	(64,196)	(174,891)	(364,178)	(437,415)
Foreign exchange gain (loss)	38,285	(19,932)	15,006	(13,225)
Loss on termination of lease	(3,005)	-	(3,005)	-
Gain on modification of debt	40,284	-	40,284	-
Loss on fair value of derivative	(73,556)	(1,019,691)	(627,502)	(1,019,691)
Net loss and comprehensive loss	**(358,714)**	**(1,565,018)**	**(2,417,204)**	**(2,771,546)**
Loss per share – basic and diluted	**(0.001)**	**(0.007)**	**(0.02)**	**(0.02)**

Three months ended December 31, 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 December 31, 2020, revenues of $23,818 were lower than revenues of $79,345 during the same period in 2019. This reduction represents a reduction in maintenance work in Q4 2020 due to travel restrictions imposed by the government as a result of the COVID-19 pandemic and not being able to service our client in the US.

Operating loss of ($266,667) in the three months ended December 31, 2020 compares to an operating loss of ($363,858) during the same period in 2019. The lower operating loss in Q4 2020 vs Q4 2019 is primarily due to lower operating expenses in all three functions of the Company (e.g., technology development, plant operations and selling, marketing and administration) while it awaited the closure of an equity financing and debt modifications in early 2021.

Net loss of ($358,714) in the three months ended December 31, 2020 compared to ($1,565,018) in the three months ended December 31, 2019. Included in Q4 2020 was a non-cash loss of $73,556 compared to $1,019,691 in Q4 2019 resulting from the change in fair value of derivative liability. Without this non-cash loss, net loss in Q4 2020 would be ($313,225) compared to a loss of ($350,504) in Q4 2019. The $260,169 lower loss in Q4 2020 is explained by $152,718 of lower operating costs, $110,695 of lower finance costs and the inclusion of a $40,284 gain on modification of debt and government grant income of $16,699 in Q4 2020, partially offset by lower revenues of $55,523.

Technology development expenses of $65,918 in Q4 2020 compared to $96,754 in Q4 2019. Technology development costs include all costs associated with all design and engineering and maintenance activities including compensation and people costs, contractor fees, third party engineering consulting fees, development costs and travel costs associated with the maintenance and warranty contract revenues. This decrease of $30,836 in the last quarter of 2020 is primarily due lower maintenance expenses due to lower revenues and the timing of engineering fees incurred as on an annual basis these costs were higher year over year. The Company also received CEWI government subsidies which reduced payroll costs in Q4 2020 compared to Q4 2019.

Plant operations incurred expenses of $36,250 in Q4 2020 compared to $116,631 in Q4 2019. Plant operations include all operating costs associated with running the plant in Sault Ste. Marie including compensation and people costs, occupancy costs, insurance, repairs and maintenance and any associated costs related to the Ministry of Environment. The decrease of $80,381 from Q4 2020 to Q4 2019 can be explained by consulting fees incurred in Q4 2019 to prepare the applications to obtain approval from the Ministry of Environment for our commercial certificate received in 2020, lower realty taxes in 2020 compared to 2019 and lower payroll costs due to the receipt of CEWI government subsidies in Q4 2020.

Selling, marketing and administration expenses include compensation and people costs, consulting fees, travel and any other expenses in support of selling and marketing efforts, and administration costs including payroll costs, legal and accounting fees, regulatory costs, head office rent and telecommunications, business insurance, and office supplies. Expenses of $123,409 in Q4 2020 were lower than $162,138 in the same period last year primarily due to lower travel costs, office supplies and payroll costs with the receipt of the CEWI government subsidies in Q4 2020.

Stock-based compensation expense of $35,849 in Q4 2020 was comparable to $35,406 in Q4 2019, with a comparable number of options vesting in both periods.

Depreciation and amortization of $29,059 in Q4 2020 was slightly lower than $32,274 in Q4 2019. The Company records depreciation on its property plant and equipment, as well as amortization of the right-of-use lease asset.

Gain on recognition of interest-free loan of $16,699 relates the CEBA government loans received in 2020, and represents the difference between the fair value of $63,301 and $80,000 of proceeds received, reflecting the interest-free nature of these loans.

Finance costs in Q4 2020 of $64,196 were lower than $174,891 in Q4 2019 primarily due to a reduction in interest and accretion expense on the convertible loan in Q4 2020, which was converted into shares on September 11, 2020.

Foreign exchange gain (loss) of $38,285 in Q4 2020 compared to a loss of ($19,932) in Q4 2019. Foreign exchange is based on the conversion of $US cash to $CAD cash at a rate on the date of conversion.

Loss on termination of lease of ($3,005) in Q4 2020 represents the write-off of the lease asset and liability relating to the Ajax head office premises, as the Company moved to a new leased location in Whitby in December 2020.

Gain on modification of debt of $40,284 in Q4 2020 related to amendments to the NOHFC term loan including deferrals of payments and waiving of interest due to COVID-19 concessions offered by NOHFC.

Loss on fair value of derivative of ($73,556) in Q4, 2020 represents the revaluing of the warrants that were attached to the convertible loan which are still outstanding and revalued at December 31, 2020. A loss in Q4 2020 resulted due to the increase in stock price in relation to the exercise price and the value conferred on the holder of the warrants. In Q4 2019, the loss amount of ($1,019,691) related to the change in value of both the convertible loan which was still outstanding at the time as well as the warrants.

Year ended December 31, 2020 and 2019

The Company receives ***revenues*** from a maintenance contract and an extended warranty contract with a client in the US. During 2020 revenues of $113,368 were lower than revenues of $222,322 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 to Q4 in 2020.

Operating loss of ($1,494,508) in 2020 compared to a loss of ($1,301,185) in 2019, or $193,323 higher. The higher loss in 2020 can be explained by the following changes between 2020 and 2019: revenue lowered by $108,954 as a result of travel restrictions; technology development expenses were higher by $196,785 due to engineering and design costs associated with new projects; stock-based compensation expense increased by $52,019; whereas plant operations decreased by $104,957 and selling, general and administration expenses decreased by $58,002 due to COVID-19 CEWI relief.

Net loss of ($2,417,204) in 2020 is comparable to a loss of ($2,771,546) in 2019. Included in 2020 is a non-cash loss relating to the change in fair value of derivative liability of $627,502 (2019 – $1,019,691). Without this non-cash loss, the Company's net loss would have been $1,789,702 in 2020, compared to $1,751,855 in 2019 without that non-cash loss. The higher operating loss in 2020 was offset by lower finance costs and the inclusion of $16,699 government grant income and a $40,284 gain on modification of debt.

Technology development expenses of $495,260 in 2020 compared to $298,475 in 2019. Technology development costs include all costs associated with the design and engineering processes including compensation and people costs, contractor fees, third party engineering consulting fees, development costs and travel costs associated with the maintenance and warranty contract revenues. The increase of $196,785 year over year is explained by third party engineering consulting fees incurred for new projects and intellectual property investments in 2020.

Plant operations incurred expenses of $196,186 in 2020 compared to $301,143 in 2019. Plant operations include all operating costs associated with running the plant in Sault Ste. Marie including compensation and people costs, occupancy costs, insurance, repairs and maintenance and any associated costs related to the Ministry of Environment. The decrease of $104,957 can be explained by the consulting fees incurred in 2019 related to the application process to obtain the Ministry of Environment commercial certificate of approval for the plant in Sault Ste. Marie, as well as lower realty taxes in 2020 compared to 2019 and a reduction in payroll costs due to the receipt of CEWI government subsidies in 2020.

Selling, marketing and administration expenses include payroll and people costs, consulting fees, travel and any other expenses in support of selling and marketing efforts, and administration costs including payroll costs, legal and accounting fees, regulatory costs, head office rent and telecommunications, business insurance, and office supplies. Expenses of $641,122 in 2020 were lower than $699,124 in the same period last year primarily due to lower travel costs, office supplies and payroll costs with the receipt of the CEWI government subsidy in relation to COVID-19 which is accounted for as a reduction to payroll costs.

Stock-based compensation expense of $158,616 in 2020 was higher than $106,597 in 2019. This increase is explained by the fact that there were fewer options granted in 2018 that vested in 2019 compared to higher number of options vesting in 2020 from options granted in 2019, resulting in higher expenses recorded as options vest.

Depreciation and amortization of $116,692 in 2020 was slightly lower than $118,168 in 2019. The Company records depreciation on its property plant and equipment, as well as amortization of right-of-use lease assets.

Gain on recognition of interest-free loan of $16,699 relates the CEBA government loans received in 2020, and represents the difference between the fair value of $63,301 and $80,000 of proceeds received, reflecting the interest-free nature of these loans.

Finance costs in 2020 were $364,178 compared to $437,415 in 2019. This decrease is primarily due to only 8.5 months of interest and accretion on the convertible loan in 2020 as it was converted to shares on September 11, 2020, compared to a full year of interest and accretion in 2019, partially offset by higher mortgage interest with the issuance of the new $500,000 mortgage on July 3, 2020.

Foreign exchange gain in 2020 was $15,006 compared to a loss of ($13,255) in 2019. Foreign exchange is based on the conversion of $US cash to $CAD cash at a rate on the date of conversion.

Loss on termination of lease of ($3,005) in Q4 2020 represents the write-off of the lease asset and liability relating to the Ajax head office premises, as the Company moved to a new leased location in Whitby in December 2020.

Gain on modification of debt of $40,284 in Q4 2020 related to amendments to the NOHFC term loan including deferrals of payments and waiving of interest due to COVID-19 concessions offered by NOHFC.

Loss on fair value of derivative was ($627,502) in 2020 compared to ($1,019,691) in 2019. The lower loss in 2020 is explained in part by the exercise of the conversion feature of the loan in Q3 2020. The Company revalued the warrants outstanding at December 31, 2020 whereas in 2019 the outstanding loan and warrants were revalued.

QUARTERLY FINANCIAL INFORMATION

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

	2020 (Unaudited)				**2019 (Unaudited)**			
	Dec 31	**Sept 30**	**June 30**	**March 31**	**Dec 31**	**Sept 30**	**June 30**	**March 31**
Net income (loss) ($)	(358,714)	(2,091,277)	(674,099)	706,886	(1,565,018)	(488,199)	(381,089)	(337,240)
Weighted average # of Shares (000's)	246,434	225,987	214,424	214,356	214,356	173,293	165,827	165,827
Income (loss) per share ($)	(0.001)	(0.009)	(0.003)	0.003	(0.007)	(0.003)	(0.002)	(0.002)

LIQUIDITY AND CAPITAL RESOURCES

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 converted debt into common shares, based on cashflow needs.

During 2020, the Company raised funds for operations through various means as follows:

- On April 30, 2020, the Company received $80,000 from Canadian Emergency Business Account ("CEBA") loans as part of the COVID-19 relief programs;
- On June 30, 2020, the Company raised gross proceeds of $400,000 through a private placement;
- On July 3, 2020, the Company entered into a $500,000 five-year mortgage with a third party secured by the land and building in Sault Ste. Marie;
- The Company benefited from $113,910 in 2020 in COVID-19 subsidies from the Canada Emergency Wage Subsidy (CEWI) program;
- On September 11, 2020, the holder of the $1,850,000 convertible loan exercised his right to convert the loan and accrued interest of $268,521 into common shares of the Company; and

- Proceeds of $147,832 were received through the exercise of stock options by employees, directors and consultants.

Subsequent to year end:

- The Company received $40,000 of additional proceeds from the CEBA loan program;
- Ellsin received the first $1,000,000 of the committed $7,000,000 of financing associated with the Joint Venture announced on March 19, 2020;
- Proceeds of $88,182 were received through the exercise of stock potions by employees, directors and consultants; and$50,000 through the exercise of warrants.
- On April 22, 2021, the Company raised gross proceeds of $1,233,000 through a private placement.

Cash used in operating activities

The Company had cash of $619,721 at December 31, 2020, compared to $885,591 at December 31, 2019. The Company used $1,288,855 of cash in operating activities during the twelve months ended December 31, 2020, and also raised a total of $1,032,170 through financing activities, including $400,000 in gross proceeds from a private placement, $80,000 from CEBA loan proceeds, $500,000 of proceeds from a new mortgage and $147,832 through the exercise of stock options.

Working capital deficiency was ($3,827,527) at December 31, 2020 compared to comparable working capital deficiency of ($1,854,983) at December 31, 2019. Without the inclusion of the non-cash derivative liability in each year the Company had a working capital deficiency of ($3,070,232) at December 31, 2020 compared to $168,810 at December 31, 2019. These working capital figures exclude a derivative liability of $757,295 (2019 – $2,023,793) included in current liabilities. In addition, included in working capital deficiency at December 31, 2020 is $1,077,904 of a promissory note that comes due in 2021 and NOHFC term loan of $2,230,344 which were both included as a long-term liability at the end of 2019. The NOHFC term loan was amended following year-end to further extend interest and principal repayments.

For the twelve months ended December 31, 2020, there was a net cash outflow from operating activities of $1,288,855 compared to $1,163,277 in the twelve months ended December 31, 2019. The slightly higher amount of cash used in operating activities in 2020 can be explained by the lower revenues earned due to the lower maintenance revenues due to COVID-19 travel restrictions and not being to travel to the US to service our maintenance contract.

Cash provided by financing activities

For the year ended December 31, 2020, cash provided by financing activities was $1,032,170 compared to $2,035,486 cash provided during the year ended December 31, 2019. In 2020, the Company raised net proceeds of $394,107 in a private placement, $474,629 net proceeds from a new mortgage, $147,832 proceeds from the exercise of stock options and $80,000 from CEBA bank loans. In 2019, the Company raised $1,606,887 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 loans, subsidies and tax credits. The Company has been in the development stage 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, 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.

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, 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, 2020.

RELATED PARTY TRANSACTIONS

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

Transactions with related parties other than key management personnel

During the year ended December 31, 2020, the Company engaged in transactions in the normal course of operations with the following related parties.

- The Company recognized an expense during the year ended December 31, 2020 for interest on loans to a director of $132,051 (2019 – $163,080). At December 31, 2020, $77,904 was included in loans payable (December 31, 2019 – $214,375) relating to unpaid interest on loans from a director.
- The Company recognized an expense during the year ended December 31, 2020 for shared based compensation to directors in the amount of $33,948 (2019 – $16,055).

Transactions with key management personnel

- The Company recorded compensation expense during the year ended December 31, 2020 in the amount of $273,000 (2019 – $248,200) and share-based compensation in the amount of $70,948 (2019 – $23,891) to key management personnel.
- The Company recognized an expense of $24,000 (2019 – $6,000) during the year ended December 31, 2020 for interest on deferred compensation to a key management person who is also a director.
- Accounts payable as at December 31, 2020, includes $113,591 (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 receivable arose 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 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

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

As at December 31, 2020, the Company had 11,210,442 stock options outstanding. On June 30, 2020, the Company granted 3,905,000 stock options to directors, officers, employees and consultants with an exercise price of $0.05 which vest over three years and expire in five years. During the year ended December 31, 2020, 3,935,000 options with an exercise price of $0.10 expired. In addition, a total of 1,548,308 stock options were exercised at a price ranging from $0.06 to $0.11 for total proceeds of $147,832 in 2020.

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.

During the year ended December 31, 2020, the fair value of all options was estimated on the dates of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0% (2019 – 0%); expected volatility of 219% (2019 – 188%); risk-free interest rates of 0.35% (2019 – 1.74%); and an average expected life of five years (2019 – five years). This resulted in stock-based compensation expense of $158,616 during the year ended December 31, 2020 (2019 – $106,597).

The following tables summarize stock option activities during the years ended December 31, 2020 and 2019:

Date Granted	Number Granted	Exercise Price	Vesting	Expiry Date
June 30, 2020	3,905,000 (1)	$0.05	3 years	June 30, 2025

All options granted with 3-year vesting above vest 33%, 33% and 34% on each anniversary date from the grant.
(1) Includes 2,200,000 granted to directors and officers of the Company.

Date Granted	Number Granted	Exercise Price	Vesting	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.

Warrants

In 2017, pursuant to the issuance of the convertible loan, the Company issued 3,712,500 common share purchase warrants that entitle the holder to receive one common share at a price of $0.11 for a period of five years. The value of these warrants has been accounted for as a derivative liability.

On June 30, 2020, pursuant to a 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 $188,079 was transferred from share capital to contributed surplus, less $3,296 of associated share issuance costs attributable to the warrants.

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 of $129,089 and $285,726 respectively, for a total value of $414,815 was transferred from share capital to contributed surplus, net of $13,725 of associated issuance costs.

The following table summarizes warrants outstanding at December 31, 2020:

Date Issued	Number Issued	Exercise Price	Expiry Date
May 4, 2017	3,712,500	$0.11	May 4, 2022
April 30, 2019	4,750,000	$0.20	April 30, 2022
September 16, 2019	11,850,000	$0.20	September 16, 2022
June 30, 2020	6,153,846	$0.18	June 30, 2025

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Company, but may impact future periods should the company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Company.

Amendments to IFRS 16 COVID-19 Related Rent Concessions – amendment to IFRS 16 Leases

On 28 May 2020, the IASB issued *COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Company.

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, 2020, the Company's internal controls were adequate.

Management Responsibility for Financial Reporting

The Company's December 31, 2020 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, 2020 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 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.

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.

SUBSEQUENT EVENTS

Exercise of stock options

During the period January 1, 2021 to April 28, 2021 a total of 953,308 stock options were exercised for total proceeds of $88,182 by employees, officers and consultants of the Company.

Government assistance

On January 22, 2021, the Company received additional proceeds totaling $40,000 pursuant to the Canadian federal government under the CEBA program. Environmental Waste International Inc. and its subsidiary EWI Rubber Inc. each received an additional $20,000 on their original $40,000 CEBA loans, bringing their total CEBA loan balances to $60,000 each ($120,000 in aggregate). Repayment of $40,000 on each of the loans on or before December 31, 2022 will result in loan forgiveness of $20,000 on each of the loans. After 2022, any remaining balances will be converted to a three-year term loan at a 5% interest rate.

Exercise of warrants

On March 17, 2021, 250,000 warrants were exercised for total proceeds of $50,000.

Joint venture agreement with $7 million investment

On March 19, 2021, the Company entered into an agreement with a private Ontario corporation, whereby that entity will invest $7,000,000 to convert Ellsin's pilot plant in Sault Ste. Marie into a commercial scale recycling plant utilizing the Company's patented microwave technology. Following the receipt of all of the committed funds, that private corporation will own 70% of Ellsin and the Company will retain a 30% ownership interest in Ellsin. Under the agreement, Ellsin will also pay a royalty fee of 6% of Ellsin's top line revenue to the Company on a quarterly basis, based on revenues generated from the Hybrid Reverse Polymerization process in perpetuity. In exchange for the investment in Ellsin, the Company will grant the private company the right to build three additional waste tire facilities in Ontario over the next five years if it meets certain conditions. The initial proceeds of $400,000 were received on March 19, 2021, and an additional $600,000 was received on April 7, 2021. The remaining $6,000,000 of financing is scheduled to be paid to Ellsin in four tranches up to August 10, 2021.

Deferral of NOHFC loan repayments

On April 19, 2021 the NOHFC approved a proposal to amend the repayment terms as follows:

- Previously accrued and unpaid interest, and additional interest accruing up to and including August 31, 2021, is to be paid in full no later than August 31, 2021;
- Interest from August 31, 2021 until May 31, 2022 shall accrue and be paid in full no later than May 31, 2022,
- Blended payments based on a 5-year amortization will commence on June 1, 2022, and
- NOHFC will obtain a corporate guarantee and postponement of claim, supported by a general security agreement from the new majority shareholder of Ellsin.

$1,233,000 Private Placement

On April 23, 2021 the Company completed a non-brokered private placement for proceeds of $1,233,000 through the issuance of 4,110,000 common shares at $0.30.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the year ended December 31, 2020 and to date, the Company progressed significantly towards commercialization of the TR Series System with the announcement of two transactions that will generate future revenues.

The Company has switched focus from a technology company to a marketing company with the main focus being the commercialization and sales 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 28, 2021:

	Number
Common shares	252,486,148
Issuable under options	10,257,134
Issuable under warrants	26,216,346
Total	**288,959,628**

Features of the options and warrants are described in Note 11 to the audited consolidated financial statements for the year ended December 31, 2020.

FADDITIONAL 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.