……because the environment matters

MANAGEMENT’S DISCUSSION AND ANALYSIS
MARCH 31, 2023

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operation of Environmental Waste International Inc (the "Company" or "EWI") should be read in conjunction with EWI's audited consolidated financial statements and notes thereto as at and for the years ended December 31, 2022, and 2021. The Company's audited consolidated financial statements and the financial information contained in the MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34. Interim Financial Reporting. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial reporting Standards ("IFRS") may have been omitted or condensed. These unaudited consolidated Interim financial statements were prepared using the same accounting policies and methods as those used in the audited consolidated financial statements of the Company for the year ended December 31, 2022, unless otherwise indicated, and they should be read in conjunction with those financial statements.

Results are reported in Canadian dollars, unless otherwise noted.

Information contained herein is presented as of May 25, 2023, unless otherwise indicated. These unaudited consolidated interim financial statements were approved for insurance by the Board of Directors on May 25, 2023. For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

OUR BUSINESS

EWI is a cleantech company developing systems, specializing in the application of its patented microwave processes. Its predominant focus is transforming End-of-Life tires ("EOL") into valuable by-products which are sustainable and are part of the circular economy.

The Company researches, designs, develops, sells, and maintains efficient advanced systems based on its patented processes: Reverse Polymerization™ ; Microwave Delivery System and Hybrid Microwave Process.

Governments and industries worldwide recognize the need for cleantech companies to provide a sustainable process for the treatment or recycling of tires and other waste rubber products in an eco-efficient manner.

In addition to tires, EWI has designed solutions for the safe disposal, recycling and/or recapture of sustainable by-products for Liquid Biological Waste Systems; Food Waste; Medical Waste and Animal Waste.

The Company is listed on the TSX Venture Exchange ('TSXV") trading under the symbol EWS.V. The Company's head office address is 1751 Wentworth Street, Unit 1, Whitby Ontario, L1N 8R6.

OUR TECHNOLOGY

Reverse Polymerization (RP) is the basis for EWI's processes, it is the reduction of organic material through the application of microwave energy in an oxygen-depleted atmosphere. Microwave energy is absorbed by the organic material, causing rotation of inter-molecular bonds, leading to the generation and emission of narrowband infrared energy. The narrow band infrared energy is re-absorbed by surrounding material, increasing the amount of energy in the bonds until the bonds break. The breaking of the bonds results in the conversion of complex organic compounds into simpler compounds of lower molecular weight without undergoing oxidation.

The RP process involves the direct application of high-energy microwave energy, utilizing its patented Microwave Delivery System (MDS), to break down materials into simpler chemical components. It is unique and can be differentiated from other processes based on three key characteristics:

1. Application of microwave energy occurs in an oxygen depleted environment, preventing oxidation of the waste.
2. Reaction occurs at low chamber temperatures of 150º C to 450º C, depending on the application.
3. Control of the process is precise as the microwave energy is focused and the energy input is variable, allowing the desired amount of energy input per unit mass of waste to be applied.

Through research, EWI has been able to improve the RP process with the addition of radiant heating. This is known as the Hybrid Microwave Process (HMP). HMP uses the syn gas produced by the process to preheat the infeed, maintain the process tunnel temperature. It also heats the solid materials exiting the process and prevents the absorption of process gases on this material. Reverse Polymerization, and HMP are <u>not incineration</u>. Incineration is an oxidation process that occurs at higher temperatures. Oxidation of organic waste materials can lead to the formation of undesirable by-products such as dioxins or furans.

Incineration and pyrolysis cannot be precisely controlled in the same manner as Reverse Polymerization and HMP. These processes, incineration and pyrolysis, have less control of their reactions compared to the RP and HMP process and therefore lack the ability to control the composition and quality of the end-products. This has major implications in the EOL tire application and is one of the reasons that EWI's HMP creates such high-quality products from tires. These products can be used to make new tires, and other rubber products completing the circular economy.

CORPORATE MISSION

The Company's mission is to provide sustainable solutions for the rubber and plastic industries by processing EOL tires and scrap rubber in a way that dramatically reduces greenhouse gas, while producing a high return on invested capital without the need for a tipping fee or carbon tax.

The Company is currently focused on the commercialization of its technology for the recycling of EOL tires and other rubber waste. The Company's HMP process reduces EOL tires into basic commodities in an environmentally safe manner: recovered carbon black (rCB), oil, steel and hydrocarbon vapours. The rCB is recycled back into rubber compounding for tire production, weather stripping and other rubber products. It is estimated by 2030 the major tire manufacturers will require almost three million tonnes of rCB to meet their target of 50% sustainable products in tires. In addition, rCB is used as a colour concentrate in plastics, pigments, coatings and paints, among many other applications. Syngas provides a significant percentage of the power required to run the plant or can be sold to the power grid. Oil and steel are sold as commodities. All the products are sustainable and are part of the circular economy.

Our Market

Tire stockpiles and landfills, many of which are massive, exist all over the world. Rubber, including tires, is one of the last major commodities without a meaningful recycling option. Once established, these landfills are long term since rubber biodegrades very slowly. Approximately 5.5 million tires are scrapped each day. Approximately two billion EOL tires become available worldwide annually and this number continues to grow.

Reclaimed Carbon Black (rCB) represents 40% of each EOL tire recycled by EWI. rCB can be used as a supplement or partial replacement for virgin carbon black (vCB) in rubber, plastic, and many other products. Virgin Carbon Black (vCB) is a commodity with a huge market, more than 14 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 Canada, the EU, Australia, Asia and the United Stes. The vCB industry is coming under increased pressure from governments and environmental groups, as production of the product is a significant greenhouse gas emitter.

Currently the large tire manufacturers are targeting 50% sustainability in new tires by 2030, they will require over three million tonnes of rCB to attain this goal. Their long-term targets are 100% sustainability by 2050, which would require a minimum of over six million tonnes of rCB. Currently production of rCB is estimated to be roughly 100,000 tonnes.

Environment, Social and Governance ("ESG")

Most rubber manufacturers have a significant issue with their production waste. In many cases, landfill or incineration are the only options for thousands of tonnes of this waste. EWI believes it has the only technology that can deal with this difficult waste stream, especially where raw rubber is intermingled with steel. The Company is seeing interest from rubber manufacturers to deal with their sustainability issues. Bridgestone and Michelin made a joint announcement in November 2022 indicating a need for large quantities of rCB to meet their stated sustainability goals by 2030.

ESG initiatives and projects have become a focus for corporations, governments, regulators and investors in 2022. EWI is well positioned as it integrates ESG in its business practices. The Company's tire recycling technology provides a practical solution to one of the world's biggest environmental challenges, and our corporate strategy of building and selling plants provides an opportunity to make a difference in the fight against climate change. As worldwide ESG commitments evolve into action, EWI is prepared for the significant changes the economy is undergoing. Management and directors of the Company have a fiduciary responsibility to its shareholders to contribute towards a more sustainable world and protect our future and the environment, not only because it is the right thing to do, but because it is also good business.

The Company has protected its intellectual property. It has patented its Reverse Polymerization™ Process and has filed additional patents for a Hybrid Microwave Process. In addition to these patents, the Company has a great deal of technical and management expertise in its engineering team.

MANGEMENT OBJECTIVES AND RECENT DEVELOPMENTS

Upgrade the Company's plant in Sault Ste. Marie toward a full-scale commercial facility

Our commercial facility is being designed to process 20 tonnes of EOL tires /day, producing rCB, syngas, oil and steel. The rCB will be combined with recycled plastic producing plastic black masterbatch that will be marketed throughout North America. Black masterbatch is the base component in all black plastic products, from garbage bags to planters to car dashboards. The Company has begun the engineering necessary to complete the upgrade of its full-scale pilot plant and has dismantled the current microwave line to make way for the new line. Operational data and testing from EWI's full-scale pilot plant has led to developments in the process, increasing throughput and reducing energy consumption. It is anticipated that the commercial facility will be installed by June of 2024.

Improve quality of by-products

EWI has improved the quality of products extracted from its tire process and continues to work with end users to develop products that meet their requirements.

File additional patents

Additional patents have been filed for the Hybrid Microwave Process (MHP) in the US, Canada, Europe and China. The feedback from the patent offices has indicated that we may be able to break this application into two separate patents, we will follow our patent lawyer's advice.

Short-term financing

On April 17, 2023, the Company announced that it has agreed with certain investors to raise $1,500,000 in a $0.05 per unit private placement financing. Each unit consists of one common share and one share purchase warrant. Proceeds of $662,047 were received on May 10, 2023 and 13,240,943 common shares were issued. Each warrant expires two years from the closing and has an exercise price of $0.10. (see subsequent events)

Progress towards obtaining long-term financing

Long-term financing for the upgrade to the commercial facility and operational funds is ongoing with our investment bankers. To date we have had discussions with a number of groups who have shown interest. EWI will continue these discussions until the financing goals have been met.

SELECTED QUARTERLY FINANCIAL INFORMATION

(Canadian $)	Three months ended March 31 2023	Three months ended March 31 2022
Operating loss	**(435,508)**	**(516,105)**
Net loss	**(507,232)**	**(473,212)**
Net loss per share - basic and diluted	**(0.002)**	**(0.002)**
(Canadian $)	**At March 31 2023**	**At March 31 2022**
Total assets	**2,822,485**	**2,841,219**
Total liabilities	**5,638,123**	**4,525,860**
Total shareholders deficiency	**(2,815,638)**	**(1,684,641)**

During the period ended March 31, 2023, the Company continued to focus its efforts on upgrading its plant in Sault Ste. Marie Ontario to a commercial facility while continuing to focus on commercial opportunities to deploy its reverse polymerization process. Management has successfully raised short-term financing through both equity and debt for working capital purposes and continues to work towards its long-term financing goals.

Operating loss includes engineering design expenses for technology development, costs of maintaining the plant in Sault Ste Marie, compensation and people costs, office expenses for the Whitby location, professional and consulting fees and public company costs to maintain our listing on the Toronto Venture Stock Exchange.

Net loss includes finance costs, foreign exchange gains or losses as well as a non-cash accounting item in 2022 for gain on revaluation of derivative liability of $89,471. Without this non-cash gain, net loss would be as follows:
2023: $507,232
2022: $562,683

GOING CONCERN ASSUMPTION

The financial information contained in this MD&A are derived from the interim condensed consolidated financial statements which have been prepared on a basis that assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company incurred a net loss during the three months ended March 31, 2023, of $507,232 (Year ended December 31, 2022 - $2,291,291) and, as at that date, had working capital deficiency for of $4,570,500 (December 31, 2022 – $4,034,579) and a cumulative deficit of $69,071,336 (December 31, 2022 – $68,572,139).

Recurring sources of revenue have not yet proven to be sufficient as the commercialization of the Company's core technology is at an early stage and the Company has not yet achieved a level of profitability and positive cash flows. While the Company has been successful in raising additional financing and extending the repayment terms for deferred compensation, it will require 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 is considering various alternatives to raise additional financing. There can be no assurances that the Company will be able to secure the necessary financing to enable it to continue as a going concern. The factors noted above indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. If the going concern basis is not appropriate, material adjustments may be necessary to the carrying amounts and/or classification of assets and liabilities.

DISCUSSION OF RESULTS

(Canadian $)	March 31 2023	March 31 2022
Expenses		
Technology development	94,757	103,502
Plant operations	22,797	22,372
Selling, marketing and administration	221,286	235,904
Stock based compensation	68,550	125,585
Depreciation and amortization	28,118	28,742
Total expenses	**435,508**	**516,105**
Operating loss	**(435,508)**	**(516,105)**
Other income (expenses)		
Finance costs	(67,739)	(45,514)
Foreign exchange gain (loss)	(3,985)	(1,064)
Change in fair value of derivative	-	89,471
Net loss	**(507,232)**	**(473,212)**

Expenses

The Company classifies its operating expenses into three functions to reflect how it currently manages its business, technology development, plant operations and general and administration. Technology costs include costs associated with all design and engineering and maintenance activities including compensation and people costs, contractor fees, third party engineering consulting fees, and development costs. Operating costs include all costs associated with the plant in Sault Ste Marie such as utility, insurance, property taxes, repairs and maintenance and plant manager salary. General and administration costs include all head office expenses relating to the location in Whitby, Ontario, people and compensation and people costs, professional fees, consulting fees and public company costs to maintain our listing on the TSXV.

Starting in 2021 while the Company focused its efforts on upgrading the plant in Sault Ste Marie to a commercial production facility, all expenses relating to the upgrade were classified as asset under construction as part of property and equipment on the statement of financial position. These costs include both third party fees and internal engineering salaries allocated to the Sault Ste Marie project. In Q1, 2023 a total of $125,705 was capitalized to construction in progress compared to $175,651 in Q1, 2022. The decrease year over year is due to the suspension of some of the upgrade activities in Q1, 2023 to preserve cash resources.

General and Administration costs during the three months ended March 31, 2023, and 2022 were as follows:

(Canadian $)	March 31 2023	March 31 2022
General and Administration		
Compensation and people	65,675	34,981
Office and general	38,433	32,740
Professional and consulting fees	49,979	50,145
Public company costs	64,108	114,939
Travel, sales and marketing	3,091	3,099
	221,286	**235,904**

Compensation and people costs are higher in Q1 2023 by $30,694 primarily due to a lower amount being capitalized to asset under construction 2023 compared to 2022.

Office and general was slightly higher in Q1 2023 by $5,693 as in Q1, 2022 due to higher insurance renewal rates.

Professional and consulting fees were consistent at $49,979 in Q1 2023 compared to $50,145 in Q1, 2022 and include legal fees, consulting fees, accounting and audit fees and environmental consulting fees.

Public company costs include legal and other professional fees, investor relations, and listing fees associated with the compliance with the requirements to be a public company on the TSXV. These costs were lower in Q1 2023 compared to Q1 2022 by $50,831 due to lower corporate legal fees associated with financing transactions as well as an accounting reversal adjustment of $30,000 in Q1 2023 reducing these costs.

Travel, sales and marketing costs were consistent at $3,091 in Q1, 2023 compared to $3,099 in Q1, 2022.

Stock-based compensation

$68,550 in Q1 2023 was lower than $125,585 in Q1 2022 due to the vesting of options awarded at a lower price in the middle of 2022 compared to options awarded at a higher price in the middle of 2021 which vested in Q1 2022.

Depreciation and amortization

$28,118 in Q1 2023 was consistent with $28,742 in Q1 2022. Depreciation is on property and equipment while amortization is on the tight of use lease asset. Depreciation is not yet recorded on asset under construction representing the capitalize costs associated with the upgrade of the Sault Ste. Marie plant as it is not yet in use.

Finance costs

$67,736 in Q1, 2023 was higher than $45,514 in Q1, 2022 primarily due to interest on promissory notes issued during the second half of fiscal 2022 and during Q1, 2023.

Foreign exchange loss

$3,985 in Q1 2022 compared to a $1,064 in Q1, 2021 which is due to the continued weak Canadian dollar compared to the US dollar which results from holding US cash balances in both 2023 and 2022.

Gain on change in fair value of a derivative

The $89,471 gain in Q1, 2022 represents the revaluing of a derivative liability at March 31, 2022 from December 31, 2021. This derivative liability related to warrants that were attached to a convertible loan, which expired on May 4, 2022.

Net loss

Net loss of ($507,232) in Q1, 2023 compared to net loss of ($473,212) in Q1, 2022. Included in Q1, 2022 was a non-cash gain of $89,471. Without this non-cash item, net loss in Q1, 2022 would be ($562,683). The net loss in Q1, 2023 is $55,451 lower than Q1, 2023. This decrease in loss can be explained by lower operating expenses in technology development and SG&A and lower stock compensation expense, partially offset by higher financings costs.

LIQUIDITY AND CAPITAL RESOURCES

The Company had $12,769 cash on hand at March 31, 2023.

Working capital

(Canadian $)	March 31 2023	December 31 2022
Current assets	154,004	213,205
Current liabilities	4,724,504	4,247,784
Working capital deficit (1)	(4,570,500)	(4,034,579)
Less: Northern Ontario Heritage Fund term loan classified as current liability	2,485,850	2,460,702
Cash working capital deficit	**(2,084,650)**	**(1,573,877)**

(1) *this item is not defined under IFRS.*

The working capital deficit was ($4,570,500) at March 31, 2023 compared to the working capital deficit of ($4,034,579) at December 31, 2022. Included in current liabilities is a $2,485,850 at March 31, 2023 and $2,460,702 at December 31, 2022 term loan payable to the NOHFC for which terms are currently being renegotiated by management and the NOHFC but is classified as short term for financial statement purposes. The Company has a long-standing relationship with the NOHFC and has amended the terms of their agreement with them to better match the cashflows of the Company in the past. Without classifying the NOHFC term loan as a current liability the real cash working capital deficit is ($2,084,650) at the end of Q1, 2023 compared to ($1,573,877) at the end of 2022. This increase in deficit is largely due to higher accounts payable and accrued liabilities.

Working capital improved subsequent to March 31, 2023 with the private placement financing - see subsequent events.

Cashflow

`	Period ended March 31 2023	Period ended March 31 2022
Cash used in operating activities	(130,697)	(112,927)
Cash used in investing activities	(125,705)	(175,651)
Cash provided by financing activities	215,379	369,803
Net decrease cash	**(41,023)**	**81,226**

During Q1, 2023 the Company used $130,697 of cash for operating activities, compared to $112,927 in Q1, 2022. This increase in cash used of $17,770 can be primarily explained by lower trade receivables and government remittances at March 31, 2023.

The company used $125,705 in construction in progress costs relating to the plant upgrade in Sault Ste. Marie in Q1, 2023 compared to $175,651 in Q1, 2022 which is included in cash used for investing activities. The decrease can be explained by the suspension of activities for the preservation of cash.

Financing activities generated $215,379 proceeds of $232,850 from the issuance of promissory notes in Q1, 2023. These cash inflows were partially offset by a total of $17,471 of mortgage and lease payments generating net $215,379 cash from financing in Q1, 2023. In Q1, 2022, the Company received $386,821 proceeds in advance of closing the April 2022 private placement. This was partially offset by a total of $17,018 of mortgage and lease payments generating net cash of $369,803 in Q1, 2022.

Financing activities

During the first quarter ended March 31, 2023, a director of the Company made additional advances pursuant to a promissory note in the amount of $232,024 (US$172,150). In 2022, three directors loaned the Company an aggregate of $689,239 (US$ 508,000) in the form of promissory notes. The promissory notes bear interest at a rate of 10% per annum, and the notes are due on demand. Subsequent to March 31, 2023, the majority of these promissory notes were converted to common shares of the Company (see subsequent events).

On March 30, 2023, Bob MacBean, the CEO, and a director of the Company agreed to extend the repayment date on the deferred compensation owing to him, from January 15, 2024 to January 15, 2025.

The Company initiated a financing for $1,500,000 subsequent to the quarter ended March 31, 2023 (see subsequent events).

Capital Resources

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.

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 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 the 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 period ended March 31, 2023.

Debt

(Canadian $)	March 31 2023	December 31 2022
CEBA loans	112,518	110,130
NOHFC term loan	2,485,850	2,460,702
Promissory notes	959,041	706,938
Mortgage	543,904	538,241
Deferred Compensation	303,452	299,888
Total debt	**4,404,765**	**4,115,899**

Details of all the terms of debt can be found in note 8 to the interim condensed consolidated financial statements for March 31, 2023. The Company has traditionally financed its operations through private placements as well as debt.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

QUARTERLY FINANCIAL INFORMATION

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

(Unaudited)	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022	December 31 2021	September 30 2021	June 30 2021
Net loss $	(507,232)	(565,834)	(680,317)	(571,929)	(473,212)	(254,780)	(56,025)	(365,092)
Loss per share $	(0.002)	(0.002)	(0.003)	(0.002)	(0.002)	(0.001)	0.000	(0.001)
Weighted average common shares outstanding (000s)	266,668	264,911	258,419	258,419	258,419	258,419	258,046	251,646

PARTNERSHIPS AND MINORITY INTEREST

Partnership to enter the European Market

On August 25, 2020, the Company announced that it signed an agreement with a European development and investment company, Elysium Nordic (Elysium) to enter a partnership to develop waste tire recycling plants across Europe. That original agreement has now expired, and Elysium's rights are now limited to financing and building a TR100 in Nyborg Denmark with plans to build a second TR100 on the same site.

Some of its principals in the project have participated in the June 30, 2020, April 22, 2021, and April 13, 2022, private placements.

Torreco investment in Ellsin

An agreement with Torreco, Inc. for an investment of $7,000,000 in Ellsin Environmental, EWI's subsidiary which owns its plant in Sault Ste. Marie, Ontario funded $1 million of this obligation to date, and now owns a minority interest of 10% in Ellsin. Torreco has not met the conditions of the agreement signed on March 22, 2021. On March 28, 2023, Torreco was provided with written notice that the agreement is cancelled. The Company continues to move forward with the upgrade and commercialization of the Sault Ste. Marie plant and is actively seeking alternative financing solutions to fund this plant upgrade which would substantially dilute Torreco's interest.

RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2023, the Company engaged in transactions in the normal course of operations with the following related parties.

(Canadian $)	March 31 2023	March 31 2022
Salaries and benefits and consulting fees	91,586	62,050
Share-based compensation	22,950	41,575
Interest on deferred compensation	3,564	3,564
Total Management Personnel	118,100	107,189

Deferred compensation of $303,452 (December 31, 2022 - $299,888) (note 8f) and an amount owing of $32,519 (December 31, 2022 – $54,019) included in accounts payable at March 31, 2023, represents compensation owing to a key member of management who is also a director.

(Canadian $)	March 31 2023	March 31 2022
Share-based compensation	16,551	36,325
Interest on promissory notes	19,253	-
Total Directors	35,804	36,325

In 2022, the Company issued 3 promissory notes totaling $959,041 (US$708,025) including accrued interest to certain directors of the Company.

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.

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 and from its financing activities, including deposits with banks and financial institutions. 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.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold interest bearing liabilities which are subject to changes in interest rates.

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. As at March 31, 2023 the Company had cash on hand of $12,769 and current liabilities of $4,724,504 of which $2,485,850 represents the term loan outstanding with NOHFC currently being renegotiated to defer payment terms, and $112,518 CEBA loans which can be deferred as well. Subsequent to the period end, the Company signed an agreement with two of the three directors for the settlement of their promissory notes in the total amount including interest of $771,500 (US$569,077) in exchange for common shares. The Company's accounts payable and accrued liabilities are generally due within one year from the date of the statement of financial position.

RISKS AND UNCERTAINTIES

A comprehensive list and description of risk factors relating to the Company can be found in the annual MD&A for the year ended December 31, 2022.

SUBSEQUENT EVENTS

$1,500,000 Private Placement

On April 17, 2023, the Company announced that it has agreed with certain investors to raise $1,500,000 in a $0.05 per unit private placement financing. Each unit consists of one common share and one share purchase warrant. The first tranche of proceeds of $662,047 were received on May 10, 2023. Each warrant expires two years from the closing and has an exercise price of $0.10. The funds will be used for upgrading the Company's Sault Ste. Marie facility, repayment of debt and for working capital.

Debt Settlement

On April 15, 2023, the Company signed an agreement with two of the three directors for the settlement of their promissory notes at that date, in the total amount including interest of $771,500 (US$569,077) in exchange for the issuance of an aggregate of 22,042,859 common shares at a price of $0.035 per share. The shares are subject to a four-month and a day statutory hold period. The debt settlement is subject to TSX Venture Exchange acceptance of regulatory filings.

Grant of Stock Options

On May 15, 2023, the Company granted 200,000 incentive stock options to its new Chief Financial Officer, Gary Nobrega, who joined the Company in November 2022. All options are exercisable at $0.05 per common share vesting over three years with an expiry date of May 15, 2028.

SHARE DATA

(Canadian $)	
Common shares outstanding at May 25, 2023	279,909,886
Securities convertible into comon shares:	
Stock options	15,857,150
Warrants	27,644,789
Total Securities	**323,411,825**

CAUTION REGARDING 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.

Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's goal of creating 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.

DISLCOSURE OF INTERNAL CONTROLS

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 and Chief Financial Officer and its Audit Committee to ensure appropriate and timely decisions are made regarding public disclosure. Internal controls over financial reporting have been designed 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.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures and the Company's internal controls over financial reporting as defined under National Instrument 52-109. Based on that evaluation, management has concluded that at March 31, 2023, the Company's internal controls were adequate.

The Board of Directors oversees management's responsibilities for financial reporting and internal control systems through the Audit Committee. This committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors. The Board of Directors of EWI has approved the financial statements and the disclosure contained in the MD&A. A copy of the MD&A will be provided to anyone who requests it.

ENVIRONMENTAL WASTE INTERNATIONAL

HEAD OFFICE
1751 Wentworth Street, Unit 1
Whitby, ON,
L1N 8R6

1-800-399-2366

ewi.ca