This "Management's Discussion and Analysis" ("MD&A") has been prepared as of April 24, 2015, and should be read in conjunction with the audited consolidated financial statements of Environmental Waste International Inc. (the "Company", "EWI") for the years ended December 31, 2014 and 2013. The Company's audited consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars unless otherwise stated. All financial analysis, data and information set out in this MD&A are unaudited.

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

OVERVIEW OF BUSINESS

Environmental Waste International Inc. develops innovative products for waste treatment and disposal. The Company's focus is on recycling waste rubber into valuable by products, which can then be reused to manufacture virgin rubber products. The Company researches, designs, develops, sells, and maintains technologically advanced products based on the patented Reverse Polymerization™ Process (RP) and proprietary delivery system. The Company believes its products will ultimately achieve widespread acceptance. The public, governments and industries worldwide are recognizing the need for technology to deal with the processing, treatment and eventual disposal or recycling of tires in an environmentally safe and responsible manner. EWI provides unique and effective solutions to many of these challenges.

To date, EWI has designed and sold 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.

However, the Company is currently focused on the design and commercialization of its technology for the recycling and recapture of used tires and other rubber waste. The Company's 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 off-gas system processes the vapours to recover the oil and then treats and scrubs the remaining gas for use as a fuel in the power generation system that runs the plant. The carbon black, oil, and steel are collected and can be recycled into virgin rubber products.

The Company's main recent achievements include:

- The construction of an almost full scale pilot plant
- The running of that plant on a continuous 24/7 basis for a trial period
- A sales funnel that now includes opportunities to:
  - Sell the plants by-products including Carbon Black, Oil, Steel and Syngas
  - Sell Plants to third parties that include ongoing royalty payments and maintenance agreements
  - Co-locating owned and operated plants next to major rubber manufacturers

The Company continues to make technical refinements to the RP System and the production of its main by product, Carbon Black.

OUTLOOK AND GROWTH STRATEGY

The trends that make EWI Recycled Carbon Black a good and growing market include:

- Carbon Black is a commodity with a huge market. More than 10 million tonnes of carbon black are sold every year and demand is growing.
- Currently, demand in North America slightly exceeds supply.
- The Company has a number of significant relationships in the Chinese market. Excluding Japan, Asia will be the fastest-growing region in the world, followed by Central and Eastern Europe.
- The virgin Carbon Black industry is likely to come under increased pressure from governments and environmental groups, as production of the product is a significant greenhouse gas emitter.

Commodity Sales

These facts put 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 is now in discussions about what volume these consumers would take over what period of time.

EWI has also developed a process to refine the oil created during its Reverse Polymerization 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 is currently negotiating the sale of the TR series system with both public and private entities in Brazil, the Caribbean, Dubai, Italy, and the US. The Company is also evaluating a number of potential partners to construct a plant in China. Given local labour and energy costs, the economics of the business appear quite feasible in the Chinese market despite the high cost of waste tires.

Owned and Operated Plants

Most rubber manufacturers have a significant issue with their production waste. In many cases, landfill or incineration is the only option for thousands of tons of production waste. EWI seems to have 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 Company is currently working with a number of major tire manufacturers to assess the feasibility of constructing a plant next to or very close to their plants. The tire manufacturers would provide their scrap rubber to EWI and EWI would sell them back carbon black and oil, while the steel would be sold as scrap. Were these manufacturers to provide long-term off-take agreements for the carbon black, EWI might retain 100% ownership of the plant, utilizing its ability to finance the facility because of the guaranteed revenue stream.

Financing

While focusing on sales efforts and refining the final product, Management continues to actively pursue additional funds on an interim and long term basis. The Company has been successful in the past, raising $1.8 million in 2011, $2.0 million in 2012, $1.9 million in 2013 and $2.2 million in 2014. Based on the recent successful operation and refinement of the TR series technology and the ability to raise short term financing in the past, Management believes it will be able to access the necessary funding over the next twelve months while it launches the TR series product on a commercial level. Recurring sources of revenue have not yet proven to be sufficient as the commercialization of the Company's core technology is at the early stage and the Company has not yet achieved a level of profitability and positive cash flows. The Company needs 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 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.

HIGHLIGHTS AND SUMMARY

The following summarizes key events during the year ended December 31, 2014, and up to the date of this MD&A:

Board and Management

- On March 5, 2014, EWI announced the appointment of Bob (Jian) Guo as a Director. Mr. Guo is the founder and CEO of Goldenmount Global Investments Ltd., an Exempt Market Dealer, as well as the Managing Partner of Goldenmount Partners Fund I. Mr. Guo is a Director of GreenStar Agricultural Corporation (TSX-V: GRE). Previous to this, he worked for TD and BMO Nesbitt Burns providing financial and advisory services to corporate and individual investors. Mr. Guo was given the "Chinese Business Excellence Award" for his expertise in professional services. He completed his engineering degree in China and received his MBA from the Schulich School of Business at York University in Toronto.
- On December 2, 2014, EWI announced that Bob MacBean, who was working with the Company in the role of Chief Financial Officer for over a year, was named Chief Executive Officer. Mr. MacBean has a wealth of experience having been a senior officer or director of a number of public and private environmental and alternative energy companies.

Financial Highlights

- In the three months and year ended December 31, 2014, the Company incurred net losses of $691,082 and $3,243,857, respectively, compared with $897,824 and $3,223,082, in the corresponding periods of 2013. On a per share basis, for the three months and year ended December 31, 2014, the Company incurred net losses of $0.01 and $0.03, respectively, compared to $0.01 and $0.03 in the corresponding periods of 2013.
- During the three months and year ended December 31, 2014, the Company used $479,350 and $2,140,043, respectively, of cash in operating activities, as compared to $590,932 and $2,394,099 in the same periods of 2013.

- During 2014 EWI successfully restructured several of its debt instruments as follows:

  On April 14, 2014 the Company signed a second amendment to the term loan agreement with the Northern Ontario Heritage Fund Corporation ("NOHFC") agreeing to defer payments that were due to commence on April 1, 2013, which provided more favourable payment terms for both interest and principal amounts due.

  On April 30, 2014 the Company received proceeds of $500,000 from the issuance of a new three year promissory note and granting of 500,000 share purchase warrants, and in part used these proceeds to repay loans outstanding of $301,000 and $112,000. The remaining loans payable to directors of the Company of $84,000 were extended for a three year period and mature on April 30, 2017.

  On August 1, 2014, the Company renewed its fixed rate first mortgage for a three year term, with a six year remaining amortization period, interest at 6% per annum, calculated monthly and repayable by August 1, 2020.

- The Company completed three private placement equity offerings during fiscal 2014:

  On January 31, 2014, the Company closed a private placement for 4,583,333 Units with gross proceeds of $550,000, less agent's fees of nil. Each Unit consists of one common share and 0.50 of a share purchase warrant. A whole share purchase warrant allows for the purchase of one additional common share of EWI at a price of $0.21 per share through January 31, 2016. All shares issued in the private placement were subject to a hold period that expired on May 31, 2014.

  On May 30, 2014, the Company closed a private placement for 5,058,332 Units with gross proceeds of $607,000, less agent's fees of nil. Each Unit consists of one common share and 0.50 of a share purchase warrant. A whole share purchase warrant allows for the purchase of one additional common share of EWI at a price of $0.21 per share through May 30, 2016. All shares issued in the private placement were subject to a holding period that expired on September 30, 2014.

  On September 22, 2014, the Company closed a private placement for 10,000,000 Units with gross proceeds of $1,000,000, less agent's fees of nil. Each Unit consists of one common share. All shares issued in the private placement were subject to a holding period that expired on January 22, 2015.

Operating Highlights

- The management team has garnered significant interest in the TR system series from parties in Brazil, the Caribbean, Dubai, Italy, and the US. There has been growing interest in EWI from potential clients and investors in China.
- On February 10, 2014, EWI announced an additional advantage to its proven patented technology of the breakdown of organic materials, namely a significant reduction in greenhouse gas emissions. The results reported by a third party, Pinchin Environmental Ltd., demonstrated that EWI's reverse polymerization process and proprietary microwave delivery system significantly lower the carbon dioxide emissions compared to the two most commonly used tire recycling options, incineration and crumb rubber recycling.
- During 2014 EWI made the first small sale of carbon black from its plant in Sault Ste. Marie, and the purchaser of the carbon black was very satisfied with the product. Management believes that further sales are imminent. This is important for several reasons:
  - Carbon black is by far the most valuable by-product of the Company's waste tire and rubber facilities.
  - Establishing a market for the carbon black may be a prerequisite for sales of its facilities because it anchors the buyer's ability to achieve a return on investment.
  - In addition, once the Company has demonstrated a market for its carbon black the Company can get permanent environmental compliance approval for its plant in Sault Ste. Marie from the Ministry of Environment in Ontario.

SELECTED FINANCIAL INFORMATION

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

(audited)	Year ended December 31		
	2014 **$**	2013 $	2012[(1)] $
Net loss	**(3,243,857)**	(3,223,082)	(2,856,910)
Loss per share	**(0.03)**	(0.03)	(0.03)
Weighted average number of shares outstanding	**124,862,421**	108,505,632	101,473,989
Total assets	**2,610,722**	3,335,057	4,509,400
Working capital (deficiency)	**(354,810)**	(2,859,606)	(766,222)
Shareholders' equity (deficiency)	**(1,554,611)**	(697,560)	411,521

DISCUSSION OF OPERATING RESULTS

The following table summarizes the Company's operating results for the three months and years ended December 31, 2014 and 2013.

	Three Months Ended December 31 (unaudited)		Year Ended December 31 (audited)	
	2014	2013	**2014**	2013
	$	$	**$**	$
Revenue and other income (loss)	**38,764**	(9,514)	**132,980**	143,888
Operating, labour and manufacturing expense	**530,760**	592,137	**2,302,787**	2,379,089
Stock based compensation expense	**30,165**	70,117	**213,335**	202,640
Amortization expense	**190,497**	191,532	**764,515**	766,666
Finance expense	**(15,291)**	46,054	**210,627**	163,794
Government assistance	**-**	-	**(111,516)**	(130,192)
Foreign exchange gain	**(6,285)**	(11,530)	**(2,911)**	(15,027)
Net loss and comprehensive loss	**(691,082)**	(897,824)	**(3,243,857)**	(3,223,082)
Attributable to shareholders	**-**	-	**-**	-
Attributable to non-controlling interests	**(691,082)**	(897,824)	**(3,243,857)**	(3,223,082)
Loss per share – basic and diluted	**(0.01)**	(0.01)	**(0.03)**	(0.03)

Three months ended December 31, 2014 and 2013

The Company receives revenues from a maintenance contract and an extended warranty contract with a client in the US. Other income includes interest income earned. In the period ended 2013 revenue included a reversal adjustment for interest income.

Net loss of $691,082 in 2014 was lower than the loss of $897,824 the prior year primarily due to lower operating, labour and manufacturing expenses, lower stock compensation expense as well as lower finance expenses. Operating, labour and manufacturing expenses were lower in 2014 due to lower R&D costs incurred on the TR900 plant at this time compared to last year, as well as lower general and administrative expenses, marketing and promotion costs and legal fees. Stock compensation was $30,165 in the fourth quarter of 2014 compared to $70,117 in the same quarter in 2013. The lower compensation is due to the reversal of expense relating to the departure of the CEO in November 2014. Finance expense was in a credit position of $15,291 for the fourth quarter of 2014 compared to $46,054 expense in 2013. In the fourth quarter the Company recorded an adjustment for interest accretion on the term loan payable to NOHFC based on amended terms and on the new $500,000 promissory note payable.

Years ended December 31, 2014 and 2013

Revenues and other income in 2014 were $132,980 compared to $143,888 in 2013. This decrease of $10,908 was primarily due to not receiving interest income from EWI Limited Partnership in 2014 as the partnership is no longer active.

Net loss of $3,243,857 in 2014 was slightly higher than prior year's loss of $3,223,082, mainly explained by lower operating expenses in 2014 partially offset by higher finance expenses. Operating expenses were lower due to Company's cost control initiatives in 2014. Finance expenses were $210,627 in 2014 compared to $163,794 in 2013. These costs were higher due to the new $500,000 promissory note issued in the year and the interest on the NOHFC term loan payable that started to accrue in 2014. Government assistance includes scientific research and experimental development ("SR&ED") tax credits received during the year. In 2014, the Company received $111,516 of SR&ED tax credits compared to $130,192 received in 2013. The lower amount in 2014 is explained by lower R&D labour costs compared to the prior year.

The following tables present an analysis of the operating, labour and manufacturing expenses of the Company for the three months and years ended December 31, 2014 and 2013.

	Three Months Ended December 31 (unaudited)		Years Ended December 31 (audited)	
	2014	2013	**2014**	2013
	$	$	$	$
Research and development - TR900	**55,165**	111,472	**397,766**	348,870
Salaries and benefits	**135,382**	78,369	**551,391**	719,867
General and administrative	**48,561**	91,634	**204,777**	290,957
Marketing, promotion and travel	**27,561**	47,271	**151,715**	205,507
Consulting fees	**149,166**	109,022	**481,628**	244,100
Legal, audit, regulatory	**106,914**	144,295	**314,439**	399,076
Occupancy costs	**47,242**	49,834	**240,302**	210,470
Provisions	**(39,231)**	(39,758)	**(39,231)**	(39,758)
Total	**530,760**	592,139	**2,302,787**	2,379,089

Three months ended December 31, 2014 and 2013

Research and development costs relate to the TR900 tire recycling project and include development costs that are not eligible for capitalization. The lower amount in the fourth quarter of 2014 is largely due to timing of project expenses that were incurred earlier in the year compared to 2013.

Salaries and benefits of $135,382 in the three months ended December 31, 2014 were higher by $57,013 compared to $78,369 in the three months ended December 31, 2013. In 2013, the amount of $78,369 in the quarter was net of $80,218 of government grants from the Industrial Research Assistance Program ("IRAP") which is recorded as a reduction to salaries expense. Without the IRAP grants, the salaries in the fourth quarter of 2014 would be lower than in 2013 on a comparable basis due to lower headcount.

General and administrative and marketing, promotion and travel costs in the three months ended December 31, 2014 are lower due to cost savings initiatives in 2014.

Consulting fees of $149,166 for the three months ended December 31, 2014 are higher than prior years' fourth quarter amount of $109,022 due to certain payroll related costs in 2013 now included as consulting fees in 2014.

Legal, audit and regulatory expenses of $106,914 in the three months ended December 31, 2014 compared to $144,295 in the same period last year primarily due to lower legal fees.

Occupancy costs of $47,242 in the three months ended December 31, 2014 were slightly lower than $49,834 incurred in the same period last year.

The provision credit of $39,231 in the fourth quarter of 2014 represents the amount paid relating to the $255,000 provision recorded in the fourth quarter of 2013.The $255,000 was provided as one year annual salary severance to a former senior officer, of which $39,231 was paid during 2014, resulting in reducing the provision from $255,000 to $215,769. In 2013 a provision amount of $294,758 relating to prior years was reversed and the amount of $255,000 discussed above was recorded; this resulted in a credit of $39,758 in 2013. (See "Provisions and Capital Commitments")

Years ended December 31, 2014 and 2013

Research and development costs of $397,766 relating to the TR900 tire recycling project were higher in 2014 compared to $348,870 incurred in 2013 due to additional costs to improve the facility in Sault Sainte Marie to the point where it runs continuously as well as costs to refine the process for the by-product, carbon black.

Salaries and benefits of $551,391 were reduced by IRAP grants of $69,162 in 2014. In 2013, $719,867 was reduced by IRAP grants of $173,793. The significant decrease in costs in 2014 are due to lower headcount as well as certain payroll related costs included in consulting fees in 2014.

General and administrative costs were $204,777 in 2014 compared to $290,957 the prior year primarily due to insurance cost savings and lower repairs and maintenance costs incurred during the year.

Marketing, promotion and travel costs were $151,715 in 2014 compared to $205,507 in 2013. The reduction is primarily due to savings from lower travel costs.

Consulting fees of $481,628 for 2014 are higher than prior year of $244,100 due to certain payroll related costs in 2013 now included as consulting fees in 2014. This offset is seen in lower salary and benefit costs in 2014 compared to 2013.

Legal, audit and regulatory expenses of $314,439 in 2014 were lower compared to $399,076 in 2013 last year due to lower legal fees in the year as well as lower investor relations fees incurred in 2014.

Occupancy costs of $240,302 in 2014 are higher compared to $210,470 last year primarily due to higher storage rental costs incurred by the Company in 2014.

QUARTERLY FINANCIAL INFORMATION

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

	2014 (Unaudited)				2013 (Unaudited)			
	March 31	June 30	Sept 30	Dec 31	March 31	June 30	Sept 30	Dec 31
Net loss ($)	699,091	925,586	928,098	691,082	825,103	754,361	745,794	897,824
Weighted average # of Shares (000's)	118,781	122,102	125,418	133,218	103,170	106,819	109,085	114,944
Loss per share ($)	(0.006)	(0.008)	(0.007)	(0.005)	(0.008)	(0.007)	(0.007)	(0.008)

LIQUIDITY AND CAPITAL RESOURCES

In the year ended December 31, 2014, and up to the date of this MD&A, the Company continued to incur losses.

The Company's financial liquidity has been financed through sales of equity, issuance of new debt and government grants and tax credits. The Company is a development stage enterprise 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 plant, and the Company's ability to raise capital to fund this project until commercialization. (See "Risks and Uncertainties").

During fiscal 2014, the Company successfully completed three private placements that resulted in gross proceeds for the Company of $2,157,000. The Company also successfully re-financed certain debt instruments during the year to better reflect its cash flow needs.

On April 14, 2014, the Company signed a second amendment to the term loan agreement with NOHFC agreeing to defer payments that were due to commence on April 1, 2013. Payments in respect of interest or principal due during the period from April 1, 2013 to April 30, 2015 are deferred until April 30, 2017. During this period, interest will accrue on the outstanding principal amount of the loan, compounded monthly. During the period May 1, 2015 to April 30, 2017, the Company will make interest-only payments on the loan in the amount of $13,334 per month, representing $6,667 in respect of interest accruing during the period from April 1, 2013 to April 30, 2015 and $6,667 in respect of regular interest payable. Commencing May 1, 2017, monthly blended payments of principal and interest shall commence on the first day of each month until maturity.

On April 30, 2014, the Company received proceeds of $500,000 from issuance of a promissory note and used $413,000 of the proceeds to repay shareholder loans in the amount of $413,000. The remaining loans payable to directors of the Company of $84,000 were extended for a three year period and mature on April 30, 2017.

On August 1, 2014, the Company renewed its fixed rate first mortgage for a three year term, with a six year remaining amortization period, interest at 6% per annum, calculated monthly and repayable by August 1, 2017.

In August 2014, the Company received $111,516 of government assistance pertaining to SR&ED tax claims compared to $130,192 in 2013. The SR&ED tax credits have been recorded as a reduction of expenses in the period of receipt. In addition, the Company recorded $69,162 in 2014 and $173,793 in 2013 from IRAP grants relating to research and development work. The government grants have been reduced from salaries and benefits included in operating, labour and manufacturing expenses.

At December 31, 2014, the Company also renegotiated the terms of its fixed rate second mortgage which is now repayable on April 15, 2017.

Cash used in operating activities

The Company's total cash and cash equivalents at December 31, 2014, was $207,854 compared to $130,044 at December 31, 2013. Working capital deficit as at the same two dates was $354,810 compared to $2,859,606. Included in working capital deficit in 2013 was the $2,000,000 loan payable from NOHFC which was successfully re-financed in 2014 and no longer presented as a current liability.

For the year ended December 31, 2014, there was a net cash outflow from operating activities of $2,140,043 compared to $2,394,099 for the prior year. The decrease is mainly attributable to the inflow of accounts receivable in 2014.

Cash used in investing activities

In 2014 the Company spent $11,831 on computer equipment compared to $1,160 in 2013 for the purchase of office and computer equipment.

Cash provided by financing activities

For the year ended December 31, 2014, cash provided by financing activities was $2,229,684 compared to $1,851,725, for the prior year. The increase is primarily due to higher proceeds raised from the issuance of common stock on private placements.

PROVISIONS AND CAPITAL COMMITMENTS

Except as noted below, the Company does not have any material commitments as at December 31, 2014, or the date of this MD&A.

The Company is committed under a long-term lease for premises which expires on August 31, 2017.

The provision balance consists of an accrual of one year's annual salary to former senior management of the Company. The Company was party to a claim made by former senior management whose employment was terminated on March 1, 2013, who is seeking four years severance pay in the amount of $1,020,000. Management believes that this claim for 48 months of pay is inflated and without any merit and has provided for one year's salary of $255,000 less $39,231 already paid, or $215,769, as the Company believes the likelihood of payout of this amount is probable.

On July 21, 2014, the Company announced that Environmental Waste International Limited Partnership ("EWILP") commenced a lawsuit seeking injunctive relief to prevent the Company from interfering with certain intellectual property rights which EWILP purports belong to it. In 2007, the Company sold certain intellectual property rights to EWILP which were immediately licensed back to the Company. No specific amount was claimed as damages. Management denies all allegations and believes that this claim is without merit and plans to defend this action.

OFF BALANCE SHEET ARRANGEMENTS

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

MANAGEMENT OF CAPITAL

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

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

There have been no changes with respect to the overall capital management strategy during the year ended December 31, 2014.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Company's Board of Directors. The Company considers key management to be the Chief Executive Officer, the Chief Financial Officer, and Chief Technology Officer

Key management personnel may also participate in the Company's stock-based compensation plans. See Note 14 to the audited consolidated financial statements for the years ended December 31, 2014 and 2013 for details.

The Company recognized as an expense during the year ended December 31, 2014 salaries and benefits of $481,037 [2013 - $447,223] and share-based payment transactions of $102,862 [2013 - $162,887] with respect to key management personnel.

Proceeds from key management personnel as part of the private placements in 2014 amounted to $35,000 [2013 – nil]. Key management personnel were issued 308,333 shares [2013-nil] and 104,166 warrants [2013-nil].

In addition, proceeds from directors as part of private placements in 2014 amounted to $100,000 [2013-nil]. The directors were issued 833,333 shares [2013-nil] and 416,667 warrants [3012-nil].

FINANCIAL INSTRUMENTS

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

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 and cash equivalents.

Liquidity risk

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

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

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

Intangible Assets

Intangible assets consist of acquired in-process development costs and marketing rights for the TR900 tire recycling project. Management has determined that the related development costs that are not eligible for capitalization have been expensed and included in operating, labour and manufacturing costs.

Management of the Company conducts a review of the carrying value of its intangible assets on a regular basis. Intangible assets are assessed for impairment if there is an indication that that the intangible asset may be impaired.

Intangible assets are amortized over their useful economic lives.

Stock Options and Warrants

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

For options and warrants granted during the years ended December 31, 2014 and 2013, the following inputs were used in the Black Scholes options pricing model:

Black-Scholes assumptions used:	2014	2013
Expected volatility	131% - 157%	114% - 159%
Expected dividend yield	0.0%	0.0%
Risk free interest rate	1.05% - 1.57%	0.94% - 1.75%
Expected options life in years	5	5
Expected warrants life in years	2	2

The following table summarizes stock options granted during the year ended December 31, 2014:

Date Granted	Number Granted	Exercise Price	Expiry Date
January 29, 2014	20,000	$0.10	January 29, 2019
June 2, 2014 (1)	4,660,000	$0.10	June 2, 2019
December 22, 2014 (2,3)	3,480,000	$0.10	December 22, 2019
Total	8,160,000		

All options granted above except for the amount in note (3) below vest 33%, 33% and 34% over three years on each anniversary date from the grant date.

(1) 1,950,000 options granted to Directors including 500,000 granted to Chief Executive Officer who is also a Director.

(2) 1,500,000 options granted to Chief Executive Officer who is also a Director.

(3) 750,000 options granted to legal counsel vest immediately.

The following table summarizes warrants granted during the year ended December 31, 2014:

Date Granted	Number Granted	Exercise Price	Expiry Date
January 14, 2014 (1)	100,000	$0.21	January 30, 2016
January 31, 2014	2,291,667	$0.21	January 31, 2016
March 10, 2014	798,000	$0.20	April 30, 2015
April 30, 2014	500,000	$0.20	April 30, 2017
May 30, 2014	2,529,166	$0.21	May 30, 2016
Total	6,218,833		

(1)On January 14, 2014 the Company amended the terms of the 3,000,000 share purchase warrants issued on January 31, 2012. Each warrant entitled the holder to acquire one common share of the Company at $0.50 for a period of two years. The amendment resulted in 2,900,000 of the warrants being cancelled with the remaining 100,000 warrants being amended such that the exercise price was reduced to $0.21 and the expiry date extend to January 31, 2016. Should the closing price of the Company's shares be $0.25 or higher for ten consecutive trading days, the expiry of the warrants will be accelerated to the 30th day following such occurrence

NEW ACCOUNTING PRONOUNCEMENTS

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2014. The nature and the impact of each new standard and amendment is described below:

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32, *Financial Instruments: Presentation*

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Company, since none of the entities in the Company has any offsetting arrangements.

IFRIC 21, *Levies*

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Company as it has applied the recognition principles under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13, *Fair Value Measurement*. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at January 1, 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1, *First-time Adoption of International Financial Reporting Standards*. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at January 1, 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. It is not expected that this amendment would be relevant to the Company, since none of the entities within the Company has defined benefit plans.

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

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"), 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 and CFO 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 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 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 audited 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, 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 have concluded that, as at December 31, 2014, the Company's internal controls were adequate, except those relating to complex accounting issues which will require further strengthening.

Management Responsibility for Financial Reporting

The Company's December 31, 2014 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.

EWS 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, 2014 year-end financial statements, which have been audited on behalf of the shareholders by Ernst & Young 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.

Dilution

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

Additional Disclosure for Venture Issuers Without Significant Revenue

Throughout 2014, the Company made technical refinements to the TR Series System and the production of its main by product, carbon black. EWI made significant improvements in its ability to expeditiously process the dry removal of carbon black and is now looking to put in place off take agreements and commercialize the TR Series System.

The Company has switched focus from a technology company to a marketing company with the main focus being the commercialization of its TR Series tire recycling project. This project represents an economically viable solution to a large environmental problem. EWI is currently negotiating the sale of the TR series system with both public and private entities in Dubai, Brazil, Italy, the US and the Caribbean.

Additional recurring income will come through maintenance agreements and spare part sales. As well, the Company plans to generate revenue through joint ventures or leasing arrangements. (See Outlook and Growth Strategy)

As at December 31, 2014 the Company has recorded intangible assets consisting of acquired in-process development costs of $595,833 and marketing rights of $132,299 for total intangible assets of $728,132. These intangibles assets relate to the TR900 recycling prototype. Intangible assets are amortized straight-line over 5 years. Management assesses the value of intangible assets for impairment at each reporting period.

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 24, 2015:

	Number
Common shares outstanding	138,268,128
Issuable under options	10,415,000
Issuable under warrants	13,262,166
Total	**161,945,294**

Features of the options and warrants are described in Note 14 to the audited consolidated financial statements for the year ended December 31, 2014.

SUBSEQUENT EVENTS

Private Placement
On March 11, 2015, the Company closed in escrow a private placement for 2,850,000 Units with gross proceeds of $285,000, less agent's fees of nil. Each Unit consists of one common share and 0.15 of a share purchase warrant. A whole share purchase warrant allows for the purchase of one additional common share of EWI at a price of $0.10 per share through to March 31, 2017. All shares issued in the private placement were subject to a hold period that expires on July 11, 2015.

ADDITIONAL INFORMATION

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