This "Management's Discussion and Analysis" ("MD&A") has been prepared as of May 26, 2022 and should be read in conjunction with the interim condensed unaudited consolidated financial statements of Environmental Waste International Inc. ("Company", "EWI") for the three months ended March 31, 2022, and 2021. The Company's interim condensed consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars unless otherwise stated. All financial analysis, data and information set out in this MD&A are unaudited.

This Management discussion and analysis has been authorized for issuance by the Board of Directors on May 26, 2022.

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

OVERVIEW OF BUSINESS

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

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

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

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

The Company is well protected from an intellectual property point of view. It has patented its Reverse Polymerization™ Process and more recently has filed additional patents for a hybrid Reverse Polymerization™ Process. Besides these patents, the Company has a great deal of know-how embedded in its CTO and engineering team

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

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

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

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

During 2021 and up to the date of this MDA the Company achieved several significant milestones set out below:

- Completed the process of obtaining permanent environmental permits;
- Secured both short-term and started planning for long-term financing;
- Began upgrading the Company's plant in Sault Ste. Marie to a full-scale commercial facility;
- Filed additional patents;

OUTLOOK AND GROWTH STRATEGY

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

EWI has patents that allow tires to be recycled in an environmentally safe manner.

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

Commodity Sales

Carbon black, the major raw material in tires, is a specialty product. Stringent environmental laws are forcing the closure of older inefficient carbon black plants, causing pressure on supply. Recycled carbon black, especially if it is produced in a sustainable manner is expected to become an important part of the carbon black market. The growing market for carbon black puts EWI in an excellent position as it enters the commercialization phase. EWI Recycled Carbon Black has now been tested and accepted by a number of companies. At a recent conference Michelin and Bridgestone, the two largest tire manufacturers, committed to dramatically increasing their use of recovered carbon black in their manufacture of new tires.

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

Plant Sales

EWI's strategy is to sell systems at reduced gross margins to accelerate market penetration, while receiving a service fee on all revenues achieved by third party systems. While this will limit profits in the earlier years, it will develop a growing base of high margin, high value recurring profits in later years. There is intense government pressure around the world to deal with waste tires in a way that protects the environment. EWI has an agreement with a group in Denmark to build a 100,000 tonne per day facility in Nyborg, Denmark and is currently working on a number of plant sales with both public and private entities in Canada, Australia, the UK, Nepal, India, and Italy.

Owned and Operated Plants

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

HIGHLIGHTS AND SUMMARY

The following summarizes key events during the three months ended March 31, 2022, and up to the date of this MD&A:

Operating Highlights

The Company continued to focus its efforts on upgrading the plant in Sault Ste Marie plant to a commercial facility and nurturing sales relationships and opportunities. To better position itself, the Company retained Hybrid Financial Ltd. ("Hybrid") to provide marketing services. Hybrid has been engaged to heighten market and brand awareness for EWI and to broaden the Company's reach within the investment community. Hybrid has been engaged by the Company for an initial period of twelve months starting April 1, 2022 (the "Initial Term") and then shall be renewed automatically for successive six month periods thereafter, unless terminated by the Company in accordance with the Agreement. Hybrid will be paid a monthly fee of $22,500 during the Initial Term.

Effective April 17, 2022 Glenn Myers has resigned from the board for health reasons. The board thanks Glenn for his services and wise counsel and wishes him well. In addition, Bob MacBean, the CEO and a director of the Company, has agreed to extend the repayment date on funds owing to him to January 15, 2024. The amount owing as of January 15, 2022 was $286,223 and is composed of accrued salary and business expenses. Interest will accrue on this debt at the rate of 6% per annum.

Financial Highlights

Results for the three months ended March 31, 2022

During the three months ended March 31, 2022 the Company reported a total net loss of ($473,212) compared with net loss of ($639,024) during the three months ended March 31, 2022. Included in these results in Q1 2022 is a non-cash accounting gain for the change in valuation of a derivative liability of $89,471 (2021 – loss ($283,088)). Without this non-cash item, the loss for Q1 2022 is ($562,683) compared to a loss of ($355,936) in Q1 2021. The increase of $206,747 is largely explained by higher technology development expenses, sales, marketing and administration costs as well as higher stock-based compensation.

The Company's working capital deficiency at March 31, 2022 was ($3,297,262) compared to ($2,803,044) at December 31, 2021. The increase from year end is due to higher accounts payable and accrued liabilities at March 31, 2022. Included in current liabilities is $2,386,773 term loan to NOHFC for which terms are being renegotiated by Management and the NOHFC but is classified as short term, as well as $289,196 deferred compensation which maturity date was extended to January 15 ,2024. Finally, the shareholder advances of $386,821 were converted to capital stock once the shares were issued on closing of the private placement in April 2022. Without these items, actual working capital is as follows:

Working capital per balance sheet		($3,297,262)
Less:	NOHFC loan classified as current	$2,386,773
	Deferred compensation maturity date extended	$289,196
	Shareholder advances converted to equity	$386,821
Actual working capital deficit		($234,472)

During the three months ended March 31, 2022, the Company used $112,927 of cash available for operating activities, as compared to $ 213,941 used in Q1 2021. This decrease in cash of $101,014 can be explained primarily by the increase in accounts payable and accrued liabilities. The company used $175,651 in construction in progress costs relating to the plant upgrade in Sault Ste Marie in Q1, 2022 compared to incurring $8,010 on the purchase of furniture and equipment in Q1 for its new office premises in Whitby in Q1, 2021.

Financing activities generated $369,803 from shareholder advances received as proceeds received in advance from shareholders for the private placement that closed in April 2022 in the amount of $386,821 partially offset by $17,018 of mortgage and lease payments compared to generating $558,681 in Q1 2021. In Q1, 2021, the Company received $400,000 proceeds from the investment by Torreco in Ellsin representing 4% interest in Ellsin as well as additional $40,000 proceeds from CEBA loans in the quarter. $76,181 was received from the exercise of stock options and $50,000 from the exercise of warrants during Q1, 2021.

After March 31, 2022

On April 13, 2022 the Company announced that it has raised $825,000 in a $0.10 per unit private placement financing, including $386,821 received prior to end of the first quarter. Each unit consists of one common share and one share purchase warrant. Each warrant expires two years from the closing and has an exercise price of $0.15. Five members of the EWS Board of Directors and a senior member of management of the Company participated in the purchase of units in the offering. Certain members of Windspace A/S, the Danish company that is currently working on securing financing for a 100 tonne per day plant in Nyborg, Denmark utilizing EWI technology, also participated in the placement.

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

SELECTED FINANCIAL INFORMATION

The following table sets out selected information for the three months ended March 31, 2022 and March 31, 2021 and have been prepared in accordance with IFRS.

(unaudited)	Q1 2022 $	Q1 2021 $
Revenues	-	23,818
Operating loss	(516,105)	(297,506)
Net loss	(473,212)	(639,024)
Loss per share - basic	(0.002)	(0.003)
Weighted average number of shares outstanding - basic	258,418,943	247,571,706
Total assets	2,841,219	2,280,817
Shareholders' equity (deficiency)	(1,684,641)	(4,274,000)

DISCUSSION OF RESULTS

The following table summarizes the Company's operating results for the three months ended March 31, 2022 and 2021.

(unaudited)	Q1 2022 $	Q1 2021 $
Revenues	**-**	**23,818**
Technology development	103,502	66,609
Plant operations	22,372	64,410
Selling, marketing and administration	235,904	128,338
Stock based compensation	125,585	35,849
Depreciation and amortization	28,742	26,118
Total expenses	516,105	321,324
Operating loss	**(516,105)**	**(297,506)**
Gain on recognition of interest-free loans	-	6,254
Finance costs	(45,514)	(64,587)
Foreign exchange loss	(1,064)	(97)
Gain (loss) on fair value of derivative	89,471	(283,088)
Net Loss	**(473,212)**	**(639,024)**

Three months ended March 31, 2022 and 2021

The Company received **revenues** from a maintenance contract and an extended warranty contract with a client in the US which accounts for the $23,818 of revenues in Q1, 2021. This contract expired in August 2021, explaining why there are no revenues in Q1, 2022.

Technology development expenses of $103,502 in Q1 2022 compared to $66,609 in Q1 2021. Technology development costs include costs associated with all design and engineering and maintenance activities including compensation and people costs, contractor fees, third party engineering consulting fees, development costs and travel costs associated with the maintenance and warranty contract revenues. The increase of $36,893 is due to the hiring of additional engineers in the second half of fiscal 2021.

Plant Operations expenses in Q1, 2022 of $22,372 compared to Q1, 2021 $64,410. The decrease of $42,038 can be explained by the capitalization of costs to construction in process in Q1 2022 pertaining to the upgrade of the Sault Ste Marie plant which commenced subsequent to Q1, 2021 and therefore no costs were capitalized to construction in process in the same quarter last year.

Selling, marketing and administration expenses include compensation and people costs, consulting fees, travel and any other expenses in support of selling and marketing efforts, and administration costs including payroll costs, legal and accounting fees, regulatory costs, head office rent and telecommunications, business insurance, and office supplies. Expenses of $235,904 in Q1 2022 were higher than $128,338 in Q1, 2021. This increase of $107,566 is due to higher legal fees and business development fees in Q1 2022

Operating loss of ($516,105) in the three months ended March 31, 2022 compares to an operating loss of ($297,506) during the same period in 2021. The higher operating loss in Q1 2022 vs Q1 2021 of $218,599 is primarily due to higher technology and administration expenses as explained above, as well as lower revenues in Q1, 2022 compared to Q1, 2021 also explained above.

Stock-based compensation expense of $125,585 in Q1 2022 was higher than $35,849 in Q1 2021 due to the granting of options in 2021 at a higher price resulting in a higher value to expense over the vesting period versus the options granted at a lower price the prior year.

Depreciation and amortization totaling $28,742 in Q1 2022 was slightly lower than $29,118 in Q1 2021 due to addition made in fiscal 2021. The Company records depreciation on its property and equipment, as well as amortization of the right-of-use lease asset. Depreciation is not yet recorded on construction in process as the Sault Ste Marie plant is not yet in use.

Gain on recognition of interest-free loan of $6,254 in Q1, 2021 relates the additional $20,000 received by each of EWI and EWIR for CEBA government loans and represents the difference between the fair value of $33,746 and $40,000 of proceeds received, reflecting the interest-free nature of these loans.

Finance costs in Q1 2022 of $45,514 were lower than $64,587 in Q1 2021 primarily due to no interest on the promissory note which was converted in Q3 2021.

Foreign exchange loss of ($1,064) in Q1 2022 compared to a loss of ($97) in Q1 2021. Foreign exchange is based on the conversion of $US cash to $CAD cash at a rate on the date of conversion and the slightly higher loss in Q1 2022 can be explained by the decrease in value in the $CAD during the beginning of 2022.

Gain (loss) on fair value of derivative of $89,471 in Q1, 2022 represents the revaluing of the warrants that were attached to the convertible loan which were still outstanding and revalued at December 31, 2021. A gain in Q1 2022 resulted due to the decrease in stock price at March 31, 2022 compared to December 31, 2021 in relation to the exercise price and the value conferred on the holder of the warrants. In Q1 2021, the loss in amount of ($283,088) resulted in a loss due to an increase in stock price in Q1, 2021.

Net loss of ($473,212) in Q1, 2022 compared to net loss of ($639,024) in Q1, 2021. Included in Q1 2022 was a non-cash gain of $89,471 compared to a loss of ($283,088) in Q1 2021 resulting from the change in fair value of derivative liability. Without this non-cash item, net loss in Q1 2022 would be ($562,683) compared to a loss of ($355,936) in Q1 2021. The $206,747 higher loss in Q1 2022 is explained by higher operating costs partially offset by lower finance costs and a gain on change in value of derivative.

QUARTERLY FINANCIAL INFORMATION

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

(unaudited)	**2022**	**2021**				**2020**		
	March 31	**Dec 31**	**Sept 30**	**June 30**	**March 31**	**Dec 31**	**Sept 30**	**June 30**
Net income (loss) ($)	(473,212)	(358,714)	(2,091,277)	(674,099)	(639,024)	(358,714)	(2,091,277)	(674,099)
Weighted average # of Shares (000's)	258,419	246,434	225,987	214,424	247,572	246,434	225,987	214,424
Income (loss) per share ($)	(0.002)	(0.001)	(0.009)	(0.003)	(0.002)	(0.001)	(0.009)	(0.003)

LIQUIDITY AND CAPITAL RESOURCES

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

During Q1 2022, and subsequent to March 31, 2022:

- On April 13, 2022, the Company raised gross proceeds of $825,000 through a non-brokered private placement, including $386,821 collected prior to the end of the first quarter.
- Extended the repayment date on funds owing to the CEO to January 15, 2024. The amount owing as of January 15, 2022 was $286,223 and is comprised of accrued salary and business expenses. Interest will accrue on this debt at the rate of 6% per annum.

Change in cash flow during Q1, 2022

The Company had cash of $378,460 at March 31, 2022, compared to $297,235 at December 31, 2021. The Company received $386,821 by March 31, 2022 from the $825,000 private placement that closed just subsequent to the quarter end (see subsequent events section).

Working capital deficiency was ($3,297,262) at March 31, 2022 compared to working capital deficiency of ($2,803,045) at December 31, 2021. The decrease in working capital is primarily due to higher account payable and accrued liabilities at the end of Q1, 2022 compared to year end. Included in current liabilities is $2,386,773 term loan to NOHFC for which terms are being renegotiated by Management and the NOHFC but is classified as short term, as well as $289,196 deferred compensation which maturity date was extended to January 15, 2024. Finally, the shareholder advances of $386,821 were converted to capital stock once the shares were issued on closing of the private placement in April 2022. Without these items, actual working capital is as follows:

Working capital per balance sheet		($3,297,262)
Less:	NOHFC loan classified as current	$2,386,773
	Deferred compensation maturity date extended	$289,196
	Shareholder advances converted to equity	$386,821
Actual working capital deficit		($234,472)

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

PROVISIONS, COMMITMENTS AND CONTINGENCIES

Except as noted below, the Company does not have any material commitments as at March 31, 2022, or the date of this MD&A.

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

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

Partnership to enter the European Market

On August 25, 2020, the Company announced that it signed an agreement with a European development and investment company, WindSpace through its subsidiary Elysium Nordic (Elysium) to enter into a partnership to develop waste tire recycling plants across Europe. The first project of this partnership will be a TR100 tire recycling plant in Europe which utilizes the Company's reverse polymerization technology. Subject to certain conditions, exclusions and performance criteria, the Company granted to its partner exclusive rights to its technology across Europe. In exchange for these exclusive rights, its partner is required to meet performance criteria such as the timely purchase and construction of a TR100, and must order and build additional plants within the first five years of the partnership to retain their exclusive rights to this technology in Europe. That agreement has now expired, and Elysium is now exclusively focused on financing and building a TR 100 in Nyborg Denmark with plans to build a second TR100 on the same site.

WindSpace and/or some of the principals of WindSpace have participated in the June 30, 2020, April 22, 2021 and the April 13, 2022 private placements.

NON CONTROLING INTEREST

Torreco investment in Ellsin

On March 22, 2021, the Company announced an agreement with Torreco, Inc. for an investment of $7,000,000 in Ellsin, its subsidiary which owns its plant in Sault Ste. Marie, Ontario, representing 70% of Ellsin. Torreco has funded $1 million to date, and now owns 10% of Ellsin. Torreco is currently in breach of this agreement by not having advanced the remaining funds. The Company continues to move forward with the upgrade and commercialization of the Sault Ste. Marie plant and is actively seeking alternate financing solutions to fund this project.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern for the benefit of shareholders and other stakeholders by balancing cash conservation and prudent investment in its operations in order to further its business objectives. The Company includes equity in its definition of capital. Equity is comprised of share capital, contributed surplus, and deficit. The Company's approach to raising equity has been to raise sufficient capital to fund operating activities, with an objective of minimizing dilution for shareholders. To secure additional capital to pursue its objectives, the Company may raise additional funds through the issuance of equity. The Company's ability to raise equity capital is a function of many factors, including the state of the capital markets, and there is no assurance that capital will be available to the Company when required or on acceptable terms.

There have been no changes with respect to the overall capital management strategy during the three months ended March 31, 2022.

RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2022, the Company engaged in transactions in the normal course of operations with the following related parties.

(a) Transactions with related parties other than key management personnel

During the period ended March 31, 2022, the Company engaged in transactions in the normal course of operations with the following related parties. All of these transactions have been accounted for at the amount agreed to by the transacting parties as follows:

The Company recognized an expense during the period ended March 31, 2022, for shared-based compensation to directors in the amount of $36,325.

(b) Transactions with key management personnel

The Company recorded compensation expense during the period ended March 31, 2022, in the amount of $62,050 (2021 – $80,350) and share-based compensation in the amount of $41,575 (2021 – $13,026) to key management personnel.

The Company recognized an expense of $3,564 (December 2021 – $6,000) during the period ended March 31, 2022, for interest on deferred compensation to a key member of management who is also a director.

Accounts payable as at March 31, 2022, includes $31,006 (December 31, 2021 – $12,772) related to compensation of a key member of management who is also a director.

FINANCIAL INSTRUMENTS

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

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities [primarily for trade accounts receivable] and from its financing activities, including deposits with banks and financial institutions. Customer credit risk is managed subject to the Company's established policies, procedures and controls relating to customer credit risk management. The requirement for an impairment is analyzed at each reporting date on an individual basis.

Liquidity risk

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

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

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

Stock options

As at March 31, 2022, the Company had 13,862,150 stock options outstanding at March 31, 2022.

The following options to purchase shares were outstanding on March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	13,862,150	0.11	11,210,442	0.08
Granted	-		4,270,000	0.22
Exercised	-		(1,618,292)	0.08
Outstanding, end of period	**13,862,150**	**0.11**	**13,862,150**	**0.11**
Exercisable, end of period	**5,760,967**	**0.09**	**5,760,967**	**0.09**

During the period ended March 31, 2022, no options were granted, exercised or expired.

During the period ended March 31, 2022, the Company recognized stock-based compensation expense of $125,585 (2021 – $35,849).

Warrants

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

Pursuant to the financings on April 30, 2019, and September 16, 2019, the Company issued 4,750,000 and 11,850,000 common share purchase warrants that entitle the holder to receive one common share at a price of $0.20 for a year of three years. The value of these warrants are $129,089 and $285,726 respectively, for a total value of $414,815 which has been transferred from share capital to contributed surplus.

Pursuant to a financing on June 30, 2020, the Company issued 6,153,846 common share purchase warrants that entitle the holder to receive one common share at a price of $0.18 for a year of five years. The value of these warrants of $188,079 has been allocated to contributed surplus, less $3,296 of associated share issuance costs attributable to the warrants.

During year ended December 31, 2021, 250,000 warrants were exercised at $0.20 for total proceeds of $50,000. An amount of $11,146 related to the warrants exercised was transferred from contributed surplus to share capital.

A summary of the status of the Company's warrants at March 31, 2022, are as follows:

	Number of warrants	Weighted average remaining contractual life	Weighted average exercise price
	#	[years]	$
Balance, December 31, 2020	**26,466,346**	**2.24**	**0.18**
Exercised March 17, 2021	(250,000)	-	(0.20)
Balance, December 31, 2021	**26,216,346**	**1.24**	**0.18**
Exercised	-	-	-
Balance, March 31, 2022	**26,216,346**	**1.00**	**0.18**

Subsequent to March 31, 2022, 8,462,500 warrants expired - see Subsequent Events.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first-time certain standards and amendments, which are effective for annual years beginning on or after January 1, 2022. The Company has not earlier adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IAS 1, Presentation of Financial Statements

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 16, Property, Plant and Equipment

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use
can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37, Provisions, Contingent Liabilities, and Contingent Assets

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

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

Management's Report

Management, under the supervision of and with the participation of the Company's CEO and CFO, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined under National Instrument 52-109) and the Company's internal controls over financial reporting (as defined under National Instrument 52-109). Based on that evaluation, management and the CEO and CFO have concluded that, as at March 31, 2022, the Company's internal controls were adequate.

Management Responsibility for Financial Reporting

The Company's March 31, 2022 interim, condensed consolidated financial statements have been prepared by management in accordance with IFRS, and have been approved by the Board of Directors. The integrity and objectivity of these consolidated financial statements are the responsibility of management. In addition, management is responsible for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

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

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

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

For reference purposes, please refer to the March 31, 2022 interim condensed consolidated financial statements.

RISKS AND UNCERTAINTIES

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

Lack of Revenues; History of Operating Losses

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

Sales Cycle

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

Additional Financing Requirements and Access to Capital

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

Protection of Intellectual Property

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

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

Competition

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

Partnerships for Development and Commercialization of Technology

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

Negative Cash Flow and Absence of Profits

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

Conflicts of Interest

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

Share Price Volatility

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

COVID-19 Global Pandemic

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

Dilution

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

SUBSEQUENT EVENTS

$825,000 Private Placement

On April 13, 2022 the Company completed a non-brokered private placement for proceeds of $825,000 through the issuance of 8,250,000 units consisting of 8,250,000 common shares 8,250,000 share purchase warrants at $0.10 per unit. Each Warrant expires two years from the closing and has a strike price of $0.15. Five members of the Company's Board of Directors and a senior member of management of the Company participated in the purchase of units in the offering. Certain members of Windspace A/S, the Danish company that is currently working on securing financing for a 100 tonne per day plant in Nyborg, Denmark utilizing the company's technology, also participated in the placement.

Out of $825,000 the amount of $386,821 was received on the 29th of March, 2022 but the shares were not issued until April 2022. This amount was classified as shareholder advances for shares to be purchased on the balance sheet.

Deferred Compensation

On April 27, 2022 the Company signed an agreement to postpone the maturity date on the deferred compensation payable (note 7e) from January 15, 2022 to January 15, 2024.

Warrants Expiry

On April 30, 2022 and May 4, 2022 a total of 8,462,500 warrants expired unexercised.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During fiscal 2021 the three months ended March 31, 2022 and to date, the Company continued to progress towards commercialization of the TR Series System and upgrade of their plant in Sault Ste Marie.

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

SHARE DATA

The following table outlines all outstanding voting or equity securities including options and warrants of the Company which are convertible into, or exercisable or exchangeable for, voting or equity securities as of May 26, 2022:

	Number
Common shares	266,668,943
Issuable under options	13,862,150
Issuable under warrants	17,753,846
Total	**298,284,939**

Features of the options and warrants are described in Note 9 to the condensed interim consolidated financial statements for the three months ended March 31, 2022.

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.