This "Management's Discussion and Analysis" ("MD&A") has been prepared as of November 26, 2019, and should be read in conjunction with the interim condensed consolidated financial statements of Environmental Waste International Inc. (the "Company", "EWI") for the nine months ended September 30, 2019 and 2018. The Company's interim condensed consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars unless otherwise stated. All financial analysis, data and information set out in this MD&A are unaudited.

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

OVERVIEW OF BUSINESS

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

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

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

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

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

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

Currently, the Company is focused on the commercialization of its technology for the recycling and recapture of used tires and other rubber waste. The Company's proprietary Reverse Polymerization ("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 provides a significant percentage of the power required to run the plant. The oil and steel are sold as commodities.

Over the past two years the Company has achieved several milestones upgrading its pilot plant and making it more efficient with enhanced capabilities.

The Company has a sales funnel that now includes opportunities to:

- Sell the plant by-products including Carbon Black, Oil, Steel and Syngas
- Sell Plants to third parties that include ongoing royalty payments and maintenance agreements

The focus of the Company during 2018 which continues through 2019 is to:

- Complete the process of obtaining permanent environmental permits.
- Secure long-term financing
- Arrange for financing for the upgrade of the Company's full-scale pilot plant in Sault Ste. Marie
- Make progress towards commercial sales of EWI's technology in the form of a plant sale to a third party
- File Additional patents
- Renew the third year of a five-year contract with the US Department of Agriculture to maintain its liquid biological waste unit.

OUTLOOK AND GROWTH STRATEGY

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

EWI has a patented technology that can recycle tires in an environmentally safe manner.

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

Commodity Sales

Carbon black, the major raw material in tires, is a specialty product. Stringent environmental laws are forcing the closure of older inefficient carbon black plants, causing pressure on supply. Recycled carbon black, especially if it is produced in a sustainable manner is expected to become an important part of the carbon black market. The growing market for carbon black puts EWI in an excellent position as it enters the commercialization phase. EWI Recycled Carbon Black has now been tested and accepted by a number of companies.

EWI has also developed a process to refine the oil created during its 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's strategy is to sell systems at modest gross margins to accelerate market penetration, while receiving a service fee on all revenues achieved by third party systems. While this will limit profits in the earlier years, it will develop a growing base of high margin, high value recurring profits in later years. There is intense government pressure around the world to deal with waste tires in a way that protects the environment. EWI is currently working on a number of plant sales with both public and private entities in the U.S., Canada, Australia, the UK, Nepal and Italy. The Company is also evaluating a number of potential partners in China.

Owned and Operated Plants

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

Financing

While focusing on sales efforts and refining the final product, Management continues to actively pursue additional funds on an interim and long-term basis. The Company has been successful in the past several years, raising proceeds through private placements and debt. Through fiscal 2011 to 2018 the Company raised approximately $10 million through private placement equity financings and over $3.5 million in debt.

During the nine months ended September 30, 2019 the Company received total proceeds of $1,660,000 pursuant to private placements for common shares issued at $0.05 and $500,000 additional debt proceeds which increased their convertible note from $1,350,000 to $1,850,000. In September 2019, Management restructured debt to improve its balance sheet by settling a portion of a promissory note by converting $710,000 into equity and deferring the maturity date from September 30, 2019 to July 15, 2021. In addition, $56,446 of advances from directors were converted into equity, and $400,000 of compensation owed to key management personnel was deferred to January 15, 2022.

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.

HIGHLIGHTS AND SUMMARY

The following summarizes key events during the three and nine months ended September 30, 2019, and up to the date of this MD&A:

Financial Highlights during the period

- During the three and nine months ended September 30, 2019, the Company incurred net losses of $488,199 and 1,206,528 compared with $306,774 and $1,050,754 during the same periods in 2018. On a per share basis, for the three months ended September 30, 2019, the Company incurred net losses of $0.003, compared to $0.002 the corresponding period in 2018, and $0.007 during the nine months ended September 30, 2019 compared to $0.006 in the nine months ended September 30, 2018.

  During the nine months ended September 30, 2019, the Company used $832,356 of cash for operating activities, compared to $691,509 for the nine months ended September 30, 2018. The increase is due to higher operating expenses, primarily from increased legal and regulatory fees incurred to support business transactions in Q3, 2019.

- The Ontario Securities Commission revoked its previously issued cease trade order and the TSX Venture Exchange reinstated trading of EWS shares effective September 6, 2019. On May 14, 2019, the Company announced that a Cease Trade Order had been placed on the Company's stock pending the filing of the Company's 2018 Year End statements, which were subsequently filed on July 31, 2019.

- The Company obtained final approval from the TSX Venture Exchange of its previously announced non-brokered private placement offering which closed on April 30, 2019. The Company raised a total of $475,000 for the issuance of 9,500,000 units at the price of $0.05 per Unit.

- On September 16, 2019, the Company completed a private placement offering in the amount of $1,185,000 for the issuance of 23,700,000 units at the price of $0.05 per Unit. Net proceeds of the Offering will be used for general corporate and working capital purposes.

- The Company negotiated debt settlement agreements with EWI Investors LLC (of a director of the Company is the Managing Member), and two other directors. The Debt Settlement provides for an aggregate of $766,446 of the Company's outstanding debts to be settled through the issuance of an aggregate of 15,328,913 common shares at a price of $0.05 per share.

- As part of the debt settlements, the Company amended the promissory note held by EWI Investors LLC to reduce the principal amount from $1,537,130 to $1,000,000, and extended the maturity date from September 30, 2019 to July 15, 2021. The Company also negotiated an amendment to the unsecured convertible note with EWI Investors LLC, The Convertible Note was amended to increase the principal amount from $1,350,000 to $1,850,000 and made certain amendments to the conversion price.

- The Company entered into an agreement with a key management person and director of the Company, to defer the payment of $400,000 in unpaid compensation and business expenses, which are now currently due, January 15, 2022.

Operating Highlights during the period

- As of September 30, 2019 the Company has signed a binding joint venture agreement with one prospect which provides for the sale of a TR 4000 to a joint venture for US$15 million, with EWS having a 10% interest in this facility. All material terms have been agreed to pending funding of a US$1.5 million deposit, which EWI believes should occur. However, the transaction has not yet been consummated and there are no penalties if it is not.

- Management has been told that third party financing for a second and third project is progressing but not yet finalized. The remaining two projects are subject to third party financing. EWI cannot project the timing of these projects, and there are no guarantees that these transactions will be consummated. The price range for these MOUs is from US$9 TO US$20 million.

The company continues to improve its technology via research and development and progress in marketing activities. New and profitable outlets for Carbon Black have been developed and plant sales have moved closer to conclusion. Through continued testing, the Company has been able to significantly reduce the capital cost of a plant, increase throughput and reduce the energy consumption per tire.

Data gathered from various parts of the world have indicated that the economics of EWI tire processing plants are compelling. The return on investment of a plant ranges from 20% to over 75% depending on the size of the plant and the country of operation. The company has run successful tests to process municipal sludge, silage, wood and other organic substances, and continues to obtain client interest in its medical waste system.

SELECTED FINANCIAL INFORMATION

The following table sets out selected information for the nine months ended September 30, 2019 and 2018:

(Unaudited)	**Three months Sept 30 2019 $**	Three months Sept 30 2018 $	**Nine months Sept 30 2019 $**	Nine months Sept 30 2018 $
Net loss	**(488,199)**	(306,784)	**(1,206,528)**	(1,050,754)
Loss per share	**(0.003)**	(0.002)	**(0.007)**	(0.006)
Weighted average number of shares outstanding	**173,293,723**	165,827,736	**168,344,050**	165,199,754
Total assets	**2,671,539**	1,420,125	**2,671,539**	1,420,125
Working capital (deficiency)	**524,958**	(2,909,725)	**524,958**	(2,909,725)
Shareholders' equity (deficiency)	**(3,988,008)**	(5,147,005)	**(3,988,008)**	(5,147,005)

DISCUSSION OF OPERATING RESULTS

The following table summarizes the Company's operating results for the three and nine months ended September 30, 2019 and 2018.

(Unaudited)	**Three months Sept 30, 2019 $**	Three months Sept 30, 2018 $	**Nine months Sept 30, 2019 $**	Nine months Sept 30, 2018 $
Revenue	**59,302**	41,057	**142,977**	152,208
Operating, labour and manufacturing expense	**415,099**	218,176	**932,219**	842,023
Stock based compensation expense	**17,327**	19,222	**71,191**	52,298
Depreciation expense	**28,631**	21,315	**85,894**	63,946
Finance expense	**55,444**	58,175	**181,618**	165,911
Accretion expense	**28,282**	27,091	**80,906**	72,451
Foreign exchange loss	**2,718**	3,862	**6,677**	6,333
Net loss and comprehensive loss	**(488,199)**	(306,784)	**(1,206,528)**	(1,050,754)
Attributable to shareholders	**(488,199)**	(306,784)	**(1,206,528)**	(1,050,754)
Attributable to non-controlling interests	-	-	-	-
Loss per share – basic and diluted	**(0.003)**	(0.002)	**(0.007)**	(0.006)

Three months ended September 30, 2019 and 2018

The Company receives revenues from a maintenance contract and an extended warranty contract with a client in the US. During the three months ended September 30, 2019 revenues of $59,302 were higher compared to revenues of $41,057 during the same period in 2018 due to timing of maintenance work. On a year to date basis, revenues in 2019 were actually lower than 2018.

Net loss of $488,199 in the three months ended September 30, 2019 was higher than the loss of $306,784 during the same period in 2018. Operating, labour and manufacturing expenses and depreciation expense in 2019 were higher which accounted for the higher loss in the quarter. Operating expenses were higher due to increased legal and regulatory fees incurred in Q3.

Stock Compensation expense of $17,327 in Q3, 2019 was slightly lower than $19,222 in Q3, 2018 due to the timing of the vesting of outstanding and new options issued.

Depreciation expense of $28,631 during the three months ended September 30, 2019 was higher than $21,315 in the same quarter last year due to the inclusion of $7,676 of depreciation on the Right of Use lease asset with the adoption of IFRS 16 effective January 1, 2019.

Finance expense in the three months ended September 30, 2019 was $55,444 compared to $58,175 in 2018 which is slightly lower due to less interest, as a portion of the promissory note was settled during Q3, but on a year to date basis, overall interest is higher.

Accretion expense of $28,282 during Q3, 2019 was slightly higher than $27,091 in Q3, 2018. Accretion expense relates to the convertible loan issued in 2017 and increases as the loan gets closer to face value.

Nine months ended September 30, 2019 and 2018

The Company receives revenues from a maintenance contract and an extended warranty contract with a client in the US. During the nine months ended September 30, 2019 revenues of $142,977 were lower compared to revenues of $152,208 during the same period in 2018 due to less maintenance work performed year over year.

Net loss of $1,206,528 in the nine months ended September 30, 2019 was higher than the loss of $1,050,754 during the same period in 2018 due to higher operating and labour expenses, stock compensation, depreciation and finance expenses.

Operating, labour and manufacturing expenses of $932,219 in the nine months ended September 30, 2019 were higher than $842,023 in the same period last year primarily due to higher legal and regulatory fees to support business transactions in 2019.

Stock Compensation expense of $71,191 in 2019 was higher than $52,298 in 2018 due to the new options issued in 2019 that vested on grant date and therefore fully expensed during the period.

Depreciation expense of $85,894 during the nine months ended September 30, 2019 was higher than $63,946 depreciation in the same period last year due to the inclusion of $23,028 of depreciation on the Right of Use lease asset with the adoption of IFRS 16 effective January 1, 2019.

Finance expense in the nine months ended September 30, 2019 was $181,618 compared to $165,911 in 2018 due to higher interest expense on the promissory and convertible loan from higher loan balances up until September 16, 2019 when a portion of the promissory note was converted to equity.

Accretion expense of $80,906 during 2019 was higher than $72,451 in 2018. Accretion expense relates to the convertible loan issued in 2017 and increases as the loan gets closer to face value.

The following tables present an analysis of the operating, labor and manufacturing expenses of the Company for the three and nine months ended September 30, 2019 and 2018.

(unaudited)	**Three months Sept 30, 2019 $**	Three months Sept 30, 2018 $	**Nine months Sept 30, 2019 $**	Nine months Sept 30, 2018 $
Research and development - TR900	**42,157**	6,055	**52,725**	30,913
Salaries and benefits	**63,792**	76,787	**201,606**	252,996
General and administrative	**40,444**	33,606	**120,980**	113,661
Marketing, promotion and travel	**7,917**	7,486	**20,196**	30,445
Consulting fees	**77,120**	57,982	**211,325**	184,264
Legal, audit, regulatory	**148,354**	2,619	**228,097**	121,434
Occupancy costs	**35,315**	33,641	**88,290**	108,310
Total	**415,099**	218,176	**923,219**	842,023

Three months ended September 30, 2019 and 2018

Research and development costs relate to the TR900 tire recycling project and include development costs that are not eligible for capitalization. The amount of $42,157 in the three months ended September 30, 2019 is higher than $6,055 in 2018 due to the inclusion of an accounting provision of $25,000 in Q3, 2019.

Salaries and benefits of $63,792 in the three months ended September 30, 2019 were lower than $76,787 in the three months ended September 30, 2018 due to employees working less than full time during 2019.

General and administrative costs of $40,444 in the three months ended September 30, 2019 are higher than $33,606 in the same period of 2018 due to higher property and directors and officers insurance costs compared to the same time last year.

Marketing, promotion and travel expenses of $7,917 for the three months ended September 30, 2019 were consistent with prior year's second quarter amount of $7,486.

Consulting fees of $77,120 for the three months ended September 30, 2019 were higher than prior year's amount of $57,982. The increase is explained by business development consulting fees focusing on plant sales.

Legal, audit and regulatory expenses of $148,354 in the third quarter of 2019 compared to $2,619 in the three months ended September 30, 2018. The significant increase in Q3, 2019 relates to legal and investor relations costs pertaining to various regulatory matters, including the reinstatement application and revocation of the cease trade order by the Ontario Securities Commission. In addition, legal and regulatory fees were incurred in Q3, 2019 for compliance and disclosure issues relating to the financings completed in September and the annual general meeting that took place in September 2019.

Occupancy costs of $35,315 in the three months ended September 30, 2019 were slightly higher than $33,641 in the same period last which is due to timing of expenses, as on a year to date basis total occupancy costs are lower.

Nine months ended September 30, 2019 and 2018

Research and development costs relate to the TR900 tire recycling project and include development costs that are not eligible for capitalization. The amount of $52,725 in the nine months ended September 30, 2019 is higher than $30,913 in 2018 due to the inclusion of an accounting provision of $25,000.

Salaries and benefits of $201,606 in the nine months ended September 30, 2019 were lower than $252,996 in the nine months ended September 30, 2018 due to employees working less than full time in 2019.

General and administrative costs of $120,980 in the nine months ended September 30, 2019 are higher than $113,661 in the same period of 2018 due to higher property and directors and officers insurance.

Marketing, promotion and travel expenses of $20,196 for the nine months ended September 30, 2019 were lower than prior year's amount of $30,445 due to decreased travel costs during 2019 compared to 2018 at the same time.

Consulting fees of $211,325 for the nine months ended September 30, 2019 were higher than prior year's amount of $184,264. This is explained by business development costs incurred in 2019.

Legal, audit and regulatory expenses of $228,097 in the nine months of 2019 were higher than $121,434 in the nine months ended September 30, 2018. The increase in 2019 is due to higher legal and regulatory fees from significantly more business transactions, regulatory matters and filings in 2019 compared to 2018.

Occupancy costs of $88,290 in the nine months ended September 30, 2019 were lower than $108,310 incurred in the same period last year primarily due to lower rent expense as a result of the accounting treatment of the lease of premises in Ajax, pursuant to the new standard IFRS 16 adopted in January 2019.

QUARTERLY FINANCIAL INFORMATION

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

	2019 (unaudited)			**2018 (unaudited)**				
	Sept 30	**Jun 30**	**Mar 31**	**Dec 31**	**Sept 30**	**Jun 30**	**Mar 31**	**Dec 31**
Net loss ($)	488,199	381,089	337,240	92,151	306,784	381,829	362,141	642,094
Weighted average # of Shares (000's)	173,293	165,827	165,827	165,827	165,827	165,827	163,848	163,178
Loss per share ($)	(0.003)	(0.002)	(0.002)	(0.001)	(0.002)	(0.002)	(0.002)	(0.004)

LIQUIDITY AND CAPITAL RESOURCES

In the three and nine months ended September 30, 2019, 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 debts and government grants and tax credits. The Company has been in the development phase and in transition to commercialization and is not cash flow positive. The Company's ongoing ability to remain liquid will depend on a number of factors including EWI's successful commercialization of its TR900 tire recycling project, and the Company's ability to raise capital to fund this project until commercialization. (See "Risks and Uncertainties").

Through fiscal 2011 to 2018 the Company raised approximately $10 million through private placement equity financings and over $3.5 million in debt.

During the nine months ended September 30, 2019 the Company received total proceeds of $1,660,000 pursuant from private placements for common shares issued at $0.05 and $500,000 additional debt proceeds which increased their convertible note from $1,350,000 to $1,850,000. In September 2019, Management restructured debt to improve its balance sheet by settling a portion of a promissory note by converting $710,000 into equity and deferring the maturity date from September 30, 2019 to July 15, 2021. In addition, $56,446 of advance from directors were converted into equity, and $400,000 of compensation owed to key management personnel was deferred to January 15, 2022.

Cash used in operating activities

The Company's total cash at September 30, 2019, was $1,247,606 compared to $13,382 at December 31, 2018. The significant increase in cash from December 31, 2018 is from the $1,185,000 proceeds raised from the private placement that closed on September 16, 2019. Working capital was at September 30, 2019 at $524,959 compared to $4,766,485 at December 31, 2018. The improvement in working capital is due to the restructuring of debt, debt settlements, and financings completed in Q3, 2019.

For the nine months ended September 30, 2019, there was a net cash outflow from operating activities of $832,356 compared to $691,509 in the nine months ended September 30, 2018. The higher amount of cash used in operating activities in 2019 can be explained by higher operating expenses, namely legal and investor relations costs incurred to support the business transactions that closed in 2019.

Cash provided by financing activities

For the nine months ended September 30 2019, cash provided by financing activities was $2,066,580 compared to $706,832 in the same period in the prior year. In the nine months ended September 30, 2019 the Company received net proceeds of $1,602,005 from two private placements, and $500,000 debt proceeds which increased its convertible note from $1,350,000 to $1,850,000. This compared to $150,930 proceeds from private placements and $569,455 of additional debt in 2018.

PROVISIONS, COMMITMENTS AND CONTINGENCIES

Contingencies

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.

OFF BALANCE SHEET ARRANGEMENTS

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

MANAGEMENT OF CAPITAL

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

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

There have been no changes with respect to the overall capital management strategy during the nine months ended September 30, 2019.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2019, the Company engaged in transactions in the normal course of operations with the following related parties. All of these transactions have been accounted for at the exchange amount agreed to by the transacting parties as follows:

Transactions with related parties other than key management personnel:

During the nine months ended September 30, 2019 the Company received $500,000 additional proceeds from a Company owned by a Director of the Company that increased the convertible loan from $1,350,0000 to $1,850,000.

The Company recognized an expense during the nine months ended September 30, 2019 for interest on loans to the directors of $115,777 [2018 – $103,883]. At September 30, 2019, $166,500 was included in loans payable [December 31, 2018 - $223,514) On September 16, 2019, the company and a related party agreed to settle $710,000 of the total promissory amount owing by issuing 14,200,000 common shares of the Company at $0.05

As at September 30, 2019 the Company has $Nil [December 31, 2018 – $51,215] included in accounts payable and accrued liabilities owing to directors. On September 16, 2019, the Company settled $56,446 owing to directors by issuing1,128,913 common shares at $0.05.

Transactions with key management personnel:

The Company recorded compensation expense during the nine months ended September 30, 2019 in the amount of $191,750 [2018 – $229,519] and share-based compensation in the amount of $16,865 [2018 – $15,266] to key management personnel.

Accounts payable as at September 30, 2019, includes $135,465 [December 31, 2018 – $482,504] related to compensation of a key management person. On September 16, 2019 pursuant to a salary deferral agreement, $400,000 of compensation and expenses owing was deferred to January 15, 2022.

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.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

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

Stock Options and Warrants

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

During the nine months ended September 30, 2019, 3,280,000 stock options with an exercise price of $0.10 expired. In addition, the Company granted a total of 3,643,750 stock options including 2,650,000 at $0.06 which vest over three years and expire in five years. 331,250 options were granted at $0.10 and 662,500 at $0.18 which vest on the grant date and have a term of five years.

The fair value of all options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0% [2018 – 0%]; expected volatility of 188% [2018 – 186%]; risk-free interest rates of 1.74% [2018 – 1.0%]; and an average expected life of five years [2018 – five years]. This resulted in stock-based compensation expense of $71,191 during the nine months ended September 30, 2019 [2018 – $52,298].

Pursuant to the financings on April 30, 2019 and September 16, 2019, the Company issued 4,750,000 and 11,850,000 common share purchase warrants that entitle the holder to receive one common share at a price of $0.20 for a period of three years. The value of these warrants are $159,160 and $423,472 respectively, for a total value of $582,732 which has been transferred from capital stock to warrants.

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

NEW ACCOUNTING POLICIES

Except for the adoption of IFRS 16, the accounting policies applied in these interim condensed consolidated financial statements are consistent with those disclosed in Note 4 to the annual consolidated financial statements for the year ended December 31, 2018.

IFRS 16 Leases

The Company has adopted IFRS 16 with an initial adoption date of January 1, 2019. The Company utilized the modified retrospective method to adopt the new standard and therefore, the comparative information has not been restated and continues to be reported under IAS 17, Leases and related interpretations. IFRS 16 specifies how leases will be recognized, measured, presented and disclosed and it provides a single lessee model, requiring lessees to recognize right-of-use assets and lease liabilities for all major leases.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

The Company assesses, at the inception of contract, whether it contains a lease. A contract is classified as a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses:

- Whether the contract involves the use of an identified asset. This can be specified explicitly or implicitly and should be physically distinct or represents substantially all of the capacity of a physically distinct asset.
- Whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- Whether the Company has the right to direct use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct use of the asset if either:
    - The Company has the right to operate the asset; or
    - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any indirect costs incurred.

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful lives of right-to-use assets are determined using the same criteria as those for property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses and adjusted for certain remeasurements of the lease liability, if any. The lease lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company's incremental borrowing rate.

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 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 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, 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 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 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, 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 September 30, 2019, 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 September 30, 2019 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 December 31, 2018 year-end financial statements, which have been audited on behalf of the shareholders by MNP, LLP Chartered Professional Accountants, Licensed Public Accountants, the external auditors, in accordance with IFRS. The external auditors have full and free access to the Audit Committee with respect to their findings concerning the fairness of the financial reporting and the adequacy of internal controls.

RISKS AND UNCERTAINTIES

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

Lack of Revenues; History of Operating Losses

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

Sales Cycle

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

Additional Financing Requirements and Access to Capital

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

Protection of Intellectual Property

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

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

Competition

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

Partnerships for Development and Commercialization of Technology

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

Negative Cash Flow and Absence of Profits

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

Conflicts of Interest

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

Share Price Volatility

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

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

During the nine months ended September 30, 2019 and throughout 2018, the Company continued to improve the technology of the TR Series System and the production of its main by product, carbon black. EWI has made significant technology enhancements and progress towards commercial operations.

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

SHARE DATA

The following table outlines all outstanding voting or equity securities including options and warrants of the Company which are convertible into, or exercisable or exchangeable for, voting or equity securities as of November 26, 2019:

	Number
Common shares	214,356,649
Issuable under options	14,868,750
Issuable under warrants	20,312,500
Total	**249,537,899**

Features of the options and warrants are described in Note 8 to the interim condensed consolidated financial statements for the nine months ended September 30, 2019.

SUBSEQUENT EVENTS

The company granted 650,000 share purchase options to certain officers and directors at $0.06 per common share vesting over three years with an expiry of October 3, 2024.

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.