MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2017

Introduction

This Management Discussion and Analysis has been prepared to provide material updates and analysis of the business operations, financial condition, financial performance, cash flows, liquidity, and capital resources of Enviroleach Technologies Inc. ("Enviroleach" or the "Company").

The information provided herein should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2017 and the Annual MD&A for the year ended December 31, 2016.

The statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Enviroleach technologies is listed on the Canadian Securities Exchange under the symbol "ETI" and began trading on March 30, 2017. In addition to the listing on the CSE the company also started trading on the OTC-QB as "EVLLF" and the Frankfurt Stock Exchange as "7N2" during the year.

The company has developed a unique, cyanide free, cost-effective and environmentally friendly alternative to the toxic methods currently used in the hydrometallurgical extraction of precious metals for the mining and Electronic Waste (E-Waste) sectors.

Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. The effective date of this report is April 30, 2018.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Information and Statements" herein.

Information related to the Company is available for view on SEDAR at www.sedar.com and more information is also available on the Company's website at www.enviroleach.com .

Corporate Overview

Using the proprietary formula and process, Enviroleach extracts precious metals from the host material in a safe, environmentally friendly and sustainable fashion. The company's primary target industry sectors are the Mining Sector for the treatment of ores, concentrates, and tailings and the E-waste management sector for the treatment of electronic waste streams.

The EnviroLeach Process is similar to a cyanide circuit but safer and simpler. It involves the dissolution of the precious metals into the aqueous solution followed by extraction using conventional methods such as electrowinning, carbon absorption or precipitation. The operation is simple and does not require complex process circuits, intensive gas monitoring or detoxification systems.

The product is aimed at industry participants seeking an effective and safe alternative to cyanide and acid based solutions. The characteristics of the Enviroleach product creates very strong differentiation in the marketplace and provides unique positioning. The pending patents combined with the customization required for site optimization create significant barriers for competitors to overcome. The EnviroLeach Process is safe, eco-friendly, and provides comparable leach kinetics to that of cyanide or acid based lixiviants on most ores, concentrates, tailings and E-Waste.

In March 2017, the Company completed the transaction to purchase the technology rights. The rights to the technology for the concentration and extraction of valuable metals and minerals was acquired for a total purchase price of $7,889,909 in two separate agreements. to acquire the rights to technologies.

The first agreement was signed on December 13, 2016 in a transaction with Iberian, Mohave County Mining LLP ("Mohave"), and Steve Scott ("Scott"). Under this agreement, the Company is required to make payments to Mohave and Scott in order to affect the transfer of rights as required by an earlier agreement between them and Iberian. The total payments required to be made to Mohave and Scott are as follows:

2,000,000 Enviroleach shares	$ 100,000	(a)
Promissory note payable	$ 328,000	(b)
Advance royalty payable	$1,101,909	(c)
Total acquisition price	$1,529,909	

(a) Shares were issued in March 2017
(b) The balance represents $250,000 US.
(c) The balance represents the amortized cost of a non-interest bearing note of $1,000,000 US. The discount for interest is based on an annual interest rate of 5.0%, compounded monthly and a term of 39 months, based on projected cash flows.

The advance royalty payable is based on a payment of 10% of the "Net Profit Available for Distribution" paid quarterly to a maximum of 1,000,000 USD, with a minimum monthly payment of 5,000 USD. The minimum monthly amount is payable irrespective of whether profits are realized.

The full rights to the technology were acquired for another $6,360,000 in a separate agreement with Mineworx, signed December 19, 2016. The price paid was as follows:

a) The issue of 28,000,000 common shares valued at $4,760,000 or $0.17 per share, and

b) Promissory note of $1,600,000. The note, under which $600,000 is to be repaid within year and the balance of $1,000,000 within two years. The note bears interest of 5.0% per annum, compounded monthly payable.

This transaction was approved by the Mineworx shareholders on March 14, 2017 and the Court of Queens Bench on March 15, 2017. The transaction was finalized on March 21, 2017.

Overall Performance

The Company was very active in the development and commercialization of its technology. In the new lab facility, the company successfully constructed and demonstrated a lab scale pilot plant. This demonstration was the proof of concept that the Enviroleach process recovered the target metals from raw E-waste and the final stage required to sign a partnership with Jabil Inc. for the processing of E-Waste material. This agreement was signed with Jabil in September 2017.

To deliver on the requirements of the Jabil Inc. partnership the Company entered into a Joint Venture with Mineworx. Mineworx received a 20% equity interest in the Joint Venture in return for providing proprietary grinding technology and design build expertise.

Through the joint venture the company completed the design and fabrication of the initial commercial plant at facilities in the Vancouver area. The plant is designed to process 10 tonnes per day of Printed Circuit Board Assemblies. All the modular components were delivered to a 650,000 sqft facility on Memphis owned by Jabil and assembly and commissioning were started.

Although the primary focus of the company has ben on the E-waste sector the company continues to test mining ores and discuss opportunities in the mining sector.

Selected Annual Financial Information

	December 31, 2017	December 31, 2016	December 31, 2015
Revenues from continuing operations	$ -	$ -	$ -
Loss and comprehensive loss	(4,069,549)	(141,415)	-
Loss per share - basic and diluted	(0.10)	(0.06)	-
Total assets	8,468,751	1,964,538	-
Total liabilities	3,466,598	1,555,953	-
Working capital (deficiency)	(939,313)	(61,293)	-

Summary of Quarterly Results

The following financial data is selected information for the Company for the eight most recently completed financial quarters, prior to October 21, 2016 the Company had no operations:

	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016	Jun 30, 2016	Mar 31, 2016
Total revenue	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
loss for the period	(770,368)	(785,061)	(766,380)	(1,754,230)	(139,618)	Nil	Nil	Nil
Income (loss) per share	(0.01)	(0.02)	(0.02)	(0.10)	(0.06)	Nil	Nil	Nil

Financial results

The Company had no operating revenue for the year ended December 31, 2017 or 2016. For the year ended December 31, 2017, the Company incurred a net loss of $4,069,549 ($0.10 loss per share) and a loss of $141,415 in 2016. In 2016 the company had no operations prior to October 21, 2016 so all comparisons are between a full year of operations in 2017 and only a partial period in 2016.

The company incurred $437,962 in expenses related to listing the company on public markets, during the period the Company began trading on the Canadian Securities Exchange (CSE), the OTCQB in the United States, and the Frankfurt Stock Exchange (FSE). Included in this total is $129,542 for legal fees, $98,236 for regulatory and application fees, $129,542 related to consultants used during the process, and $49,322 for director fees and insurance.

Costs related to the operation of the lab were $357,099, this includes the facility overhead and the testing and supplies consumed during the refinement of the technology and testing of various materials.

The costs for the management and employees were $648,592 (2016 - $13,936) the company grew the organization both on the technical and administrative sides.

Professional fees of $142,516 (2016 - $50,415) relate to costs associated with legal and audit requirements, Work finalizing the agreements with Jabil and Mineworx contributed to the legal costs.

General and Administration costs of $414,818 (2016 - $21,167) includes $136,780 (2106 - $1,516) for travel, $146,063 (2016 - $330) for marketing and promotions, $51,425 (2016 – $10,575) for management consulting, and $80,550 (2106 - $8,746) for office supplies.

Project costs of $346,827 (2016 - $22,444) primarily are result of expenses for the start-up of the Jabil E-waste operation.

Interest fees of $68,530 includes $12,053 regarding the amortization of the minimum monthly royalty payments and $54,928 related to interest accrued on the Mineworx note payable.

Stock based compensation was $1,220,477 for 5,306,000 options issued during the year ended December 31, 2017.

Amortization costs of $863,611 related primarily to the technology intangible asset that is being amortized over a 10-year life.

The Company recognized a gain of $87,874 from repaying a promissory note early at a discounted amount.

There was a foreign exchange gain of $73,314 relating to USD transactions compared to a loss of $33,267 in 2016.

The E-waste joint venture reported a loss of $1,243,048, the 20% Mineworx minority interest of $248,610 was recorded as a gain in the Enviroleach statements.

Quarterly results

In the quarter ending December 31, 2017 the Company incurred a loss of $770,368 (2016 - $141,415), $(0.01) per share. There was no revenue from operations in the quarter.

The general and administration expensed were $966,338 (2016 - $108,148) and included:

$346,826 for project costs associated with the start-up of the Jabil E-waste operation,

$208,363 (2106 - $13,936) for management and employees,

$38,429 for public listing costs primarily related to regulatory and director's costs,

$83,405 for operating the laboratory facility including testing supplies and overheads,

$80,009 for 100,000 stock options issued to a consultant and other previously issued options that vested,

$21,817 (2016 - $50,415) for audit and legal fees, $12,925 (2016 - $10,575) for consultants, and $39,821 (2016 - $1,516) for travel,

$61,891 (2016 - $330) in marketing was spent to increase the profile of the Company,

$22,516 (2016 - $8,746) was spent on office supplies,

$50,337 (2016 - $186) in interest expense included amounts related to the amortization of the minimum monthly royalty and interest accrued on the outstanding balance of the Mineworx note payable.

In 2016 the only other costs were a loss on foreign exchange related to USD transactions of $33,267 compared to a gain of $8,862 in the three months ending December 31, 2107.

Amortization costs of $63,954 (2016 - $nil) related primarily to the technology intangible asset that is being amortized over a 10-year life.

The E-waste joint venture reported a loss of $1,243,048 in the three months ending December 31, 2017, the 20% Mineworx minority interest of $248,610 was recorded as a gain in the Enviroleach statements.

Liquidity and Capital Resources

At December 31, 2017, the company's cash position was $981,712 and the working capital deficit was $2,822,588.

The Company raised a net of $2,945,886 through a private placement of 12,000,000 common shares at $0.25. $51,500 was also received from the exercise of finders warrants at $0.25 and $265,000 from the exercise of 530,000 warrants at $0.50.

A customer advanced funds of $2,267,219 related to the fabrication of the E-waste processing plant. The Company owes Mineworx $429,194 for expenses incurred for the joint venture, which is represented as due to related parties.

The company spent $1,382,407 on the fabrication and assembly of the wet side of the E-waste processing plant that is included in the inventory account.

The company made payments of $621,357 for repayment of amounts due from the acquisition of the technology rights.

The Company is in the development phase and is not generating revenue as yet, it is expected that the working capital balance will follow a cycle of reduction and replenishment. Management currently follows a policy of raising only sufficient capital to carry out its near-term plans. This policy is meant to minimize dilution of shareholders' positions by raising capital when the stock price is at higher levels.

Equipment

The Company spent a total of $1,439,452 on property and equipment during the year ending December 31, 2017. $271,239 was for equipment for the new lab and office facility, $192,046 was spent to construct the lab scale pilot plant, and $976,167 for the fabrication of the E-waste processing plant.

Intangible assets

The 2017 value of $7,100,918 (2016 - $1,529,909) includes $6,630,000 that was added to the technology asset on completion of the second stage of the asset purchase transaction and reduced by $788,991 for amortization. The asset was reviewed for potential impairment at the end of 2017. The reviewed determined based on projected discounted cash flows that the value is not impaired and doesn't need to be adjusted

Capital Commitments

The Company had no commitments for property and equipment expenditures for fiscal 2017. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

Related party balances

The amounts due to officers and directors of the Company are as follows:

	December 31, 2017	December 31, 2016
Included in accounts payables and accrued liabilities[(i)]	$ 5,546	$ -
	$ 5,546	$ -

(i) These amounts are for unpaid management fees and expenses. They are unsecured, non-interest bearing and have no fixed terms of repayment.

Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. At December 31, 2017, management considers the Company’s exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2017, the Company had a cash balance of $981,712 to settle current liabilities of $3,466,598.
So far, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company’s access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2017, the Company was not exposed to significant interest rate risk.

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Proposed Transactions

At the date of this MD&A, there are no disclosable transactions that the board of directors or senior management are aware of.

Outstanding Share Data

Authorized share capital

Unlimited number of common shares without par value.

Common shares

At December 31, 2017, there were 51,736,000 issued and fully paid common shares.

At April 30, 2018, there were 60,251,000 issued and fully paid common shares.

Stock options

At December 31, 2017, there were 5,100,000 stock options outstanding at a weighted average exercise price of $0.27 and 5,050,000 exercisable at a weighted average exercise price of $0.27.

At April 30, 2108, there were 5,200,000 stock options outstanding and exercisable at a weighted average exercise price of $0.32

Warrants

At December 31, 2017, there were 11,676,000 warrants outstanding and exercisable at a weighted average exercise price of $0.50.

At April 30, 2018, there were 16,966,333 warrants outstanding and exercisable at a weighted average exercise price of $1.31.

Off-Balance Sheet Arrangements

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

Forward-Looking Information and Statements

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating to: the future opportunities for the Company; the business strategy of the Company; and the competitive advantage of the Company.

In addition, forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.