



Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

EnviroMetal Technologies Inc.

Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

Introduction

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

The information provided herein should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements (Interim Financial Statements) and the notes thereto for the nine-month period ended September 30, 2021 and the audited consolidated financial statements for the year ended December 31, 2020.

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

EnviroMetal Technologies Inc. is listed on the Canadian Securities Exchange (the CSE) under the symbol ETI and began trading on March 30, 2017. In addition to the listing on the CSE, the Company also trades on the OTCQX and Frankfurt Stock Exchange under the symbols EVLL and 7N2, respectively.

The Company has developed a unique, cost-effective, cyanide free, and more environmentally friendly alternative to current broadly used methods for the hydrometallurgical extraction of precious metals from ores, concentrates and other host material for use in the primary and secondary metals sectors.

Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. The effective date of this report is November 24, 2021.

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 additional information is also available on the Company's website at www.EnviroMetal.com.

Corporate Overview

EnviroMetal develops and markets technologies for the extraction of precious and other valuable metals from printed circuit board assemblies (PCBAs) and mineral concentrates in a safe, environmentally friendly, and sustainable manner. The Company's technology is used in the electronic waste (E-waste) processing industry to recover of gold and other valuable metals from printed circuit board assemblies; and the mining industry for the recovery of gold from of ores and concentrates. The Company operates a large pilot scale E-waste processing facility (EnviroCircuit) located in Surrey, British Columbia and is seeking opportunities to license its technology to companies in the mining and E-waste processing industries.

The EnviroMetal leach process is similar to conventional methods for the recovery of gold, but the Company's proprietary lixiviant formula and unique process eliminates the use of toxic leaching agents such as sodium cyanide or acid-based solutions. EnviroMetal's metal recovery technology targets industry participants seeking an on site or domestic processing solution with low logistics and third-party costs and a reduced environmental impact.

The EnviroMetal technology creates very strong differentiation in the marketplace and provides unique positioning. The pending and awarded patents combined with the process knowledge required for site optimization create significant barriers for competitors to overcome. The EnviroMetal process is cost competitive, safe, sustainable, and holds potential for multiple revenue streams.

EnviroMetal Technologies Inc.

Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

Overall Performance and Operations

During the period, the Company continued to pursue and develop commercial relationships in the primary and secondary metals industries for its patented metal recovery technology. In the primary metals industry, the Company is focussed on opportunities for the recovery of gold from concentrates and ores including In-Situ Recovery. In the secondary metals industry, the focus is the recovery of gold and other metals from electronic waste.

During the three and nine-month periods ended September 30, 2021, EnviroMetal continued to build and expand its E-waste supply network to feed the EnviroCircuit facility. The Company's supply network consists of small-scale recyclers and larger, integrated companies operating multiple facilities within the North American market. In addition, the Company continued to pursue international suppliers with encouraging results. Over 151 tonnes of E-waste were processed at EnviroCircuit during the nine-month period ended September 30, 2021. An additional 100+ tonnes of feedstock are currently in inventory at EnviroCircuit, and additional feedstock has been secured for processing during the fourth quarter of 2021.

EnviroMetal has and will continue to focus on the following operational and corporate objectives:

- Identify and secure feedstock to ensure the EnviroCircuit facility can operate continuously and efficiently;
- Enter partnerships and commercial agreements with integrated recycling companies;
- Advance existing letters of intent toward definitive agreements for technology licenses; and
- Pursue opportunities with mining partners that offer near term revenue potential.

Following the re-start of processing at EnviroCircuit in February 2021, the Company continued to identify and make improvements in process technologies to increase production, improve metal recoveries, and lower costs. In early July processing at EnviroCircuit was suspended in order to implement processing improvements which include upgraded grinding equipment, augmented non-ferrous recovery equipment, and enhanced mechanical separation. Despite delays in receiving some of the new equipment, the planned improvements and upgrades were substantially completed by the end of October. The Company anticipates the improvements will result in higher metal recoveries, reduced operating costs, and increased process throughput and efficiency.

The Company's laboratory and research facility continues research to expand the effectiveness of the EnviroMetal process to allow for the recovery of additional metals, including tin and copper, from PCBAs. The copper and tin recovery process targets copper/tin rich concentrates such as those produced at EnviroCircuit. The concentrates are treated with a hydrometallurgical process to dissolve copper and tin into solution under ambient temperature and pressure conditions. Following dissolution, the copper is recovered using conventional electrowinning technology as almost pure copper metal, and the tin is then removed from solution using proven physical separation methods to produce a marketable tin oxide product.

In June 2021, the Company entered into an agreement with Ocean Partners USA Inc., an affiliate of Ocean Partners Holdings Limited. Pursuant to the agreement EnviroMetal will use its patented and eco friendly metal extraction process to recover gold from gold mine materials. The Company also entered into a license agreement and a technology support and service agreement with HeliosX Corp. Pursuant to the license agreement, HeliosX Corp. may use the Company's technology to extract gold from concentrates and ores.

COVID-19 Pandemic Impacts

The COVID-19 pandemic has directly and dramatically impacted EnviroMetal's business. Due to isolation and quarantine requirements for businesses and limits on travel and commercial shipments, the E-waste supply chain and resulting supply of the Company's target

EnviroMetal Technologies Inc.
Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

feedstock of PCBAs was severely curtailed. Shortly after the EnviroCircuit pilot plant received R2/RIOS certification, which positioned the Company for commercial operations and revenue, almost all E-waste supply within the Company's supply network was disrupted.

While available supply was limited during the majority of 2020 and remains constrained, the Company has maintained consistent communication with electronics recyclers and other potential suppliers to continue to build business partnerships and identify supply opportunities. Market intelligence indicates the conditions limiting supply are slowly improving and the Company is pursuing commercial arrangements with multiple partners as recycling volumes increase.

The COVID-19 pandemic has not only affected the supply of available E-waste it has also affected international shipping. Shipping costs, container availability and port access have been impacted negatively. Higher shipping and port costs, and border, customs and port delays have resulted in delays in receiving feedstock, increased downtime, higher operating costs and delays in shipping finished materials to downstream processors.

Selected Annual Information

The Company had working capital of \$2.5M as at September 30, 2021, an decrease of \$40K over September 30, 2020. The change in working capital is the net result of \$7.4M in net proceeds raised in the March and December 2020 private placements of units, offset by operating and corporate expenditures incurred in 2020 and during the first 3 quarters of 2021.

	Three months ended September 30		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues	\$ 19,540	\$ 573,572	\$ 624,708	\$ 830,749
Loss and comprehensive loss attributable to:				
Shareholders	(2,268,709)	(1,019,693)	(4,644,839)	(4,165,999)
Non-controlling interest	-	(212,160)	(108,907)	(679,806)
	\$ (2,268,709)	\$ (1,231,853)	\$ (4,753,746)	\$ (4,845,805)
Loss per share - basic and diluted	(0.024)	(0.017)	\$ (0.051)	\$ (0.066)
		September 30,	December 31,	September 30,
		2021	2020	2020
Total assets	\$ 15,377,138	\$ 16,566,928	\$ 13,485,957	
Total liabilities	5,357,455	2,132,625	1,752,773	
Working capital	2,499,530	5,579,043	2,518,725	

EnviroMetal Technologies Inc.
Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

Operational Financial results – For the three and nine-month periods ended September 30, 2021 and 2020

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues	\$ 19,540	\$ 573,572	\$ 624,708	\$ 830,749
Expenses				
Operating costs	(289,697)	(866,487)	(868,051)	(1,192,987)
Management and Employee costs	(393,338)	(347,417)	(1,096,411)	(1,152,726)
General and administration (Note 13)	(493,645)	(128,250)	(1,335,302)	(902,222)
Share-based payments (Note 11)	(30,213)	-	(30,213)	(985,890)
	(1,206,893)	(1,342,154)	(3,329,977)	(4,233,825)
Loss before other items	(1,187,353)	(768,582)	(2,705,269)	(3,403,076)

Revenues - The Company recognized revenue of \$19,540 and \$624,708 during the three and nine-month periods ended September 30, 2021 from the sale of recovered metals as compared to \$573,572 and \$830,749 during the 2020 comparative periods. The re-start of the E-waste processing plant following the COVID shutdown resulted in a 64% increase in revenues during the first six months of 2021 as compared to 2020, after allocation of an adjustment to the revenues recorded during the third quarter of 2021. The temporary suspension of operations in Q3 for plant upgrades, combined with an adjustment of \$182,500 to revenues recorded in Q1 and 2 of 2121, have negatively affected the revenues during the three-month period ended September 30, 2021.

Operating Expenses – The operating expenses to sales ratio during the nine-month period ended September 30, 2021 was 1.39 as compared to 1.80 for the nine-month period ended September 30, 2020. The improvement of the ratio is primarily due to changes to the plant process flow and reduction of expenses related to the commissioning of the EnviroCircuit plant, offset by increased freight costs linked to current port congestion. The Company also benefited from government rent subsidies, amounting to \$37,570 and \$123,477 for the three and nine-month periods ended September 30, 2021, respectively (2020 - \$nil). Included in operating expenses are laboratory costs which were reduced by 11% and 48% during the three and nine-month periods ended September 30, 2021, respectively, as compared to the same periods in 2020 following efficiency gains in testing and reduced development costs, with expenses totalling \$15,621 and \$43,853 for the three and nine-month periods ended September 30, 2021.

Management and Employee costs - Management and employee compensation costs during the three and nine-month periods ended September 30, 2021 were partially offset by Canada Emergency Wage Subsidies of \$105,327 and \$318,967, respectively (2020 - \$219,466 and \$396,713, respectively). The Company also benefited from wage subsidies of \$37,706 and \$90,723, respectively (2020 - \$33,943 and \$365,503, respectively) from IRAP associated with its research on copper and tin recoveries and participation in youth programs. The wage subsidies have partially offset the increase in compensation related to new hires, resulting in a year-to-year decrease of 5% in management and employee costs.

EnviroMetal Technologies Inc.
Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

General and administrative – During the three and nine-month periods ended September 30, 2021 and 2020, general and administration costs were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Consulting fees	\$ 50,325	\$ 16,200	\$ 130,914	\$ 44,176
Office and general	6,722	(32,662)	126,606	146,081
Professional fees	236,361	53,639	570,258	209,669
Public Company Costs	177,325	133,576	481,466	400,358
Travel	22,912	(42,503)	26,058	101,938
	<u>493,645</u>	<u>128,250</u>	<u>1,335,302</u>	<u>902,222</u>

The Company suspended some non-essential activities starting the second quarter of 2020 to preserve cash resources during these unprecedented times. During the three and nine-month period ended September 30, 2021, activities have gradually resumed and the Company is funding efforts in communicating with investors and seeking agreements for the licensing of its technology. The Company is also incurring higher audit costs following the engagement of new auditors.

Office and General costs decreased during the nine-month periods ended September 30, 2021 as compared to 2020 following efficiency gains and the reduction of expenses that are not instrumental to our operations, as well as \$35,056 (2020 - \$nil) in federal government CERS rent relief.

Legal fees associated with the civil claim against Mineworx (refer to note 19 of the Company's unaudited financial statement for the three and nine-month periods ended September 30, 2021 and to the section Contingencies below) as well as audit fees related to the Company's restatement account for the increase in professional fees in 2021.

Travel resumed in the three-month period ended September 30, 2021, but overall travel costs remain considerably reduced in 2021 as compared to 2020.

Other items – On January 29, 2021, the Company settled the advance royalty payable in full by way of a cash payment in the amount of USD 150,000 and by issuing 250,000 common shares in the capital of the Company. The advanced royalty was presented at \$532,392 as at December 31, 2020, which represented the unamortised cost of the non-interest-bearing note of USD 1,000,000, discounted at a rate of 22.0% per annum, compounded monthly over a term of 39 months and based on projected cash flows. The settlement resulting in the Company recognising an interest charge of \$392,151 and a gain on settlement of debt of \$629,850. During the three-month period ended September 30, 2021, the Company recorded \$604,467 related in the write-down of assets at the plant that were replaced as part of the plant refurbishment.

Overall performance - For the three and nine-month periods ended September 30, 2021, the Company incurred a loss attributed to shareholders of \$2,268,709 and \$4,644,839 as compared to \$1,019,693 and \$4,165,999 in the 2020 comparative periods. No portion of the loss for the six-month period ended September 30, 2021 has been attributed to Mineworx following the termination of the joint venture agreement by the Company on April 5, 2021 (refer to note 19 of the Company's unaudited financial statement for the three and nine-month periods ended September 30, 2021 and to the section Contingencies below). Net loss per common share, basic and diluted for the nine-month period ended September 30, 2021 was \$0.051, as compared to \$0.066 in 2020.

EnviroMetal Technologies Inc.

Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

During the three and nine-month periods ended September 30, 2021, the Company the Company settled the advance royalty payable in full. Refer to Operational Financial Results section.

The Company incurred \$23,257 in patent costs during the nine-month period ended September 30, 2021. The patent costs represent the costs of applying for a patent on the Company's technology. In January 2020, the Company was issued two patents for its technology which are being amortized over the 20-year life of the patents (with 17 years remaining as at December 31, 2020).

During the nine-month period ended September 30, 2021, the Company incurred \$253,746 in lease obligations.

Capital Commitments

As at September 30, 2021, the Company did not have contractual obligations other than those already disclosed in its Interim Financial Statements. 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.

Off-balance sheet arrangements

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

Transactions between Related Parties

The condensed consolidated interim financial statements are prepared by consolidating the financial statements of EnviroMetal Technologies Inc. and the accounts of the EnviroCircuit joint venture project with Mineworx Technologies Ltd. Transactions with Mineworx are considered transactions with a related party.

The Company had no additional transactions with related parties except for compensation of key management personnel and payment to its directors.

Financial risk management

The Company's existing business involve the operation on its plant and use of its proprietary technology for the extraction of precious metals for the mining and E-waste sectors, which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, credit risk, liquidity risk, market risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

Foreign currency

The Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 September 30, 2021 and December 31, 2020, the Company was not exposed to significant interest rate risk.

EnviroMetal Technologies Inc. Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

At September 30, 2021, the Company has net liabilities of USD 3,172,765 due in USD (December 31, 2020 – USD 751,313). A 10% weakening against the US dollar of the currencies to which the Company had exposure would have had a \$404,242 impact on net liabilities (December 31, 2020 - \$95,660). A 10% strengthening against the US dollar would have had the opposite effect.

Credit risk

The Company's credit risk is primarily attributable to cash and trade and other 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 September 30, 2021 and December 31, 2020, 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 September 30, 2021, the Company had a cash balance of \$1,508,364 (December 31, 2020 \$5,511,314) to settle current liabilities of \$5,334,758 (December 31, 2020 - \$1,584,828).

Proposed Transactions

The Company continually reviews potential merger, acquisition, investment, and other joint agreement and strategic transactions that could enhance shareholder value. However, as of the date of this MDA, there are no proposed transactions currently under examination.

Outstanding Share Data

Authorized share capital - Unlimited number of common shares without par value.

	November 22, 2021	September 30, 2021	December 31, 2020
Common shares, issued	93,696,002	93,696,002	93,046,002
Stock options, outstanding	7,460,000	7,610,000	9,150,000
Warrants, outstanding	21,828,352	21,828,352	21,828,352
Fully Diluted	122,984,354	123,134,354	124,024,354

Contingencies

The Company commenced a civil action against Mineworx Technologies Ltd. and related parties (jointly, the Mineworx Defendants) in the Supreme Court of British Columbia in June 2021.

EnviroMetal Technologies Inc.

Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

The claims against the Mineworx Defendants include, among other things, the following:

- The Mineworx Defendants, through various agreements with EnviroMetal, gained access to certain of EnviroMetal's intellectual property relating to the development and commercialization of environmentally friendly chemical formulas and technologies for use in the treatment of materials in the primary and secondary metals sectors. EnviroMetal has since terminated those access agreements.
- Because access to EnviroMetal's IP has been terminated and without a license from EnviroMetal, the Mineworx Defendants are not entitled to use or otherwise exploit any of EnviroMetal's IP.
- The Mineworx Defendants have failed to comply with EnviroMetal's notices to cease and desist using EnviroMetal's IP and they continue to make public statements in relation to their purported ability to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."
- Absent the prior access to EnviroMetal's IP, the Mineworx Defendants lacked the scientific or technical resources and capabilities to develop and commercialize "proprietary, environmentally friendly processing technologies for the recovery of precious metals."

The Mineworx Defendants are purporting to be competing with EnviroMetal in the recovery of platinum group metals from spent catalysts using a chemical formula and process based on EnviroMetal's IP without a license to do so from EnviroMetal. These actions by the Mineworx Defendants are in breach of the access agreements, confidentiality agreements, as well as the asset purchase agreement between Mineworx and EnviroMetal dated December 19, 2016. These actions also constitute breach of confidence.

EnviroMetal is seeking, among other relief from the court, general, aggravated and punitive damages against the Mineworx Defendants, an injunction prohibiting the Mineworx Defendants from using any confidential information or intellectual property belonging to EnviroMetal, and disgorgement of profit arising from such unauthorized use.

EnviroMetal's application for an injunction prohibiting the Mineworx Defendants from using any confidential information or intellectual property belonging to EnviroMetal is scheduled to be heard by the court in January 2022.

In accordance with IFRS 9, the Company recorded an expected credit loss of \$350,292 related to amounts due to the Company from Mineworx during the year ended December 31, 2020, and \$117,104 during the three and nine-month periods ended September 30, 2021 (2020 - \$nil).

Forward-Looking Information and Statements

This MDA 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. MDA. These forward-looking statements include, without limitation, statements about our market opportunity, our strategies, ability to improve and expand our capabilities, competition, expected activities and expenditures as we pursue our business plan, the adequacy of our available cash resources, regulatory compliance, plans for future growth and future operations, the size of our addressable market, market trends, and the effectiveness of the Company's internal control over financial reporting. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels

EnviroMetal Technologies Inc.

Management Discussion and Analysis

For the three and nine-month periods ended September 30, 2021 and 2020

of activity, performance or achievements.

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 research and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the technology and resource industries; 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; commercialization of our technology and products, our status of relationship with partners; development and protection of our intellectual property and products; industry competition; building and maintaining our manufacturing facility; our ability to sell our products and services in order to generate revenues; our proposed business model and our ability to execute thereon; adverse effects on the Company's business and operations as a result of increased regulatory, media or financial reporting issues and practices; rumors or otherwise disease epidemics and health related concerns, such as the current outbreak of a novel strain of coronavirus (COVID-19), which could result in (and, in the case of the COVID-19 outbreak, has resulted in some of the following) reduced access to capital markets, supply chain disruptions and scrutiny or embargoing of goods produced in affected areas, government-imposed mandatory business closures and resulting furloughs of our employees, travel restrictions or the like to prevent the spread of disease; and market or other changes that could result in noncash impairments of our intangible assets, and property, plant and equipment. 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.

Management has included projections and estimates in this MDA which are based primarily on management's experience in the industry, assessments of our results of operations, discussions and negotiations with third parties and a review of information filed by our competitors with securities regulators or otherwise publicly available.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as at the date of this MDA, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

We caution readers not to place undue reliance on any such forward-looking statements, which speak only as at the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MDA are made as of the date of this MDA 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.