Management Discussion and Analysis

For the Years Ended December 31, 2020 and 2019

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 EnviroLeach Technologies Inc. (EnviroLeach or the Company).

The information provided herein should be read in conjunction with the Company's audited consolidated financial statements (Financial Statements) and the notes thereto for the years ended December 31, 2020 and 2019.

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

EnviroLeach 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 OTCQB 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 for use in the primary and secondary metals recovery 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, 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 more information is also available on the Company's website at www.EnviroLeach.com .

Corporate Overview

Using a proprietary lixiviant formula and process, EnviroLeach extracts precious metals from printed circuit boards and mineral concentrates in a safe, environmentally friendly, and sustainable manner. The Company's primary target industry sectors are the gold mining sector for the treatment of ores and concentrates as well as the electronic waste (E-waste) management sector for the recovery of gold and other valuable metals from printed circuit board assemblies.

The EnviroLeach process is similar to conventional metals recovery processes but eliminates the use of toxic compounds such as sodium cyanide. The process involves the dissolution of precious metals into an 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. Leach kinetics are comparable to cyanide or acid-based lixiviants resulting in similar metal recovery efficiencies.

EnviroLeach's process targets industry participants seeking an effective and non-toxic alternative to cyanide and acid-based solutions. The EnviroLeach technology solution 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 EnviroLeach process is cost competitive, safe, sustainable, and holds potential for multiple revenue streams from various industry sectors.

Overall Performance and Operations

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

During the year ended December 31, 2020, the Company's focus in the secondary metals sector was through a joint venture (80% EnviroLeach, 20% Mineworx Technologies Inc.) E-waste processing facility, EnviroCircuit. In 2020, over 77 tonnes of E-waste material were processed at the EnviroCircuit facility producing 37 tonnes of concentrates and 40 tonnes of other saleable materials and tailings. Processing was limited ascribable initially to a detailed test program conducted on behalf of Jabil Inc. and beginning in March, a dramatic interruption in the supply of feed material as a result of the suspension of recycling and E-waste collection programs, as well as closure or offices and educational institutions. Travel and other restrictions imposed due to COVID-19 hindered business development efforts. In total, 68 tonnes of mineral rich concentrates were sold during 2020.

During the three months ending December 31, 2020 EnviroLeach continued to expand a supply network consisting of small-scale recyclers and larger, integrated companies operating multiple facilities in major North American markets. In addition, the Company continued to pursue international suppliers with encouraging results as evidenced by an initial purchase of 42.5 tonnes of PCBAs from a Middle Eastern E-waste supplier during the quarter.

The Company's laboratory and research facility continues research to expand the effectiveness of the EnviroLeach process to allow for the recovery of additional metals, including tin and copper, from printed circuit boards assemblies (PCBAs). The copper and tin recovery process targets the copper rich concentrates produced at EnviroCircuit. The concentrates are treated with a hydrometallurgical process to dissolve the 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.

EnviroLeach 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.

On March 26, 2020, the Company closed a non-brokered private placement of 3,344,001 units a $0.75 per unit (March Units) for gross proceeds of 2,508,001. Each March Unit consists of one common share of the Company and one common share purchase warrant. In connection with the private placement, the Company paid finder's fees of $37,125, issued 41,250 compensation warrants valued at $12,090 and incurred $44,794 in other share issuance costs.

On December 30, 2020, the closed a non-brokered private placement of 17,825,001 units a $0.30 per unit (December Units) for gross proceeds of $5,347,500. Each December Unit consists of one common share of the Company and one common share purchase warrant. In connection with the private placement, the Company paid finder's fees of $183,330, issued 618,100 compensation warrants valued at $121,704 and incurred $35,253 in other share issuance costs.

COVID-19 Pandemic Impacts

The COVID-19 pandemic has directly and dramatically impacted EnviroLeach'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 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 period, the Company maintained consistent communication with electronics recyclers and other potential suppliers to continue to build business partnerships and identify supply opportunities. Market intelligence indicates supply movement is slowly restarting and the Company is pursuing commercial arrangements with multiple partners as recycling volumes increase.

Selected Annual Information

	December 31, 2020	December 31, 2019 *Restated*	January 1, 2019 *Restated*
Revenues	$ 816,785	$ 370,753	$ -
Loss and comprehensive loss attributable to:			
Shareholders	(6,120,035)	(9,985,782)	(5,358,332)
Non-controlling interest	(711,195)	(1,053,078)	(654,115)
	$ (6,831,230)	**$ (11,038,860)**	**$ (6,012,447)**
Loss per share - basic and diluted	$ (0.093)	$ (0.161)	$ (0.102)
Total assets	$ 16,566,928	$ 13,021,746	$ 15,787,333
Total liabilities	2,132,625	2,041,135	2,604,795
Working capital	5,579,043	1,550,858	4,411,432

The Company had working capital of $6.2M as at December 31, 2020, an increase of $4.7M over December 31, 2019 *(restated)*. The increase 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.

Operational Financial results – For the Years ended December 31, 2020 & 2019

Revenues - The Company recognized revenue of $816,785 during the year ended December 31, 2020 from the sale of recovered metals as compared to $370,753 during the year ended December 31, 2019. Though revenues increased year to year by 120%, the Company's feedstock of PCBAs was severely curtailed by the economic fallout resulting from the COVID-19 pandemic, therefore hindering the Company's ability to generate revenues.

Operating Expenses – Operating expenses during the year ended December 31, 2020 decreased by 38% while sales increased by 120%; the discrepancy in the proportion of the increases is due to improvements to the plant process flow and reduction of expenses related to the commissioning of the EviroCircuit plant. Included in operating expenses are laboratory costs which were considerably reduced in 2020 following efficiency gains in testing, with expenses totalling $478,523 for the year ended December 31, 2020 as compared to $658,105 during the 2019 comparative period *(restated)*, representing a decrease in costs of 27%. Also included in operating expenses are project development costs totalling $203,278 which were 81% lower during the year ended December 31, 2020 as compared to $1,087,778 during 2019 *(restated)*. The savings in 2020 relate to reduced development costs and increased operating efficiencies.

Management and Employee costs - Management and employee compensation costs during the year ended December 31, 2020 were partially offset by Canada Emergency Wage Subsidies for the months of April to December 2020. The Company has benefited from wage subsidies from IRAP associated with its research on copper and tin recoveries. Due to the shortage in feedstock associated with COVID, and resulting temporary closure of its E-waste processing plant, the Company also laid off staff at EnviroCircuit. The lay offs, together with the wage subsidies, have offset the increase in payroll costs due to the addition of new staff in late 2019 and 2020.

General and administrative – During the years ended December 31, 2020 and 2019, general and administration costs were as follows:

	December 31, 2020	December 31, 2019 *Restated*
Consulting fees	$ 244,631	$ 90,862
Office and general	120,197	128,173
Professional fees	314,822	131,309
Public Company Costs	585,606	512,049
Travel	113,498	283,839
	1,378,754	1,146,232

The Company suspended some non-essential activities starting the second quarter of 2020 in to preserve cash resources during these unprecedented times. These costs reductions were offset by costs related to efforts in communicating with investors, seeking agreements for the licensing of its technology, engaging new auditors, and restating the prior years' financial results.

Office and General costs decreased during the year ended December 31, 2020 as compared to 2019 following efficiency gains and the reduction of expenses that are not instrumental to our operations, as well as CECRA rent relief.

Professional fees during the year ended December 31, 2020 were primarily general legal costs and legal fees associated with:

- A letter of intent and definitive agreements with enCore Energy Corp and Golden Predator Mining Corp., to form Group 11, a jointly owned company for the purpose of utilizing EnviroLeach's patented technology for the in-situ recovery (ISR) of gold from underground deposits.
- A letter of intent with Mineworx Technologies Inc. to utilize EnviroLeach's patented technology for recovery of platinum group metals (PGM) including platinum and palladium from waste catalytic converters.
- A letter of termination for the letter of intent with Mineworx Technologies Inc.

Travel costs were considerably reduced in 2020 as compared to 2019 mostly due to the Company suspending all travel during the second half of the year.

Share-based payments - During the year ended December 31, 2020, the Company incurred $1,029,580 in share-based payments related to the granting of 2,600,000 incentive stock options. During the comparative period in 2019, the Company incurred $2,686,003 in share-based payments associated with the grant of 3,875,000 options.

Other items – Interest and financing costs decreased by 75% during the year ended December 31, 2020 as compared to 2019 due to the repayment of the promissory note with Mineworx and the reduction of its lease liabilities. The Company recorded a loss of $111,523 during the year ended December 31, 2020 from the write down of inventory and of assets held for sale. The Company incurred a foreign exchange loss of $60,848 in 2020 (2019 – gain $168,547 *(restated)*) related to the translation to CAD of the Company's' advanced royalty liability, which is carried in USD.

Overall performance - For the year ended December 31, 2020, the Company incurred a loss attributed to shareholders of $6,120,035 ($0.083 loss per share) as compared to $9,985,782 ($0.146 loss per share *(restated)*) in 2019.

Summary of Quarterly Results

The following summarized financial data has been prepared in accordance with IFRS. This data should be read in conjunction with the Company's consolidated interim financial statements, and it consolidated annual financial statements for the respective periods. All net loss figures in the table are presented in Canadian dollars, the Company's functional currency.

	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Revenues	$ 213,427	$ 43,750	$ 573,572	$ (13,964)
Loss and comprehensive loss attributable to:				
Shareholders	1,501,384	1,644,921	1,019,693	1,954,037
Non-controlling interest	170,990	296,656	212,160	31,389
	$ 1,672,375	**$ 1,941,576**	**$ 1,231,853**	**$ 1,985,426**
Net loss per common share, basic and diluted	$ 0.024	$ 0.026	$ 0.017	$ 0.026

	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019 *Restated*
Revenues	$ 130,791	$ 218,733	$ 20,793	$ 437
Loss and comprehensive loss attributable to:				
Shareholders	2,945,744	1,276,654	1,383,741	4,379,643
Non-controlling interest	205,933	100,810	210,629	535,706
	$ 3,151,676	**$ 1,377,464**	**$ 1,594,371**	**$ 4,915,349**
Net loss per common share, basic and diluted	$ 0.050	$ 0.020	$ 0.023	$ 0.068

The Company has not yet fully developed a continuous supply chain and therefore still has un-predictable cashflows from the sale of processed materials. A significant endeavour during 2021 will be to continue building the supply pipeline of E-waste to maintain robust monthly volumes. Variations in liabilities and working capital are the result of the timing of private equity placements and managements efforts over cash management while revenue is ramping up. Despite the impacts of COVID19, a clear annual and quarterly increase in revenue has been observed year over year for Q1 & Q3, with Q2 & Q4 2020 showing the impacts of plant temporary closure.

Liquidity and Capital Resources

At December 31, 2020, the Company had $5,511,314 in cash (December 31, 2019 - $688,848) and working capital of $5,579,043 (December 31, 2019 - $1,550,585 *(restated)*). The significant increase in working capital is mostly due to the Company increasing its cash balances following the completion of two private placements in 2020. The Company used its cash to fund operations and for the acquisition of plant and equipment.

The Company has begun generating cash flows but is still reliant on raising equity to fund working capital, research and development and any expansion or improvements to the E-waste processing facility. Management currently follows a policy of raising only enough 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.

During the years ended December 31, 2020, the Company continued to make advance royalty payments pursuant to the technology rights agreement signed in December 2016. Payments totalled $80,221 during the year ended December 31, 2020 as compared to $79,927 during 2019.

	December 31, 2020	December 31, 2019 *Restated*
Opening balance	$ 589,561	$ 668,053
Payments	(80,221)	(79,927)
Interest portion	32,389	32,270
Foreign exchange adjustment	(9,338)	(30,835)
Closing balance	**$ 532,392**	**$ 589,561**

The Company incurred $100,552 in patent costs during the year ended December 31, 2020. 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 year ended December 31, 2020, the Company entered into a new lease agreement for its office facilities, a new lease for laboratory equipment and acquired additional equipment at a cost of $201,702.

Capital Commitments

As at December 31, 2020 and December 31, 2019, the Company did not have contractual obligations other than those already disclosed in its financial statements at December 31, 2020 and December 31, 2019. 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.

Subsequent to December 31, 2020, on January 29, 2021, the Company settled in full the remaining advanced royalties due 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, valued at $0.42 per share.

Off-balance sheet arrangements

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

Transactions between Related Parties

The consolidated financial statements are prepared by consolidating the financial statements of EnviroLeach 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 December 31, 2020, the Company was not exposed to significant interest rate risk.

At December 31, 2020, the Company has net liabilities of $956,573 (USD 751,313) due in USD (December 31, 2019 - $755,037 (USD 581,343) *(restated)*).

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 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 December 31, 2020, the Company had a cash balance of $5,511,314 (2019 - $688,848) to settle current liabilities of $1,584,828 (2019 - $1,366,754 *(restated)*). So far, the Company is not profitable and has had to rely on 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.

Fourth Quarter

		Fourth Quarter 2020
Revenues	$	(13,964)
Expenses		
Operating costs		163,798
Management and Employee costs		(355,966)
General and administration		(509,033)
Share-based payments		(43,690)
		(744,891)
Loss before other items		**(758,855)**
Other items		
Interest income		92
Interest and financing costs		(113,587)
Amortization		(592,865)
Loss on disposal of assets		(500)
Write-down of assets		(111,523)
Unrealised loss on investment in associate		(49,876)
Expected credit loss		(350,292)
Foreign exchange		(8,019)
		(1,226,570)
Loss and comprehensive loss		**(1,985,425)**
Loss and comprehensive loss attributable to:		
Shareholders		(1,954,036)
Non-controlling interest		(31,389)
	$	**(1,985,425)**

General and administration		Fourth Quarter 2020
Consulting fees	$	200,455
Office and general		6,617
Professional fees		105,153
Public Company Costs		185,248
Travel		11,560
		509,033

In the fourth quarter, the loss attributable to shareholders was $1,954,036 with year-to-date revenue falling by $13,964 due to the re-evaluation of accounts receivable related to metal sales.

General and administration		Fourth Quarter 2020
Consulting fees	$	200,455
Office and general		6,617
Professional fees		105,153
Public Company Costs		185,248
Travel		11,560
		509,033

General and administrative costs incurred during the fourth quarter of 2020 consisted mainly of legal fess associated with efforts in advancing existing letters of intent toward definitive agreements for technology licenses and holding the Company's annual general and special meeting. The Company also incurred higher audit fees related to the restatement of its previously filed financial statements.

The Company recovered operating costs following the reallocation of chemicals to inventory, recorded a provision for loss of $350,292 related to amounts due to the Company from Mineworx (refer to section Contingencies below), and also recorded $49,876 as its attributable share of the loss related to the joint arrangement with Group 11.

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.

Critical Accounting Estimates

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates based on the primary economic environment in which the entities operate and has determined that the current functional and presentation currency is the Canadian dollar.

Impairment of non-financial assets

Assets are reviewed for an indication of impairment at each consolidated statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. This determination requires significant judgment. Factors that could trigger an impairment review of PP&E include, but are not limited to, significant negative industry or economic trends including the price of precious and base metals, decrease in market capitalization and/or deferral of capital investments.

The Company's recoverable amount measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amount. The recoverable amount is based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amount of non-financial assets to its carrying values. The Company's recoverable amount estimates are based on numerous assumptions such as, but not limited to, estimated realized metal prices, operating costs, metal recoveries, capital and site restoration expenditures, and estimated future foreign exchange rates, and may differ from actual values. These differences may be significant and could have a material impact on the Company's financial position and results of operation.

Management's estimates of future cash flows are subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur with evolving economic conditions, which may affect recoverability of the Company's non-financial assets.

Current income taxes

The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required in order to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, management must determine whether it is probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in the financial statements in addition to determining the appropriate level of disclosure regarding the dispute.

Share-based compensation related to stock options

Management assesses the fair value of stock options using the Black-Scholes option pricing model. This model requires management to make estimates and assumptions with respect to inputs including the risk-free interest rate, share price volatility and expected life of the equity-settled instruments. As well, management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

The estimated useful life of equipment and technology

Management assesses the estimated useful life of equipment, technology and other long-lived assets based on best available information from markets, employees and other indicators.

Application of the effective interest method

Interest is recognized in Interest income and Interest expense in the Consolidated Statements of Income generally for all interest-bearing financial instruments using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial asset or liability to the net carrying amount upon initial recognition. Significant judgment is applied in determining the effective interest rate due to uncertainty in the timing and amounts of future cash flows.

Expected credit loss

Under IFRS 9, the Company initially recognizes expected credit losses arising from potential default over the next 12 months. The Company uses the probability of default based on the exposure at default, probability of default and loss given default to factor the expected loss.

Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation as the Company does not have financing transactions with third parties.

The Company estimates the IBR using observable inputs (such as market interest rates) and groups leases into their constituent categories with similar characteristics. The other significant estimates used as an input is the relative increase or decrease in interest rates according to prevailing market adjustments for individual categories. The two main metrics use to adjust market interest rates for categories are whether a lease is for a short or long duration, and if the asset is fixed or mobile.

Changes in Accounting Policies including Initial Adoption

There were no changes in the Company's accounting policies during 2020.

Financial Instruments and Other Instruments

(a) Financial instruments

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's financial assets are cash, trade and other receivables.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity dates.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investment in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Financial Liabilities

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial liabilities are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are its accounts payable and accrued liabilities, due to related parties, lease liabilities, advance royalty payable and loan payable. Financial liabilities are classified as current or non-current based on their maturity dates.

Outstanding Share Data

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

	December 31, 2020	December 31, 2019
Common shares, issued	93,046,002	70,667,000
Stock options, outstanding	9,150,000	8,745,000
Warrants, outstanding	21,828,352	6,700,000
Fully Diluted	124,024,354	86,112,000

Contingencies

The Company has made demands against Mineworx Technologies Ltd. (and its wholly-owned subsidiary, Mineworx Technologies Inc.) in connection with a joint venture agreement (JVA) with Mineworx dated August 29, 2017, and amended on February 14, 2020, an asset purchase agreement (APA) with Mineworx dated December 19, 2016, and the Company's intellectual property rights (IP Rights) in and to its technology and processes used in the extraction of precious and non-precious metals in the mining and e-waste sectors.

The Company has given Mineworx several notices of various breaches committed by Mineworx of certain provisions of the JVA and the APA as well as Mineworx's infringements of the Company's IP Rights. On April 5, 2021, the Company formally notified Mineworx that the JVA was terminated and that the Company, as the JV manager, was entitled to commence to wind-up of the operations of the joint venture. Mineworx has disputed that it is in breach of the JVA and alleged that the Company has breached certain provisions of the JVA. Mineworx has also disputed the Company's entitlement to wind-up of the JVA.

In addition, and further to the APA and the Company's IP Rights, the Company has demanded that Mineworx cease using the Company's IP Rights, failing which, the Company has advised Mineworx that it may initiate civil claims against Mineworx for, among other things, breach of provisions of the APA and infringement of the Company's IP Rights. The potential value of such claims is indeterminable as of the date the Board of Directors approved these Financial Statements.

As at December 31, 2020, the Company recorded an expected credit loss of $350,292 related to amounts due to the Company from Mineworx.

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 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.