This management's discussion and analysis of Envirotek Remediation Inc. (formerly Phoenix Metals Corp.) (the "Company") contains analysis of the Company's operational and financial results for the three and six months ended June 30, 2019 and 2018. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018. All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

August 29, 2019

JURISDICTION OF INCORPORATION AND CORPORATE NAME

EnviroTek Remediation Inc. (formerly Phoenix Metals Corporation) ("the Company") was incorporated in British Columbia on October 21, 1980 and is a public company listed on the TSX Venture Exchange ("TSX-V"). Previously, the principal business activity of the Company was the exploration and evaluation of mineral property interests in North America. The corporate head office of the Company is located at 14th Floor, 1040 West Georgia Street, Vancouver, B.C., V6E 4H8.

HIGHLIGHTS

The Company's is focused on developing new proprietary products/solutions and processes for hydrocarbon remediation through both internal research and acquisitions. The Company has retained both industry and technical expertise and leased fully equipped lab facilities at the Southern Alberta Institute of Technology in Calgary, Alberta, Canada. The Company filed its first intellectual property patent.

In conjunction with this focus, the Company has announced a non-brokered private placement financing to 12,500,000 units at a price of twenty cents per unit ($0.20) to raise proceeds of up to $2,500,000. Each unit will consist of one common share and one common share purchase warrant (the "Warrants") with each Warrant entitling the holder to acquire one additional common share at a price of fifty cents ($0.50) per share for twenty-four (24) months from closing. The Warrants will be subject to the right of the Company to accelerate the exercise of the Warrants if the shares of the Company trade at or above $0.75 for a period of 10 consecutive trading days.

On January 9, 2019, Maria Conejo joined the Company as president. Ms. Conejo attended Florida State University where she received a bachelor of science in molecular biology and a master of science in biochemical evolution. After graduating, Ms. Conejo joined the university's biochemical research team. Ms. Conejo's tenure at Florida State University resulted in a number of publications in highly respected scientific journals. Ms. Conejo then went on to the University of Calgary where she received a master of science in chemical and petroleum engineering, specializing in energy and environmental engineering for her work in CO_2 (carbon dioxide) storage, which again resulted in a journal publication. Ms. Conejo is an expert in biochemical and bacterial metabolic processes, especially in protein purification and bacterial genetic manipulation, and has over 10 years of experience in the research and development of biological and environmental technologies.

OUTLOOK

The Company has identified an industry-wide opportunity to develop advanced processes for more effective hydrocarbon remediation. The Company's focus will be on the development of multiple products/solutions and processes for remediation that become standards and facilitate market leadership. Through both internal research and acquisitions the Company will be securing intellectual property and know-how. Historically, most of the revenues in the remediation sector have been generated through monitoring contamination versus the actual application of remediation solutions. The Company sees the reverse of this trend as an exceptional growth opportunity and has secured the services of a talented team of experienced industry professionals and lab facilities to develop and execute its hydrocarbon remediation plans.

SUBSEQUENT EVENTS

None.

MINERAL EXPLORATION PROJECTS

None.

INVESTOR RELATIONS

None.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS. The functional and reporting currencies of the parent and subsidiary have been determined to be the Canadian dollar.

Results of Operations

The following financial data are derived from our consolidated financial statements for the years ended December 31, 2018, 2017 and 2016:

	December 31, 2018	December 31, 2017	December 31, 2016
Expenses	$ 750,718	$ 1,197,153	$ 677,316
Other income	-	153	97,658
Net and comprehensive loss	(750,718)	(1,197,000)	(579,658)
Basic and diluted loss per share	(0.06)	(0.10)	(0.05)
Total current assets	17,863	240,800	330,683
Total assets	17,863	240,801	330,684
Total current liabilities	3,979,599	3,451,819	1,491,661
Total liabilities	3,979,599	3,451,819	1,491,661

The increase in expenses on a year to year basis from fiscal 2016 to 2017, is attributed to a substantial increase in business activity as the Company is engaged in the development and acquisition of hydrocarbon remediation technologies (see Highlights for more details). Total liabilities have increased substantially in fiscal 2017 as private placements funds have been reclassified to payables due to the extend tenure of closing a change of business transaction. The decrease in expenses in 2018 is due to the lower corporate activities.

For the year ended December 31, 2018, the Company incurred consulting and management fees of $399,781 (2017 - $988,124), office and miscellaneous costs of $121,464 (2017 - $39,297), professional fees $45,245 (2017 - $73,611), transfer agent and filing fees of $7,101 (2017 - $19,279) and a foreign exchange loss of $11,800 (2017 – $8,158 gain).

During the year ended December 31, 2018, the Company expensed $115,327 in exploration and evaluation expenditures (2017 – nil) for costs relating to the development of proprietary products/solutions and processes for hydrocarbon remediation included the filing of its first patent.

The Company expensed $nil in bad debt in 2018, while in 2017 expenses were off-set by a gain on settlement of debt of $25,000.

Summary of Quarterly Results

Results for the eight most recent quarters are as follows:

	June 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sep. 30, 2018
Expenses	$ 144,957	$ 157,189	$ 125,197	$ 99,053
Other loss (income)	-	-	50,000	-
Net loss	(144,957)	(157,189)	(175,197)	(99,053)
Comprehensive loss	(144,957)	(157,189)	(175,197)	(99,053)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Total current assets	5,692	6,011	17,863	50,496
Total assets	5,692	6,011	17,863	95,497
Total current liabilities	4,269,574	4,124,936	3,979,599	3,882,033
Total liabilities	4,269,574	4,124,936	3,979,599	3,882,033

	June 30, 2018	March 31, 2018	Dec. 31, 2017	Sep. 30, 2017
Expenses	$ 216,043	$ 260,422	$ 274,247	$ 234,072
Other income	-	-	-	(7)
Net loss	(216,043)	(260,422)	(274,247)	(234,065)
Comprehensive loss	(216,043)	(260,422)	(274,247)	(234,065)
Basic and diluted loss per share	(0.02)	(0.02)	(0.03)	(0.02)
Total current assets	183,639	147,260	240,800	508,025
Total assets	233,640	197,261	240,801	508,026
Total current liabilities	3,921,123	3,668,701	3,451,819	1,097,009
Total liabilities	3,921,123	3,668,701	3,451,819	1,097,009

Expenses reflect activity associated with fundraising and the development and evaluation of hydrocarbon remediation technologies, cancellation of the previous F4 and OmniSync transactions, legal and consulting costs. Due to the cancelation of the F4 transaction, the Company reclassified private placement receipts, in the amount of $2,234,680 from share capital to current liabilities in the quarter ended December 31, 2017. At the end of June 30, 2019, the Company had $2,412,264 of private placement receipts included in current liabilities.

Results of Operations for the Three Months Ended June 30, 2019 and 2018

The net loss for the three-month period ended June 30, 2019 was $144,957 compared to $216,043 in June 30, 2018. Major expenditures during the quarter were:

- Consulting and management fees $70,500 (2018 - $122,230);
- Exploration and evaluation expenses $32,250 (2018 - $42,906);
- Office and miscellaneous $30,081 (2018 - $30,280);
- Professional fees $11,951 (2018 - $12,865)

The Company continued with developing its hydrocarbon remediation process. Less expenses were incurred this current quarter versus the prior year as the Company was incurring costs with the Omnisync acquisition.

Results of Operations for the Six Months Ended June 30, 2019 and 2018

The net loss for the six-month period ended June 30, 2019 was $302,146 compared to $476,465 in June 30, 2018. Major expenditures during the quarter were:

- Consulting and management fees $150,982 (2018 - $335,032);
- Exploration and evaluation expenses $64,500 (2018 - $42,906);
- Office and miscellaneous $61,067 (2018 - $62,420);
- Professional fees $19,451 (2018 - $20,365)

LIQUIDITY AND CAPITAL RESOURCES

		June 30, 2019		December 31, 2018
Cash	**$**	**30**	$	125
Amounts receivable		**3,847**		11,443
Prepaid expenses		**1,815**		6,295
Restricted cash		**-**		-
Exploration and evaluation assets		**-**		-
Current liabilities		**4,269,574**		3,979,599
Shareholders' deficiency		**(4,263,882)**		(3,961,736)
Working capital deficiency		**(4,263,882)**		(3,961,736)

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon the capital markets to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on terms acceptable to the Company. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, which will be derived from the exercise of stock options and warrants, and/or private placements. The Company may also seek short term loans from directors of the Company.

At June 30, 2019, the Company had cash of $30 (December 31, 2018 - $125) and negative working capital of $4,263,882 (December 31, 2018 - $3,961,736). The Company is in the process of raising funds to complete its acquisition. Significant working capital components include cash in current or interest-bearing accounts, accounts payable, and demand loan payable. Due to the cancelation of the original COB transaction, the Company has reclassified $2,412,264 (2018 - $2,400,673) in private placement receipts from share capital to current liabilities.

Capital stock

The Company's share capital consists of unlimited common voting shares, without par value.

As at June 30, 2019 and the date of this report, the Company had 11,878,381 common shares issued and outstanding.

Stock options

The Company has adopted an incentive stock option plan under the rules of the TSX-V pursuant to which it is authorized to grant options, as amended, to executive officers, directors, employees and consultants.

As at June 30, 2019 and the date of this report, there are no stock options issued and outstanding.

A summary of changes in options outstanding during the year is as follows:

	Number of options	Weighted average exercise price	Weighted average option life (years)
Balance, December 31, 2017	125,000	0.80	0.44
Expired	(125,000)	0.80	-
Balance, December 31, 2018 and June 30, 2019	-	-	-

Warrants

There are no warrants issued and outstanding as at June 30, 2019 (December 31, 2018 – nil).

USE OF PROCEEDS

Proceeds received from the issuance of shares will be allocated toward general working, capital purposes and acquisitions.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

During the three-month period ended June 30, 2019 and 2018, the Company entered into transactions with the related parties as below:

Name	Relationship	Nature of Transaction		Fees incurred for the six months ended June 30, 2019		Fees incurred for the six months ended June 30, 2018		Balance payable at June 30, 2019		Balance payable at December 31, 2018
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Rent and corporate services	$	60,000	$	60,000	$	154,150	$	97,800
Nexvu Capital Corporation	Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Demand loan		-		-		105,938		73,577
Brian Leeners	Chief executive officer and director	Management services		60,000		60,000		386,170		336,170
Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services		60,000		60,000		304,783		241,783
Greg Pearson	Director	Management services		-		-		5,400		5,400-
Maria Conejo	President	Management services		60,000		-		88,000		34,500
Gordon J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation.	Legal services		15,000		15,000		202,052		187,052
0733351 BC Ltd.	Owned by Nexvu Capital Corporation, which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Property option		-		-		10,044		10,237
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services		21,000		21,000		64,838		43,838
			$	265,500	$	108,000	$	1,321,185	$	1,030,357

The amounts payable to related parties summarized as above were included in accounts payable and accrued liabilities.

Balances owing are unsecured, non-interest bearing and have no specified terms of repayment.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

- Determination of functional currency;
- Asset carrying values and impairment charges;

NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our condensed unaudited consolidated financial statements for the year ended December 31, 2018.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the business. In order to carry out the planned acquisition and pay for administrative costs, the Company will need to raise additional working capital.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during period or during the period. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Details of the Company's financial instruments, management's assessment of their related risks and details of management of those risks are as follows:

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, GST receivable, reclamation bond, accounts payable and accrued liabilities, payable to related parties, and demand loan payable.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The Company does not have any asset backed commercial paper.

Credit risk

The Company's main exposure to credit risk relates to its cash. Cash balances are held in Canadian and US chartered banks. The Company determined that is has limited exposure to credit risk related to receivables since these amounts are not material.

Liquidity risk

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

Market risk

The market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rate fluctuations. This is not a significant risk to the Company.

Foreign exchange risk

The Company's exposure to fluctuations in foreign exchange rates is limited.

OTHER RISK FACTORS

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of the development of its technology.

The Company competes with many other companies who have greater financial resources and technical capacity. The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company's technology development activities may require permits and approvals from various government authorities, and are subject to extensive federal, state/provincial and local laws and regulations governing development, operations, exports, taxes, labour standards, occupational health and safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to develop its technologies, commence construction or operation of facilities.

The Company's activities are subject to extensive federal, state/provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

The market price of securities of many companies, particularly technology development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of The Company may have a conflict of interest in negotiating and concluding terms respecting such participation. As a result, conflicts of interest may arise and officers and directors cannot devote 100% of their time to the Company.

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

LEGAL MATTERS

The Company is not currently and has not at any time during our most recently completed fiscal year, been party to, nor has any of its properties been the subject of, any material legal proceedings or regulatory actions.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of the Company's internal controls over financial reporting ("ICFR") as required by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). ICFR is intended to provide reasonable assurance regarding the preparation and presentation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Based on a review of its internal control procedures at the end of the year covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financing reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in the Company's internal controls over financial reporting that occurred during the period that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

However, even those systems determine to be effective can provide only reasonable assurance with respect to financial statement and preparation. A control system, no matter how well conceived or operated can provide only reasonable, not absolute, assurance and are not expected to prevent all errors and fraud.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

APPROVAL

The board of directors has approved the disclosure contained in this MD&A.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. Phoenix Metals Corporation does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Management & Directors

Brian – Director, CEO & Corp. Secretary
Tyler Thorburn – Director
Maria Conejo - President
Lew Dillman – Director
Greg Pearson – Director
Ed Low - CFO

Contact

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