ENVIROTEK REMEDIATION INC. (formerly PHOENIX METALS CORPORATION)
Management's Discussion & Analysis
For the Years Ended December 31, 2017 and 2016

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 years ended December 31, 2017 and 2016. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017. All figures are in Canadian dollars unless otherwise stated.

DATE OF REPORT

April 30, 2018

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

On August 29, 2017, the Company announced it had terminated the agreement to acquire F4 previously entered into on June 23, 2016 whereby will acquire an option to purchase F4 Environmental Solutions Ltd. ("F4") from its parent company F4 Environmental Inc. ("the Vendor"). F4 has acquired from the its parent company a perpetual exclusive worldwide licence to use, license and exploit certain systems, formulas and processes for the remediation of petroleum hydrocarbon contamination. The technology licence ("technology") exclusivity is subject to a third-party licence covering Alberta and Northern British Columbia, but which is in the process of being terminated by the parent company.

On September 29, 2017, the Company announced it would change its name to EnviroTek Remediation Inc. as it was advancing its change of business through a series of transactions in the bioremediation sector.

The Company has identified an industry-wide opportunity to bring open standards and develop advanced processes for more effective bioremediation. A comprehensive review of inputs, processes and equipment in the sector reflects the common strategy of incumbent players who hide their secrets in "black-boxes" that serve to reinforce the industry belief that bioremediation does not work. The Company's focus will be on the development of multiple products/solutions and processes for remediation that become standards that lead to credibility and facilitate market leadership. Through both internal research and the ongoing provision of bioremediation services 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. The long-term plan is to develop a complete solution offering that can be marketed to environmental engineers and service providers in the remediation industry.

The Company has secured the services of a talented team of experienced industry professionals to develop and execute its plan.

Management Team & Business Development (subject to the Closing of the COB Transaction)

The Company has sourced industry leading microbes, surfactants and equipment for the provision of hydrocarbon bioremediation services to treat soil contamination on-site, therefore reducing costs considerably versus the standard industry practice of hauling contaminated soils to a landfill (typically on-site remediation is less expensive versus hauling to a land-fill).

The Company will secure industrial space in Calgary, Alberta as a base for both the provision of services and research and development activities. The facility will be utilized for the treatment and monitoring of contaminated soils for gathering critical data and intellectual property that will be owned by the Company. The facility will allow the Company to test equipment and processes, refine and improve its systems and provide a venue for client demonstrations and trials.

Greg Olesen – Operations: Mr. Olesen will be joining the board of the resulting issuer following the COB. Mr. Olesen has over 36 years of experience in Oil and Gas Production and Chemical Manufacturing including Management roles within Engineering, Construction and Maintenance both on the national and international stage. Mr. Olesen brings extensive operational experience in Project Management and Public Relations along with overall business development skills.

Gary Beuk – Operations: Mr. Gary Beuk was previously the Senior Emergency Preparedness & Response Advisor for one of Canada's largest oil companies and its US parent company. Mr. Beuk has been a senior emergency response professional within the oil and gas industry for over 35 years with experience in the upstream, downstream and distribution aspects of the petroleum industry. Mr. Beuk has responded to and has been an advisor on many major oil spill response incidents as well as conducted extensive emergency response and preparedness assessments, training and exercises globally. Mr. Beuk is certified as a Canadian Registered Safety Professional (CRSP).

Bill Gillis – Corporate Development: Mr. Gillis received his undergraduate degree in Economics from Princeton University and his graduate degree in finance from New York University. Mr. Gillis has spent the majority of his 25+ year career in the Investment Management Industry. Over the past few years, Mr. Gillis transitioned his focus to working with start-up companies. Most recently, Mr. Gillis worked with a Seattle based start-up where he managed the financing and led the business development initiatives for the Company.

Brad Holmes – Business Development: Mr. Holmes founded EnergyIR in 2008. EnergyIR is a business consulting firm serving companies in the oil and gas industry from its base in Houston, Texas. EnergyIR advisory services include investment/corporate communications and management consulting focused on business development, finance and M&A. Mr. Holmes has years of experience working with US and Canadian stock exchange (NYSE, NASDAQ, TSX) listed companies. Mr. Holmes has been an officer and director of multiple publicly-listed companies. Mr. Holmes attended Colorado State University and is a member of the Houston Producer's Forum, the Texas Independent Producers & Royalty Owners Association, the Independent Petroleum Association of America and the Houston Energy Finance Group.

Directors and COB Transaction Closing Matters

Brian Leeners, currently the CEO of the Company will continue as a director and CEO of the resulting issuer after the COB. Mr. Leeners received both his B.Comm. and LL.B. degrees from the University of British Columbia in 1992 and since that time has been focused on the management of private and public venture companies. In 2002, he founded Nexvu Capital Corp. which is a venture capital firm focused on developing companies in the Industrial and Technology Sectors. Brian has been directly responsible for over $50 million in financings.

Greg Pearson will be joining the board of directors of the resulting issuer after the COB. Greg Pearson has been a founding partner in Nexvu Capital Corp. since 2002 and has over 30 years of experience in the private and public-sector capital markets during which time he has been directly responsible for over $100 million in financings.

Lew Dillman will continue as an independent director of the resulting issuer and is a seasoned management executive with more than 20 years of experience and contacts in the resource, technology and finance communities. Mr. Dillman holds a Bachelors of Arts degree in International Affairs from Lewis and Clark College. Mr. Dillman is a graduate of Columbia University School of International Affairs in New York State with a Masters degree in International Affairs with a specialization in International Banking and Finance.

Tyler Thorburn will also be joining the board of directors as an independent director of the resulting issuer after the COB. Mr. Thorburn has 10 years of land and environmental management experience with upstream and midstream energy companies including Canadian Natural Resources Limited, Centrica Energy, Trans-Northern Pipelines, and Enbridge. Mr. Thorburn has extensive experience coordinating pre-site soil assessments, phase I & II environmental site assessments, vegetation monitoring, weed control, wetland disturbance permitting, drilling waste disposal, decommissioning programs, reclamation & remediation projects, regulatory compliance, risk management, and land acquisitions across Canada. Mr. Thorburn has successfully prepared and submitted applications to the Alberta Energy Regulator, Alberta Environment, National Energy Board, and the Department of Fisheries and Oceans Canada. Mr. Thorburn holds a Diploma from the School of Land and Resource Management at Olds College and an MBA from Warwick Business School – University of Warwick.

In accordance with Exchange policy on COB's the Company advises that there is no significant financial information available regarding the proposed transactions, there are no non-arm's length parties involved in the proposed transactions, there are no significant conditions required to complete the COB other than completing the financing referred to below and the Company does not anticipate that a Sponsor will be required.

On February 20, 2018, the Company announced it had executed an option agreement whereby the Company can acquire an initial 35% equity interest in OmniSync by making $1,000,000 in cash payments at any time prior to the First Anniversary of the Option Agreement. The Company must make a $50,000 down payment within 30 days of the execution of the Option Agreement which shall be deemed to be a loan until the balance of $950,000 has been paid. The Company has the further option to acquire an additional 35% equity interest (70% cumulative) in OmniSync by making a further $1,000,000 in cash payments at any time prior to the Eighteen Month Anniversary of the Option Agreement. The amounts paid under the Option Agreement will be utilized to further develop the business of OmniSync. The initial shareholders of OmniSync will retain a 2.5% Operating Margin Royalty.

Upon the Company exercising the options for 70% of OmniSync, it will have the right of first refusal to purchase any or all of the shares of OmniSync still owned by the initial shareholders that the initial shareholders wish to sell. The Company has the right to maintain its 70% equity interest in the Company in any subsequent financing offered by the Company.

Management of OmniSync shall be comprised of one representative nominated by the initial shareholders and one representative nominated by the Company. The representative of the party that owns the majority of the shares of the Company will have the casting vote on any proposed resolution.

The patented OmniSync process transforms oil sands tailings pond material through the treatment of the mature fine tailings changing toxic sludge to inert solids. The environmental reclamation can completely transition tailings ponds back to the natural landscape. Clean water is recycled to reduce fresh water requirements for ongoing operations and outputs are reprocessed.

The OmniSync technology turns one of the world's largest industrial contamination problems into the raw inputs for generating potentially significant economic value. Alberta has over 1.2 trillion liters of toxic oil sands tailings in ponds occupying over 220 square kilometres. The Company is investing in OmniSync to further develop and commercialize its breakthrough patented technology that transforms oil sands tailings into potentially valuable products (including bitumen, recycled water and proprietary, industrial ceramics). The OmniSync process also offers potential for integration into the remediation of mineral mining tailings.

The Company's focus will be on the development of multiple products/solutions and processes for remediation that become standards that lead to credibility and facilitate market leadership. Through both internal research and acquisitions the Company will be securing intellectual property and know-how.

Private Placement Financings

In conjunction with this transaction, the Company will increase its previously announced non-brokered private placement financing to 17,500,000 units at a price of twenty cents per unit ($0.20) to raise proceeds of up to $3,500,000. 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.

OUTLOOK

The Company has identified an industry-wide opportunity to bring open standards and 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 that lead to credibility 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 to develop and execute its hydrocarbon remediation plans.

The Company expects the change of business transaction to be completed the first half of 2018.

SUBSEQUENT EVENTS

a. On February 20, 2018, the Company announced it had executed an option agreement whereby the Company can acquire an initial 35% equity interest in OmniSync by making $1,000,000 in cash payments at any time prior to the First Anniversary of the Option Agreement. The Company must make a $50,000 down payment within 30 days of the execution of the Option Agreement which shall be deemed to be a loan until the balance of $950,000 has been paid. The Company has the further option to acquire an additional 35% equity interest (70% cumulative) in OmniSync by making a further $1,000,000 in cash payments at any time prior to the Eighteen Month Anniversary of the Option Agreement. The amounts paid under the Option Agreement will be utilized to further develop the business of OmniSync. The initial shareholders of OmniSync will retain a 2.5% Operating Margin Royalty.

   Upon the Company exercising the options for 70% of OmniSync, it will have the right of first refusal to purchase any or all of the shares of OmniSync still owned by the initial shareholders that the initial shareholders wish to sell. The Company has the right to maintain its 70% equity interest in the Company in any subsequent financing offered by the Company.

   Management of OmniSync shall be comprised of one representative nominated by the initial shareholders and one representative nominated by the Company. The representative of the party that owns the majority of the shares of the Company will have the casting vote on any proposed resolution.

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   The Company's focus will be on the development of multiple products/solutions and processes for remediation that become standards that lead to credibility and facilitate market leadership. Through both internal research and acquisitions the Company will be securing intellectual property and know-how.

b. On April 25, 2018, the Company changed its name from Phoenix Metals Corporation to EnviroTek Remediation Inc. and effective on April 27, 2018 the new trading symbol of the Company will be ETK.H. The Company will remain halted.

c. As of April 30, 2018, the Company returned $5,000 in share subscriptions and $5,000 in subscriptions held in trust. The

Company had received an additional $84,120 in share subscriptions.

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, 2016, 2015 and 2014:

	December 31, 2017	December 31, 2016	December 31, 2015
Expenses	$ 1,197,153	$ 677,316	$ 543,410
Other income	153	97,658	-
Net and comprehensive loss	(1,197,000)	(579,658)	(543,410)
Basic and diluted loss per share	(0.10)	(0.05)	(0.05)
Total current assets	240,800	330,683	8,813
Total assets	240,801	330,684	8,814
Total current liabilities	3,451,819	1,491,661	1,402,486
Total liabilities	3,451,819	1,491,661	1,402,486

The increase in expenses over an year to year basis from fiscal 2014 to 2017, is attributed to a substantial increase in business activity as the Company is engaged in the acquisition of hydrocarbon remediation technology (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.

For the year ended December 31, 2017, the Company incurred consulting and management fees of $988,124 (2016 - $510,499), office and miscellaneous costs of $39,297 (2016 - $11,882), professional fees $73,611 (2016 - $151,134), transfer agent and filing fees of $19,279 (2016 - $21,257) and a foreign exchange gain of $8,158 (2016 – $19,561). Expenses were off-set by a gain on settlement of debt of $97,658 in 2016 while in 2017, the Company expensed $25,000 in bad debt.

Summary of Quarterly Results

Results for the eight most recent quarters are as follows:

	Dec. 31, 2017	Sep. 30, 2017	June 30, 2017	March 31, 2017
Expenses	$ 274,247	$ 234,072	$ 413,183	$ 275,651
Other loss (income)	-	(7)	-	(146)
Net loss	(274,247)	(234,065)	(413,183)	(275,505)
Comprehensive loss	(274,247)	(234,065)	(413,183)	(275,505)
Basic and diluted loss per share	(0.03)	(0.02)	(0.03)	(0.02)
Total current assets	240,800	508,025	547,182	105,296
Total assets	240,801	508,026	547,183	105,297
Total current liabilities	3,451,819	1,097,009	1,224,661	1,300,371
Total liabilities	3,451,819	1,097,009	1,224,661	1,300,371

	December 31, 2016	Sep. 30, 2016	June 30, 2016	March 31, 2016
Expenses	$ 338,417	$ 124,723	$ 141,340	$ 72,836
Other income	(97,658)	-	-	-
Net loss	(240,759)	(124,723)	(141,340)	(72,836)
Comprehensive loss	(240,759)	(124,723)	(141,340)	(72,836)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.05)
Total current assets	330,683	18,371	8,494	11,267
Total assets	330,684	18,372	8,495	11,268
Total current liabilities	1,491,661	1,536,391	1,557,031	1,467,776
Total liabilities	1,491,661	1,536,391	1,557,031	1,467,776

Expenses in quarters ended December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017 and December 31, 2016, reflect increased activity associated with fundraising and the hydrocarbon remediation technology acquisition, cancellation of the F4 transaction, legal and consulting costs. Due to the cancelation of the F4 transaction, the Company reclassified private placement receipts from share capital to current liabilities in the quarter ended December 31, 2017.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2017	December 31, 2016
Cash	**$ 4,877**	$ 283,356
Amounts receivable	**9,176**	46,127
Prepaid expenses	**4,480**	1,200
Restricted cash	**222,267**	-
Exploration and evaluation assets	**1**	1
Current liabilities	**3,451,819**	1,491,661
Shareholders' deficiency	**(3,211,018)**	(1,160,977)
Working capital deficiency	**(3,211,019)**	(1,160,978)

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 December 31, 2017, the Company had cash of $4,877 (December 31, 2016 - $283,356) and restricted cash of $222,267 (2016 - $nil) which is held in trust subject to the closing of the COB transaction and negative working capital of $3,211,019 (December 31, 2016 - $1,160,978). 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.

<u>**Capital stock**</u>

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

On March 21, 2016, the consolidation of its common shares on a 4 to 1 basis became effective.

As at December 31, 2017 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 December 31, 2017, the Company had outstanding stock options enabling the holder to purchase 125,000 common shares of the Company. At the date of this report, the Company had 125,000 outstanding stock options.

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

	Number of Options		Weighted average exercise price	Weighted average option life (years)
Balance, December 2016	493,750		0.80	0.29
Expired/forfeited	(368,750)		0.80	-
Balance, December 31, 2017	125,000	$	0.80	0.44

Warrants

There are no warrants issued and outstanding as at December 31, 2017 (December 31, 2016 – 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 years ended December 31, 2017 and 2016, the Company entered into transactions with the related parties as below:

Name	Relationship	Nature of Transaction	Fees incurred for the year ended December 31, 2017	Fees incurred for the year ended December 31, 2016	Balance payable at December 31, 2017	Balance payable at December 31, 2016
Nexvu Services Inc.	Owned by Nexvu Capital Corporation, which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Rent and corporate services	$ **120,000**	$ 120,000	$ **64,150**	$ 339,925
Nexvu Capital Corporation	Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Corporate services	**-**	-	**51,557**	-
Brian Leeners	Chief executive officer and director	Management services	**120,000**	120,000	**267,420**	307,450
ISG Professional Services Inc.	Annie Storey, former chief financial officer, who is a shareholder	Accounting services	**-**	10,000	**141,225**	141,225
KnowHowe Media	Brian Leeners is a shareholder	Advertising and promotion		-	**-**	-

Global Link Capital	Greg Pearson, director of the Company, is a shareholder	Management services	**120,000**	120,000	**167,183**	205,650
Gordon J. Fretwell, Law Corporation	Gordon Fretwell is a shareholder of Nexvu Capital Corporation.	Legal services	**57,991**	132,384	**157,052**	151,309
0733351 BC Ltd.	Owned by Nexvu Capital Corporation, which Brian Leeners, Greg Pearson and Gordon Fretwell are shareholders	Property option	**-**	-	**9,480**	10,089
AE Financial Management Ltd.	Edward Low, chief financial officer, is a shareholder	Accounting services	**42,000**	35,000	**16,013**	7,350
			$ **459,991**	$ 537,384	$ **874,100**	$ 1,162,998

The amounts payable to related parties summarized as below were included in accounts payable and accrued liabilities. Balances owing are unsecured, non-interest bearing and have no specified terms of repayment.

The Company advanced Prime Meridian Resources Corp., a company with officers and directors in common, $Nil (2016 - $25,000). The amount was forgiven and has been written off.

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 audited consolidated financial statements for the year ended December 31, 2017.

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 is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

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 and properties, 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 further exploration and development of its properties.

The Company's property interests are located in undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration 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 exploration and development activities require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine 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 explore and develop its properties, commence construction or operation of mining facilities.

The Company's activities are subject to extensive federal, state 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 acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims and concessions. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

The market price of securities of many companies, particularly exploration and 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. Further, certain of the directors and officers are involved in other copper exploration companies and other companies that are developing mines. 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 period 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.

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