Earth Alive Clean Technologies Inc.

Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2014 and 2013

(Expressed in Canadian dollars)

UNAUDITED

The attached condensed consolidated interim financial statements have been prepared by management and have not been reviewed by an auditor

Earth Alive Clean Technologies Inc.
Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2014 and 2013
(Unaudited)

Earth Alive Clean Technologies Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	June 30, 2014 Unaudited	December 31, 2013
ASSETS			
Current			
Cash		1,163,559	170,785
Accounts receivable		38,892	25,076
Inventory		97,372	-
Prepaid		79,465	14,385
Deferred financing costs		-	50,142
Due from shareholder		143,170	104,554
		1,522,458	364,942
Non-Current			
Property and equipment	6	40,034	33,417
Goodwill and other Intangible assets	7	933,099	124,576
		973,133	157,993
TOTAL ASSETS		2,495,591	522,935
LIABILITIES			
Current			
Accounts payable		273,246	226,299
Income taxes payable		-	2,677
Derivative financial liability	9	-	214,286
Convertible debentures	9	-	472,852
Purchase consideration payable – current portion	5	259,000	-
		532,246	916,114
Non-Current			
Purchase consideration payable	5	265,000	-
		265,000	-
TOTAL LIABILITIES		797,246	916,114
EQUITY			
Capital stock	10	4,625,591	954,484
Contributed Surplus	10	184,083	-
Deficit		(3,111,329)	(1,347,663)
TOTAL EQUITY		1,698,345	(393,179)
TOTAL LIABILITIES AND EQUITY		2,495,591	522,935

Commitments and contingencies 13

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

On behalf of the Board,

/s/ David Gilmour
Director

/s/ Viviane Yargeau
Director

Earth Alive Clean Technologies Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenues		160,830	36,079	266,485	360,776
Cost of goods sold		71,436	9,567	103,075	166,042
Gross margin		89,394	26,512	163,410	194,734
Operating expenses	12				
General and administrative		200,532	57,633	287,808	96,775
Sales and marketing		335,649	85,550	476,358	131,314
Research and development		139,280	5,094	180,898	8,768
Total operating expenses		675,461	148,277	945,064	236,859
Operating loss		(586,067)	(121,765)	(781,654)	(42,123)
Financial expenses	12	947,120	(3,353)	982,012	(11,711)
Loss before income taxes and interest in earnings (loss) of joint venture		(1,533,187)	(118,412)	(1,763,666)	(30,412)
Income taxes					
Current		-	-		-
Deferred		-	-		-
Income (loss) before interest in earnings (loss) of joint venture		(1,533,187)	(118,412)	(1,763,666)	(30,414)
Interest in earnings (loss) of joint venture	8	-	(122,275)	-	31,218
Net income (loss) and comprehensive income (loss)		(1,533,187)	(240,687)	(1,763,666)	806
Earnings (loss) per share					
Basic and diluted	14	$(0.021)	$(0.006)	$(0.031)	$0.000

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements

Earth Alive Clean Technologies Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Capital stock				
	Number	Amount	Contributed Surplus	Deficit	Total
Balance, December 31, 2012	2,000,000	954,484	-	(565,313)	389,171
Net income and Comprehensive income				806	806
Balance, June 30, 2013	2,000,000	954,484	-	(564,507)	389,977

	Capital stock				
	Number	Amount	Contributed Surplus	Deficit	Total
Balance, December 31, 2013	2,000,000	954,484	-	(1,347,663)	(393,179)
Additional Common shares issued due to consolidation	40,857,143	-	-	-	-
Shares issued on conversion of Convertible Debenture	7,142,857	714,286	-	-	714,286
Shares issued upon amalgamation with Treegenic Gold Corporation	6,105,500	610,550	-	-	610,550
Shares issued pursuant to private placements	21,285,000	2,128,500	-	-	2,128,500
Shares issued to Advisor	2,000,000	200,000	-	-	200,000
Shares issued pursuant to business acquisition	2,500,000	250,000	-	-	250,000
Share issue costs	-	(207,801)		-	(207,801)
Agent options issued		(24,428)	24,428	-	-
Stock based Compensation	-	-	153,188	-	153,188
Change in value of Treegenic warrants upon replacement by Company warrants			1,637	-	1,637
Options granted to supplier in payment for services rendered			4,830	-	4,830
Net loss and Comprehensive loss	-	-	-	(1,763,666)	(1,763,666)
	79,890,500	3,671,107	184,083	(1,763,666)	2,091,524
Balance, June 30, 2014	81,890,500	4,625,591	184,083	(3,111,329)	1,698,345

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Earth Alive Clean Technologies Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Note	Six months ended June 30, 2014	2013
OPERATING ACTIVITIES			
Net income (loss) and comprehensive income (loss)		(1,763,666)	806
Non cash profit and loss items	16	1,024,076	12,382
Changes in non-cash working capital items	15	138,528	(56,232)
Cash flows used in operating activities		(601,062)	(43,044)
INVESTING ACTIVITIES			
Property and equipment acquired	6	(12,859)	(1,856)
Intangible assets acquired	7	(4,433)	(6,544)
Intangible assets acquired – business combination	5	(824,571)	-
Equity interest in joint venture	8	-	(31,218)
Cash flows used in investing activities		(841,863)	(39,618)
FINANCING ACTIVITIES			
Proceeds from issuance of shares	10	2,128,500	-
Share issue costs	10	(207,801)	-
Shares issued – business combination	5	250,000	-
Balance of purchase consideration – business acquisition	5	265,000	-
Cash flows provided by financing activities		2,435,699	-
Net decrease in cash		992,774	(82,662)
Cash, beginning of period		170,785	180,562
Cash, end of period		1,163,559	97,900

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

1. STATUTES, NATURE OF ACTIVITIES AND GOING CONCERN

Earth Alive Clean Technologies Inc. and its subsidiary ("Company") ("EACT") are focused on formulating and manufacturing niche products destined for a variety of industries, using the latest innovations in microbial technology, which, once blended with a host of other proprietary natural ingredients, allow the Company to formulate and patent innovative environmentally sustainable products that can deal with difficult industrial challenges without the use of environmentally harmful chemicals and additives.

The Company was incorporated under the Canada Business Corporations Act on February 2, 2011 and its shares are listed on the Canadian Stock Exchange ("CSE") under the symbol EAC since April 16, 2014. The head office of the Company is located at 1001 Lenoir Street, Suite B-338, Montréal, Québec (Canada).

The accompanying condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. The Company has not yet realized profitable operations, reporting a loss of $1,763,666 for the six months ended June 30, 2014 compared to a loss of $30,412, before an interest in earnings of a joint venture, for the same period last year and has had negative cash flows from operations since inception. The Company has relied on external sources of debt and equity to fund operations to date.

The Company's ability to continue as a going concern will depend on management's ability to successfully execute its business plan and obtain additional financing if necessary, until it achieves profitability and positive cash flow from operating activities. Although, to date, management has achieved their expected targets and therefore feels that the risk that the Company will not be able to continue as a going concern is low, there can be no assurance that such financing and profitability will occur in the amounts and with the terms expected. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern. These factors raise significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

a) Statement of compliance:

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and do not contain all the information required for financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). They are however accompanied by notes selected in order to provide information necessary to the understanding of the Company's financial position and its operations since its annual financial statements for the year ended December 31, 2013.

The condensed consolidated interim financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors on August 27, 2014

b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on a going concern and on an amortized cost basis except for certain financial assets and liabilities that are measured at fair value.

c) Significant accounting judgements, estimates and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (cont'd)

d) Significant accounting policies

i) Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its subsidiary LFP Solutions Inc. The 100% owned subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary is fully consolidated from the date on which control is transferred to the Company and is de-consolidated from the date the control ceases. All intercompany transactions, balances, income and expenses, and profits and losses are eliminated on consolidation.

ii) Inventory

Inventory is measured at the lower of cost and net realizable value. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventory is comprised of raw materials. The cost of inventory is determined using the weighted average method. Net realizable value is calculated as the difference between the estimated selling price and estimated costs to complete processing into a saleable form.

iii) Due from shareholder

The amounts due from a shareholder do not bear interest and have no fixed term of repayment.

iv) Goodwill

Goodwill acquired in a business combination has an indefinite useful life that is not amortized but systematically tested for impairment annually in the fourth quarter or earlier if there is an indication of impairment.

v) Patents

Patents with a finite service life are accounted for at cost less accumulated amortization and impairments, over 10 years on a straight line basis from the date of issue.

vi) Trademarks

Trademarks with finite useful lives acquired in a business combination are measured at fair value at the time of the acquisition. They are amortized on a straight-line basis over their useful life, established at 5 years and an impairment loss is recognized in the statement of operations and comprehensive loss when their recoverable amount is less than their net carrying value.

vii) Employment and non-competition agreement

Employment and non-competition agreement will have a term of two years and will include an engagement not to compete with the Company for a period of two years in the event that employment ceases prior to the expiry of the agreement. The fair value of this agreement is amortized on a straight line basis over the two year term.

viii) Stock based compensation

A stock option plan has been granted by the Company to its directors, officers, employees and consultants. Share-based compensation expense is measured based on the fair value at the grant date and recognized over the period that the optionee unconditionally becomes entitled to the awards with a corresponding increase in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

Upon the exercise of the options, any consideration received from plan participants is credited to share capital; the amount originally credited to contributed surplus is also reclassified to share capital.

2. BASIS OF PREPARATION (cont'd)

e) Impairment of assets

Non-current assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment. Non-current assets with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Once an impairment indicator is identified, impairment testing compares the carrying values of the assets or 'cash generating units' being tested with their recoverable amounts (recoverable amounts being the greater of the assets or 'cash-generating units' values in use or their fair values less costs to sell). Impairment losses are immediately recognized to the extent that the asset or 'cash-generating unit' carrying values exceed their recoverable amounts. Should the recoverable amounts for previously impaired assets or 'cash-generating units' subsequently increase, the impairment losses previously recognized (other than in respect of goodwill) may be reversed such that the resulting carrying value does not exceed the carrying value that would have been the result if no impairment losses had been previously recognized.

f) Seasonality

The results of operations for the interim period are not necessarily indicative of the results of operations for the full year. The Company does not expect seasonality will be a material factor affecting future quarterly results.

3. FUTURE ACCOUNTING POLICIES

IFRS 9 Financial Instruments (effective October 1st, 2015)

IFRS 9, Financial Instruments, was issued in November 2009. It addresses classification and measurement of financial assets and financial liabilities. In November 2013, the IASB issued a new general hedge accounting standard, which forms part of IFRS 9 Financial Instruments (2013). The new standard removes the January 1, 2015 prior effective date of IFRS 9. The new mandatory effective date will be determined once the classification and measurement and impairment phases of IFRS 9 are finalized. The mandatory effective date is not yet determined, however, early adoption of the new standard is still permitted. In February 2014, a tentative decision established the mandatory effective application for annual periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of adoption of IFRS 9, and does not intend to early adopt IFRS 9 in its consolidated financial statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The Amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:

- The meaning of "currently has a legally enforceable right of set-off"
- That some gross settlement systems may be considered equivalent to net settlement.

The Amendments are effective for annual periods beginning on or after October 1st, 2014 and are required to be applied retrospectively. Management does not anticipate a material impact on the Company's consolidated financial statements from these Amendments.

3. FUTURE ACCOUNTING POLICIES (cont'd)

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

IFRS 2 Share-based payment

The Amendments to IFRS2, issued in December 2013 clarify the definition of "vesting conditions" and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

IFRS 3 Business combinations

The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

4. REVERSE TAKEOVER

In November 2013, the Company signed a letter of intent to enter into a listing transaction scheduled to take place in 2014. The Company planned to enter into an amalgamation with Treegenic Gold Corporation ("Treegenic") by way of an amalgamation which constituted a reverse takeover of Treegenic, a company listed on the TSX Venture Exchange (the "Amalgamation").

On April 10, 2014, the Company completed the Amalgamation ("Transaction"). The former holders of Treegenic and Earth Alive became shareholders of the amalgamated corporation ("Amalco"), a company under the Canada Business Corporations Act, and receive common shares of Amalco, hereinafter referred to as Common shares, on a one-for-one basis. The amalgamated corporation ("Amalco") changed its name to will pursue the Earth Alive Clean Technologies Inc. and will pursue its business on closing as a publicly traded company on the Canadian Securities Exchange (CSE).

Upon closing, the following transactions took place:

- each Treegenic shareholder exchanged Treegenic Shares for Common shares on the basis of one Common share for each Treegenic Share, resulting in 6,105,500 Common shares being issued to Treegenic shareholders;
- each Earth Alive shareholder exchanged their Earth Alive Shares for Common shares on the basis of 21.4285715 Common shares for each Earth Alive Share, resulting in 42,857,143 Common shares being issued to Earth Alive shareholders;
- 400,000 outstanding Treegenic warrants were exchanged for 400,000 warrants of Amalco. These warrants grant the holders to acquire one Common share per warrant at a price of $0.25 per share. The warrants expire on December 4, 2014; and
- the holders of Earth Alive Debentures (see Note 9) converted their Earth Alive Debentures into Common shares on the basis of $500,000 principal amount of Earth Alive Debentures for 7,142,857 Common shares.

In conjunction with the Amalgamation, on April 10, 2014, the Company completed a private placement of Common shares of the Company, issuing 13,985,000 Common shares at a price of $0.10 per share for an aggregate amount of $1,398,500.

On June 4, 2014, the Company completed a second private placement (together with the private placement of April 10, 2014, the "Private Placements") of Common shares of the Company, issuing 7,300,000 Common shares at a price of $0.10 per share for an aggregate amount of $730,000.

In addition, 1,172,500 broker warrants were issued at an exercise price of $0.10 and are exercisable until April 11, 2016 whose estimated fair value was determined using the Black-Scholes option pricing model which takes into account the value of the underlying Common shares which would be issued upon exercise of the options. The Company also issued 2,000,000 Common shares to an advisor to the Company for the Transaction.

(Expressed in Canadian dollars)

4. REVERSE TAKEOVER (cont'd)

The Transaction has been accounted for in accordance with International Financial Reporting Standards ("IFRS") 2, Share-based Payments ("IFRS 2"), given the fact that Treegenic does not meet the definition of a business as defined by IFRS 3, Business Combinations. IFRS 2 requires the Company to fair value the acquired net assets and the listing status. For the purpose of determining the fair value of the acquired net assets and the listing status, the Company calculated the fair value of the 6,105,500 Common shares using $0.10 per Common share. The Company estimated the fair value of the Treegenic warrants using the Black-Scholes option pricing model which takes into account the value of the underlying Common shares into which the warrants can be converted into. This implied a fair value of $1,637 was applied to the listing status has been charged to finance costs.

Costs to complete the Amalgamation and Private Placements totaled $1,162,830, including the commission of 8% of gross proceeds from the brokered portion of the Private Placement payable to the agents, Amalgamation costs, agent options and legal and advisor fees. Of this amount, $232,229 relates to the issuance of Class shares and has been deducted from share capital. The balance of $930,601 relating to fees associated with obtaining the listing status was charged to finance costs.

5. BUSINESS COMBINATION

On June 4, 2014, the Company acquired 100% of the shares of LFP Solutions Inc. (LFP), a manufacturer and distributor of organic agriculture fertilizers and inputs which are sold at the retail level in Canadian stores, as well as on the commercial and industrial levels in Canada and abroad for $849,000 in cash and shares of the Company. The acquisition of LFP is in line with the Company's strategy to expand its presence in Agriculture. LFP has been fully consolidated from the date of acquisition.

The Consideration transferred includes the following:

Consideration transferred	In dollars
Purchase price	472,000
Contingent consideration (in shares)	377,000
Total	849,000

The arrangement between the parties provides for the payment of a contingent consideration based on the Company meeting certain revenue targets in the next two years. For these two years the Company will have to pay and additional consideration of $500,000 and management considers this contingent consideration as probable. The amount of $377,000 represents the fair value of this consideration.

Goodwill recognized in this transaction essentially represents revenue growth and future market development. These benefits are not recognized separately from goodwill since future economic benefits derived from them cannot be measured reliably. Goodwill from this acquisition totals $491,571 at the acquisition date, is not tax deductible and was established as follows:

In dollars	June 4, 2014
Consideration transferred	849,000
Fair value of assets acquired	357,429
Goodwill	491,571

(Expressed in Canadian dollars)

5. BUSINESS COMBINATION (cont'd)

Acquisition costs of $40,570 arose as a result of the transaction. These have been recognized as part of General and Administrative expenses in the Condensed Consolidated Interim Statement of Operations and Comprehensive Income (Loss).

The fair values of net assets acquired from LFP are as follows:

June 4, 2014	Fair value of net assets acquired
Current Assets	75,637
Property and equipment	8,938
Trademark	69,000
Employment and non-competition agreement	264,000
Non-current assets	341,938
Total assets	**417,575**
Current Liabilities	60,146
Total Liabilities	**60,146**
Net assets acquired	**357,429**

The fair value of the net assets acquired was determined using management's estimates, including estimates regarding inventories, property and equipment and intangible assets. Trade receivables acquired in the transaction have a fair value of $24,348 which is equal to its book value. The impact of the acquisition on revenues and net income is presented below :

	Three months ended June 30, 2014
Revenues	5,067
Net income	2,107

The Company's share of revenues and net income for the six months ended June 30, 2014 as if the acquisition had taken place on January 1, 2014 are as follows:

	Six months ended June 30, 2014
Revenues	100,504
Net income	43,189

The actual and pro forma net income includes the additional amortization of intangible assets, net of related tax effects. The supplementary pro forma information is based on estimates and assumptions that are deemed reasonable. This supplementary pro forma information is not necessarily representative of the Company's future consolidated results or results that would have been achieved if the business acquisition had taken place on January 1, 2014.

The total purchase consideration payable as of June 30, 2014 amounts to $524,000 as follows:

In dollars	Cash	Shares	Total
Current Liabilities	80,000	179,000	259,000
Non-Current Liabilities	67,000	198,000	265,000
	147,000	377,000	524,000

(Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Deemed Cost	Vehicles	Computer Equipment	Furniture and Fixtures	Tools and Machinery	Leasehold Improvements	Total
As at December 31, 2013	13,191	9,854	3,663	17,030	3,950	47,688
LFP Solutions Acquisition		8,938				8,938
Additions	-	2,426	-	1,495	-	3,921
Disposals	-	-	-	-	-	-
As at June 30, 2014	13,191	21,218	3,664	18,525	3,950	60,547

Accumulated Amortization	Vehicles	Computer Equipment	Furniture and Fixtures	Tools and Machinery	Leasehold Improvements	Total
As at December 31, 2013	6,595	4,257	728	1,703	988	14,271
LFP Solutions Acquisition		223				223
Amortization for the period	1,319	1,642	366	1,704	988	6,018
Disposals	-	-	-	-	-	-
As at June 30, 2014	7,914	6,123	1,094	3,407	1,976	20,513

Net Book Value	Vehicles	Computer Equipment	Furniture and Fixtures	Tools and Machinery	Leasehold Improvements	Total
As at December 31, 2013	6,596	5,597	2,935	15,327	2,962	33,417
As at June 30, 2014	5,277	15,095	2,570	15,118	1,973	40,034

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consist of the following:

Deemed Cost	Goodwill	Patents	Trademarks	Employment & Non-Competition Agreement	Total
As at December 31, 2013	-	163,630	-	-	163,630
LFP Solutions Acquisition	491,571	-	69,000	264,000	824,571
Additions	-	4,433			4,433
As at June 30, 2014	491,571	168,063	69,000	264,000	992,634
Accumulated Amortization					
As at December 31, 2013	-	39,054	-	-	39,054
LFP Solutions Acquisition	-	-	1,150	11,000	12,150
Amortization for the period	-	8,332	-		8,332
As at June 30, 2014	-	47,386	1,150	11,000	59,536
Net Book Value					
As at December 31, 2013	-	124,576	-	-	124,576
As at June 30, 2014	491,571	120,677	67,850	253,000	933,099

(Expressed in Canadian dollars)

8. JOINT VENTURE

The Company had a 50% equity shareholding with equivalent voting power in Earth Tech Dust Solutions LLC. (Earth Tech), a jointly controlled entity established in Greeley, Colorado (USA), which was dissolved on June 19, 2013. The Company received final proceeds of US $62,122 in cash from the dissolution on September 27, 2013. An extract of the financial statements of Earth Tech for the three months ended March 31, 2014 and 2013 follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues	-	-	-	762,748
Expenses	-	244,551	-	700,312
Current assets	-	63,440	-	63,440
Non-Current Assets	-	-	-	-
Current Liabilities	-	43,048	-	43,048
Non-Current Liabilities	-	-	-	-

9. CONVERTIBLE DEBENTURES

On July 12, 2013, the Company issued convertible debentures in the amount of $500,000. The convertible debentures have a maturity of 2 years, carry interest at a rate of 10% in the first year and 12% in the second year, it has a prepayment option and is mandatorily convertible into a variable number of shares upon the occurrence of a listing transaction. The convertible debentures have two embedded derivatives, the prepayment option, which was determined to be closely related to the host contract and therefore was not accounted for separately, and the conversion feature, which was determined to be a derivative liability and was accounted for as a liability at fair value. Fair value was estimated based on the terms of the listing agreement taking into consideration the fact that the transaction was negotiated amongst unrelated parties based on market terms (see Note 17). As required by IAS 32 Financial Instruments: Presentation the embedded derivatives were initially measured at fair value with the remaining amount allocated to the convertible debenture. The convertible debenture is also being accreted to its redemption amount based on its expected life as required by IAS 39 Financial Instruments using the effective interest method.

On April 10, 2014, all of the holders of the Convertible Debentures agreed to convert their principal and unpaid interest into 7,142,857 Common shares.

	Convertible Debenture	Derivative Financial Liability
Balance at December 31, 2012	-	-
Accretion expense	-	-
Balance June 30, 2013	-	-
Balance as at December 31, 2013	472,852	214,286
Accretion expense	27,148	-
Conversion	(500,000)	(214,286)
Balance June 30, 2014	-	-

(Expressed in Canadian dollars)

10. SHARE CAPITAL

a) Class A common shares:

The share capital of the Company consists only of fully paid ordinary shares

Authorized

Prior to the Amalgamation, which took place on April 10, 2014, the Company had the following authorized share capital:

Unlimited number of Class A voting and participating shares and an unlimited number of Class B voting and participating shares, ranking first upon liquidation for up to $1,000.

Following the Amalgamation, which took place on April 10, 2014, the Company had the following authorized share capital:

Unlimited number of Class A voting and participating shares.

No preferred shares are outstanding.

The Company has never declared any dividend.

Issued

Changes in the Company's Class A common share capital were as follows:

	June 30, 2014		December 31, 2013	
	Number	Amount	Number	Amount
Balance at the beginning of the period [1]	**2,000,000**	**954,484**	**2,000,000**	**954,484**
Balance pre-amalgamation	**2,000,000**	**954,484**	**2,000,000**	**954,484**
Balance post consolidation at ratio of 21.4285715 to 1.	42,857,143	**954,484**	**-**	**-**
Issued to Treegenic Gold Corporation holders at Amalgamation	6,105,500	610,550	-	-
Issued to Advisor for Amalgamation	2,000,000	200,000	-	-
Conversion of Convertible debentures	7,142,857	714,286	-	-
Private placements	21,285,000	2,128,500	-	-
Share issue costs	-	(207,801)	-	-
Agent options issued	-	(24,428)		
Acquisition of LFP Solutions Inc.	2,500,000	250,000	-	-
Balance at the end of the period	**81,890,500**	4,625,591	**2,000,000**	**954,484**

[1] Assumes the combination of 1,500,000 Class A Shares ($454,484) and 500,000 Class B Shares ($500,000) in to Common shares post amalgamation.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (cont'd)

On April 10, 2014, the Company completed an Amalgamation with Treegenic Gold Corporation (Note 4) whereby former holders of Treegenic Gold Corporation received 6,105,500 Common shares of the Company. In addition, each Earth Alive shareholder exchanged their Earth Alive Shares for Common shares on the basis of 21.4285715 Common shares for each Earth Alive Share, resulting in 42,857,143 Common shares being issued to Earth Alive shareholders.

Concurrent with the Amalgamation,

- The holders of Earth Alive Debentures converted their Earth Alive Debentures into Common shares on the basis of $500,000 principal amount of Earth Alive Debentures for 7,142,857 Common shares.
- The Company issued 13,985,000 shares in a private placement ("Private Placement") for gross proceeds of $1,398,500.

On June 4, 2014, the Company completed a second private placement (together with the private placement of April 10, 2014, the "Private Placements") of Common shares of the Company, issuing 7,300,000 Common shares at a price of $0.10 per share for an aggregate amount of $730,000.

Transaction costs associated with the Amalgamation and private placement were $492,974.

On June 4, 2014, the Company purchased all issued and outstanding shares of LFP Solutions in consideration of $250,000 and the issuance of common shares of Earth Alive having an aggregate value of $750,000. The purchase price is payable in three tranches over a period of two years, subject to the achievement of sales targets of agricultural products. On June 4, 2014, the Company issued 2,500,000 Common shares at $0.10.

b. Share purchase warrants

Concurrent with the Amalgamation, 400,000 outstanding Treegenic Gold Corporation warrants were exchanged for 400,000 warrants of the Company. These warrants grant the holders the right to acquire one Common share per warrant at a price of $0.25 per share. The warrants expire on December 4, 2014. The fair value of these warrants of $1,637 was estimated using a Black-Scholes pricing model based on a volatility of 82.07%, risk-free rate of approximately 1.07%, expected lives of 8 months and no dividend yield. This implied a fair value was applied to the listing status has been charged to finance costs.

Presented below is the summary of warrant activity for the six months ended June 30, 2014:

	Six months ended June 30, 2014	
	Number of warrants	Average exercise price
Balance December 31, 2013	-	-
Issued,	400,000	$0.25
Exercised	-	-
Expired / Forfeited	-	-
Balance outstanding	400,000	$0.25

(Expressed in Canadian dollars)

10. SHARE CAPITAL (cont'd)

c. Agent Options

In connection with the Amalgamation, the Company granted to the Agent, options (the "Agent Options") which are exercisable (in whole or in part) until April 13, 2016 and which gives the Agent the right to acquire up to 1,172,500 Common shares of the Company (such number being equal to 10% of the number of Common shares issued pursuant to the brokered portion of the Private Placement) with an exercise price of $0.10. The fair value of the Agent Options was estimated using a Black-Scholes pricing model based on a volatility of 82.07%, risk-free rate of approximately 1.07%, expected lives of two years and no dividend yield. $17,239 was recorded as share issuance costs in share capital in April 2014. At June 30, 2014, the Agent had Agent Options to acquire 1,172,500 Common shares remaining.

Presented below is the summary of agent options activity for the six months ended June 30, 2014:

	Six months ended June 30, 2014	
	Number of Agent Options	Average exercise price
Balance December 31, 2013	-	-
Issued,	1,172,000	$0.10
Exercised	-	-
Expired / Forfeited	-	-
Balance outstanding	1,172,000	$0.10

11. STOCK BASED COMPENSATION

The Company has an incentive stock option plan (the "Plan") that was approved by the shareholders on April 10, 2014. The Plan provides that the Board of Directors of the Company, from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees, and consultants of the Company, non-transferable options to purchase Common shares, provided that the number of Common shares reserved for issuance will not exceed 10% of the issued and outstanding Common shares of the Company at the time of grant.

On April 10, 2014, the Company granted 4,150,000 options to employees, directors, officers and consultants. The options have an exercise price of $0.10 and a five year life. 1,750,000 options were immediately exercisable and the remainder will vest over a period of three years. The fair value of the options was estimated using a Black-Scholes pricing model based on a volatility of 82.07%, risk-free rate of approximately 1.70%, expected lives of five years and no dividend yield. $149,278 was recorded as stock based compensation during the period.

On April 24, 2014, the Company granted 100,000 options to its Corporate Secretary. The options have an exercise price of $0.13 and a five year life. 33,333 options were immediately exercisable and the remainder will vest over a period of three years. The fair value of the options was estimated using a Black-Scholes pricing model based on a volatility of 82.07%, risk-free rate of approximately 1.70%, expected lives of five years and no dividend yield. $3,910 was recorded as stock based compensation during the period.

On May 21, 2014, the Company granted 48,300 options to a supplier of marketing services. The options have an exercise price of $0.13 and a five year life and are all immediately exercisable. The fair value of the options was based on the value of the services rendered and $4,830 was recorded as consulting fees during the three months ended June 30, 2014.

The term of such options will be fixed by the Board of Directors of the Company, subject to the limitations that they will be exercisable for a period of up to ten (10) years from the date of grant. In connection with the foregoing, the number of Common shares reserved for issuance to any individual who is not a consultant will not exceed 5% in any 12 month period. The number of Common shares reserved for issuance to a consultant will not exceed 2% in any 12 month period.

(Expressed in Canadian dollars)

11. STOCK BASED COMPENSATION (cont'd)

	Number of Options	Weighted Average Exercise Price ($)	Weighted Average remaining contractual term (Years)
Outstanding as at December 31, 2013	-	-	-
Granted	4,298,300	$0.101	4.80
Exercised	-	-	-
Forfeited and Expired	-	-	-
Outstanding at June 30, 2014	4,298,300	$0.101	4.80
Exercisable at June 30, 2014	1,831,633	$0.101	4.80

The weighted average fair value at the date of grant for options granted during the six months ended June 30, 2014 was $0.07 per option. The fair value of options granted was determined using the Black Scholes Model. The weighted average assumptions used for the determination of the fair value of the options are as follows:

Exercise price of options granted	$0.101
Market price of Common shares at date of grants	$0.101
Volatility rate	82.07%
Dividend rate	-
Risk free interest rate	1.70%

The Company does not have a long trading history with respect to determining a volatility rate. The determination of the volatility rate was based on the Company's short trading history, selected securities in the CleanTech index of the TSXV and larger companies on the TSX with similarities with the Company and its sector of activity.

12. INFORMATION INCLUDED IN THE STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Expenses by nature

	Three months ended June 30,		Six months ended June 30,	
Cost of goods sold	2014	2013	2014	2013
Compensation	854	-	854	-
Amortization	964	4	1,767	4
Materials	45,361	8,588	68,160	157,803
Transport	24,257	975	29,273	8,235
Total	71,436	9,567	104,454	166,042

(Expressed in Canadian dollars)

12. INFORMATION INCLUDED IN THE STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (cont'd)

	Three months ended June 30,		Six months ended June 30,	
Operating expenses	2014	2013	2014	2013
Advertising and promotion	67,000	19,100	73,481	19,777
Consulting fees	85,524	15,650	94,492	26,294
Amortization	18,659	6,978	24,956	12,382
LFP Solutions acquisition costs	40,570	-	40,570	-
Office and general	20,617	5,311	38,163	9,651
Professional fees	51,687	15,731	96,560	16,916
Rent	10,392	5,630	16,152	11,136
Research and development	58,705	-	96,233	-
Sales Commissions	9,706	-	22,508	32,413
Salaries and benefits	86,612	45,410	194,363	62,210
Stock based compensation	153,188	-	153,188	-
Stock trading costs	13,219	-	13,219	-
Telecommunications	5,013	5,843	9,225	11,468
Travel and living costs	54,569	21,854	71,954	28,563
Other	-	6,770	-	6,049
Total	675,461	148,277	945,064	236,859

	Three months ended June 30,		Six months ended June 30,	
Financial expenses	2014	2013	2014	2013
Accretion expense on convertible debentures	2,958	-	27,148	-
Bank charges	946	-	1,886	-
Foreign exchange (gain) loss	8,914	(3,353)	6,288	(11,711)
Interest expense on convertible debentures	1,622	-	14,010	-
Other interest expense	2,079	-	2,079	
Listing status (Note 4)	930,601	-	930,601	-
Total	947,120	(3,353)	982,012	(11,711)

13. COMMITMENTS AND CONTINGENCIES

In 2012, a shareholder of the Company enacted a clause in the Unanimous Shareholder's agreement that forced the sale of minority shareholders' shares to the majority shareholder. Management has been advised that there is therefore a possible claim against the Company in regards to this matter, but to date no claims have been made. Management is unaware of the possible outcome of this matter and as such, no accounting measures have been taken.

During 2011, the Company has entered into a lease expiring May 31, 2016 with no renewal period for the rental of a portion of a building. The minimum lease payments for the coming years ending December 31 are:

2014	$ 13,248
2015	26,496
2016	11,040
Total	$ 50,784

14. LOSS PER SHARE

Earnings (loss) per share is calculated by dividing the net loss by the weighted average number of outstanding Common shares in issue during the year.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of Common shares outstanding to assume conversion of all dilutive potential Common shares.

	For the three months ended June 30,		For the six months ended June 30,	
(in dollars)	2014	2013	2014	2013
Net income (loss) attributable to shareholders	(1,533,187)	(240,687)	(1,763,666)	806
Weighted average number of shares outstanding	72,106,981	42,857,143	57,562,863	42,857,143
Basic and diluted earnings (loss) per share	($0.021)	0.006	($0.031)	0.000

15. CHANGES IN NON CASH WORKING CAPITAL ITEMS

Changes in working capital items are as follows:

	For the six months ended June 30,	
	2014	2013
Accounts receivable	(13,816)	13,714
Inventory	(97,372)	23,231
Prepaid	(65,080)	3,600
Deferred financing costs	50,142	-
Due from Shareholder	(38,616)	(109,109)
Accounts payable	46,947	12,332
Income taxes payable	(2,677)	-
Purchase consideration payable	259,000	-
Total	138,528	(56,232)

(Expressed in Canadian dollars)

16. NON CASH PROFIT OR LOSS ITEMS

Non cash profit or loss items are as follows:

		Six months ended June 30,	
	Note	2014	2013
Accretion expense	9	27,148	-
Amortization expense	6 & 7	26,723	12,382
Stock based compensation	11	153,188	-
Stock based payments in consulting fees		4,830	-
Stock based payments – Listing expense	4	200,000	-
Listing status	4	612,187	-
		1,024,076	12,382

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Fair value of financial instruments **–** Financial instruments of the Company consist of cash and cash equivalents, accounts receivable, accounts payable, due from shareholder, derivative liability and convertible debentures. The Company has determined that the carrying value of its short-term financial assets and liabilities approximates their fair value due to the short-term maturity of these financial instruments.

b. Financial risk factors – The Company is exposed in varying degrees to a number of risks arising from its financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The principal financial risks to which the Company is exposed are described below.

(i) *Liquidity risk* – Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. Since inception, the Company has financed its cash requirements primarily through issuances of securities, short-term borrowings. The Company controls liquidity risk through

(ii) management of working capital, cash flows and the availability and sourcing of financing. The Company's ability to accomplish all of its future strategic plans is dependent upon obtaining additional financing or executing other strategic options, however, there is no assurance that the Company will achieve these objectives.

(iii) *Interest rate risk* – Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk resulting from fluctuations in interest rates on cash equivalents and short-term investments that earn interest at market rates,

(iv) as well as on the loans, mortgages and leases that fluctuates according to interest rates. Unfavorable changes in the applicable interest rates may result in an increase in interest expense.

The Company does not use derivative instruments to reduce its exposure to interest rate risk. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the necessary liquidity to conduct its day-to-day operations. Based on the net exposures as at June 30, 2014, and assuming that all other variables remain constant, a 1% appreciation or deterioration of the interest rate would result in no significant decrease/increase in the Company's net loss for the year then ended.

(v) *Credit risk* – Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company's investment policies are designed to mitigate the possibility of deterioration of principal, enhance the Company's ability to meet its liquidity needs, and to provide high returns within those parameters. The Company manages its risk on accounts receivable by requesting deposits or advance payments prior to shipping significant orders.

(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

For the three months ended June 30, 2014, 92% (2013 – 98%) of revenue was from two customers (2013 - one customer) which accounted for 32% (2013 – Nil %) of accounts receivable.

For the six months ended June 30, 2014, 90% (2013 – 97%) of revenue was from two customers (2013 - three customers) which accounted for 32% (2013 – Nil %) of accounts receivable.

(vi) *Currency risk* – Currency risk refers to the risk that the value of a financial commitment, recognized asset or liability will fluctuate due to changes in foreign currency rates. The Company's functional currency is the Canadian dollar, but it is exposed to foreign currency risk primarily arising from U.S. dollar denominated cash, accounts receivable and accounts payable. The U.S. dollar is the only foreign currency to which the Company has significant exposure. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

At June 30, 2014, the impact on the after tax loss of a one cent weakening/strengthening of the Canadian dollar, all other variables remaining constant, on the revaluation of the Company's monetary assets and liabilities would result in no significant decrease/increase in the Company's monetary assets and liabilities.

18. RELATED PARTY TRANSACTIONS

a. During the six months ended June 30, 2013, the Company charged Earth Tech Solutions LLC., a company in which the Company has a 50% joint venture interest in, an amount of $135,873 for products intended for resale.

b. Compensation of Key Management Personnel – The Company considers its directors and executives to be key management personnel. Key management personnel compensation for the three and six months ended June 30, consisting of stock based compensation, consulting fees, salaries and benefits as well as advances are as follows:

In dollars	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Salaries and benefits	59,424	25,430	153,329	56,098
Sales Commissions	-	-	11,308	31,975
Consulting Fees	41,395	6,825	79,852	6,825
Stock based Compensation	100,002	-	100,002	-
	200,821	32,255	344,491	94,898
Advances	46,435	37,901	46,435	72,077
Total	247,256	70,156	390,925	166,975

(Expressed in Canadian dollars)

19. SEGMENTED INFORMATION

The Company is divided into four primary segments corresponding to the following geographical areas: Canada, the United States, Central and South America and Europe. The Company essentially operates a single line of business, i.e. using the latest innovations in microbial technology, which, once blended with a host of other proprietary natural ingredients, allow the Company to formulate and patent innovative environmentally sustainable products for a variety of industries. Profit or loss and statement of financial position items are allocated between the segments on the basis of either the destination of sales or profits. Reporting by geographical area follows the same accounting policies as those used to prepare the consolidated financial statements.

Three months ended June 30, 2014	**Canada**	**USA**	**Central & South America**	**Europe**	**Other**	**Not allocated**	**Total**
Components of net Income							
Revenue	6,049	590	-	150,166	4,025	-	160,830
Cost of Sales	2,687	262	-	66,699	1,788	-	71,436
Gross Margin	3,362	328	-	83,467	2,237	-	89,394
Sales & Marketing expenses	12,624	1,231	-	313,393	8,400	-	335,649
General and Administrative expenses	7,542	736	-	187,236	5,019	-	200,532
Research & Development	5,238	511	-	130,045	3,486	-	139,280
Financial Expenses	7,605	-	-	8,914	-	930,601	947,120
Interest in Joint Venture	-	-	-	-	-	-	-
Expenses	33,009	2,478	-	639,588	16,905	930,601	1,622,581
Net Income	**(29,647)**	**(2,150)**	**-**	**(556,121)**	**(14,668)**	**(930,601)**	**(1,533,187)**
Other Information							
Depreciation and Amortization		-	-	-	-	-	19,623
Components of Statement of Financial Position							
Assets	175,459	1,453	-	71,051	7,800	2,239,828	2,495,591
Liabilities	420,246	-	-	-	-	-	420,246
Net Assets	(244,787)	1,453	-	71,051		2,239,828	2,075,345

Three months ended June 30, 2013	**Canada**	**USA**	**Central & South America**	**Europe**	**Other**	**Not Allocated**	**Total**
Components of net Income							
Revenue		36,079	-	-	-	-	36,079
Cost of Sales		9,567	-	-	-	-	9,567
Gross Margin	-	26,512	-	-	-	-	26,512
Sales & Marketing expenses	-	85,550	-	-	-	-	85,550
General and Administrative expenses	-	57,633	-	-	-	-	57,633
Research & Development	-	5,094	-	-	-	-	5,094
Financial Expenses	-	(3,353)	-	-	-	-	(3,353)
Interest in Joint Venture	-	122,275	-	-	-	-	122,275
Expenses	-	267,199	-	-	-	-	267,199
Net Income	**-**	**(240,687)**	**-**	**-**	**-**	**-**	**(240,687)**
Other Information							
Depreciation and Amortization	6,978	-	-	-	-	-	6,978
Components of Statement of Financial Position							
Assets	16,606	57,457	-	-	-	393,751	467,824
Liabilities	77,847	-	-	-	-	-	77,847
Net Assets	**(61,241)**	**57,457**	**-**	**-**	**-**	**393,751**	**389,977**

(Expressed in Canadian dollars)

19. SEGMENTED INFORMATION (cont'd)

Six months ended June 30, 2014	Canada	USA	Central & South America	Europe	Other	Not Allocated	Total
Components of net Income							
Revenue	6,050	3,421	-	242,047	14,967	-	266,485
Cost of Sales	2,340	1,323	-	93,623	5,789	-	103,075
Gross Margin	3,710	2,098	-	148,424	9,178	-	163,410
Sales & Marketing expenses	10,815	6,115	-	432,674	26,754	-	476,358
General and Administrative expenses	6,534	3,695	-	261,414	16,165	-	287,808
Research & Development	4,107	2,322	-	164,309	10,160	-	180,898
Financial Expenses	45,123	-	-	6,288	-	930,601	982,012
Interest in Joint Venture	-	-	-	-	-	-	-
Expenses	66,579	12,132	-	864,685	53,079	930,601	1,927,076
Net Income	(62,869)	(10,034)	-	(716,261)	(43,901)	(930,601)	(1,763,666)
Other Information							
Depreciation and Amortization	6,241	-	-	-	-	20,482	26,723
Components of Statement of Financial Position							
Assets	175,459	1,453	-	71,051	7,800	2,239,828	2,495,591
Liabilities	420,246	-	-	-	-	-	420,246
Net Assets	**(244,787)**	**1,453**	**-**	**71,051**	**7,800**	**2,239,828**	**2,075,345**

Six months ended June 30, 2013	Canada	USA	Central & South America	Europe	Other	Not Allocated	Total
Components of net Income							
Revenue	2,732	235,839	116,854	5,351	-	-	360,776
Cost of Sales	1,257	108,542	53,780	2,463	-	-	166,042
Gross Margin	**1,475**	**127,297**	**63,074**	**2,888**	**-**	**-**	**194,734**
Sales & Marketing expenses	994	85,834	42,529	1,948	-	-	131,305
General and Administrative expenses	733	63,267	31,348	1,436	-	-	96,784
Research & Development	66	5,732	2,840	130	-	-	8,768
Financial Expenses	-	(11,711)	-	-	-	-	(11,711)
Interest in Joint Venture	-	(31,218)	-	-	-	-	(31,218)
Expenses	1,793	111,904	76,717	3,514	-	-	193,928
Net Income	**(318)**	**15,393**	**(13,643)**	**(626)**	**-**	**-**	**806**
Other Information							
Depreciation and Amortization	12,382.00	-	-	-	-	-	12,382.00
Components of Statement of Financial Position							
Assets	16,606	57,467	-	-	-	402,519	476,592
Liabilities	77,847	-	-	-	-	-	77,847
Net Assets	**(61,241)**	**57,467**	**-**	**-**	**-**	**402,519**	**398,745**