



Earth Alive Clean Technologies Inc.
Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended June 30, 2017 and 2016
(Expressed in Canadian dollars)
UNAUDITED

EARTH ALIVE CLEAN TECHNOLOGIES INC.
MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE
PERIODS ENDED JUNE 30, 2017 AND 2016

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Earth Alive Clean Technologies Inc. as at and for the three and six-month periods ended June 30, 2017 have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements.

August 22, 2017

THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

	Note	June 30, 2017 Unaudited	December 31, 2016
ASSETS			
Current			
Cash	6	561,752	1,273,469
Trade and other receivables	7	227,902	313,580
Inventory	8	61,767	108,121
Prepaid		72,854	55,839
		924,275	1,751,009
Non-Current			
Property and equipment	9	16,652	20,286
Goodwill and other Intangible assets	10	762,411	767,157
		779,063	787,443
TOTAL ASSETS		1,703,338	2,538,452
LIABILITIES			
Current			
Trade and other payables	11	373,449	228,562
Income taxes payable		-	3,278
		373,449	231,840
Non-Current			
Deferred income tax liabilities		25,622	8,971
TOTAL LIABILITIES		399,071	240,811
EQUITY			
Capital stock	12	9,989,990	9,692,235
Contributed Surplus		1,064,605	1,107,186
Deficit		(9,747,064)	(8,498,516)
Accumulated other comprehensive loss		(3,264)	(3,264)
TOTAL EQUITY		1,304,267	2,297,641
TOTAL LIABILITIES AND EQUITY		1,703,338	2,538,452

Commitments

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

On behalf of the Board,

/s/ Robert Blain
Director

/s/ Benoit La Salle
Director

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

	Note	Three months ended June 30, 2017	2016	Six months ended June 30, 2017	2016
Revenues		65,588	243,166	198,891	305,659
Cost of goods sold	13	61,788	140,457	175,720	189,626
Gross margin		3,800	102,709	23,171	116,033
Operating expenses	13				
General and administrative		244,188	196,352	462,487	399,717
Sales and marketing		374,817	333,656	719,575	690,091
Research and development		20,532	57,078	84,067	84,837
Total operating expenses		639,537	587,086	1,266,129	1,174,645
Operating loss		(635,737)	(484,377)	(1,242,958)	(1,058,612)
Financial income	13	(579)	(16,668)	(20,551)	(805)
Financial expenses	13	1,488	328,025	9,490	245,913
		909	311,357	(11,061)	245,108
Loss before income taxes		(636,646)	(795,734)	(1,231,897)	(1,303,720)
Income taxes					
Current		-	-	-	-
Deferred		(928)	(6,846)	16,651	(16,651)
Net loss		(635,718)	(788,888)	(1,248,548)	(1,287,069)
Other comprehensive loss					
Exchange difference in translation of foreign operations		-	478	-	215
Total comprehensive loss		(635,718)	(788,410)	(1,248,548)	(1,286,854)
Loss per share:	15				
Basic		(\$0.006)	(\$0.008)	(\$0.012)	(\$0.014)
Fully diluted		(\$0.006)	(\$0.008)	(\$0.012)	(\$0.014)

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

Earth Alive Clean Technologies Inc.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars, except for number of shares)

	Capital stock		Conversion Options Convertible Debenture	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
	Number	Amount					
Balance, January 1, 2016	90,339,000	5,336,117	160,398	956,716	(6,111,715)	(1,896)	339,620
Shares issued pursuant to private placements (net of share issue costs of \$89,027)	4,324,000	1,014,943	-	-	-	-	1,014,943
Warrants issued pursuant to private placements	-	-	-	409,430	-	-	409,430
Shares issued pursuant to Agent options exercised	541,000	78,176	-	(24,076)	-	-	54,100
Shares issued pursuant to warrants exercised	15,000	3,961	-	(961)	-	-	3,000
Stock based Compensation	-	-	-	68,710	-	-	68,710
Net loss	-	-	-	-	(1,287,069)	-	(1,287,069)
	4,880,000	1,097,080	-	453,103	(1,287,069)	-	263,114
Other Comprehensive Loss	-	-	-	-	-	215	215
Balance, June 30, 2016	95,219,000	6,433,197	160,398	1,409,819	(7,398,784)	(1,681)	602,949

	Capital stock		Conversion Options Convertible Debenture	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
	Number	Amount					
Balance, January 1, 2017	109,479,381	9,692,235	-	1,107,186	(8,498,516)	(3,264)	2,297,641
Shares issued pursuant to private placements	-	-	-	-	-	-	-
Warrants issued pursuant to private placements	-	-	-	-	-	-	-
Shares issued pursuant to options exercised	48,300	6,279	-	-	-	-	6,279
Shares issued pursuant to warrants exercised	1,150,000	291,476	-	(61,476)	-	-	230,000
Stock based Compensation	-	-	-	18,895	-	-	18,895
Net loss	-	-	-	-	(1,248,548)	-	(1,248,548)
	1,198,300	297,755	-	(42,581)	(1,248,548)	-	(993,374)
Other Comprehensive Loss	-	-	-	-	-	-	-
Balance, June 30, 2017	110,677,681	9,989,990	-	1,064,605	(9,747,064)	(3,264)	1,304,267

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

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

	Note	Six months ended June 30, 2017	2016
OPERATING ACTIVITIES			
Net loss		(1,248,548)	(1,287,069)
Non cash profit and loss items	16	60,985	263,428
Changes in non-cash working capital items	17	256,626	118,036
Cash flows used in operating activities		(930,937)	(905,605)
INVESTING ACTIVITIES			
Intangible assets acquired	10	(17,059)	(37,442)
Cash flows used in investing activities		(17,059)	(37,442)
FINANCING ACTIVITIES			
Net proceeds from issuance of shares and warrants	12	236,279	1,481,473
Purchase consideration payable		-	(67,500)
Cash flows provided by financing activities		236,279	1,413,973
Net increase (decrease) in cash		(711,717)	470,926
Cash, beginning of period		1,273,469	840,737
Realized foreign exchange effect on cash		-	215
Cash, end of period		561,752	1,311,878

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

1. STATUTES, NATURE OF ACTIVITIES AND GOING CONCERN

Earth Alive Clean Technologies Inc. and its subsidiaries ("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 9641 Clément Street, LaSalle (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 net loss of \$1,248,548 for the six months ended June 30, 2017 compared to a loss of \$1,287,069, 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 management, based on achievements to date, 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 consolidated 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 audited consolidated financial statements for the year ended December 31, 2016.

The condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual consolidated statements and related notes as and for the year ended December 31, 2016.

The condensed consolidated interim financial statements of the Company were authorized for issue by the Audit Committee of the Board of Directors on August 22, 2017.

b) Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries **LFP Solutions Inc. ("LFP")** and Earth Alive Chile SpA ("SpA"). These 100% owned subsidiaries are entities 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.

c) Significant accounting policies

These condensed consolidated interim financial statements, including comparatives, have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2016.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

3. 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 consolidated interim financial statements and reported amounts of revenues and expenses during the three and six months ended June 30, 2017. 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.

The main sources of estimation uncertainty and critical judgments by management applicable to these condensed consolidated interim financial statements are the same as those presented in the Company's audited annual consolidated financial statements for the year ended December 31, 2016.

4. FUTURE ACCOUNTING POLICIES

The following standards have been issued but are not yet effective:

IFRS 9 Financial Instruments

The IASB issued IFRS 9 Financial Instruments, which aims to replace IAS 39 Financial Instruments: Recognition and Measurement in a three-phase project which aims to improve and simplify the accounting for financial instruments. This standard is effective for periods beginning on or after January 1, 2018.

The three phases of the IAS 39 replacement project are:

- Phase 1: Classification and measurement of financial assets and liabilities (issued November 2009 and October 2010);
- Phase 2: Methods for the impairment of financial assets (published in July 2014);
- Phase 3: Hedge accounting (issued November 2013).

The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers", to specify how and when to recognize revenue as well as requiring the provision of more informative and relevant disclosures. IFRS 15 supersedes IAS 18, "Revenue", IAS 11, "Construction Contracts", and other revenue related interpretations. The standard will be effective on January 1, 2018 for the Company, with earlier adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, "Leases", which sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard will be effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial application of this Standard. If an entity applies this Standard earlier, it shall disclose that fact. The Company is currently evaluating the impact of this standard on its consolidated financial statements but does not expect that it will have a significant impact.

5. BUSINESS COMBINATION

Earth Alive Chile SpA

Effective May 11, 2015, the Company acquired 100% of the shares of Earth Alive Chile SpA, ("Chile SpA") a distributor of the Company's products in Chile for \$3,022 in cash, less cash acquired of \$2,377. The acquisition of Chile SpA is in line with the Company's strategy to expand its presence in South and Central America. Chile SpA has been fully consolidated from the date of acquisition. The consideration transferred is equal to the fair value of the net assets acquired. The fair value of the net assets acquired was determined using management's estimates. Recoverable taxes acquired in the transaction had a fair value of \$645.

6. CASH

	June 30, 2017	December 31, 2016
Cash denominated in CA\$	191,313	761,739
Cash denominated in US\$	367,477	499,878
Cash denominated in Chilean pesos	2,962	11,852
Cash on the consolidated statements of cash flows	561,752	1,273,469

Earth Alive Clean Technologies Inc.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

7. TRADE AND OTHER RECEIVABLES

	June 30, 2017	December 31, 2016
Trade	76,826	221,121
Other receivables – related parties	26,734	5,075
Taxes receivable	124,342	87,384
Trade and other receivables	227,902	313,580

All amounts are due in the short term. The net carrying amounts are a reasonable approximation of their fair value.

The net carrying amount of the Company's past due receivables is \$68,269 at the reporting date. The ageing of these receivables is detailed in the following table:

Ageing of receivables that are past due but not impaired:

	June 30, 2017	December 31, 2016
Not impaired and past due by:		
31 to 60 days	26,150	11,075
61 to 90 days	12,673	178,225
Over 90 days	29,446	21,787
Total	68,269	211,087

Trade receivables are normally recovered in 60 days.

The Company does not hold any collateral in respect of these receivables. Receivables are written off when the Company estimates it will not collect the amount provided for.

8. INVENTORY

Total carrying amount of inventories by classification:

	June 30, 2017	December 31, 2016
Agriculture products		
Finished goods	61,767	95,470
	61,767	95,470
Dust suppression products		
Raw materials	-	7,954
Finished goods	-	4,697
	-	12,651
Total	61,767	108,121

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

9. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Deemed Cost	Computer Equipment	Furniture and Fixtures	Tools and Machinery	Leasehold Improvements	Total
As at January 1, 2016	21,218	3,663	22,405	3,950	51,236
Additions	-	-	6,650	-	6,650
Disposals	-	-	-	-	-
As at December 31, 2016	21,218	3,663	29,055	3,950	57,886
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at June 30, 2017	21,218	3,663	29,055	3,950	57,886
Accumulated Depreciation					
As at January 1, 2016	14,286	2,192	9,904	3,950	30,332
Depreciation for the period	2,080	732	4,456	-	7,268
Disposals	-	-	-	-	-
As at December 31, 2016	16,366	2,924	14,360	3,950	37,600
Depreciation for the period	1,040	366	2,228	-	3,634
Disposals	-	-	-	-	-
As at June 30, 2017	17,406	3,290	16,588	3,950	41,234
Net Book Value					
As at December 31, 2016	4,852	739	14,695	-	20,286
As at June 30, 2017	3,812	373	12,467	-	16,652

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consist of the following:

Deemed Cost	Goodwill	Patents	Trademarks	Non-Competition Agreement	Total
As at December 31, 2016	560,326	278,112	69,000	264,000	1,171,438
Additions	-	17,059	-	-	17,059
As at June 30, 2017	560,326	295,171	69,000	264,000	1,188,497
Accumulated Amortization					
As at December 31, 2016	-	104,631	35,650	264,000	404,281
Amortization for the period	-	14,905	6,900	-	21,805
As at June 30, 2017	-	119,536	42,550	264,000	426,086
Net Book Value					
As at December 31, 2016	560,326	173,481	33,350	-	767,157
As at June 30, 2017	560,326	175,635	26,450	-	762,411

Years to fully amortize net book value

4.5

1.9

-

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

10. GOODWILL AND OTHER INTANGIBLE ASSETS (Cont'd)

Deemed Cost	Goodwill	Patents	Trademarks	Non- Competition Agreement	Total
As at January 1, 2016	560,326	168,063	69,000	264,000	1,061,389
Additions	-	37,442	-	-	37,442
As at June 30, 2016	560,326	205,505	69,000	264,000	1,098,831
Accumulated Amortization					
As at January 1, 2016	-	83,776	21,850	209,000	314,626
Amortization for the period	-	9,132	6,900	55,000	71,032
As at June 30, 2016	-	92,908	28,750	264,000	385,658
Net Book Value					
As at June 30, 2016	560,326	112,597	40,250	-	704,707
As at June 30, 2015	560,326	105,464	54,050	121,000	840,840
Years to fully amortize net book value		5.5	2.9	-	

11. TRADE AND OTHER PAYABLES

	June 30, 2017	December 31, 2016
Trade payables	268,726	103,219
Accrued liabilities	104,723	86,540
Amounts payable to executives	-	18,424
Amount payable to a company controlled by an officer of the Company	-	20,379
Trade and other payables	373,449	228,562

12. SHARE CAPITAL**a) Class A common shares:**

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

Authorized

Unlimited number of Class A common 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:

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

12. SHARE CAPITAL (Cont'd)

	June 30, 2017		June 30, 2016	
	Number	Amount	Number	Amount
Balance at the beginning of the period	109,479,381	9,692,235	90,339,000	5,336,117
Shares issued pursuant to private placements (net of share issue costs of \$89,027)	-	-	4,324,000	1,014,943
Shares issued pursuant to Agent Options exercised	-	-	551,000	78,186
Share issued to Options exercised	48,300	6,279		
Shares issued pursuant to Warrants exercised	1,150,000	291,476	15,000	3,961
Balance at the end of the period	110,677,681	9,989,990	95,219,000	6,433,197

b. Share purchase warrants

The fair value of share purchase warrants issued was estimated using a Black-Scholes pricing model assuming no dividend yield, volatility rates and risk-free rates shown further below.

Presented below is the summary of warrant activity:

Date	Transaction	Number of warrants	Term	Exercise price	Value in dollars	Volatility	Risk-free rate
Balance January 1, 2016		5 733 667		\$0.20	367 184		
February 26, 2016	Issue	2 162 000	15 months	\$0.45	409 430	135.10%	0.47%
	Exercised	(4 583 667)		\$0.20	(256 160)		
Balance December 31, 2016		3 312 000		\$0.269	520 454		
	Exercised	(1 150 000)		\$0.20	(61 476)		
Balance June 30, 2017		2 162 000		\$0.450	458 978		

c. Stock Options

The Company has an incentive stock option plan that 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.

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.

Presented below is the summary of stock options activity:

Earth Alive Clean Technologies Inc.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

12. SHARE CAPITAL (Cont'd)

	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average remaining contractual term (Years)
Outstanding as at January 1, 2017	6,238,300	\$0.133	2.675
Granted	-	-	-
Exercised	(48,300)	\$0.13	-
Forfeited and Expired	(250,000)	\$0.17	-
Outstanding at June 30, 2017	5,940,000	\$0.127	2.14
Exercisable at June 30, 2017	5,740,000	\$0.127	2.03

13. INFORMATION INCLUDED IN THE STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

Expenses by nature

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Cost of goods sold				
Salaries and benefits	6,769	7,818	15,416	14,944
Amortization	1,114	1,114	2,228	2,228
Materials	37,739	106,333	126,620	150,397
Transport	16,166	25,192	31,456	22,057
Total	61,788	140,457	175,720	189,626

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Operating expenses				
Advertising and promotion	35,964	14,561	80,590	40,991
Consulting fees	135,944	76,852	191,060	113,539
Amortization	11,913	31,396	23,212	72,438
Office and general	44,189	23,897	68,667	45,667
Professional fees	62,183	57,390	133,289	127,587
Rent	19,703	11,594	33,115	23,077
Research and development	13,399	51,288	68,614	73,791
Sales commissions	6,861	25,674	18,885	22,067
Salaries and benefits	226,413	200,754	447,521	408,391
Stock based compensation	11,334	10,287	18,895	68,710
Stock trading costs	26,321	24,963	44,148	39,690
Telecommunications	3,639	6,135	10,759	12,382
Travel and living costs	41,674	52,295	127,374	126,315
Total	639,537	587,086	1,266,129	1,174,645

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

13. INFORMATION INCLUDED IN THE STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Cont'd)

Financial income	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Foreign exchange gain	-	(16,648)	-	-
Other interest income	(579)	(20)	(20,551)	(805)
Total	(579)	(16,668)	(20,551)	(805)
Financial expenses				
Accretion expense on convertible debentures	-	25,281	-	49,246
Accretion expense on LFP consideration payable in cash	-	1,970	-	4,853
LFP contingent consideration adjustment	-	250,000	-	82,604
Bank charges	1,087	1,455	2,321	2,812
Foreign exchange loss	401	-	7,169	7,760
Interest expense on convertible debentures	-	49,319	-	98,638
Total	1,488	328,025	9,490	245,913

14. COMMITMENT AND CONTINGENCIES

The Company leases office and warehouse space under a lease entered into on May 1, 2017 expiring April 30, 2020. The Company also leases an automobile under a lease that expires on November 30, 2018.

Minimum lease payments recognized as an expense during the period total \$33,115 (\$25,726 in 2016).

Future aggregate minimum lease payments under these leases are as follows:

	2017	2016
No later than 1 year	85,038	3,906
Later than 1 year and no later than 5 years	150,370	5,543
Later than 5 years	-	-
Total	235,408	9,449

15. LOSS PER SHARE

Loss per share is calculated by dividing the net loss by the weighted average number of outstanding Common shares during the period.

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

Earth Alive Clean Technologies Inc.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

15. LOSS PER SHARE (Cont'd)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net loss attributable to shareholders	(635,718)	(788,888)	(1,248,548)	(1,287,069)
Weighted average number of shares outstanding	110,517,534	95,191,571	110,046,077	93,645,776
Diluted weighted average number of shares outstanding	110,517,534	95,191,571	110,046,077	93,645,776
Basic loss per share	(0.006)	(\$0.008)	(0.012)	(\$0.014)
Fully diluted loss per share	(0.006)	(\$0.008)	(0.012)	(\$0.014)

16. NON CASH PROFIT OR LOSS ITEMS

Non cash profit or loss items are as follows:

	<i>Note</i>	Six months ended June 30,	
		2017	2016
Accretion expense on convertible debentures		0	49,246
Accretion expense on LFP consideration payable in cash		0	4,853
LFP contingent consideration adjustment		0	82,604
Deferred income taxes		16,651	(16,651)
Depreciation and amortization expense	9&10	25,439	74,666
Stock based compensation		18,895	68,710
		60,985	263,428

17. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

Changes in non-cash working capital items include:

	Six months ended June 30,	
	2017	2016
Trade and other receivables	85,678	(28,445)
Inventory	46,354	(49,748)
Prepaid	(17,015)	(19,402)
Due from shareholders	-	83,637
Trade and other payables	144,887	33,450
Deferred revenue	-	98,389
Income taxes payable	(3,278)	155
Total	256,626	118,036

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as those derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers to or from Level 3 during the year.

a) Fair value of financial instruments

Financial instruments of the Company consist of cash and cash equivalents, accounts receivable, accounts payable, due from shareholder and purchase consideration payable in cash. 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 (classified as Level 1).

b) Assets and liabilities measured at fair value on a recurring basis

As at June 30, 2017, there are no Company asset or liability recorded at fair value on a recurring basis.

19. RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel – The Company considers its directors and executives to be key management personnel. Key management personnel compensation for the year ended December 31, consisting of stock based compensation, consulting fees, salaries and benefits are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Salaries and benefits	152,357	99,419	273,160	214,323
Sales commissions	18,885	-	18,885	12,168
Consulting fees	61,710	44,131	101,456	73,127
Stock based compensation	3,171	12,558	8,440	29,165
Total	236,123	156,108	401,941	328,783

20. SEGMENTED INFORMATION

The Company is divided into two operating segments, Agriculture and Dust Suppression. 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. Segment reporting follows the same accounting policies as those used to prepare the consolidated financial statements.

For management purposes, the Company is organized into two business units or operating segments as follows:

- The Agriculture segment, which provides environmentally friendly products for retail and industrial used such as fertilizers and soil amendments.
- The Dust Suppression segment, which provides a biodegradable microbial product that abates dust.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision-maker is identified as the Chief Executive Officer, who assesses the performance and operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based at the revenue and gross margin level as well as operating costs directly attributable to the segments, and is measured consistently with revenue and gross margins in the consolidated financial statements.

Product and services revenue efforts are made in four geographical areas: Canada, the United States, Central and South America, Europe and East Africa.

20. SEGMENTED INFORMATION (Cont'd)

Profit or loss and statement of financial position items are allocated between the segments on the following basis:

- Revenues and gross margins are allocated to the segment where revenues have been invoiced. There are no inter-segment revenues.
- General and administrative expenses are incurred in Canada and in Chile. Expenses in Chile are allocated to the Dust Suppression segment. Expenses related to stock based compensation for Directors, and stock trading costs are not allocated. Remaining costs are allocated according to revenue for each segment on a year to date basis, unless they pertain specifically to a segment.
- Sales and Marketing expenses are incurred in Canada and in Chile. Expenses in Chile are allocated to the Dust Suppression segment. Expenses are generally allocated to the segments that benefit from the cost incurred in the reporting period.
- Amortization expenses related to intangible assets have been allocated to each operating segment based on which segment has the benefit of the asset in question.
- Research and development costs are allocated based on revenue on a year to date basis.
- The Company's financing (including finance costs and finance income) and income taxes are managed on a consolidated basis and are not allocated to operating segments.
- Assets and Liabilities in our Chilean operations are allocated to the Dust Suppression segment. The remaining trade and other receivables and inventory are allocated based on the products or services sold to the debtor and the type of materials or finished goods in inventory, respectively. Amounts receivable for refundable taxes have not been allocated. Remaining prepaid assets are not allocated as they benefit both segments.
- Cash, due from shareholder and deferred income taxes have not been allocated.
- Intangible assets have been allocated to each operating segment based on which segment has the benefit of the asset in question.
- Property and equipment have been allocated to each operating segment based on which segment has the benefit of the asset in question. Property and equipment which benefit both segments have not been allocated.
- Trade and other payables have been allocated to each operating segment based on which segment has the benefit of the liability in question. Remaining liabilities which benefit both segments have not been allocated. The purchase consideration payable for the acquisition of LFP has been allocated to the Agriculture segment.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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For the three and six months ended June 30, 2017 and 2016

20. SEGMENTED INFORMATION (cont'd)

Three Months ended June 30, 2017	Dust Suppression	Agriculture	Not Allocated	Total
Revenue	-	65,588	-	65,588
Cost of goods sold	-	61,788	-	61,788
Gross Margin	-	3,800	-	3,800
General & administration	48,406	162,333	33,449	244,188
Sales & Marketing	177,719	118,565	78,533	374,817
Research & development	4,035	16,497	-	20,532
Operating Expenses	230,160	297,395	111,982	639,537
Income (Loss) from Operations	(230,160)	(293,595)	(111,982)	(635,737)
Financial Expenses	-	909	-	909
Income taxes	-	-	(928)	(928)
Net Income (Loss)	(230,160)	(294,504)	(111,054)	(635,718)
Other Information				
Depreciation & amortization	4,387	7,526	-	11,913

Three Months ended June 30, 2016	Dust Suppression	Agriculture	Not Allocated	Total
Revenue	-	243,166	-	243,166
Cost of goods sold	-	140,457	-	140,457
Gross Margin	-	102,709	-	102,709
General & administration	13,285	131,908	51,159	196,352
Sales & Marketing	111,784	221,872	-	333,656
Research & development	3,385	53,693	-	57,078
Operating Expenses	128,454	407,473	51,159	587,086
Income (Loss) from Operations	(128,454)	(304,764)	(51,159)	(484,377)
Financial Expenses	-	-	311,357	311,357
Income taxes	-	-	(6,846)	(6,846)
Net Income (Loss)	(128,454)	(304,764)	(355,670)	(788,888)
Other Information				
Depreciation & amortization	3,384	29,126	-	32,510

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars, except for number of securities)

For the three and six months ended June 30, 2017 and 2016

20. SEGMENTED INFORMATION (cont'd)

	Dust Suppression	Agriculture	Not Allocated	Total
Components of Consolidated Statement of Financial Position - June 30, 2017				
Assets	46,437	291,193	1,365,708	1,703,338
Liabilities	49,258	36,697	313,116	399,071
Net Assets	(2,821)	254,496	1,052,592	1,304,267

Components of Consolidated Statement of Financial Position - June 30, 2016				
Assets	358,390	1,036,125	1,450,772	2,845,287
Liabilities	48,724	658,038	1,535,576	2,242,338
Net Assets (Liabilities)	309,666	378,087	(84,804)	602,949

Six Months ended June 30, 2017	Dust Suppression	Agriculture	Not Allocated	Total
Revenue	13,300	185,591	-	198,891
Cost of goods sold	-	175,720	-	175,720
Gross Margin	13,300	9,871	-	23,171
	0.0%	5.3%		11.7%
General & administration	96,398	308,275	57,814	462,487
Sales & Marketing	333,727	307,313	78,534	719,575
Research & development	7,751	75,769	547	84,067
Operating Expenses	437,876	691,357	136,895	1,266,129
Loss from Operations	(424,576)	(681,486)	(136,895)	(1,242,958)
Financial Expenses	-	-	(11,061)	(11,061)
Deferred income taxes			16,651	16,651
Net Loss	(424,576)	(681,486)	(142,485)	(1,248,548)
Other Information				
Depreciation & amortization	8,454	14,758		23,212

Earth Alive Clean Technologies Inc.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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20. SEGMENTED INFORMATION (cont'd)

Information about revenues

Six Months ended June 30, 2016	Dust Suppression	Agriculture	Not Allocated	Total
Revenue	-	305,659	-	305,659
Cost of goods sold	-	189,626	-	189,626
Gross Margin	-	116,033	-	116,033
	0.0%	38.0%		38.0%
General & administration	30,330	256,492	112,895	399,717
Sales & Marketing	254,682	435,409	-	690,091
Research & development	5,416	79,421	-	84,837
Operating Expenses	290,428	771,322	112,895	1,174,645
Loss from Operations	(290,428)	(655,289)	(112,895)	(1,058,612)
Financial Expenses	-	-	(245,108)	(245,108)
Income taxes	-	-	16,651	16,651
Net Loss	(290,428)	(655,289)	(341,352)	(1,287,069)
Other Information				
Depreciation & amortization	5,415	69,251	-	74,666

Six months ended June 30, 2017	Central and South					Total
	Canada	USA	America	Europe	Africa	
Dust Suppression	-	-	13,300	-	-	13,300
Agriculture	144,101	41,490	-	-	-	185,591
Total Revenue	144,101	41,490	13,300	-	-	198,891

Revenue by Country exceeding 10% of total revenue

Canada	144,101
USA	41,490

Six months ended June, 2016	Central and South					Total
	Canada	USA	America	Europe	Africa	
Dust Suppression	-	-	-	-	-	-
Agriculture	100,456	9,843	132,867	-	-	243,166
Total Revenue	100,456	9,843	132,867	-	-	243,166

Revenue by Country exceeding 10% of total revenue

Canada	100,456
Central and South America	132,867