Earth Alive Clean Technologies Inc.
Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016

(Expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditors.

Massie Turcotte et associés inc. is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

This report and our consolidated financial statements was reviewed and approved by the Company's Board of Directors on April 27, 2018.

Michael Warren

/S/ Michael Warren
Chief Executive Officer
Montréal, Québec
April 27, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EARTH ALIVE CLEAN TECHNOLOGIES INC.

We have audited the accompanying consolidated financial statements of **EARTH ALIVE CLEAN TECHNOLOGIES INC.**, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for fiscal years ended December 31, 2017 and 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **EARTH ALIVE CLEAN TECHNOLOGIES INC.** as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of these consolidated financial statements, which states that **EARTH ALIVE CLEAN TECHNOLOGIES INC.** incurred significant losses from operations, negative cash flows from operating activities and has accumulated a deficit. This, along with other matters described in Note 1, indicates the existence of a material uncertainty which may raise significant doubt about the ability of **EARTH ALIVE CLEAN TECHNOLOGIES INC.** to continue as a going concern.

Massie Turcotte et Associés Inc (1)

MASSIE TURCOTTE ET ASSOCIÉS INC.
Brossard, Canada
April 27, 2018

(1) CPA auditor, CA, public accountancy permit no. A103635

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

	Note	December 31, 2017	December 31, 2016
ASSETS			
Current			
Cash	**5**	**1,079,242**	1,273,469
Trade and other receivables	**6**	**408,040**	313,580
Inventory	**7**	**50,938**	108,121
Prepaid		**51,127**	55,839
		1,589,347	1,751,009
Non-Current			
Property and equipment	**8**	**13,011**	20,286
Goodwill and other Intangible assets	**9**	**70,437**	767,157
		83,448	787,443
TOTAL ASSETS		**1,672,795**	2,538,452
LIABILITIES			
Current			
Trade and other payables	**10**	**635,009**	228,562
Income taxes payable	**11**	**-**	3,278
		635,009	231,840
Non-Current			
Convertible debentures	**12**	**1,225,296**	-
Deferred income tax liabilities		**-**	8,971
TOTAL LIABILITIES		**1,860,305**	240,811
EQUITY			
Capital stock	**13**	**10,039,538**	9,692,235
Contributed Surplus and other		**1,339,827**	1,107,186
Conversion option, Convertible debentures		**84,460**	-
Deficit		**(11,651,335)**	(8,498,516)
Accumulated other comprehensive loss		**-**	(3,264)
TOTAL EQUITY		**(187,510)**	2,297,641
TOTAL LIABILITIES AND EQUITY		**1,672,795**	2,538,452

Commitments and contingencies **15**

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

On behalf of the Board,

/s/ **Michael Warren**
Director

/s/ **Benoit La Salle**
Director

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

		Year ended December 31,	
	Note	**2017**	2016
Revenues		**449,108**	957,733
Cost of goods sold	**14**	**360,150**	550,049
Gross margin		**88,958**	407,684
Operating expenses	**14**		
General and administrative		**1,217,637**	819,803
Sales and marketing		**1,129,496**	1,475,468
Research and development		**226,278**	168,047
Impairment losses	**9**	**686,027**	-
Total operating expenses		**3,259,438**	2,463,318
Operating loss		**(3,170,480)**	(2,055,634)
Financial income	**14**	**664**	19
Financial expenses	**14**	**105,151**	349,693
		104,487	349,674
Loss before income taxes		**(3,274,967)**	(2,405,308)
Income taxes			
Deferred	**11**	**(125,412)**	(18,507)
		(125,412)	(18,507)
Net loss		**(3,149,555)**	(2,386,801)
Other comprehensive loss			
Exchange difference in translation of foreign operations		**3,264**	(1,368)
Total comprehensive loss		**(3,152,819)**	(2,388,169)
Loss per share			
Basic and Fully diluted	**16**	**($0.028)**	($0.025)

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

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

	Capital stock						
	Number	Amount	Conversion options Convertible Debentures	Contributed Surplus and other	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, January 1, 2017	**109,479,381**	**9,692,235**	**-**	**1,107,186**	**(8,498,516)**	**(3,264)**	**2,297,641**
Conversion options – Convertible debentures (net of issue costs of $10,901 and income taxes of $35,092)	-	-	84,460	-	-	-	84,460
Shares issued pursuant to options exercised	48,300	6,279	-	-	-	-	6,279
Shares issued pursuant to warrants exercised	1,150,000	341,024	-	(111,024)	-	-	230,000
Warrants issued pursuant to Convertible debentures (net of issue cost of $25,066 and income taxes of $81,349)	-	-	-	195,998	-	-	195,998
Stock based compensation	-	-	-	147,667	-	-	147,667
Net loss	-	-	-	-	(3,149,555)	-	(3,149,555)
	1,198,300	**347,303**	**84,460**	**232,641**	**(3,149,555)**	**-**	**(2,485,151)**
Other Comprehensive Loss	**-**	**-**	**-**	**-**	**(3,264)**	**3,264**	**-**
Balance December 31, 2017	**110,677,681**	**10,039,538**	**84,460**	**1,339,827**	**(11,651,335)**	**-**	**(187,510)**

	Capital stock						
	Number	Amount	Conversion options Convertible Debentures	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
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	**547,000**	**79,556**	**-**	**(24,256)**	**-**	-	**55,300**
Shares issued pursuant to warrants exercised	**4,583,667**	**1,172,894**	**-**	**(256,160)**	**-**	-	**916,734**
Shares issued pursuant to options exercised	**550,000**	**198,595**	**-**	**(93,095)**	**-**	-	**105,500**
Shares issued pursuant to conversion of Debenture	**8,250,000**	**1,580,130**	**(160,398)**	**-**	**-**	-	**1,419,732**
Shares issued pursuant to settlement of Contingent consideration payable	**885,714**	**310,000**	**-**	**-**	**-**	-	**310,000**
Cancelled options	**-**	**-**	**-**	**(33,555)**	**-**	-	**(33,555)**
Stock based compensation	**-**	**-**	**-**	**148,106**	**-**	-	**148,106**
Net loss	**-**	**-**	**-**	**-**	**(2,386,801)**	-	**(2,386,801)**
	19,140,381	**4,356,118**	**(160,398)**	**150,470**	**(2,386,801)**	**-**	**1,959,389**
Other Comprehensive Loss	**-**	**-**	**-**	**-**	**-**	**(1,368)**	**(1,368)**
	19,140,381	**4,356,118**	**(160,398)**	**150,470**	**(2,386,801)**	**(1,368)**	**1,958,021**
Balance, December 31, 2016	**109,479,381**	**9,692,235**	**-**	**1,107,186**	**(8,498,516)**	**(3,264)**	**2,297,641**

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

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

	Note	Year ended December 31 2017	2016
OPERATING ACTIVITIES			
Net loss		**(3,149,555)**	(2,386,801)
Non cash profit and loss items	**18**	**785,420**	366,224
Changes in non-cash working capital items	**17**	**370,604**	136,969
Cash flows used in operating activities		**(1,993,531)**	(1,883,608)
INVESTING ACTIVITIES			
Property and equipment purchased	**8**	**-**	(6,650)
Intangible assets acquired	**9**	**(32,149)**	(110,049)
Cash flows used in investing activities		**(32,149)**	(116,699)
FINANCING ACTIVITIES			
Purchase consideration payable		**-**	(67,500)
Net proceeds from issuance of shares and warrants	**13**	**236,279**	2,501,907
Net proceeds from convertible debentures issued		**1,595,174**	-
Cash flows provided by financing activities		**1,831,453**	2,434,407
Net increase in cash		**(194,227)**	434,100
Cash, beginning of year		**1,273,469**	840,737
Realized foreign exchange effect on cash		**-**	(1,368)
Cash, end of period		**1,079,242**	1,273,469

The accompanying notes are an integral part of the consolidated 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 9641 Clément, LaSalle Québec (Canada).

The accompanying consolidated 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 comprehensive loss of $3,152,819 for the year ended December 31, 2017 compared to a comprehensive loss of $2,388,169, 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 been able to obtain financing and 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. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements provide comparative information in respect of the previous year.

The consolidated financial statements for the year ended December 31, 2017 were authorized for issue in accordance with a resolution of the Board of Directors on April 27, 2018.

b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values at the end of each year as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and it subsidiary Earth Alive Chile SpA ("SpA"). This 100% owned subsidiarity 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognized when the goods are delivered, and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

e) 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 condition. Inventory is comprised of raw materials and finished goods. Due to the nature of the Company's business, it does not have any work in process, as the transformation of raw materials to finished goods is almost instantaneous. 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.

f) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as Incurred. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively:

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

- Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held Interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

- When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and Included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as is appropriate, with the corresponding gain or loss being recognized in profit or loss.

g) Goodwill

Goodwill arising on an acquisition of a business is carried at cost is established at the date of acquisition of the business (see "**f**" above) less accumulated Impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or groups of CGUs) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be Impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of operations and comprehensive income (loss) as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of operations and comprehensive income (loss) when the asset is derecognized.

i) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in Research and

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Development expenses. During the period of development, the asset is tested for impairment annually. No assets were capitalized for the years ended December 31, 2017 and 2016.

j) 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.

k) 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.

l) Non-competition agreement

The non-competition agreement acquired as part of the business combination with LFP includes an engagement not to compete with the Company for a period of two years. The fair value of this agreement is amortized on a straight-line basis over the two-year term.

m) Stock based compensation

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes pricing model. That cost is recognized, together with a corresponding increase in contributed surplus in equity, over the period in which the performance and/or service conditions are fulfilled in share-based compensation within each of the categories in operating expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of operations and comprehensive income (loss) expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in share-based compensation within each of the categories in operating expenses.

No expense is recognized for awards that do not ultimately vest, except for an equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met, an additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

a) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. Financial instruments in this category are recognized initially and subsequently at fair value, with changes in fair value recognized in the consolidated statement of loss. The company does not have any financial instrument classified at fair value through profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income. The Company does not have any financial instruments classified as available-for-sale.

c) Held-to-maturity financial assets: Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are initially recognized at fair value plus transaction costs and are subsequently carried at amortized cost using the effective interest method less impairment. The Company does not have any financial instruments classified as held-to-maturity.

d) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. Any changes in value are recognized in the earnings or loss. Cash and accounts receivable are included in this category.

e) Financial liabilities measured at amortized cost: Other liabilities are initially recognized at fair value, net of any transaction costs incurred. Subsequently, other liabilities are measured at amortized cost using the effective interest method. Any changes in value are recognized in the consolidated statement of income. Other liabilities include trade and other payables and borrowings. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities. The Company has designated accounts payable and convertible debentures as "financial liabilities measured at amortized cost".

o) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset, other than those designated as "fair value through profit or loss", is impaired. If such evidence exists, the Company recognizes an impairment loss for financial assets carried at amortized cost as follows: the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

p) Impairment of non-financial 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.

For the year ended December 31, 2017, the Company accounted for $560,326 of goodwill write-off and $125,701 of intangible assets write-off in the statement of loss (2016 – Nil).

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

q) Property and equipment

Property and equipment are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to earnings or loss during the period in which they are incurred.

Subsequent to initial recognition, property and equipment are stated at cost less accumulated amortization and accumulated impairment losses.

Property and equipment are amortized on a straight-line basis over the period of their expected useful lives as follows:

Furniture and fixtures	5 years
Computer equipment	3 years
Tools and machinery	5 years

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and amortizes each such part separately. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of operations and comprehensive loss.

r) Income taxes

Current income tax is recognized in earnings or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity. Current tax is the expected tax payable on the taxable income for the period, using the tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

s) Financial income and expenses

Financial income, consisting of interest income, net foreign exchange gains and gain on disposal of property and equipment is recognized as it accrues in the statement of operations and comprehensive loss. Financial expense comprises interest expense on borrowings, accretion expense on convertible debentures, LFP consideration payable in cash, bank charges, foreign exchange loss other interest expense as well as adjustments to the contingent consideration payable.

t) Share capital and Warrants

Common shares are classified as equity. Common shares granted as compensation for goods and services are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Proceeds from the issuance of warrants, net of issue costs, are credited to contributed surplus. Warrants reserve is non-distributable and will be transferred to capital stock account upon the exercise of warrants.

u) Functional and presentation currency

The functional currency of SpA is the Chilean Peso. The financial statements are presented in Canadian dollars.

Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statement of operations and comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

v) Loss per share

Basic and diluted loss per share is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated 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 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.

a) Share based compensation – Note 13
b) Impairment - Note 9
c) Convertible debenture analysis and valuation – Note 12
d) Valuation of warrants – Note 13
e) Contingencies – Note 15

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

RECENT IFRS PRONOUNCEMENTS NOT YET ADOPTED

The following new standards have not been applied when preparing these consolidated financial statements for the year ended December 31, 2017. The Company is adopting the remaining phases of IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, effective January 1, 2018 and is in the process of completing its evaluation of the accounting implications on its consolidated financial statements and disclosures, internal controls and accounting policies. This evaluation performed was based on a review of industry specific technical interpretations and contracts for its significant revenue stream. The Corporation will adopt these new standards retrospectively as of January 1, 2018 without restating comparatives. The impact of applying the standards will be reflected in the opening balances as at January 1, 2018. The assessment of the impact of these new standards is set out below.

IFRS 9, "Financial Instruments"

In July 2014, the IASB issued final amendments to IFRS 9, replacing earlier versions of IFRS 9, of which the Company had early adopted the first aspects of classification, measurement and derecognition of financial assets and the classification and measurement of financial liabilities. These amendments to IFRS 9 introduce a single, forward-looking "expected loss" impairment model for financial assets, which will require more timely recognition of expected credit losses, and a fair value through other comprehensive income category for financial assets that are debt instruments. Other previously issued amendments to IFRS 9 that have not yet been adopted by the Company include a substantially reformed approach to hedge accounting and requirements to recognize gains or losses that relate to the effect of an entity's own credit risk in measuring liabilities elected to be measured at fair value outside of net income or loss.

Based on the Company's assessment of the classification and measurement of financial assets, it does not hold debt instruments that would be classified under the fair value through other comprehensive income category. Accordingly, its financial assets will continue to be measured on the same basis and the adoption of the amendments will not have a significant impact on the classification and measurement of its financial assets.

There is no impact on the Company's accounting for financial liabilities, as the Company does not have financial liabilities designated at fair value through profit or loss.

The Company does not have any hedging relationships at the time of the transition.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses and applies to financial assets measured at amortized cost or debt instruments classified under the fair value through other comprehensive income. The Company has not finalized its assessment of the impairment methodologies that it will

4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Cont'd)

apply under IFRS 9. However, the Company does not expect the new impairment model to have a significant impact and will therefore not have an impact on its opening deficit as at January 1, 2018 for expected credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation with respect to financial instruments, which are expected to change the nature and extent of the disclosures.

IFRS 15, "Revenue from Contracts with Customers"

In May 2014, the IASB issued IFRS 15, which supersedes IAS 18, "Revenue", IAS 11, "Construction Contracts," and other interpretive guidance associated with revenue recognition. IFRS 15 establishes the principles that an entity shall apply to report the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 will also provide more informative, relevant disclosures in respect of their revenue recognition criteria, it will provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements. IFRS 15 is based on the general principle that revenue is recognized when control of a good or service transfers to a customer rather than when the significant risks and rewards of ownership are transferred as is the case under IAS 18.

IFRS 15 will be applied on a retrospective basis on January 1, 2018. The Company is in the process of completing the analysis of its revenue generating contracts but do not anticipate any significant impact on the implementation of IFRS 15 at the date of transition and on the comparative information for the 2017 fiscal year.

IFRS 2, "Share-based Payment"

In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled. The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The implementation of IFRS 2 will not have a material impact upon adoption.

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.

5. CASH

	December 31, 2017	December 31 2016
Cash denominated in CA$	**1,064,316**	761,739
Cash denominated in US$	**12,395**	499,878
Cash denominated in Chilean pesos	**2,531**	11,852
Cash on the consolidated statements of cash flows	**1,079,242**	1,273,469

6. TRADE AND OTHER RECEIVABLES

	December 31, 2017	December 31, 2016
Trade	**185,546**	221,121
Other receivables (note 15)	**108,230**	-
Other receivables from executives	**4,864**	5,075
Taxes receivable	**109,400**	87,384
Trade and other receivables	**408,040**	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 trade receivables is $70,440 ($211,087 on December 31, 2016) at the reporting date. The ageing of these receivables is detailed in the following table:

Ageing of trade receivables that are past due but not impaired:

	December 31, 2017	December 31, 2016
Not impaired and past due by:		
31 to 60 days	**417**	**11,075**
61 to 90 days	**5,875**	**178,225**
Over 90 days	**64,148**	**21,787**
Total	**70,440**	**211,087**

The amount of $113,038 is the maximum credit risk in trade accounts receivable. The Company does not hold any collateral or other form of security with respect to these receivables. Receivables are written off when the Company estimates it will not collect the amount provided for.

Trade receivables are normally recovered in 60 days (60 days in 2016). As at December 31, 2017, approximately 43.9% of the net carrying amount of trade receivables is owed by one customer (2016 – one customer – 80.6%). Apart from this customer, credit concentration risk is limited.

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

7. INVENTORY

Total carrying amount of inventories by classification:

	December 31, 2017	December 31, 2016
Agriculture products		
Raw materials	**32,375**	24,392
Finished goods	**16,763**	71,078
	49,138	95,470
Dust suppression products		
Raw materials	**-**	7,954
Finished goods	**1,800**	4,697
	1,800	12,651
Total	**50,938**	108,121

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Deemed Cost	**Computer Equipment**	**Furniture and Fixtures**	**Tools and Machinery**	**Total**
As at January 1, 2016	21 218	3 663	22 405	47 286
Additions	-	-	6 650	6 650
Disposals	-	-	-	-
As at December 31, 2016	21 218	3 663	29 055	53 936
Additions	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**
As at December 31, 2017	**21 218**	**3 663**	**29 055**	**53 936**
Accumulated Depreciation				
As at January 1, 2016	14 286	2 192	9 904	26 382
Depreciation for the period	2 080	732	4 456	7 268
Disposals	-	-	-	-
As at December 31, 2016	16 366	2 924	14 360	33 650
Depreciation for the period	**2 080**	**739**	**4 456**	**7 275**
Disposals	**-**	**-**	**-**	**-**
As at December 31, 2017	**18 446**	**3 663**	**18 816**	**40 925**
Net Book Value				
As at December 31, 2016	4 852	739	14 695	20 286
As at December 31, 2017	**2 772**	**-**	**10 239**	**13 011**

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

9. 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 January 1, 2017	560 326	278 112	69 000	264 000	1 171 438
Additions	-	32 149	-	-	32 149
Impairment losses	(560 326)	(125 701)	-	-	(686 027)
As at December 31, 2017	**-**	**184 560**	**69 000**	**264 000**	**517 560**
Accumulated Amortization					
As at January 1, 2017	-	104 631	35 650	264 000	404 281
Amortization for the period	-	29 042	13 800	-	42 842
As at December 31, 2017	**-**	**133 673**	**49 450**	**264 000**	**447 123**
Carrying Value					
As at December 31, 2017	**-**	**50 887**	**19 550**	**-**	**70 437**
The carrying amount will be fully amortized in		**4,7 years**	**1.2 years**		
As at January 1, 2016	560 326	168 063	69 000	264 000	1 061 389
Additions	-	110 049	-	-	110 049
As at December 31, 2016	**560 326**	**278 112**	**69 000**	**264 000**	**1 171 438**
Accumulated Amortization					
As at January 1, 2016	-	83 776	21 850	209 000	314 626
Amortization for the period	-	20 855	13 800	55 000	89 655
As at December 31, 2016	**-**	**104 631**	**35 650**	**264 000**	**404 281**
Carrying Value					
As at December 31, 2016	**560 326**	**173 481**	**33 350**	**-**	**767 157**
The carrying amount will be fully amortized in		**6.4 years**	**2.2 years**		

Goodwill and other intangible assets are allocated to CGUs by business segment. The carrying amounts of goodwill and other intangible assets are allocated to the following CGUs. All intangible assets have a definite useful life.

December 31, 2017	Goodwill	Patents	Trademarks	Non-Competition Agreement	Total
Agriculture Segment	**-**	**30,696**	**19,550**	**-**	**50,246**
Dust Suppression Segment	**-**	-	-	**-**	**-**
Other	**-**	**20,191**	**-**	**-**	**20,191**
Total	**-**	**50,887**	**19,550**	**-**	**70,437**
December 31, 2016					
Agriculture Segment	560,326	96,100	33,350	-	689,776
Dust Suppression Segment	-	50,977	-	-	50,977
Other	-	26,404	-	-	26,404
Total	560,326	173,481	33,350	-	767,157

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

Since 2014, the Company invested significant efforts in generating sales leads and building relationships. The go to market strategy was modified to include partnering with global distributors and large retail market partners. In line with this approach, the Company concluded an agreement with Brenntag AG.'s Latin American operations (Brenntag Latin America or BLA) for the distribution of its Soil Activator product in February 2016 and concluded an agreement with BLA in December 2015 for the EA1 dust suppression product.

In order to be able to sell product in many countries in Central and South America, products need to be registered. The Company underestimated the time it would take to obtain registrations in various jurisdictions. These delays resulted in delays in obtaining orders from our partners. It also became apparent that our partners would need to be accompanied by Company representatives for technical expertise to support the sales process with large producers in Central and South America. These agreements did not achieve the expected results and were canceled in the year ending December 2017.

The plan for 2017 deals with lessons learned from last year with respect to sales support for our partners as well as direct sales when it may be required. Incremental staff has been planned for this in the plan. The Company completed customer trials in six countries for fifteen crops with seventeen companies. We also have ongoing trials in ten countries for fifty-five crops and seventy companies. Note that some ongoing trials may be with companies where some completed trials were made. The Company has also completed registrations in sixteen countries and has five registrations in process.

The expected increased in sales in the previous forecast for the agriculture sector did not materialize. In fact, the sales originated from the Solutions LFP acquisition transaction in 2014 which lead to the recognition of the Goodwill in 2014 represent less than 15% of total sales in the Agriculture sector. As at December 31, 2017, the Company understands that the previous years' marketing strategy did not provide the expected level of sales. The Company revised its 2018 and 2019 budgets to reflect the Company's new strategic realignment with the soil activator products and the newly organic microbial product, Dr. Marijane Root Probiotic.

As a result, sales forecasts have been reviewed to take into account past challenges and expected revenues have been significantly revised.

The impairment test for the Agriculture CGU to which goodwill is allocated is based on the value in use of the CGU, determined in accordance with the expected cash flow approach. The calculation is based primarily on assumptions such as estimated future cash flows, cash flow growth rate and the discount rate.

For the years 2018 and 2019, the Company is expecting a revenue compounded growth rate of 239% followed by a 3% growth rate in perpetuity. A significant portion of forecast revenues are denominated in US dollars. The Company used an exchange rate of 1.25 Canadian dollars for each US dollar. The rate used to discount future cash flows was estimated at 45%, consistent with the rate used to establish the value of the conversion option attached to the Convertible debentures converted during the year.

The calculations of the Goodwill impairment test demonstrated that the carrying value of the Goodwill was higher than its recoverable amount. As a result, goodwill has been impaired for an amount of $560,326.

Although the Company is actively continuing some marketing efforts on the territories for which a patent is in place, the Company took into consideration the new strategic realignment to assess if the unamortized cost of patents could be impaired. The Company assessed for each patent if expected sales, based on recent past, were considered sufficient to recover the remaining cost. The patents for countries where the Company does not have enough evidence of future sales have been compromised. As a result, an impairment loss of $125,701 is recognised as an operating expense.

Amortization

Amortization of intangible assets is included in the consolidated statement of operations and comprehensive loss as follows:

	2017	2016
Sales and marketing	**13,800**	68,800
Research and development	**29,042**	20,855
Total	**42,842**	89,655

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

10. TRADE AND OTHER PAYABLES

	December 31, 2017	December 31, 2016
Trade payables	**479,969**	103,219
Accrued liabilities	**17,085**	40,846
Amounts payable to executives	**107,412**	64,118
Accrued interest on debenture payable to shareholders	**30,543**	-
Amount payable to a company controlled by an officer of the Company	**-**	20,379
Trade and other payables	**635,009**	228,562

11. INCOME TAXES

The Company recognized $8,971 (2016 - $18,507) in temporary differences pertaining to amortization expenses in the year on intangible assets arising from a business acquisition. Furthermore, no other deferred tax asset was recognized since the accumulated tax losses available to be carried forward and used to offset future taxable income are not considered probable of being realized. The Company had available Canadian non-capital losses of approximately $6,311,000 that that may be deducted in the calculation of taxable income in future years that will begin to expire in 2030.

Income tax expense is broken down as follows:

	2017	2016
Current tax	**-**	-
Deferred tax	**(125,412)**	(18,507)
Total	**(125,412)**	(18,507)

The reconciliation of the income tax expense is calculated using the statutory income tax rates prevailing in Canada, with the income tax expense reported in the consolidated financial statements is as follows:

	2017	2016
Loss before income taxes	**3,274,967**	2,405,308
Theoretical tax expense (recovery) at the income tax rate in effect in Canada (26.9%; 2016: 26.9%)	**(880,966)**	(647,028)
Non-recognition of tax benefits related to tax losses and temporary differences	**689,372**	585,118
Temporary differences recognized	**(8,971)**	(18,507)
Previously unrecognized tax losses used to reduce deferred tax liabilities recorded against the Conversion options, Convertible debentures	**(116,441)**	-
Permanent differences	**190,450**	54,340
Other effects	**1,144**	7,570
Effective tax expense (recovery)	**(125,412)**	(18,507)
Effective tax rate	**3,839%**	0.77%

Loss carryovers represent potential Canadian tax savings of $2,296,000 as at December 31, 2017 and expire in the following taxation years:

Year	
2030	35,000
2031	222,000
2032	781,000
2033	239,000
2034	1,333,000
2035	1,557,000
2036	2,144,000
2037	2,224,000
Total	**8,535,000**

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

12. CONVERTIBLE DEBENTURES

On October, November and December 2017, the Company issued unsecured convertible debentures for a total amount of $1,740,000 which also entitles the holder to common share purchase warrant at $0,25 expiring October 11, 2022. Issuance costs amounted to $144,826, of which $10,901 was allocated to the conversion options and $25,066 to the warrants. The convertible debentures have a maturity on October 11, 2019, carry interest at a rate of 15%. They have a prepayment option and are convertible into common shares of the Company, at the option of the holder, on the basis of $0.35 per share.

The convertible debentures have two equity components, the warrant and the conversion feature. Fair value was estimated taking into consideration the fact that the transaction was negotiated amongst unrelated parties based on market terms. As required by IAS 32 Financial Instruments the Company first determines the carrying amount of the liability component by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated conversion option or warrant, using a discount rate of 35%.

The carrying amount of the conversion options represented by the option to convert the instrument into ordinary shares and the warrants are then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole. . The results obtained was then proportionally allocated to each equity component based on their respective fair value established with the Black-Scholes model.

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.

The conversion option to the convertible debentures and warrant created a deferred tax liability in the amount of $116,441 in 2017 that was applied against the value attributable to the conversion options and the warrants. The Company recognized the benefit of a portion of its losses carried forward to offset this liability in the consolidated statement of operations and comprehensive loss (Note 11).

On July 15, 2015, the Company issued unsecured convertible debentures in the amount of $1,650,000. The convertible debentures had a maturity of three years, carried interest at a rate of 12%. They had a prepayment option and are convertible into common shares of the Company, at the option of the holder, on the basis of $0.20 per share for the first and second year and $0.30 per share thereafter. The Company had the option to convert the debentures at all times if the share price reaches $0.40 for ten consecutive trading days.

On November 1, 2016, the Company exercised its option to convert the debentures into 8,250,000 Common shares at the amortized cost of $1,580,130.

2016	**Convertible debentures**	**Conversion options**	**Warrants**	**Total**
Balance December 31, 2015	1 333 932	160 398	-	1 494 330
Accretion expense	85 800	-	-	85 800
Conversion	(1 419 732)	(160 398)	-	(1 580 130)
Balance at December 31, 2016	-	-	-	-

2017	**Convertible debentures**	**Conversion options**	**Warrants**	**Total**
Issuance of Convertible Debentures	1 307 134	130 453	302 413	1 740 000
Isuance costs	(108 859)	(10 901)	(25 066)	(144 826)
Deferred tax liability	-	(35 092)	(81 349)	(116 441)
Accretion expense	27 021	-	-	27 021
Balance at December 31, 2017	**1 225 296**	**84 460**	**195 998**	**1 505 754**

During the year 2017, $500,000 debenture convertible was issued to shareholders or Company where management personnel are Director or Officer.

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

13. SHARE CAPITAL

a) Common shares:

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

Authorized

The Company had the following authorized share capital:

Unlimited number of voting and participating common shares.

No preferred shares are outstanding.

The Company has never declared any dividend.

Issued

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

	December 31, 2017		December 31, 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) (i)	**-**	**-**	4,324,000	1,014,943
Shares issued pursuant to Agent Options exercised (13c)	**-**	**-**	547,000	79,556
Shares issued pursuant to Warrants exercised (13b)	**1,150,000**	**341,024**	4,583,667	1,172,894
Shares issued pursuant to Options exercised (13d)	**48,300**	**6,279**	550,000	198,595
Shares issued pursuant to conversion of Debenture (note 12)	**-**	**-**	8,250,000	1,580,130
Shares issued pursuant to contingent consideration for LFP Solutions (ii)	**-**	**-**	885,714	310,000
Balance at the end of the period	**110,677,681**	**10,039,538**	109,479,381	9,692,235

i. On February 26, 2016 the Company completed a non-brokered private placement, for gross proceeds of $1,513,400 through the sale of 4,324,000 units, priced at $0.35 each. Each unit consisting in one common share and one half (½) of one common share purchase warrant. Each full warrant entitling the holder to purchase one common share of Earth Alive, at the price of $0.45, for a period of 15 months. The fair value of the common shares of $1,014,943 was determined by subtracting both the share issue costs and the value of the common share purchase warrant included in the unit as determined in (b) below.

ii. On June 4, 2014, the Company acquired 100% of the shares of 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.

In 2016, the Company evaluated remaining the contingent consideration payable in shares to $250,000, based on the evaluation of the Board of Directors concerning the contribution made to the Company's development by the officer of the Company to whom the contingent consideration is payable. As a result, the Company recorded an accretion expense of $8,370 and a negative fair value adjustment of $74,234 for a total contingent consideration payable adjustment of $82,604 and issued shares for a value of $250,000 at a price of $0.35 per share.

The purchase price balance payable in cash is the net present value of amounts due, discounted at the rate of 12%. During 2016, the Company incurred an accretion expense of $4,853, paid $67,500 in cash and paid the remaining $60,000 in shares of the Company at a price of $0.35 per share.

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

13. SHARE CAPITAL (Cont'd)

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.

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	18 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		
October 11, 2017	Issued (note 12)	1 924 787	60 months	$0,25	58 149	151,00%	1,77%
November 29, 2017	Issued (note 12)	4 019 114	59 months	$0,25	121 448	151,40%	1,62%
December 29, 2017	Issued (note 12)	652 264	58 months	$0,25	16 401	153,97%	1,86%
	Exercised	(1 150 000)		$0,20	(111 024)		
	Expired	(2 162 000)		$0,45	(409 430)		
Balance December 31, 2017		**6 596 165**		**$0,25**	**195 998**		

The weighted average market price at time of exercise of share purchase warrants was $0.55 per share in 2017.

c) Agent Options

The fair value of Agent Options issued was estimated using a Black-Scholes pricing model assuming no dividend yield, volatility rates and risk-free rates.

Presented below is the summary of Agent Options activity:

Date	Transaction	Number of Agent Options	Term	Exercise price	Value in dollars	Volatility	Risk-free rate
Outstanding January 1, 2016		547 000		$0,102	$24 256		
	Exercised	(547 000)		$0,102	(24 256)		
Outstanding December 31, 2016		-		$0,102	-		
December 29, 2017	Issued	6 000	2 years	$0,350	$732	145%	1,76%
Outstanding December 31, 2017		**6 000**		**$0,350**	$732		

The weighted average market price at time of exercise of agent options was nil per share (2016 - $0.352).

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

13. SHARE CAPITAL (Cont'd)

d) Stock Options

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.

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.

Date	Transaction	Number of options	Weighted Average Exercise Price	Remaining Contractual term in years	Fair Value in dollars	Volatility	Risk-free rate	Vesting Term
Balance January 1, 2016		**7 088 300**	**$0,140**	**3,768**	**$751 274**			
July 28, 2016	Exercised	**(550 000)**	**($0,191)**	-	**($93 095)**			
December 31, 2016	Forfeited	**(300 000)**	**($0,183)**	-	**($33 555)**			
		(850 000)			**($126 650)**			
Outstanding December 31, 2016		**6 238 300**	**$0,133**	**2,675**	**$624 624**			
Exercisable December 31, 2016		5 138 301	$0,131	2.659				
Balance January 1, 2017		**6 238 300**	**$0,133**	**2,675**	**$624 624**			
December 19, 2017	Grant	**3 000 000**	**$0,350**	**5,000**	**$246 000**	145,00%	1,760%	1 year
May 15, 2017	Exercised	**(48 300)**	**$0,130**	-	**($6 279)**			
December 31, 2017	Forfeited	**(300 000)**	**$0,160**	-	**$0**			
		2 651 700			**$239 721**			
Outstanding December 31, 2017		**8 890 000**	**$0,204**	**2,78**	**$864 345**			
Exercisable December 31, 2017		7 390 000	$0,146	2,33				

The weighted average market price at time of exercise of stock options was $0.55 per share (2016 - $0.499).

The weighted average fair value at the date of grant for options granted during the year ended December 31, 2017 was $0,08 per option, as no options were granted in the period (2016 - nil). The market price of common shares at date of grant is $0.10 in 2017. The fair value of options granted was determined using the Black-Scholes pricing model.

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

14. INFORMATION INCLUDED IN THE STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

Expenses by nature

	Year ended December 31,	
Cost of goods sold	**2017**	2016
Salaries and benefits	**34,559**	32,204
Amortization	**4,456**	4,456
Materials	**274,212**	440,510
Transport	**46,923**	72,879
Total	**360,150**	550,049

	Year ended December 31,	
Operating expenses	**2017**	2016
Advertising and promotion	**96,873**	173,238
Consulting fees	**440,363**	229,173
Amortization	**45,661**	92,467
Office and general	**130,551**	154,745
Impairment loss of patents	**125,701**	-
Impairment loss of goodwill	**560,326**	-
Professional fees	**287,720**	222,658
Rent	**71,428**	48,393
Research and development	**196,688**	144,184
Sales commissions	**23,040**	104,009
Salaries and benefits	**820,955**	862,765
Stock based compensation	**147,667**	114,551
Stock trading costs	**64,329**	88,747
Telecommunications	**26,766**	23,197
Travel and living costs	**221,370**	205,191
Total	**3,259,438**	2,463,318

	Year ended December 31,	
	2017	2016
Financial income		
Other interest income	**664**	19
Total	**664**	19

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

14. INFORMATION INCLUDED IN THE STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (Cont'd)

Expenses by nature

	Year ended December 31,	
	2017	2016
Financial expenses		
Accretion expense on convertible debentures (note 12)	**27,022**	85,800
Accretion expense on LFP consideration payable in cash (note 13a)	**-**	4,853
LFP contingent consideration adjustment (note 13a)	**-**	82,604
Bank charges	**4,473**	5,134
Foreign exchange loss	**43,113**	4,747
Other interest expense	**-**	2,317
Interest expense on convertible debentures	**30,543**	164,238
Total	**105,151**	349,693

15. COMMITMENTS AND CONTINGENCIES

Commitments

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 $54,088 ($53,459 in 2016).

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

	2017	2016
No later than one year	**84,713**	9,906
Later than one year and no later than five years	**108,176**	3,580
Total	**192,889**	13,486

Contingencies

In the normal course of business, the Corporation is involved in various claims. Although the outcome of these claims cannot be determined with certainty as at December 31, 2017, the Company is of the opinion that it will have no material adverse effect on its financial position, or its cash flows.

On September 6, 2017, the Company and three members of the Board of Directors received a formal notice from Mr. David Gilmour for reinstatement to the position of CEO or monetary compensation in the amount of $ 5,000,000. The company incurred $ 133,230 in legal costs for its defense. EACT expects to pay the deductible of $25,000 as theses expenses are expected covered by the Company insurers. As a result, an amount of $108,230 has been accounted for other receivables. The matter was settled between the parties and the lawsuit was discontinued on February 21, 2018.

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

16. LOSS PER SHARE

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

	Year ended December 31,	
	2017	2016
Net loss attributable to shareholders	**(3,149,555)**	(2,386,801)
Weighted average number of shares outstanding	**110,677,681**	96,673,431
Diluted weighted average number of shares outstanding	**110,677,681**	96,673,431
Basic loss per share	**($0.028)**	($0.025)
Fully diluted loss per share	**($0.028)**	($0.025)

17. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

Changes in non-cash working capital items include:

	Year ended December 31,	
	2017	2016
Trade and other accounts receivable	**(94,460)**	324,899
Inventory	**57,183**	(26,835)
Prepaid	**4,712**	13,404
Accounts payable	**406,447**	(173,093)
Income taxes payable	**(3,278)**	(1,406)
Total (1)	**370,604**	136,969

(1) This amount excludes working capital items arising from Earth Alive Chile SpA at its acquisition date.

18. NON CASH PROFIT OR LOSS ITEMS

Non cash profit or loss items are as follows:

		Year ended December 31,	
	Note	**2017**	2016
Accretion expense on convertible debentures	**12**	**27,021**	85,800
Accretion expense on LFP consideration payable in cash		**-**	4,853
LFP contingent consideration payable adjustment		**-**	82,604
Deferred Income taxes	**11**	**(125,412)**	(18,507)
Depreciation and Amortization expense	**8 & 9**	**50,117**	96,923
Stock based compensation		**147,667**	114,551
Impairment losses		**686,027**	-
		785,420	366,224

19. 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.
- 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).

The convertible debentures have been initially measured at fair value as described in Note 12 (classified as Level 2).

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 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.

(ii) *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 that earn interest at market rates, as well as on the loans 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 December 31, 2017, 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.

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

(iii) *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 most significant orders.

For the year ended December 31, 2017 57.4% of revenue was from 4 customers (2016 - 4 customers – 83.2%) which accounted for 57,4% (2016 – 87.3%) of trade accounts receivable.

iv) 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 with net monetary assets denominated in US dollars amounting to $92,287. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

At December 31, 2017, the impact on the after-tax loss of a 1% 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.

20. CAPITAL MANAGEMENT

The Company's financial strategy is developed and adapted on the basis of market conditions to maintain a flexible capital structure consistent with the objective of executing its business plan and obtain additional financing if necessary, until it achieves profitability and positive cash flow from operating activities. The Company has not yet realized profitable operations and has had negative cash flows from operations since inception. The Company has relied on external sources of debt and equity, which it considers as Capital, to fund operations to date and will continue to do so until it achieves sustaining positive cash flow.

The Company's financial strategy has remained substantially unchanged for the past three fiscal periods. The objectives and strategy are reviewed annually.

The following table describes sources of capital for the last two years compared to operating cash requirements:

	2017	2016
Equity sources:		
Issuance of shares and warrants	**-**	1,424,373
Proceeds from warrants and options exercised	**236,279**	1,077,534
	236,279	2,501,907
Debt sources:		
Convertible debentures	**1,595,174**	-
Total Capital Sources	**1,831,453**	2,501,907
Cash flow used in operating activities	**1,993,531**	1,883,608

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

21. RELATED PARTY TRANSACTIONS

Related parties of the Company include its subsidiaries as well as the Company's key management personnel, as well as entities directly or indirectly controlled by key management personnel or entities where key management personnel are directors or officers.

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, interest earned from convertible debentures and sales commissions and are as follows:

	Year ended December 31,	
	2017	2016
Salaries and benefits	**458,703**	514,473
Sales commissions	**16,572**	103,375
Consulting fees (1)	**178,763**	154,066
Convertible debenture interest (2)	**16,644**	82,500
Stock based compensation	**11,433**	47,173
Total	**682,115**	901,587

(1) Consulting fees for a director and officer of the Company are paid to a separate management company controlled by the director and officer.
(2) As at December 2017, $16 644 convertible debenture interest to be paid to an entity where key management personnel is a director, (2016, $82,500 to three entities which are controlled directly or indirectly by key management personnel or where key management personnel are directors and/or officer)

22. SEGMENTED INFORMATION

The Company is divided into two operating segments, Agriculture and Dust Suppression. The Company is 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 revenues come from four geographical areas: Canada, the United States, Central and South America, Europe and Africa.

Profit or loss and statement of financial position items are generally among the two segments on the following quarterly 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 that cannot be directly attributed to a segment, are allocated according to revenue for each 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 on the basis of revenue.

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

22. SEGMENTED INFORMATION (Cont'd)

- 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 all segments.
- Cash 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.

Year ended December 31, 2017	Dust Suppression	Agriculture	Not Allocated	Total
Revenue	-	449 108	-	449 108
Cost of goods sold	-	360 150	-	360 150
Gross Margin	-	88 958	-	88 958
General & administration	345 470	486 758	385 409	1 217 637
Sales & Marketing	472 293	634 773	22 430	1 129 496
Research & development	36 548	189 711	19	226 278
Inmpairment losses	-	686 027	-	686 027
Operating Expenses	854 311	1 997 269	407 858	3 259 438
Loss from Operations	(854 311)	(1 908 311)	(407 858)	(3 170 480)
Financial Expenses	-	-	104 487	104 487
Income taxes	-	-	(125 412)	(125 412)
Net Loss	(854 311)	(1 908 311)	(386 933)	(3 149 555)
Other Information				
Depreciation & amortization	14 522	21 795	13 800	50 117

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

22. SEGMENTED INFORMATION (Cont'd)

Year ended December 31, 2016	Dust Suppression	Agriculture	Not Allocated	Total
Revenue	178 225	779 508	-	957 733
Cost of goods sold	62 379	487 670	-	550 049
Gross Margin	115 846	291 838	-	407 684
General & administration	86 109	557 140	176 554	819 803
Sales & Marketing	572 556	863 272	39 640	1 475 468
Research & development	11 695	156 352	-	168 047
Operating Expenses	670 360	1 576 764	216 194	2 463 318
Loss from Operations	(554 514)	(1 284 926)	(216 194)	(2 055 634)
Financial Expenses	-	-	349 674	349 674
Deferred income taxes	-	-	(18 507)	(18 507)
Net Loss	(554 514)	(1 284 926)	(547 361)	(2 386 801)
Other Information				
Depreciation & amortization	8 007	79 576	9 340	96 923

	Dust Suppression	Agriculture	Not Allocated	Total
Components of Consolidated Statement of Financial Position - December 31, 2017				
Assets	1 801	422 027	1 248 969	1 672 796
Liabilities	6 492	115 889	1 737 924	1 860 305
Net Assets (Liabilities)	(4 691)	306 138	(488 955)	(187 509)
Components of Consolidated Statement of Financial Position - December 31, 2016				
Assets	271 938	830 182	1 436 332	2 538 452
Liabilities	46 705	105 043	89 063	240 811
Net Assets (Liabilities)	225 233	725 139	1 347 269	2 297 641

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

22. SEGMENTED INFORMATION (Cont'd)

Information about major customers

The following tables indicate revenues form customers who represent at least 10% of revenues in their respective segments:

Year ended December 31, 2017

Customer Rank	Dust Suppression	Agriculture	Total
1	**-**	**106 174**	**106 174**
2	**-**	**91 881**	**91 881**
	-	**198 055**	**198 055**
Total per segment	**-**	**449 108**	**449 108**
	0,0%	**44,1%**	**44,1%**

Year ended December 31, 2016

Customer Rank	Dust Suppression	Agriculture	Total
1	-	396 643	396 643
2	178 225	-	178 225
3	-	123 029	123 029
4	-	99 371	99 371
	178 225	619 043	797 268
Total per segment	178 225	779 508	957 733
	100,0%	79,4%	83,2%

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

22. SEGMENTED INFORMATION (Cont'd)

Information about revenues

Year ended December 31, 2017	**Canada**	**USA**	**Central and South America**	**Europe**	**Africa**	**Total**
Dust Suppression	**-**	**-**	**-**	**-**	**-**	**-**
Agriculture	**206 931**	**102 555**	**114 507**	**25 115**	**-**	**449 108**
Total Revenue	**206 931**	**102 555**	**114 507**	**25 115**	**-**	**449 108**
Revenue by Country exceeding 10% of total revenue						
Canada	**206 931**					
USA		**102 555**				
Peru			**93 297**			

Year ended December 31, 2016	Canada	USA	Central and South America	Europe	Africa	Total
Dust Suppression	-	-	-	178 225	-	178 225
Agriculture	214 093	5 481	436 061	844	123 029	779 508
Total Revenue	214 093	5 481	436 061	179 069	123 029	957 733
Revenue by Country exceeding 10% of total revenue						
Rwanda					123 029	
Spain				178 225		
Dominican Republic			222 353			
Columbia			124 872			

23. EVENTS AFTER THE REPORTING PERIOD

On March 05, 2018, the Company announces the nomination of Mr. Ousmane Paye to the board of directors. Mr Paye has been awarded 300,000 share purchase options of the Corporation, having an exercise price of $0.35 and a term of five years, half of which vest immediately, and the balance will vest in the 12 months.

In January 2018, 200,000 options were exercised for an amount of $ 20,000. In March 2018 another 200,000 options were also exercised for $20,000.

On April 27, 2018, the Company announce that it has completed a fourth tranche of $333,000, in the private placement offering of secured convertible debentures in the aggregate maximum of $3,000,000, as previously announced on September 25, 2017. The Debentures bear interest at a rate of 15% per annum, which will be payable, together with the principal, on the maturity date of October 11, 2019. In connection with this tranche, warrants (the "Warrants") to acquire 1,182,346 common shares have been issued. The Warrants have an exercise price of $0.25, subject to adjustments to be made in accordance with applicable anti-dilution provisions, for a term of five (5) years and, in lieu of exercising the Warrants for cash, they may be, in whole or in part, exercised by means of a "cashless exercise".