Earth Alive Clean Technologies Inc.

Management Discussion and Analysis

For the period ended March 31, 2020
(Prepared as of May 19, 2020)

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months periods ended March 31, 2020

Management's discussion and analysis (MD&A) highlights the financial position and results of Earth Alive Clean Technologies Inc. for the three months ended March 31, 2020 and is complementary to the Unaudited Interim Financial Statements for the same period. It should be read in conjunction with the Audited Consolidated Financial Statements and the related notes for the year ended December 31, 2019 that were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The audited consolidated financial statements provide comparative information for the previous year.

This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions. Additionally, other matters may occur which could affect the Company in the future. Unless stated otherwise, all dollar amounts are expressed in Canadian dollars. Except as otherwise indicated, all financial information contained in this discussion and analysis and in the audited consolidated financial statements has been prepared in accordance with IFRS.

This MD&A was reviewed and approved by the Company's Audit Committee and approved by the Board of Directors and is effective as of May 19, 2020.

As used in this Management's Discussion and Analysis, the terms "EACT", "Earth Alive", "the Company", "we", "us", "its" or "our", mean Earth Alive Clean Technologies Inc., unless the context indicates otherwise. Additional information about the Company can be obtained on SEDAR at www.sedar.com and at www.cnsx.ca under the stock symbol EAC.

DESCRIPTION OF THE COMPANY AND OVERALL PERFORMANCE

Earth Alive uses state-of-the-art microbial technology to formulate and manufacture ecological products, destined for a variety of industries, and exports its products to several regions around the world. We sell the microbial spores in their primary or blended forms, and in ready-to-use powdered or liquid formulations. Earth Alive also formulates and blends specially developed products to manage specific tasks and produces private label products that are shipped from its headquarters in Montreal directly to customers or through one of its distributors/blending contractors in various countries.

Historically, Earth Alive had two major operating sectors: agriculture and dust suppression. In the first quarter of 2018, a comprehensive budget review led to the replacement of the dust suppression segment with the Infrastructure & Maintenance division which includes RapidAll®, the Company's multi-purpose microbial cleaning product in addition to the Company's EA-1® ("EA1") dust suppressant solution. Both the Infrastructure & Maintenance and Agriculture industries are highly specialized and competitive, yet there is a strong demand for new technologies in both sectors. A demand the Company is well positioned to capture and capitalize upon.

The quarter ending March 31, 2020 was the most successful EACT quarter yet. Guidance for Q1 was achieved, with an overall gross margin of 31.8%. The restructured infrastructure and maintenance division continues its positive growth, resulting in a net profit of $ 136,959. Efforts in the agriculture division have led to an increase in gross margin to 36.03% for this quarter.

THE INFRASTRUCTURE & MAINTENANCE DIVISION

Earth Alive's Infrastructure & Maintenance segment offers biodegradable microbial products mainly aimed at controlling dust and providing cleaning solutions for the most difficult industrial challenges.

EA-1® Dust Suppressant

Earth Alive commercializes its patent-pending microbial dust suppression technology, EA1, to the global mining and other industries, as an environmentally sustainable alternative to the use of scarce water resources and harmful chemicals such as chlorides and petroleum derivatives. EA1's microbial technology agglomerates dust particles in the soil preventing them from becoming airborne, while helping the soil retain moisture. It is therefore ideal for use on industrial sites and on road infrastructure projects. EA1 also reduces the formation of ripples on road surfaces, provides soil stabilization benefits, and improves traction. Furthermore, EA1 can help remedy roads that were previously contaminated by hydrocarbons and other chemicals, leaving behind a cleaner site. The conventional use of synthetic chemicals to control road dust is coming under increasing scrutiny by governments, corporations, activists and local communities. In addition to being environmentally sustainable, EA1 makes dust control efforts more efficient and less labor-intensive. During this past year Earth Alive has refocused its marketing efforts for EA1, by developing the variety of uses and expanding the product offering to a wide range of users, from various industries.

In 2019, after a successful 3-month commercial trial, a large mining company placed an additional order worth CAD $2,600,000. The application, scheduled to begin in May 2019, finally began in July, after the mine faced operational problems. Since July 2019 up to April 2020 the EA1 has continued to be delivered to the client with consistent good results.

The pilot test announced in July 21, 2019 in Southern Africa on a surface of 20,000 m² began the third week of November as scheduled, representing an initial sale of $126,000. This pilot test had very positive results and opened negotiations for EA1 to potential multi-site dust suppressant solution provider for this major mining group. Further the first test in South Africa, Earth Alive received in April 2020 a purchase order to perform another test for the same company at a large open-pit iron-ore mine in Minas Gerais, Brazil which represent a sale of $215,000.

Earth Alive Also received a purchase order in April to perform for another major player in the mining industry, a four-week, 15,000 m² at a large open-pit mine in northern Chile

EA1 is also poised to enter the Russian market after receiving the approval from Russian authorities to apply EA1. The approval process was carried out in collaboration with a leading distributor of specialty products and consultancy services in organic and chemical fertilizers and dust suppression in Russia. With proper authorisation EA1 is approved, the commercialization stage is set to begin. With this group EA1 will be applied and tested in different industries widening the rage of application of the dust suppressant.

The Company continues the commercial relationship with a Chinese client that has been validating EA1 as a dust control on construction sites. Earth Alive had received a purchase order and subsequently shipped a container of EA1 in June 2019.

Earth Alive has successfully re-establish operations with a big mining group in Brazil, the order was shipped in January.

The Company began working in Q1 2020 with a partner in France, applications were made on a unpaved access road to an industrial complex.

Over the course of 2020 Earth Alive has made considerable advanced in the development of its microbial formulation. Achieving higher count and stability will allow for new options for user to reduce the transport and application costs.

RapidAll Microbial Cleaner

Earth Alive's RapidAll microbial cleaning product is a 100% organic, biodegradable cleaner. RapidAll's advanced microbial formula safely and efficiently removes oil and grease from surfaces, including mechanical equipment, generators, contaminated floors, etc. RapidAll microorganisms have been specifically developed and proven effective in dissolving hydrocarbons, a major source of contamination around the word.

In previous years we have established relationships with China which has brought us sales for the Rapidall. We are in still in discussion with China but due to the current pandemic the development activity is on hold.

THE AGRICULTURE DIVISION

The Agriculture segment provides ecological products for retail and industrial use, such as biofertilizers (soil inoculants) and soil amendments. Earth Alive commercializes its non-crop specific and Canadian Food Inspection Agency (CFIA) approved organic microbial biofertilizer, Soil Activator®, to the global fertilizer market. Soil Activator® is certified organic by ECOCERT and OMRI. Soil Activator® is currently used in large scale operation and/or being evaluated on a wide variety of crops in organic and non-organic farms in the Americas as well as some regions of Africa and Europe.

In 2019 Soil Activator® is a registered input in 19 countries as well as 40 states in the USA. Registration process are still underway in Vietnam, Thailand, Mexico and Cameroun, with the help of local partners. EACT has finalized the partnership with Root Rescue in Q1 2020. The Company launched the Soil First Farming initiative at different industry speaking opportunities looking to engage farmers to our line of products in relation to its impact as a soil regeneration tool. EACT entered into a distribution agreement with California-based Left Coast Wholesale to commercialize Soil Activator in the registered states in the United States (500 stores). New distribution partners have begun offering Soil Activator in Colombia, Ecuador and Peru expanding our market reach, with a focus on high-value export crops such as flowers, bananas and avocados.

The agricultural division also markets Dr. Marijane, a 100% organic root probiotic that has been shown to increase medical cannabis yields by up to 28%. Scientific testing and validation of its performance began in 2014 and has been repeatedly confirmed by several licensed producers. A distribution agreement was reached in 2019 for Dr. Marijane with the Hawthorne Garden Company, a division of Scotts Miracle Grow in Canada. With the change in hemp legislation in the US, Dr. Marijane is posed to be one of the few inputs specifically marketed for the hemp industry.

RESOURCES

Selling Earth Alive's technologies requires highly skilled and knowledgeable individuals, and Earth Alive has individuals within the Company that have developed and possess these skills. This expertise was honed over the last four years as the Company's technologies were being developed. For countries in which the Company offers its products, local agronomists are trained on Earth Alive's technologies and supported in their roles to effectively serve local customers.

Earth Alive also has agreements in place with blenders who combine raw materials with the Company's ingredients in accordance with its proprietary formulas.

Currently, the Company's agriculture portfolio is distributed in eight countries, on a non-exclusive basis. New distributors are finalizing registration transfers, setting up demonstration plots and finalizing legal agreements, which will enable them to add Earth Alive's agriculture products to their offerings.

EA1 sales are being conducted directly with six mining companies in various countries, it is also available through agents and partners. Currently, several new proposals are being negotiated with mining companies for the application of EA1 at numerous mine sites around the world.

SELECTED FINANCIAL INFORMATION

In Dollars	Three Months Ended March 31,		Year Ended December 31,		
	2020	2019	**2019**	2018	2017
	$	$	$	$	$
Revenue	**1 253 822**	212 613	**2 177 950**	1 432 287	449 108
Gross Margin	**399 122**	55 195	**484 775**	430 284	88 958
Net comprehensive loss	**(185 036)**	(735 967)	**(2 661 923)**	(3 511 705)	(3 149 555)
Per share - basic	**(0.001)**	(0.006)	**(0.014)**	(0.031)	(0.028)
Per share - fully diluted	**(0.001)**	(0.006)	**(0.014)**	(0.031)	(0.028)

	As at March 31,		Year Ended December 31,		
	2020	2019	**2019**	2018	2017
			$	$	$
Total assets	**3 550 815**	1 610 862	**3 320 650**	1 180 333	1 672 795
Total liabilities	**1 052 882**	3 512 936	**637 681**	3 374 891	1 860 305
Equity	**2 497 933**	(1 902 074)	**2 682 969**	(2 194 558)	(187 510)

RECENT HISTORY

Director and Officer Appointments

- On June 13, 2019 the Company announced that Mr. Paye resigned from the Board of Directors for personal reasons.

- On June 27, 2019, at the Annual Shareholder Meeting, the Company announced the resignation of Michel Ringuet as director and the nomination of Todd Paterson to the Board of Directors. Mr. Patterson is a corporate entrepreneur with over 25 years of experience developing markets for both US- and Canadian-based businesses. Throughout his career, he has been immersed in the world of agriculture. As the Founder/President/Owner of P4 Group Inc., Todd focuses on developing national or international growth for organizations ranging in size from start-ups to companies valued at over $55 million. Over the course of his career, he has launched some exceptionally innovative and profitable brands in North America, including POM Wonderful, Gourmet Garden, Snapple and just recently Big Mountain Foods. He also has considerable experience managing government relations, sales, marketing, and logistics for companies wishing to expand their product reach across borders.

Issuance of shares/convertible securities

During the first quarter ended March 31, 2019

- On February 6, 2019, 350,000 options were exercised at a price of $0.10 per option, for gross proceeds of $35,000.
- On February 22, 2019, the Company completed a private placement and issued 4,545,454 units at a price of $0.22 each, for total proceeds of $1,000,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share of the Corporation at the price of $0.25, for a period of 36 months following the closing of the private placement. Groupe Lune Rouge Inc., an insider of the Corporation, participated in the private placement and purchased 1,750,000 units, for a total subscription price of $385,000, thereby increasing its holdings from 21,228,572 common shares to 22,978,572 (representing 19.27% of the outstanding common shares and 26.63% assuming the exercise of all of their outstanding convertible securities).

During the second quarter ended June 30, 2019

- On April 23, 2019, 950,000 options were exercised at a price of $0.10 per option, for gross proceeds of $95,000.
- On May 13, 2019, 100,000 options were exercised at a price of $0.10 per option, for gross proceeds of $10,000.

During the fourth quarter ended December 31, 2019

- October 28, 2019, Earth Alive Clean Technologies Inc. announce the closing of its Short Form Prospectus offering of 40,000,000 units of the Corporation at a price of $0.10 each, for gross proceeds of $4,000,000 with Desjardins Capital Markets acting as agent (the "Agent"). Each Unit issued consists of one common share and one common share purchase warrant having an exercise price of $0.25 and a term of two years following the closing date.

- The Corporation also reports that it has received the conditional approval of the TSX Venture Exchange for the listing of its common shares as well as for the common share purchase warrants to be issued under the Offering. As soon as practicable following the Closing Date, the Corporation will seek to have its common shares delisted from the Canadian Securities Exchange (the "CSE"). Such listing remains subject to the satisfaction of customary listing conditions of the TSX Venture Exchange.

- Concurrently with the Offering, holders of the 15% secured convertible debentures (the "Debentures") issued by the Corporation in the aggregate principal amount of $2,740,000 ($3,529,885.26 including accrued interest) agreed to receive 35,298,853 common shares, at an issue price of $0.08 per share (the "Debt Shares"), on account of the debt evidenced by the Debentures and in full and final satisfaction thereof. The Debt Shares are subject to a four-month hold period. The common shares issued totaling $2,823,908 resulted in a gain on conversion of debenture of $705,977

SUBSEQUENT EVENTS

Subsequent to year-end, the outbreak of the novel strain of the coronavirus, specifically identified as COVID-19, has resulted in governments worldwide, and in the province of Québec, enacting emergency measures to combat the spread of the virus. Since the beginning of March 2020, the Company is monitoring the potential impact on the operations of the Company. While the disruption is currently expected to be temporary, there is uncertainty on its duration. As of the time of authorisation of these financial statements, it is not possible to reliably estimate the length and severity of these developments and its impact on the financial results and condition of the Company.

Earth Alive Clean Technologies Inc. is pleased to announce a sale agreement for approximately $215,000 for its proprietary EA1™ dust suppressant with a major mining operation in Brazil. This trial, the second by this mining group in different geographical locations, is part of the approval process to becoming an important multi-site dust suppressant solution provider for the group.

OUTLOOK

Earth Alive is in the early stages of commercialization and the Company is focusing on securing additional clients throughout the world for its dust suppression product, EA1 and biofertilizer for agriculture, its Soil Activator®. Management is optimistic that the near to mid-term outlook for substantial product orders is favorable.

QUARTERLY RESULTS

Period ended March 31, 2020	Infrastructure & Maintenance	Agriculture	Not Allocated	Total
Revenue	935 458	318 364	-	1 253 822
Cost of goods sold	651 054	203 646	-	854 700
Gross Margin	284 404	114 718	-	399 122
General & administration	48 308	103 213	129 314	280 835
Sales & Marketing	87 848	218 999	-	306 847
Research & development	11 289	22 239	-	33 528
Stock based compensation	-	-	-	-
Operating Expenses	147 445	344 451	129 314	621 210
Loss from Operations	136 959	(229 733)	(129 314)	(222 088)
Financial Revenue	-	-	37 052	37 052
Net Profit (Loss)	136 959	(229 733)	(92 262)	(185 036)
Other Information				
Depreciation & amortization	-	3 282	-	3 282

Three months ended March 31, 2019	Infrastructure & Maintenance	Agriculture	Not Allocated	Total
Revenue	-	212 613	-	212 613
Cost of goods sold	-	157 418	-	157 418
Gross Margin	-	55 195	-	55 195
General & administration	52 978	141 008	20 392	214 378
Sales & Marketing	56 620	241 160	-	297 780
Research & development	5 220	35 919	1 608	42 747
Operating Expenses	114 818	418 087	22 000	554 905
Loss from Operations	(114 818)	(362 892)	(22 000)	(499 710)
Financial Expenses	-	-	(236 257)	(236 257)
Net Loss	(114 818)	(362 892)	(258 257)	(735 967)
Other Information				
Depreciation & amortization	-	9 990	3 282	13 272

Comparison of the three months period ended March 31, 2020 and 2019

During the three months period ended March 31, 2020, Earth Alive incurred a net loss of $185,036 compared to a net loss of $735,967 for the same period in 2019. Total operating expenses for the three first months of 2020 stood at $621,210 compared to $554,905 in 2019. Net financial (incomes) expenses stood at $(37,052) compared to $236,257 for 2019.

Revenues and Gross Margin

Revenues increased to $1,253,822 for the three months ended March 31, 2020 compared to $212,613 for the same period in 2019. Gross margin increased to 31.80% for 2020 compared to 26.00% for 2019. The increase in the margin is due to better monitoring of the cost of sales of each product and the sales volumes of the first quarter. The higher the sales, the lower the fixed costs.

Infrastructure & Maintenance revenues increased to $ 935,458, this is explained by the restructuring of this division which began at the end of fiscal 2018 and which made it possible to reduce the sales price of EA1 The gross margin of 30.4% respects our vision of this division.

The agriculture division's revenues are $ 318,364 with a gross margin of 36.03%. The agriculture division is now posting a respectable margin due to the close monitoring of the past few months.

Expenses

We can now say that the company has reached the maximum use of its disbursements. The expenditure for Q1 2020 is roughly the same as that for Q1 2019 for both General & Administrative and Sales & Marketing disbursements. Since the reorganization of the company EACT works at minimum expense for maximum return.

General & Administrative

General and administrative expenses for the period ended March 31, 2020 were $ 280,835, compared to $ 214,378 for 2019. The difference of $ 66,457 is mainly due to the legal fees paid in Q1 2020. Legal fees increased in the quarter as we validated with counsel the revision of contracts and agreements to ensure future growth of the company's sales targets. This initiative was necessary following the restructuring of EACT divisions over the past two years.

In March 31, 2020, an amount of $103,213 was allocated to the agriculture segment, compared to $141,008 in 2019, and $87,848 to the infrastructure & maintenance segment in 2020 compared to $141,008 in 2019. An amount of $129,314 was not allocated to a segment in 2019 compared to $20,392 in 2019.

Sales & Marketing

Sales & marketing expenses for the period ended March 31, 2020 increased to $ 306,847, compared to $ 297,780 for 2019.
This increase is due to the increase of salary and a new employee.

In March 31, 2020, an amount of $218,999 was allocated to the agriculture segment, compared to $241,160 in 2019, and $87,848 to the infrastructure & maintenance segment in 2020 compared to $56,620 in 2019.

Research and Development

For the three months period ended March 31, 2020, research and development costs decreased to $33,528 compared to $42,747 for 2019. This is due to a decrease in patent applications fees

Financial Income and Expenses

For the three months period ended March 31, 2020, financial expenses, excluding foreign exchange gains and losses increased to $1,596 compared to $236,527 for the same period in 2019. This decrease is mostly due to the convertible debenture interest payments and accretion expenses in 2019. These debentures have been paid in October 2019 in share capital of the company.

For the quarter ending March 31, 2020, financial income was $ 38,648 compared to income of $ 12 for the same period last year mainly due to a high exchange rate at the end of the quarter.

Liquidity and Capital Resources

As of March 31, 2020, Earth Alive had positive working capital amounting to $2,304,143, compared to a positive working capital of $2,480,449 on December 31, 2019. Earth Alive's main objectives in managing its capital resources are to ensure liquidity and the availability of enough funds for working capital, capital asset purchases or other investments to support the business.

In February 2019, the Corporation completed a private placement and issued 4,545,454, units at a price of $0.22 each for a total of $1,000,000.

In October 2019, the Corporation completed a prospectus offering and issued 40,000,000, shares at a price of $0.10 each for a total of $4,000,000.

In the first's months of, 2019, 1,400,000 options were exercised at a price of $0.10 per option, for gross proceeds of $140,000.

The Company is also considering various alternate sources of financing. Earth Alive's current capital resources consist of cash, loans and share capital. it is important to note that the Company remains focused on increasing sales with the objective of achieving positive cash flow as soon as possible and become profitable.

The Company incurred a loss from operations of $185,036 for the period ended March 31, 2020. The Company's cash resources amounted to $1,180,501, a short term investment of $1,202,031 and when added to the net cash generated from the collection of receivables and the payment of liabilities as at March 31, 2020, this represents approximately one year in cash operating based on those incurred in the twelves months of 2019, assuming no revenues for the remainder year.

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, 2019, consisting of stock-based compensation, consulting fees, salaries and benefits, interest earned from convertible debentures and sales commissions and are as follows:

	Three months period ended March 31,	
	2020	2019
Salaries and benefits	**52,946**	51,933
Consulting fees (1)	**58,800**	90,686
Stock based compensation	**-**	13,025
Convertible debenture interest (2)	**-**	62,371
Total	**111,746**	218,015

(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 March 31, 2020, $62,371 convertible debenture interest to be paid to an entity where key management personnel are directors, (2019, $62,371 where key management personnel are directors)

(3)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial instruments

Financial instruments of the Company consist of cash, Trade and other receivables, trade and other payables, Convertible debenture. The Company has determined that the carrying value of its short-term financial assets and liabilities and the convertible debentures approximates their respective fair value due to the short-term maturity of these financial instruments (classified as Level 1).

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 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 March 31, 2020 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 and comprehensive lost for the year then ended.

(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.

(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 $17,869. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

At March 31, 2020, the impact on the after-tax loss of a 10% 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.

SELECTED QUARTERLY FINANCIAL DATA

The following table sets out selected unaudited financial information of the Company for the last eight quarters:

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In Dollars	March 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018
Revenue	1 253 822	657 890	1 048 908	258 539	212 613	350 321	306 891	321 345
Gross Margin	399 122	149 480	218 569	61 531	55 195	79 592	63 424	69 272
Operating Expenses	621 210	995 798	800 771	669 265	554 905	914 510	1 061 009	627 777
Financial (Income) Expenses	37 052	75 101	273 254	247 324	236 257	217 763	180 385	160 364
Gain on conversion of debenture	-	705 977	-	-	-	-	-	-
Comprehensive loss	(185 036)	(215 442)	(855 456)	(855 058)	(735 967)	(1 052 164)	(1 133 153)	(718 869)
Loss per share, Basic and diluted	(0.001)	(0.001)	(0.001)	(0.007)	(0.006)	(0.009)	(0.010)	(0.006)

SIGNIFICANT ACCOUNTING POLICIES

The information is provided in Note 2 to the condensed consolidated interim financial statements for the period ended March 31, 2020

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Please refer to Note 3 of the condensed consolidated interim financial statements for the period ended March 31, 2020 for an extended description of the information concerning the Company's significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

FUTURE ACCOUNTING POLICIES

The information is provided in Note 4 to the condensed consolidated interim financial statements for the period ended March 31, 2020.

INTERNAL CONTROLS

Management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support that disclosures are fairly presented with no material misrepresentations. Readers should be aware that inherent limitations on the ability of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of filings and the reports provided under securities legislation.

BUSINESS RISKS FACTOR

As with all early commercialisation efforts, inherent risks still exist as to management's ability to get its products to market quickly enough, and in large volumes. To date, Earth Alive has no net earnings and has negative operating cash flows. Our ability to continue as a going concern and accomplish all of our 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. There can be no assurance that we will be successful in raising additional investment capital, realizing assets, or achieving revenue to generate sufficient cash flows to continue as a going concern. As a result, there is significant risk regarding our ability to continue as a going concern.

Earth Alive has relied on external sources of debt and equity to fund operations to date. Our ability to continue as a going concern will depend on management's ability to successfully execute its business plan and obtain additional financing until it achieves profitability and positive cash flow from operating activities.

Earth Alive is subject to risks, events and uncertainties, or "**risk factors**", associated with being an enterprise with projects in the research and development stage. Such risk factors could cause reported financial information to not necessarily be indicative of future operating results or of future financial position. Management of EARTH ALIVE cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on their business or the extent to which any factor, or combination of factors, may cause future results or financial position to differ materially from either those reported or those projected in any forward-looking statements. Accordingly, historical financial information and forward-looking statements should not be relied upon as a prediction of future results.

Development companies face many and varied risks, many of which are the same industry risks faced by companies in the commercialization of biotechnology products. While Earth Alive strives to manage such risks to the extent possible and practical, risk management cannot completely eliminate risk. The following **specific risk factors** are those the Company's management believes are most important in the context of the Company's business.

Subsequent to year-end, the outbreak of the novel strain of the coronavirus, specifically identified as COVID-19, has resulted in governments worldwide, and in the province of Québec, enacting emergency measures to combat the spread of the virus. Since the beginning of March 2020, the Company is monitoring the potential impact on the operations of the Company. While the disruption is currently expected to be temporary, there is uncertainty on its duration. As of the time of authorisation of these financial statements, it is not possible to reliably estimate the length and severity of these developments and its impact on the financial results and condition of the Company

Capitalization and Commercial Viability

Earth Alive has positive operating cash flow at March 31, 2020. Earth Alive currently has inadequate funds to fully develop its business and may need additional debt financing or other capital investment to fully implement their business plans. Earth Alive have no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of its business plan.

Development Stage Business

Earth Alive has only a limited history upon which an evaluation of its prospects and future performance can be made. Earth Alive has a limited operating history, has never operated at a profit and there can be no assurance of its ability to operate at a profit. Earth Alive proposed operations are subject to all business risks associated with new enterprises including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The likelihood of Earth Alive success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry, and the performance of its customers. There is a possibility that Earth Alive could continue to sustain losses in the future. If Earth Alive is unable to generate revenues or profits, investors might not be able to realize returns on their investment or keep from losing their investment.

Inability to Manage the Potential Growth of the Business

Earth Alive's potential growth may place significant demands upon its personnel, management, and financial resources. There is no assurance that its current or proposed personnel, systems, procedures, and controls will be adequate to support its future operations, that EACT will be able to train, retain, motivate, and manage necessary personnel, or that its management will be able to identify, manage and exploit existing and potential strategic relationships and market opportunities. If Earth Alive is unable to effectively manage any future growth, its business and financial condition could be adversely affected.

Key Personnel

Earth Alive's success depends, in part, on its ability to attract and retain key scientific, technical, management, and operating personnel, including consultants and members of its Board of Directors. Earth Alive needs to develop sufficient expertise and add skilled employees or retain consultants in areas such as research and development and marketing in order to successfully execute its business plan. Earth Alive may be unable to attract and retain qualified personnel or develop the expertise needed in these areas. If Earth Alive fails to attract and retain key personnel it may be unable to execute its business plan, or its business could be adversely affected.

Challenges to Commercial Production – Raw materials

Earth Alive's sales objectives for the coming years will require significant demand on raw materials to produce its various product formulations. Variations in commodity prices at several levels of its production chain may affect Earth Alive's ability to meet product demand in multiple global markets. Additionally, a large portion of the raw materials required are paid for in US dollars and accordingly gross margins may fluctuate based on the exchange rate in effect at the time of purchase. While Earth Alive has established manufacturing and processing operations based on its ability to obtain adequate supplies of raw materials on a timely basis, Earth Alive relies on a limited number of third-party suppliers with respect to a portion of the raw materials. Despite our efforts to reduce risks, it is difficult for us to secure additional suppliers for some of the specialized raw materials from two or more suppliers. If any of our suppliers are unable to meet their obligations under our present or future supply agreements due to any factors such as delays, or insufficient supply in their supply chains, or increases in the prices of the raw materials to be provided to us, or if any of our key supply agreements is terminated earlier than we anticipate, we may be forced to postpone delivery dates for our products or be forced to purchase raw materials in the open market or from alternative suppliers, and no assurances can be given that we would be able to make those purchases or make them at prices or quality levels that would allow us to remain competitive or deliver our products as anticipated.

Our business may also be impacted by sudden increases in raw material prices and we may not be able to adjust our prices and thereby pass along such rising costs to our customers. In addition, natural disasters, accidents, customer bankruptcies and other factors that may impact our suppliers, including unexpected supply limitations or increased costs for key raw materials may negatively impact our operations. Any or all of such events could have a material adverse effect on the results of our operations.

Dependence on Collaborative Partners

In addition to self-reliance for commercialization of certain of its products, the Earth Alive has and may, in the future, enter into various arrangements with corporate and academic collaborators, licensors, licensees and others for the research, development, testing, manufacturing, marketing, commercialization and distribution of the Corporation’s products. To date, the Company has entered into different types of collaborations whether for research and development, manufacturing, marketing, distribution or blending. The Company may enter into additional corporate partnering agreements to develop and commercialize products and testing services. There can be no assurance, however, that the Company will be able to establish such additional collaborations on favourable terms, if at all, or that current or future collaborative arrangements will be successful, and the Company’s business may be adversely affected.

Competition

If Earth Alive fails to compete effectively against larger, more established companies with greater resources, then its business may suffer. Competition in the market for Earth Alive products is intense from larger, more established global players in the marketplace. Factors affecting competition include financial resources, research and development capabilities, and manufacturing and market expertise and resources. Competitors are expected to include major chemical and specialized biotechnology companies. Many of these companies will have financial, technical, and marketing resources greater than Earth Alive's. These organizations may commercialize products that could compete directly or indirectly with Earth Alive's products on their own or through joint ventures. In addition, Earth Alive may be unaware of technologies or technologies that may be developed in the future that could adversely affect our perceived technical and competitive advantage.

Product Liability

Marketing any of Earth Alive's current or potential future products may expose Earth Alive to liability claims arising from the use of these products. Earth Alive cannot ensure that its current or future liability insurance, together with indemnification rights under any potential future license agreements and other collaborative arrangements, will be adequate to protect it against any claims and resulting liabilities. As Earth Alive's business expands, it may be unable to obtain additional insurance on commercially reasonable terms. Earth Alive may be subject to product liability lawsuits, and its insurance may be inadequate to cover potential damages. Therefore, Earth Alive's financial condition and its reputation could be adversely affected if a product liability claims or recall exceeds insured amounts.

Government Regulation

If Earth Alive is unable to comply with current or future government regulations of its products and production activities, Earth Alive may be forced to discontinue production of current or future products. Earth Alive is subject to federal, state, local, and foreign laws and regulations governing its products and production activities. Each product that is developed, produced, marketed, or licensed presents unique regulatory problems and risks. The problems and risks depend on the product type, its uses, and method of manufacture. For products used in human nutrition, Earth Alive will be required to adhere to requirements published by the Canadian Food Inspection Agency regulations, United States Food and Drug Administration, ISO standards as required in Europe, and any other applicable standards. If it is unable to comply with these practices and procedures, Earth Alive may be unable to produce its current or future products.

No Assurances of Protection for Patents, Proprietary Rights, or Trade Secrets

Earth Alive relies on patents and trade secrets, which it has developed, licensed or acquired, or may develop in the future, to protect its proprietary technology and processes and maintain its competitive position. There can be no assurances that secrecy obligations will be honoured or that others will not independently develop similar or superior technology. The protection of proprietary technology through patents or claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons even where proprietary claims are unsubstantiated. The prosecution of proprietary claims or the defence of such claims is costly and uncertain given the uncertainty and rapid development of the principles of law pertaining to this area. Earth Alive, in common with other firms, may also be subject to claims by other parties with regard to the use of technology information and data, which may be deemed proprietary to others.

Outstanding Securities data

The Company has the following securities outstanding:

	As at March 31, 2020	As at May 19, 2020
Common shares	**195,944,713**	195,944,713
Stock options	**7,186,000**	7,186,000
Warrants	**56,836,938**	56,836,938
Agent options	**800,000**	800,000

Off-balance sheet arrangements

There are no off-balance sheet arrangements as of March 31, 2020.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com

FORWARD-LOOKING STATEMENTS

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and are generally beyond the control of Earth Alive. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected in this MD&A. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

Certification

This Management Discussion and Analysis was approved by the Audit Committee of the Board of Directors.

(s) Liette Nadon, CFO(s) per interim

May 19, 2020