Earth Alive Clean Technologies Inc.

Management's Discussion and Analysis

For the period ended September 30, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

For the year period ended September 30, 2022

The following Management Discussion and Analysis ("Management's Discussion and Analysis" or "MD&A") should be read in conjunction with the Consolidated Financial Statements and the related notes for the period ended September 30, 2022, that were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The consolidated financial statements provide comparative information between the periods ended June 30, 2021, and September 30, 2022, respectively.

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 consolidated financial statements for the period ended September 30, 2022, has been prepared in accordance with IFRS.

This MD&A was reviewed and recommended for approval to the board of directors of Earth Alive (the "Board") by the Board's Audit Committee and was approved by the Board on November 28, 2022.

As used in this Management's Discussion and Analysis, unless the context requires otherwise, the terms "EACT", "Earth Alive", "the Company", "we", "us", "its" or "our", mean Earth Alive Clean Technologies Inc.

Additional information about the Company can be obtained on SEDAR at www.sedar.com.

CORPORATE OVERVIEW

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 solutions to manage specific tasks and produces different label products that are shipped from its headquarters in Montréal directly to customers or through one of its distributors/blending contractors in various countries.

Earth Alive develops, manufactures and distributes high quality, environmentally-sound, proprietary microbial solutions and products that address soil degradation caused by erosion, nutrient depletion, acidification, and chemical pollution currently faced in the mining, agriculture and industrial sectors. In addition to its flagship ea1™ and Soil Activator® , it manufactures and sells other agricultural supplements such as Rapidall™, a 100% organic, biodegradable industrial cleaner for indoor and outdoor applications made with beneficial bacteria that works on all types of metal surfaces and flooring surfaces.

The common shares of EACT are listed on the TSX Venture Exchange under the symbol “EAC”.

OVERALL PERFORMANCE

Earth Alive has two operating segments: Infrastructure & Maintenance (primarily dust suppressant) and Agriculture. The Infrastructure & Maintenance and Agriculture industries are highly specialized and competitive; however, there is a strong demand for alternate and innovative technologies in both sectors and the Company is of the view that it is well positioned to capture and capitalize on this demand by bringing Innovation to market, developing a platform of microbiological solutions, creating natural solutions in a diverse set of markets and optimizing growth of biological isolates that can be used in a diverse industries.

The Company proceeded to a reorganization of its management team that started in the fall of 2021. Since the beginning of this period, the balance sheet has been strengthened with new financings, the operations have been restructured and relations have been built and reenforced with clients and partners. In addition to its usual challenges, the mining industry has faced financial stress following two years of pandemic restrictions and increase of exploitation costs due to inflationist pressures, forcing some clients to postpone the purchase of ea1. This transition is reflected in the financials with 50% lower sales and an increase in net loss of $867,266 year-over-year for the nine first months of 2022.

The Company is now focused on reducing its production costs to lower the selling price of its product and increase its margins. The R&D work that started in 2022 will enable us to substantially reduce production cost. With a strong balance sheet, a solid pipeline, new structural projects that will allow to secure long-term relationships and resources to deliver its commitments, the Company is in a good position to create solid growth in the upcoming quarters. Earth Alive’s President and Chief Executive Officer demonstrated his confidence in the future of the Company as he bought over 2.5M shares since October 1st 2022.

THE INFRASTRUCTURE & MAINTENANCE SEGMENT[1]

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.

The conventional use of synthetic chemicals and water to control road dust is coming under increasing scrutiny by governments, corporations, activists and local communities. Earth Alive proprietary ea1 is patented in Canada, Australia, Chile and Peru and is patent-pending in Brazil. The Company is commercializing ea1 to the global mining industry as well as other industrial sectors, as an efficient and environmentally sustainable alternative to the use of scarce water resources and harmful chemicals such as chlorides and petroleum derivatives. ea1 is biodegradable, non-toxic, environmentally sustainable and is well suited for extreme cold and hot conditions (as demonstrated in tests in the cold mountains of the Chilean Andes and in the Sahara Desert). The ea1 microorganisms injected in the top layer of the soil continuously reproduce biosurfactants and biopolymers, which retain moisture in the roadbed. Along with a decrease of up to 90-99% of fine particulate emissions produced by traffic on the roads, this microbial

[1] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 17.

interaction also avoids the need for continual application of water, substantially reducing water usage. ea1's microbial technology agglomerates dust particles in the soil preventing them from becoming airborne, while helping the soil retain moisture. It is therefore, in our view, 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.

In addition to allowing for substantial reductions in water usage, a key feature for mining companies which are increasingly under pressure to meet water conservation goals, ea1 makes dust control efforts more efficient and less labor-intensive and its extended application schedule may contribute to a significant reduction in operational inefficiencies caused by regular dust suppression activities. For instance, dust suppressant efforts require daily watering of roads. Our application may provide for better results with, on average, one application every 10 days. This difference allows the workforce to be redeployed to other tasks, impacts the maintenance costs of water trucks and may actually provide savings on the number of trucks needed.

Earth Alive uses a variety of raw materials, natural ingredients, including crude glycerine, from various suppliers to manufacture ea1 on a just-in-time basis. These materials are available from a variety of sources, locally and internationally and their pricing has historically been stable, with the notable exception of glycerine, which is a by-product of the bio-fuel production process. Currently, two companies respectively located in Montréal, Canada and in the Midwest region of the United States are providing the microbial spores to Earth Alive. Although the pricing for microbial spores has been relatively stable, there is a limited number of suppliers and pricing has been largely dictated by order volume. Earth Alive has several agreements in place with blenders worldwide who can combine the raw materials in accordance with its formulas. Multiple ISO certified manufacturers can also provide such blending services. Earth Alive is not currently dependant on any one supplier.

Earth Alive is in discussions with several large potential customers, primarily in the mining industry. ea1 sales discussions are being conducted directly with mining companies in various countries, and with other potential customers through agents and partners. In addition, based on business development opportunities during the past several months, Earth Alive opened an office in Madrid with a view to identify and attract new clients in both Southern Europe and Morocco. The Company expects that this initiative will start to generate sales at the beginning of 2023

After the completion of the second test at a major mining operation in Brazil with very successful results, Earth Alive will be applying ea1 after the rainy season in Q1 2023. The mining company and Earth Alive are in further negotiations to continue operations during 2023. During the quarter, the Company began an initial test with a major mining company in the USA, this test will be continuing until Q1 2023. Currently preliminary reports show positive results.

Following the successful trial that the Company started in Q2 2022 with a major mining company in USA, Earth Alive and the mining company have undertaken discussions to conduct a more extensive test on the property in 2023.

After an organizational restructuring at one of our long-term customer's mines in Mexico, we have been recently contacted by this customer and have been advised that ea1 is poised to resume usage at the mine. The application of the product is expected to take place in January 2023.

AGRICULTURE SEGMENT[2]

The Agriculture segment provides ecological products for retail and industrial use, such as biofertilizers (soil inoculants) and soil amendments. Most notably, 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 operations and is 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.

To date, Soil Activator sales have mainly come from Canada, the United States, Central and South America and Europe. Earth Alive has sales representatives in Canada, South America and recently in Europe. In countries where Earth Alive offers its

[2] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 17.

products, it trains local agents or representatives to better serve the local customers. Products are also sold in Canada at the retail level through an industrial business-to-business model. Our products are also available online.

Earth Alive uses a variety of raw materials, all-natural ingredients, from various suppliers to manufacture Soil Activator. These materials are available from a variety of sources, locally and internationally, and their pricing has been historically stable. The microbial and bacterial spores used are sold in their primary form or directly blended with natural ingredients, by the supplier in ready-to-use powdered or liquid formulations or through a third-party blender who can combine the raw materials in accordance with Earth Alive's formulas. Most often, having the supplier of the microbial components perform the blending functions allows for a reduction in production costs. The most expensive component of Soil Activator is the microbial spores. Currently, a company based in Montréal, Canada is providing these spores and blending services for Earth Alive. The pricing for these microbial spores has been relatively stable, but with a limited number of suppliers, pricing is largely dictated by production volumes.

Currently, the Company's agriculture products are distributed in seven 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. The Company expects that its Madrid initiative will also increase sales of Soil Activator and other agriculture products in 2023.

As of September 30, 2022, Soil Activator is a registered input in 16 countries as well as 40 states in the USA. Registration processes are still underway in Vietnam, Thailand, Mexico, Nigeria, the European Union and Morocco with support from local partners. New distribution partnerships in Colombia, Ecuador and Central America have begun yielding additional sales with orders in Colombia and Central America that were delivered in the third quarter of 2022. The Company's efforts to open the European market are underway starting mainly in Spain and results from these efforts will be coming in in Q1 2023.

In May 2022, the Company announced that it had signed a contract with Boudrias Horticulture and Les Sols Isabelle for the distribution in big box stores in Canada for the next three years. The first order was delivered early in the second quarter and our products are now available in big box stores across Canada.

Under this contract, Boudrias will provide access to over 1,000 ''big box'' stores across Canada for the sale and development of the Company's line of eco-friendly horticultural products, including a variety of biofertilizers, bio stimulants and transplant pots. In collaboration, Boudrias, Les Sols Isabelle and Earth Alive are also developing new living soil products for agricultural, as well as home and garden use. We view this long-term agreement as a milestone in our distribution expansion strategy, as well as a testament to the efficacy and relevance of our Soil Activator in today's more ecologically conscious world.

RESEARCH AND DEVELOPMENT[3]

During the quarter, Earth Alive successfully carried out a test with a Texas-based institute to lower the volume of glycerine in ea1 which would allow to lower its cost to the market. Presiding this test, the Company has started field test at one of our USA client's sites to further proof the formulation. Results are expected in Q1 2023.

The Company commissioned preliminary engineering for a mobile blending plant, which will allow Earth Alive's ea1 Dust Suppressant to be blend on client's site thereby reducing transportation costs and improving the efficiency of the operation.

RECENT HISTORY/SUBSEQUENT EVENTS

Director Appointments

- The Company announces on October 11, 2022, the appointment of Mr. Nicolas Schlumberger to the Board.
- The Company also hired a new Chief Technology Officer which will lead our R&D efforts and our patent strategy beginning in January 2023.

[3] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 17.

HUMAN RESOURCES

Selling Earth Alive's technologies requires highly skilled and knowledgeable individuals. The Company has developed and possesses these skills internally. Earth Alive had 18 employees as of September 30, 2022. We have been increasing our workforce to better position the Company, maximise execution of existing opportunities (Infrastructure & Maintenance) and capture additional sales potential (Agriculture). We have added three consultants to our Infrastructure & Maintenance team as we currently have a great growth of operations. These technicians travel to our client's sites around the world. We expect to continue to add resources selectively over upcoming quarters. In addition to its employees, the Company will continue to retain industry and sales consultants in several countries.

In the context of a boiling employment market, in line with our company value and continue being a competitive employer, the Company has put in place a Registered Retirement Savings Plan (RRSP) available for all eligible employees and a Deferred Profit-Sharing Plan (DPSP) in September 2022.

SELECTED FINANCIAL INFORMATION

	Three Months Ended		Nine Months Ended				
In Dollars		Sept 30,		Sept 30,		Years Ended December 31,	
	2022	2021	**2022**	2021	**2021**	2020	2019
	$	$	**$**	$	**$**	$	$
Revenue	**495,372**	828,697	**1,378,990**	2,792,493	**3,569,830**	2,779,902	2,177,950
Gross Margin	**108,540**	269,490	**374,528**	815,349	**813,361**	783,670	484,775
Net loss	**(711,760)**	(764,196)	**(2,248,899)**	(1,381,633)	**(2,270,616)**	(1,415,535)	(2,661,923)
Per share							
Basic	**(0.002)**	(0.003)	**(0.007)**	(0.006)	**(0.010)**	(0.007)	(0.014)
Fully diluted	**(0.002)**	(0.003)	**(0.007)**	(0.006)	**(0.010)**	(0.007)	(0.014)

	As at September 30,			As at December 31,	
	2022	2021	**2021**	2020	2019
	$	$	**$**	$	$
Total assets	**8,945,484**	5,386,079	**5,386,079**	1,860,251	3,320,650
Total liabilities	**365,147**	674,523	**674,523**	367,909	637,681
Equity	**8,945,438**	5,386,079	**4,711,556**	1,492,342	2,682,969

OUTLOOK[4]

Earth Alive is in the early stages of commercialization and the Company is focusing on securing additional clients throughout the world for its dust suppressant and agriculture products. Although the Management is optimistic that the near to mid-term outlook for substantial orders is favorable, the team is actively working to reduce its production cost and retail prices to provide more attractiveness to its innovative products. The geopolitical situation presents opportunities to open new markets in the Agriculture segment and take advantage of the increase of fertilizer pricing. The increase in environmentally sustainable regulation sets the stage for our microbial ea1 to be considered as a key solution in the mining industry. Earth Alive has its strongest pipeline since the beginning of its history and is working with partners to get volume cost and transport reductions to secure and leverage trials that have been successful during 2022. The management is optimistic that, with a reduction of selling price and suppliers secured in local communities, the pipeline of sales and contracts will materialize in 2023.

The Company has invested heavily in R&D in 2022 and intend to pursue its development program. Current R&D investment should enable significant cost production reduction along with increasing the Company's control on each step of the production chain. The Company intend to spend 5% to 10% in the upcoming year in R&D to pursue its production cost reduction program, increase its product offer and increase its control on every step of production.

[4] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 17.

FINANCIAL RESULTS

Overview of Third Quarter 2022 Financial Results and Comparison to Third Quarter 2021

Three month ended Sept 30, 2022	**Infrastructure & Maintenance**	**Agriculture**	**Not Allocated**	**Total**
Revenue	**317,405**	**178,067**	**-**	**495,472**
Cost of goods sold	**249,154**	**137,778**	**-**	**386,932**
Gross Margin	**68,251**	**40,289**	**-**	**108,540**
General & administration	**58,445**	**64,342**	**345,582**	**468,369**
Sales & Marketing	**145,168**	**115,495**	**26,263**	**286,926**
Research & development	**101,587**	**9,439**	**6,031**	**117,057**
Shared based compensation	**-**	**-**	**-**	**-**
Operating Expenses	**305,200**	**189,276**	**377,877**	**872,352**
Loss from Operations	**(236,949)**	**(148,987)**	**(377,877)**	**(763,812)**
Financial Income	**-**	**-**	**43,773**	**43,773**
Financial Expenses	**-**	**-**	**8,279**	**8,279**
Net Loss	**(236,949)**	**(148,987)**	**(325,824)**	**(711,760)**
Other Information				
Depreciation & amortization	**-**	**5,997**	**-**	**5,997**

Three month ended Sept 30, 2021	Infrastructure & Maintenance	Agriculture	Not Allocated	Total
Revenue	548,335	280,362	-	828,697
Cost of goods sold	404,280	154,927	-	559,207
Gross Margin	144,055	125,435	-	269,490
General & administration	67,216	88,270	52,470	207,956
Sales & Marketing	131,900	135,514	-	267,414
Research & development	9,168	8,665	-	17,833
Shared-based compensation	-	-	571,570	571,570
Operating Expenses	208,284	232,449	624,040	1,064,773
Loss from Operations	(64,229)	(107,014)	(624,040)	(795,283)
Financial Income	-	-	31,773	31,773
Financial Expenses	-	-	(686)	(686)
Net Loss	(64,229)	(107,014)	(592,952)	(764,196)

During the quarter ended September 30,2022, Earth Alive incurred a net loss of $711,760 compared to a net loss of $764,196 for the same period in 2021 despite a reduction in sales of $333,226. Earth Alive recorded a charge of $571,570 for share-based compensation in the third quarter of 2021. This exceptional charge aside, the net loss of 2021 would have been $192,626.

Sales in 2021 were driven by an exceptional sale of $230,651 to a Californian client. This client faced issues with the solubility of our product. This issue was addressed by our R&D team. A solution was communicated with the client who placed an order in Q4 2022.

Sales	QoQ		
I&M	(230,930)	-42%	2021 Sales were made to solely one client who is reorganizing its operations and didn't buy any product during Q3 2021. This was offset by tests sold to 2 new clients in 2022. We expect those clients to renew and increase their order in Q4 and 2023.
AG	(102,295)	-36%	The decrease in sales comes mainly from one customer in California who bought for $230,651 in Q3 2021. This client faced issue with the solubility of the product. After various R&D work and operation changes, this client expresses its satisfaction on the remedies suggested and placed a firm order in Q4 2022. More ordering is expected by this client in 2023. Other sales increase in Q3 2022 are mainly coming from Latin American clients.

Margins	QoQ		
	In $	In % of sales	
I&M	(75,804)	-5%	Reduction in dollars of margin is directly attributable to the reduction of sales. Reduction in margin in percentage of sales is attributable to the addition of transport fees and technician fees for testing. Those services are provided with lower margins.
AG	(85,146)	-22%	Reduction in dollars of margin is directly attributable to the reduction of sales. The reduction of margin in percentage of sales is attributable to a change of product mix. The Company sold a wild variety of products in Q3 2022 with different margins. Although this has a negative short-term impact, this is a positive result of the effort the Company is putting in diversifying its clients and products.

Operating expenses	QoQ		
G&A	260,413	125%	G&A expenses were mainly driven by higher consulting fees (58,784), higher salaries (73,460), higher travel and business development (76,571) as well as construction fees for new administrative offices (24,261).
Sales and Marketing	19,512	7%	Sales and marketing expenses are driven by increased travel to pursue the business development efforts.
Research and development	99,224	556%	The Company elected to invest intensively in R&D. The main R&D project is concentrated on reducing the ea1 cost of production. Various tests have been conducted with American universities. A new better and more cost-effective formula will be tested in a real size field during Q4. Various tests have also been conducted in Agriculture on various crops in Québec. Results are expected in Q4 2022.

Overview of Financial Results for the first nine months of 2022 and Comparison to first nine months of 2021

Nine month ended September 30, 2022	**Infrastructure & Maintenance**	**Agriculture**	**Not Allocated**	**Total**
Revenue	**969,817**	**409,173**	**-**	**1,378,990**
Cost of goods sold	**710,216**	**294,248**	**-**	**1,004,464**
Gross Margin	**259,601**	**114,925**	**-**	**374,526**
General & administration	**178,918**	**176,220**	**1,058,292**	**1,413,430**
Sales & Marketing	**455,984**	**422,032**	**29,053**	**907,069**
Research & development	**228,086**	**33,442**	**7,636**	**269,164**
Shared based compensation	**5,863**	**8,375**	**56,950**	**71,188**
Operating Expenses	**868,851**	**640,069**	**1,151,932**	**2,660,851**
Loss from Operations	**(609,249)**	**(525,144)**	**(1,151,932)**	**(2,286,325)**
Financial Income	**-**	**-**	**57,651**	**57,651**
Financial Expenses	**-**	**-**	**(20,226)**	**(20,226)**
Net Loss	**(609,249)**	**(525,144)**	**(1,114,506)**	**(2,248,899)**
Other Information				
Depreciation & amortization	**-**	**18,381**	**-**	**18,381**

Nine month ended September 30, 2021	Infrastructure & Maintenance	Agriculture	Not Allocated	Total
Revenue	2,056,053	736,440	-	2,792,493
Cost of goods sold	1,517,878	459,266	-	1,977,144
Gross Margin	538,175	277,174	-	815,349
General & administration	217,775	262,148	175,094	655,017
Sales & Marketing	405,470	392,691	-	798,161
Research & development	33,460	46,182	-	79,642
Shared-based compensation	-	-	676,570	676,570
Operating Expenses	656,705	701,021	851,664	2,209,390
Loss from Operations	(118,530)	(423,847)	(851,664)	(1,394,041)
Financial Income	-	-	15,218	15,218
Financial Expenses	-	-	(2,810)	(2,810)
Net Loss	(118,530)	(423,847)	(839,255)	(1,381,633)

During the nine-month period ended September 30, 2022, Earth Alive incurred a net loss of $2,248,899 compared to a net loss of $1,381,633 for the same period in 2021. The increase in net loss was due to a reduction in sales, higher administration fees and higher R&D expenses.

Sales	YoY		
I&M	(1,086,236)	-53%	2021 sales were mainly driven by one client that represented $979,509 of sales during the first nine months of 2021 who is reorganizing its operations and lowered its order in 2022. This client intends to resume orders in Q1 2023. This was offset by new client in 2022 in the United-States, Peru and Argentina. The Company expects that sales to those clients will pursue in 2023.
AG	(327,267)	-44%	The decrease in sales comes mainly from one customer in California who bought for $230,651 in Q3 2021. This client faced issues with the solubility of the product. After various R&D work and operation changes, this client expresses its satisfaction on the remedies suggested and placed a firm order in Q4 2022. More orders are expected from this client in 2023. The impact related to this client aside, the sales of nine months period ended in September 2023 were impacted by the internal restructuration of the Company since the beginning of the year.

Margins	YoY		
	In $	**In % of sales**	
I&M	(278,574)	1%	Reduction in dollars of margin is directly attributable to the reduction of sales. Overall margin improvement is associated to lower raw material cost as well as an adjustment made in Q2 on stock valuation following 2021 issues with stock accounting. The Company is working intensively to reduce its costs of goods sold (COGS) and has a path to lower significantly ea1 production cost in the next 12 to 18 months.
AG	(162,249)	-10%	Reduction in dollars of margin is directly attributable to the reduction of sales. Reduction in margin percentage is attributable to lower volume generating lower fix cost absorption.

Operating expenses	YoY		
G&A	758,413	116%	G&A expenses were mainly driven by higher salaries (236,000), higher travel and business development (197,000), consulting fees (147,000), higher professional fees (103,000) as well as general office costs including the construction of new administrative office (115,000).
Sales and Marketing	108,908	14%	Sales and marketing expenses are mainly driven by increased travel costs (80,000) following flight restrictions and business development efforts.
Research and development	189,522	238%	The Company elected to invest intensively in R&D. The main R&D project is concentrated on reducing ea1's production cost. Various tests have been conducted with American universities. A new better and more cost-effective formula will be tested in a real size field during Q4. Various tests have also been conducted in Agriculture on various crops in Québec. Results are expected in Q4 2022.

Liquidity and Capital Resources

For the nine-month period ended September 30, 2022, cash flows used in operating activities were negative ($2,146,631) compared to negative ($117,605) for the same period last year. The decrease was driven by lower revenues, higher business development expenses and higher R&D efforts.

As of September 30, 2022, Earth Alive had net working capital of $8,468,337, compared to $4,567,641 as of December 31, 2021. Earth Alive's main objectives in managing its working capital resources are to ensure sufficient working capital strength to face its sales growth objectives. The Company has cash and short-term investments of $7,787,944 as of September 30, 2022, an increase of $3,872,508 compared to December 31, 2021.

On April 6, 2022, Earth Alive completed a non-brokered private placement of 101 866 666 Units were issued at a price of $0.06 per Unit. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share upon payment of the exercise price of $0.09 per share until April 6, 2024

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

The Company's principal contractual obligations and commercial commitments relate to outstanding debt.

	Book Value	2021	2022
Loan	**40,000**	-	40,000
	40,000	-	40,000

SELECTED QUARTERLY FINANCIAL DATA

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

	Sept. 30, 2022	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Sept. 30, 2021**	**June 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**
Revenue	495,471	310,739	572,779	777,337	828,697	1,020,657	943,139	667,271
Gross Margin	108,540	125,604	140,384	(1,988)	269,490	225,619	320,240	150,827
Operating Expenses	872,532	1,075,450	690,598	1,066,829	932,316	644,671	499,945	485,953
Financial (Income) Expenses	(52,052)	3,956	10,672	10,519	(31,087)	(16,478)	2,201	(3,739)
Comprehensive loss	(711,760)	(953,802)	(560,886)	(1,079,336)	(631,739)	(435,530)	(181,906)	(356,390)
Loss per share, Basic and diluted	(0.002)	(0.003)	(0.002)	(0.004)	(0.003)	(0.002)	(0.001)	(0.002)

RELATED PARTY TRANSACTIONS

Related parties of the Company include its subsidiaries, 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 period ended September 30, 2022, consist of share-based compensation, consulting fees, salaries and benefits and are as follows:

	Three months ended September 30,		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Salaries and benefits	**182,878**	113,719	**445,147**	397,439
Consulting fees (1)	**61,500**	21,000	**184,500**	63,000
Stock based compensation	**-**	483,120	**50,250**	588,120
Sales	**-**	-	**3,500**	-
Total	**244,378**	617,839	**683,397**	1,038,559

(1) Consulting fees for an officer of the Company were paid to a separate management company controlled by an officer and an entity related to an officer.

SIGNIFICANT ACCOUNTING POLICIES

The information is provided in Note 2 to the consolidated financial statements for the period ended September 30, 2022.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Please refer to Note 3 of the consolidated financial statements for the period ended September 30, 2022, 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 consolidated financial statements for the year ended September 30, 2022.

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.

RISK FACTORS

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. The long-term viability of the Company is dependent on our ability to successfully execute our strategic plan or obtaining additional financing. Earth Alive has relied on external sources of debt and equity to fund operations to date.

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.

The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and workforce participation and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Company operational and financial performance, including the Company ability to execute its business plan in the expected time frame, will depend on future developments, including the duration and severity of the pandemic and related restrictions, all of which are uncertain and cannot be predicted. Following these events, the Company has taken and will continue to take action to minimize the impact. However, it is impossible to determine the financial implications of these events for the moment.

Capitalization and Commercial Viability

Earth Alive had negative operating cash flow in the three-month and 9-month periods ended September 30, 2022. However, Earth Alive have over $7M in cash or short-term investment. The management is confident that these amounts are sufficient to carry out the completion of all proposed activities.

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.

Ongoing supply chain disruptions caused at least in part by the COVID-19 pandemic have resulted in higher costs for certain materials, including crude glycerine which is issued in the production of our ea1 dust suppressant. While the Company is assessing options to counter the negative impact of these higher costs on gross margins, there can be no assurance that it will be successful and that gross margins may be under pressure over the longer term.

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.

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.

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.

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 September 30, 2022 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.

The Company's strategy to finance its development needs in cash flow is through equity emission instead of debt. This strategy ensures a stronger balance sheet with high level of liquidity and low debt. The Company has no long-term interest bearing debt and therefore has no interest rate risk associated to interest expenses.

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.

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 $922,403. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

On September 30, 2022, 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 in a variation of $92,240 the Company's monetary net assets.

OUTSTANDING SECURITIES INFORMATION

The Company has the following securities outstanding:

	November 28, 2022	September 30, 2022
Common shares	343,355,857	343,355,857
Stock options	16,320,000	15,220,000
Warrants	96,476,811	106,494,568

Off-balance sheet arrangements

There are no off-balance sheet arrangements as of September 30, 2022.

Forward-Looking Statements

This MD&A contains certain information that may constitute “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including statements regarding the expectations of Earth Alive with regard to industry dynamics, competitive position and growth prospects. All forward-looking information and forward-looking statements are necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies.

All statements other than statements which are reporting results as well as statements of historical fact set forth herein are forward-looking statements that may involve a number of known and unknown risks, uncertainties and other factors. Forward-looking statements include, without limitation, statements regarding strategic plans, market conditions, future clients, sales and revenue estimates, partnerships, cost estimates and anticipated financial results, capital expenditures and objectives. These statements relate to analysis and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurances that its expectations will be achieved. Such assumptions, which may prove incorrect, include the following: (i) projections regarding future demand for Earth Alive’s products will be substantially realized, (ii) Earth Alive will be successful in maintaining its competitive advantage, including both the technological sophistication of its products and their pricing relative to those of Earth Alive’s competition, (iii) solving the technical challenges addressed by the Company’s products will remain a high priority for its customers and potential customers, (iv) the absence of unfavorable legal, financial, business, technological or other circumstances that would have a material adverse effect on Earth Alive, (v) Earth Alive’s ability to successfully negotiate, conclude and implement business agreements with various partners on commercially-favorable terms, and (vi) generally, Earth Alive will be successful in implementing its business plan.

The most important factors that could cause actual results or events to differ materially from those discussed in the forward-looking statements are disclosed under the “Risks Factors” section of this MD&A.

Except as required under applicable securities legislation, Earth Alive undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.