Earth Alive Clean Technologies Inc.

Management's Discussion and Analysis

For the year ended December 31, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 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 year ended December 31, 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 years ended December 31, 2021, and December 31, 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 Earth Alive Clean Technologies Inc. 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 year ended December 31, 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 April 24, 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 around the world. We sell the microbial spores in their primary or blended forms, and in ready-to-use powdered or liquid formulations. We also produce tailored made solutions to manage specific environmental challenges.

Our products address soil degradation caused by erosion, nutrient depletion, acidification, and chemical pollution currently faced by the mining, industrial and agriculture sectors.

Our flagship ea1tm dust suppressant is used in the mining and other industrial sectors as an efficient and environmentally sustainable alternative to the use of scarce water resources and harmful chemicals. ea1 microorganisms generate a hardened crust on the road preventing dust from becoming airborne while stabilizing the road structure. ea1 decreases operational costs, promotes the wellbeing of the environment, workers and communities, while saving water.

Rapidalltm is an industrial cleaner that eliminates an extensive range of residual embedded dirt and the toughest greases.

Our portfolio of environment friendly agricultural products improves soil fertility, promote carbon fixation and substantially increase crop yields and quality.

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

OVERALL PERFORMANCE[1]

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, new members have joined the board, 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 re-assess the needs for our ea1 product. This transition is reflected in our financial results with 35% lower sales and an increase in net loss of $1,816,874 year-over-year.

The Company is now focused on reducing its production costs to reduce the selling price of its product and increase its margins. The R&D work that started in 2022 will enable us to reduce production cost of ea1 by 10% to 30%. The Company puts new efforts in developing its dust control business in Quebec and ea1 is now the only biological dust control product with BNQ certification.

On February 22, 2023, the Company announced its intention to proceed with a non-brokered private placement (the "Offering") of units for gross proceeds of approximately $3 M, now increased to $3.5 M. Under the terms of the proposed Offering, approximately 175,000,000 units are to be issued at a price of $0.02 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share upon payment of the exercise price of $0.05 per share until a date that is five years after the anniversary date of the closing of the Offering. Closing of the proposed Offering will allow the Company to pursue its aggressive R&D strategy with a view to enhance its current products, add to its product portfolio and make its development plan a reality.

[1] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 19.

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 starting in the second half of the year.

THE INFRASTRUCTURE & MAINTENANCE SEGMENT[2]

Earth Alive's Infrastructure & Maintenance (I&M) 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, Brazil, Chile and Peru. 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 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 as 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 provides 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 in Southern Europe and Northern Africa during the past several months, we opened an office in Madrid from where a salesperson is currently covering Southern Europe as well as Northern Africa. The Company expects that this initiative will start to generate sales in the first half of 2023.

After the completion of a second test at a major mining operation in Brazil with very successful results, Earth Alive will be applying ea1 after the rainy season in Q2 2023. The mining company and Earth Alive are in further negotiations to continue operations during 2023. The Company is also conducting tests with a major mining company in the USA. First reports show positive results.

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[2] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 19.

After an organizational restructuring at one of our long-term customer's mines in Mexico, this customer has recently resumed usage of ea1 at its mine.

AGRICULTURE SEGMENT[3]

The Agriculture (AG) 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 Activatortm, 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. The Company is currently working to register its products in Europe where tests have already begun. Earth Alive has sales representatives in Canada, South America and Europe. In countries where Earth Alive offers its 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. The Company expects that its Madrid initiative will also increase sales of Soil Activator and other agriculture products in 2023.

Earth Alive uses a variety of raw materials, all-natural ingredients, from various suppliers to manufacture its 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.

As of December 31, 2022, Soil Activator is a registered input in 16 countries as well as 41 states in the USA. Registration processes are still underway in Vietnam, 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 and fourth quarters of 2022.

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. Under this contract, Boudrias provides 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 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.

[3] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 19.

RESEARCH AND DEVELOPMENT[4]

We aim to be amongst the leaders of the ecological transition. To achieve this goal, we rely on an aggressive R&D strategy with a view to enhance our current products, including reducing their production costs, and to complete our product portfolio. In late summer, Earth Alive successfully carried out a test with a Texas-based institute to test an improved ea1 formula which would allow to lower its cost to the market. Following this success, Earth Alive is performing field test at one of our USA client's sites to further proof the new formulation. Results are expected by the end of Q2 2023.

The Company completed preliminary engineering last quarter for a mobile blending unit, which will allow Earth Alive's ea1 Dust Suppressant to be produced at the customer's site, reducing transportation costs and improving the efficiency of the operation. This study highlighted a simplification of the production process. A validation of this new equipment's efficiency will be carried out in Q1 2023 at the equipment supplier's facility.

The Company will further expand this aggressive R&D strategy in 2023 by growing the patent portfolio for each product category, rolling out production of the cost-saving mobile blending units for the ea1 Dust Suppressant, and developing new products and tailor-made solutions for new markets in mining and agriculture worldwide.

RECENT HISTORY/SUBSEQUENT EVENTS

Arrivals and departures

- The Company announces on October 11, 2022, the appointment of Mr. Nicolas Schlumberger to the Board.
- The Company announced that Mr. Jean-Paul Blais, previously VP, Corporate Development, retired.
- The Company also announced that it had completed its management overhaul with the arrival of Mrs. Claudia Toussaint Earth Alive's first Chief Technology Officer who leads our R&D efforts and our patent strategy.

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 24 employees as of December 31, 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 and to retain our performing employees, the Company put in place a Deferred Profit-Sharing Plan (DPSP).

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SELECTED FINANCIAL INFORMATION

In Dollars	Three Months Ended Dec 31, 2022	Three Months Ended Dec 31, 2021	Years Ended December 31, 2022	Years Ended December 31, 2021	Years Ended December 31, 2020
	$	$	**$**	$	$
Revenue	**933,744**	777,337	**2,132,734**	3,569,830	2,779,902
Gross Margin	**187,736**	(1,988)	**562,264**	813,361	783,670
Net loss	**(1,921,836)**	(946,878)	**(4,115,425)**	(2,270,616)	(1,415,535)
Per share					
Basic	**(0.006)**	(0.004)	**(0.013)**	(0.010)	(0.007)
Fully diluted	**(0.006)**	(0.004)	**(0.013)**	(0.010)	(0.007)

	2022	2021	2020
	$	$	$
Total assets	**9,144,694**	5,386,079	1,860,251
Total liabilities	**2,428,487**	674,523	367,909
Equity	**6,716,207**	4,711,556	1,492,342

OUTLOOK[5]

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 costs and prices to the market to provide more attractiveness for its innovative products. The increase in environmentally sustainable regulation sets the stage for our microbial ea1 to be considered as a key solution in the mining industry. The geopolitical situation presents opportunities to open new markets in the Agriculture segment and take advantage of the increase of fertilizer pricing. 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 will materialize in the second half of 2023.

The Company has invested heavily in R&D in 2022 and intends to pursue its development program. Current R&D investment should enable reduction of cost production by 10% to 30% along with increasing the Company's control on each step of the production chain. The Company intends to spend 5% to 10% of its sales in the upcoming years in R&D to pursue its production cost reduction program, increase its product offer and its control on every step of the production chain.

[5] This section contains forward-looking statements. For more information on forward-looking statements, see the Forward-Looking Statements section on page 19.

FINANCIAL RESULTS

Overview of fourth Quarter 2022 Financial Results and Comparison to Fourth Quarter 2021

During the quarter ended December 31,2022, Earth Alive incurred a net loss of $1,921,836 compared to a net loss of $946,878 for the same period in 2021. This increase in mainly due to an impairment charge of $452k on new leasehold improvement and office furniture, a severance payment of $220k to a management member, an increased R&D charges of $145k as well as a depreciation of right-of-use assets of 56k.These costs put aside, the net loss would have been $1,049,011.

Sales in Q4 2022 increased by $156,407 Quarter over Quarter mainly due to new clients in the I&M segment in the USA.

	Sales	QoQ		
⇧	I&M	133,219	23%	Q4 2022 sales in the Infrastructure and Maintenance segment were driven by a test in a mine in the USA. These sales will pursue in Q1 2023. Results of the tests have been positive so far, and the Company expects to enter long-term contract negotiations in Q2 2023. I&M products were also delivered to a Brazilian client who expects to start tests on its roads in 2023. Margins increased due to the decrease of market costs of an important raw material used in the fabrication of the ea1 product.
⇧	AG	23,188	12%	Q4 2022 sales in the Agriculture segment were driven by sales to Latin American and American clients. The Company has put efforts in developing the Latin American market for the past 2 years and has started to see an increase in sales from that market.

	Margins	QoQ		
		In $	In % of sales	
⇧	I&M	240,635	36%	Increase in margins were mainly due to lower raw material costs and efforts from the Company to procure services at lower costs. During Q4 2021, there was an important increase in raw material costs due to shortage of products.
⇩	AG	(50,912)	-26%	To strengthen relationships with a client in California, the Company arranged a shipment of liquefied Soil Activator at cost. Although this resulted in a reduction of the margins, this allowed the Company to prove to this important client the capacity to provide timely and effective solutions. The client sent a Purchase Order in Q1 2023 for more product at normal pricing.

Operating expenses	QoQ		
G&A	570,418	61%	Higher G&A expenses were mainly driven by a $220k payment due to a former management team member, higher professional and consulting fees of $112k including fees related to the opening of the Spain office and new office cost.
Sales and Marketing	(74,729)	-14%	The decrease in sales and marketing expenses is mainly due to a one-time charge in 2021 related to the departure of the Company's former President and Chief Executive Officer partially offset by higher business development costs.
Research and development	145,459	1,519%	The company elected to invest intensively in R&D. The main R&D project is focused on reducing ea1 cost of production and reducing the lead time to deliver products to clients. In Q4 2022, the R&D costs mainly came from the development of a mobile blending unit for the ea1 product which will allow the Company to blend directly on the client's site. This will reduce blending and transportation costs as well as the lead time to bring products to clients. In addition to this project, a better and more cost effective ea1 formula was tested in a real size field during Q4 and beginning of 2023 in the United States.
Depreciation, amortization and impairment	484,081	n/a	Impact of leasehold improvement and office furniture impairment

Overview of Financial Results for the year ended December 31, 2022, and Comparison to the year ended December 31 2021

Year ended December 31, 2022	**Infrastructure & Maintenance**	**Agriculture**	**Not Allocated**	**Total**
Revenue	**1,679,754**	**632,980**	**-**	**2,312,734**
Cost of goods sold	**1,249,959**	**500,510**	**-**	**1,750,470**
Gross Margin	**429,795**	**132,470**	**-**	**562,264**
General & administration	**306,059**	**316,137**	**1,838,917**	**2,461,113**
Sales & Marketing	**733,670**	**567,716**	**53,314**	**1,354,700**
Research & development	**354,616**	**57,136**	**12,587**	**424,339**
Depreciation, amortization, and impairment	**-**	**-**	**484,081**	**484,081**
Shared based compensation	**684**	**2,443**	**70,501**	**73,628**
Operating Expenses	**1,395,029**	**943,432**	**2,459,400**	**4,797,861**
Loss from Operations	**(965,234)**	**(810,962)**	**(2,459,400)**	**(4,235,597)**
Financial Income	**-**	**-**	**145,513**	**145,513**
Financial Expenses	**-**	**-**	**(25,341)**	**(25,341)**
Net Loss	**(965,234)**	**(810,962)**	**(2,339,227)**	**(4,115,425)**

Year ended December 31, 2021	Infrastructure & Maintenance	Agriculture	Not Allocated	Total
Revenue	2,632,771	937,059	-	3,569,830
Cost of goods sold	2,165,038	591,431	-	2,756,469
Gross Margin	467,733	345,628	-	813,361
General & administration	380,599	411,774	339,908	1,132,281
Sales & Marketing	669,510	651,012	-	1,320,522
Research & development	41,334	42,014	-	83,348
Depreciation, amortization, and impairment	5,879	-	-	5,879
Shared-based compensation	-	-	601,731	601,731
Operating Expenses	1,097,322	1,104,800	941,639	3,143,761
Loss from Operations	(629,589)	(759,172)	(941,639)	(2,330,400)
Financial Income	-	-	8,431	8,431
Financial Expenses	-	-	(6,542)	(6,542)
Net Loss	(629,589)	(759,172)	(939,749)	(2,328,511)

During the year-ended December 31, 2022, Earth Alive incurred a net loss of $4,115,425 compared to a net loss of $2,328,511 for the same period in 2021. The increase in net loss was due to a reduction in sales, higher administration expenses (including the installation of a new head quarter in Montreal) and a new strategy based on intensive R&D investment.

Sales	YoY		
I&M	(953,017)	-36%	2021 I&M sales were mainly driven by one client in Mexico who reorganized its operations and reduced its purchase of ea1 in 2022 by $1,822k. This client resumed its purchases in early 2023. The Company is currently working on creating a subsidiary in Mexico to secure this client as the absence of operations in Mexico was one of the reasons this client elected to reduce its purchases in 2022. Moreover, the Company is working on installing a mobile blender on this client's site, addressing another issue the client had while collaborating with the Company. This should be in place by the third quarter of 2023. Despite this reduction of $1,822k in sales, the Company conducted tests in the USA and in Brazil and delivered products to a client in Peru to conduct tests in 2023. This allowed the Company to secure about $900k of sales to new clients, creating momentum to increase sales in 2023.
AG	(304,079)	-32%	The decrease in sales is mainly due to purchases of $231k made from one customer in the California in 2021. This client faced issues with the solubility of the product. After various R&D work and operational adjustments, this client expressed its satisfaction on the remedies suggested and made purchases of $58k in Q4 2022. This client confirmed their intention to buy more product and put new Pos in 2023. Other sales reductions came from the alignment of the Company's strategy to sell to distributors and refrain sales directly to customers. Although this strategy reduced direct sales in the short-term, the Company expects to reach indirect customers through large distributors.

Margins	YoY		
	In $	In % of sales	
I&M	(37,938)	8%	Reduction in dollars of margin is directly attributable to the reduction of sales. The increase in margin in percentage of sales is attributable to a write-off of stock that was taken in 2021 and reversed in 2022. A lower USD to CAD foreign exchange rate also contributed to the increase in 2022 margins as most of the Company's COGS are incurred in USD. Finally, the market value for raw materials decreased significantly in 2022 after a peak in pricing in 2021 which helped reduce the sale price to the customers while increasing margins.
AG	(213,159)	-16%	Reduction in dollars of margin is directly attributable to the reduction of sales. The reduction in margin in percentage of sales is attributable to a change of product mix and a commercial effort to bringing back an important Californian client that was lost in 2022 following issues with the product. The Company suggested a solution to this client and provide the new solution at cost, reducing the margin in this segment. The said client showed his satisfaction and placed new POs in 2023.

Operating expenses	YoY		
G&A	1,328,832	117%	Higher G&A expenses were driven by higher professional and consulting fees of $505k including fees related to the opening of the Spain office and $270k payment due to two former management team members. The Company also increased its G&A salaries by $138k and travel and business development costs by $272K after 2 years of travel restrictions due to the COVID-19 pandemic.
Sales and Marketing	34,178	3%	The increase in sales and marketing expenses were driven by increased travel costs following flight restrictions and business development efforts partially offset by an exceptional charge incurred in 2021 related to the departure of our former President and Chief Executive Officer.
Research and development	340,991	409%	The Company elected to invest intensively in R&D. The main R&D project is concentrated on reducing the production cost of ea1 and various tests have been conducted with American universities. A new better and more cost-effective formula has been tested in a real size field during Q4 2022 and Q1 2023. Results are expected to come in during Q2 2023. The Company also invested in the conception of a mobile blending unit that will allow the control of the blending of ea1. This will provide significant cost reduction and increase the control of our supply chain.
Depreciation, amortization and impairment	478,202	n/a	Impact of leasehold improvement and office furniture impairment

Liquidity and Capital Resources

For the year-ended December 31, 2022, cash flows used in operating activities were negative ($2,667,124) compared to negative ($1,591,614) for the same period last year. The decrease was driven by lower revenues, higher business development expenses and R&D efforts.

As of December 31, 2022, Earth Alive had net working capital of $6,368,185, compared to $4,567,641 as at 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 deposits of $6,706,181 as of December 31, 2022, an increase of $2,790,745 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.

To ensure the continuity of its operations and to have all the resources needed to achieve its plans, the Company intents to conclude a private financing of the magnitude of $3.5M at the beginning of May 2023.

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

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

	Book Value	2023	2024	2025	2026	2027
Trade and other payables	**1,648,554**	1,648,554	-		-	
Loan	**40,000**	40,000	-		-	
Lease Liabilities	**769,893**	165,505	180,320	168,370	142,005	113,693
	2,458,447	1,854,059	180,320	168,370	142,005	113,693

SELECTED QUARTERLY FINANCIAL DATA

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

	Dec. 31,2022	**Sept. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Sept. 30, 2021**	**June 30, 2021**	**Mar. 31, 2021**
Revenue	933,744	495,472	310,739	572,779	777,337	828,697	1,020,657	943,139
Gross Margin	187,736	108,540	125,604	140,384	(1,988)	269,490	225,619	320,240
Operating Expenses	2,192,320	872,532	1,075,450	690,598	1,066,829	932,316	644,671	499,945
Financial (Income) Expenses	(82,748)	52,052	3,955	10,672	10,519	(31,087)	(16,478)	2,201
Comprehensive loss	(1,921,836)	(711,760)	(953,800)	(560,886)	(946,878)	(631,739)	(435,530)	(181,906)
Loss per share, Basic and diluted	(0.006)	(0.002)	(0.003)	(0.002)	(0.004)	(0.003)	(0.002)	(0.001)

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 period ended December 31, 2022, consist of share-based compensation, consulting fees, salaries and benefits and are as follows:

	Year ended December 31,	
	2022	2021
Salaries and benefits	**947,606**	927,472
Consulting fees (1)	**257,700**	123,300
Stock based compensation	**67,521**	627,266
Sales	**3,500**	2,308
Total	**1,276,327**	1,680,346
Amounts payable to executives	**316,900**	26,369

(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 December 31, 2022.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Please refer to Note 3 of the consolidated financial statements for the period ended December 31, 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.

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 a growing company active in both the Industrial and Agriculture sectors, we face operational and financial risks inherent to our growth stage and our two sectors of activities. These risks may affect our results of operation and financial condition. To date, we have no net earnings and negative operating cash flows. An investment in our common shares should therefore be considered speculative. Investors should carefully consider all our risk factors. While we strive to manage the risks we face, risk management does not eliminate risks. You will find below the risks management believes are the most important in our business context.

Liquidity

Our negative operating cash flows means that we are dependent on external sources to fund operations. As of the date of this MD&A, we have $690,016 in cash-on-hands and 4,000,000 in short-term deposits. Management is confident that this amount is sufficient to carry out our development plan to its successful completion for at least the next 12 months. However, should we fail to generate positive operating cash flows by the time we have spent our cash-on-hands, we may not be able to continue to operate.

High Prices and Limited Sales

Our state-of-the-art microbial and other environmentally friendly products are expensive, as are most eco-products. Although Industrial stakeholders are more and more concerned by their ecological footprint and strive to be ESG sensitive, the prices of our products may sometimes be an obstacle to our clients and prospective clients notwithstanding their ecological and ESG concerns. We are currently very active in R&D to lower the production costs of our products and accordingly, their prices to the clients. Failure to achieve this goal may materially adversely affect our results of operation and financial condition.

Capitalization and Commercial Viability

Earth Alive had negative operating cash flow in the year ended December 31, 2022. However, Earth Alive have over $4M in cash or short-term investment. The management is confident that these amounts are sufficient to carry out the completion of all proposed activities.

Tests May Not Become Long-term Commitments

The clients in both our Industrial and Agriculture sectors tend to test our products on a limited portion of their property before agreeing to a major order. In some instances, tests have been conducted for several years. Although clients must pay to conduct tests with our products, tests may not necessarily translate into long-term, material commitments. Failure to secure long-term commitments precludes us from having secured, foreseeable cash flows and exposes us to short-term downturn in the Industrial or Agriculture sectors which may materially adversely affect our results of operation and financial condition.

Early development stage and Growth of the business

We have only a limited operating history. To date, we have never operated at a profit and there is no assurance that we will operate at a profit. Our operations are subject to all the risks associated with early-stage companies, including under-capitalization and cash shortages. As we strive to grow our business, we may encounter new risks relating to, among other things, increased production, broader distribution of our products, additional pressure on our supply chain as well as increased needs in human resources. There is no assurance that our current systems, procedures and controls will be adequate to support our future operations and that we will be able to attract, train and retain the personnel required to face the challenges of a growing business. Failure to effectively manage any future growth may materially adversely affect our results of operations and financial condition.

Limited portfolio of products

Compared to other players of the Agriculture industry, we have a limited number of products. Although our microbial and other environmentally friendly products are state-of-the-art, we may not have the depth of products that crop producers want in order to limit their number of suppliers. We are actively trying to increase our portfolio of products but there is no assurance that we will succeed or that new products will be well received by the market. Failure to increase our portfolio of products may materially adversely affect our results of operation and financial condition.

Government regulation

We are subject to various federal, state, provincial and local environmental and health & safety laws and regulations. In the Agriculture sector, our products frequently require to be registered with a local government agency before they can be sold. Although affordable, these registrations may take time and there is no assurance that a given product will be certified. Failure to obtain, or maintain, product registrations would preclude us from selling our Agriculture products which may materially adversely affect our results of operation and financial condition.

Insurance

We maintain various insurance policies, but we are not fully insured against all potential hazards and risks faced by our business. Consequently, we may incur significant liability for which we are not fully insured. In addition, our insurance policies contain various conditions and exclusions which may impair our ability to receive indemnification. Incurring a significant liability for which we are not insured or for which indemnification would be denied may materially adversely affect our results of operation and financial condition.

Key Personnel

The ability to execute our business plan depends, in part, on our ability to attract, retain and sometimes train key scientific, technical, management and operating personnel, including members of the Board of directors. There is no assurance that we will be able to attract, retain or train the key people needed to execute our business plan, which may materially adversely affect our results of operations and financial condition.

Patents and Trade secrets

We rely on patents and trade secrets that we have developed, licensed or acquired or may in the future develop, license or acquire to protect our proprietary technology and processes. There is no assurance that secrecy obligations will be honoured or that others will not independently develop similar or superior technology. Should our patents or trade secrets be leaked or challenged, costly legal procedures may follow which may materially adversely affect our results of operation and financial condition. In addition, should our position not ultimately prevail in a Court of law, we may be prohibited from continuing to sell a given product or have to pay substantial damages, each of which may materially adversely affect our results of operation and financial condition.

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, 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.

Cybersecurity

Our operations are partly dependent upon information technology systems. These systems are subject to disruption, damage or failure from a variety of sources, including cyber-attacks. Failures in our information technology systems could translate into production downtimes, operational delays, compromising of confidential information or destruction or corruption of data. Accordingly, any failure in our information technology systems could materially adversely affect our results of operation and financial condition. Information technology systems failures could also materially adversely affect the effectiveness of our internal controls over financial reporting

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 December 31, 2022 and assuming that all other variables remain constant, a 1% appreciation or deterioration of the interest rate would result in a $30,833 (not significant in 2021) 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 $1,299,543 ($722,082 on December 31, 2021). The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

At December 31, 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 $129,954 (no significant variation on December 31, 2021) in the Company's monetary net assets.

OUTSTANDING SECURITIES INFORMATION

The Company has the following securities outstanding:

	April 29 , 2023	December 31, 2022
Common shares	343,355,857	343,355,857
Stock options	12,874,000	13,374,000
Warrants	50,933,333	96,476,811
Agent's options	-	-

Off-balance sheet arrangements

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