

EARTH GEN-BIOFUEL, INC.

FORM 10-Q (Quarterly Report)

Filed 11/20/15 for the Period Ending 09/30/15

| | |
|-------------|---|
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| Telephone | 626-964-8808 |
| CIK | 0001614924 |
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UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-55263

EARTH GEN-BIOFUEL INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

46-0895129

(IRS Employer Identification No.)

17870 Castleton Street, # 205
City of Industry, California, 91748

(Address of principal executive offices)

(626)-964-8808

(Registrant's telephone number)

(Former Name or Former Address, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of November 12, 2015, the issuer had 81,113,717 shares of common stock issued and outstanding.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

EARTH GEN-BIOFUEL, INC.

For the nine months ended September 30, 2015

FORM 10-Q

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PART I

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS.

**EARTH GEN-BIOFUEL INC
CONSOLIDATED BALANCE SHEETS**

| | September 30, 2015 (Unaudited) | December 31, 2014 |
|--|--------------------------------------|----------------------|
| <u>ASSETS</u> | | |
| Current Assets | | |
| Cash | \$ 1,356 | \$ 2,092 |
| Prepaid expenses and other receivables | 1,666 | 1,514 |
| Inventories, net | 417,496 | 486,994 |
| Loan receivable | 1,100 | 1,100 |
| Due from related party | 58,058 | 58,058 |
| Total Current Assets | 479,676 | 549,758 |
| Property and equipment, net | 16,818 | 19,705 |
| Security deposit | 3,294 | 3,294 |
| Total Assets | \$ 499,788 | \$ 572,757 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 115,402 | \$ 87,340 |
| Notes payable | - | 3,000 |
| Notes payable-related party | 11,500 | 7,000 |
| Convertible notes, net | 76,359 | 31,361 |
| Due to officer | 14,610 | 55,641 |
| Total Current Liabilities | 217,871 | 184,342 |
| Commitments and contingencies | | |
| Stockholders' Equity | | |
| Preferred stock, \$0.0001 par value, 10,000,000 shares authorized, none issued and outstanding | - | - |
| Common stock, \$0.0001 par value, 690,000,000 shares authorized, 80,185,146 and 75,080,817 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively | 8,019 | 7,508 |
| Additional paid-in capital | 2,863,724 | 2,440,387 |
| Accumulated deficit | (2,589,826) | (2,059,480) |
| Total Stockholders' Equity | 281,917 | 388,415 |
| Total Liabilities and Stockholders' Equity | \$ 499,788 | \$ 572,757 |

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

EARTH GEN-BIOFUEL INC
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|---------------------|---------------------------------|---------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenues | \$ - | \$ - | \$ - | \$ - |
| Operating expenses: | | | | |
| General and administrative | 142,921 | 243,291 | 394,760 | 907,220 |
| Inventory reserve | 28,465 | 34,085 | 87,497 | 34,085 |
| Total operating expenses | <u>171,386</u> | <u>277,376</u> | <u>482,257</u> | <u>941,305</u> |
| Loss from operations | (171,386) | (277,376) | (482,257) | (941,305) |
| Other Income (Expense) | | | | |
| Interest expense | (13,561) | - | (48,089) | - |
| Total other (Expense) | <u>(13,561)</u> | <u>-</u> | <u>(48,089)</u> | <u>-</u> |
| Loss before income taxes | (184,947) | (277,376) | (530,346) | (941,305) |
| Provision for income taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net loss | <u>\$ (184,947)</u> | <u>\$ (277,376)</u> | <u>\$ (530,346)</u> | <u>\$ (941,305)</u> |
| Net loss per common share | | | | |
| Basic and diluted | <u>\$ (0.00)</u> | <u>\$ (0.00)</u> | <u>\$ (0.01)</u> | <u>\$ (0.01)</u> |
| Weighted average common shares outstanding | | | | |
| Basic and diluted | <u>78,667,481</u> | <u>70,838,369</u> | <u>76,889,483</u> | <u>73,593,148</u> |

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

EARTH GEN-BIOFUEL INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | Nine Months Ended September 30, | |
|---|---------------------------------|--------------------|
| | 2015 | 2014 |
| Operating Activities: | | |
| Net loss | \$ (530,346) | \$ (941,305) |
| Adjustments to reconcile net loss to net cash used by operating activities: | | |
| Depreciation expense | 2,887 | 971 |
| Amortization of debt discounts | 44,998 | - |
| Inventory reserve | 87,497 | 34,085 |
| Stock-based compensation | 107,548 | 293,490 |
| Changes in operating assets and liabilities: | | |
| Inventory | (18,000) | (511,270) |
| Prepaid expenses and other receivables | (152) | (16,014) |
| Related party payables | 29,670 | 5,372 |
| Accounts payable and accrued expenses | 28,062 | 21,938 |
| Net cash used in operating activities | <u>(247,836)</u> | <u>(1,112,733)</u> |
| Investing Activities: | | |
| Loan advance | - | (1,100) |
| Purchases of property and equipment | - | (7,244) |
| Net cash used in investing activities | <u>-</u> | <u>(8,344)</u> |
| Financing Activities: | | |
| Proceeds from notes payable | 3,500 | - |
| Proceeds from related party note payable | 13,500 | - |
| Repayment to notes payable | (6,500) | - |
| Repayment to related party note payable | (2,000) | - |
| Proceeds from convertible note | - | 40,000 |
| Proceeds from stock issuances | 238,600 | 968,380 |
| Cash received for stock subscriptions payable | - | 41,250 |
| Net cash provided by financing activities | <u>247,100</u> | <u>1,049,630</u> |
| Net change in cash | (736) | (71,447) |
| Cash, beginning of period | 2,092 | 154,178 |
| Cash, end of period | <u>\$ 1,356</u> | <u>\$ 82,731</u> |
| Supplemental disclosures of cash flow information: | | |
| Cash paid during the period | | |
| Interest | \$ - | \$ - |
| Income taxes | \$ - | \$ - |
| Non-cash investing and financing activities: | | |
| Common stock issued for accrued liabilities and note payable, related parties | \$ 77,700 | \$ - |
| Discount on convertible note | \$ - | \$ 20,000 |

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

EARTH GEN-BIOFUEL, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Nature of Operations and Basis of Presentation

Earth Gen-Biofuel, Inc. (the “Company” or “Earth Gen”) was incorporated in the state of Nevada on August 28, 2012 to pursue the business of becoming an international agricultural company focused on growing plants that are the basis for providing renewable sources for manufacturing processes and energy.

On September 25, 2012, Earth Gen entered into an Agreement of Share Exchange and Plan of Reorganization (the “Exchange Agreement”) with EarthBlock Technologies, Inc. (“EarthBlock”), a Nevada publicly traded corporation, pursuant to which EarthBlock acquired 100% of the ownership of the Company in exchange for 63,666,400 shares of EarthBlock’s common stock (the “Exchange”) on the basis of four shares of EarthBlock for one share of Earth Gen outstanding as of October 14, 2012.

Upon the completion of the Exchange, Earth Gen operated as a wholly owned subsidiary of EarthBlock and focused its efforts to begin its international agricultural operations. In October of 2012, Earth Gen began to organize farmers and government related agencies in Laos and Vietnam to control land for growing castor beans. Prior to Earth Gen becoming a subsidiary of EarthBlock, Earth Gen’s management had spent over two years creating the relationships and working with local farmers to build an organization and obtain the knowledge and expertise to become a major grower of castor beans in these countries.

The common stock of EarthBlock was registered with the SEC under the Exchange Act and was quoted on OTCQB operated by the OTC Markets Group Inc. EarthBlock failed to comply with Exchange Act Section 13(a) because it had not filed any periodic reports with the SEC since the period ended December 31, 2007. EarthBlock consented to a deregistration order of the SEC, and pursuant to Section 12(j) of the Exchange Act, registration of EarthBlock’s common stock was revoked and trading in EarthBlock’s common stock was suspended.

Additionally, the shareholders of Earth Gen were not made aware of the full extent of a material liability of EarthBlock that resulted from the operations of EarthBlock’s non-operational subsidiary EarthBlock Texas Homes, Inc. As a result of the liability not being included in proper detail and information regarding its effect on EarthBlock’s financial statements, EarthBlock’s previously disclosed financial condition was inaccurate.

On September 25, 2013, the Board of Directors of EarthBlock and of Earth Gen voted to rescind the acquisition of Earth Gen by EarthBlock and authorized the officers of the Corporation to take the steps required to complete the rescission of the Exchange.

A rescission agreement dated October 28, 2013 (the “Rescission Agreement”) was entered into by and among EarthBlock, Earth Gen and the shareholders. A majority of Earth Gen shareholders approved the Rescission Agreement on October 28, 2013. The Rescission Agreement sets forth the terms and provisions where the parties agreed to take all steps necessary and proper to unwind the Exchange including the surrender of the Exchange Shares for cancellation and Earth Gen to issue to each Exchange Share shareholder his respective original equity interests in Earth Gen. The Additional Shares will remain outstanding and will ratably dilute the Exchange Share shareholders pre-Exchange, original equity ownership in Earth Gen as a result.

The Rescission Agreement offer terminated on October 10, 2014. Pursuant to the terms of the Rescission Agreement, Earth Gen issued a total of 50,645,600 Earth Gen common stock shares to participating holders of Exchange Shares commensurate with the holders’ respective original equity interests in Earth Gen. Earth Gen also issued a total of 7,030,400 Additional Shares. No additional Earth Gen common stock shares will be issued as a result of the rescission of the Reverse Merger. One Shareholder owning 7,560,000 Exchange Shares did not become a party to the Rescission Agreement and will retain his EarthBlock common stock shares and with no equity interest in Earth Gen.

In March 2014, Earth Gen-Biofuel Lao Sole Co Ltd (“Earth Gen Laos”) was formed under the laws of Laos to meet Laos’ regulatory and legal requirements to do business in Laos. This company is 100% controlled by Earth Gen. Earth Gen Laos has its own in-country bank accounts denominated in US dollars through which it pays all local operating expenses of the business activities of Earth Gen in Laos.

Note 2—Going Concern

These financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2015, the Company has an accumulated deficit since inception. The continuation of the Company as a going concern is dependent upon the continued financial support from its management, and its ability to identify future investment opportunities and obtain the necessary debt or equity financing, and generating profitable operations from the Company's future operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3—Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. All inter-company accounts and transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

These unaudited interim financial statements have been prepared in accordance with GAAP for interim financial reporting and the rules and regulations of the Securities and Exchange Commission that permit reduced disclosure for interim periods. Therefore, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. In the opinion of management, all adjustments of a normal recurring nature necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented have been made. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the year ending December 31, 2015.

The balance sheets and certain comparative information as of December 31, 2014 are derived from the audited financial statements and related notes for the year ended December 31, 2014 ("2014 Annual Financial Statements"), included in the Company's 2014 Annual Report on Form 10-K. The unaudited interim financial statements should be read in conjunction with the 2014 Annual Financial Statements.

Basic and Diluted Loss per Common Share

Basic loss per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted loss per share is calculated by dividing the Company's net loss available to common shareholders by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive.

The Company has issued common stock purchase warrants and entered into convertible note; however, they are anti-dilutive given the net loss incurred for the periods presented. As a result, 4,889,286 potentially dilutive common stock equivalents (presented post-dividend and post-split) were excluded from the calculation of diluted loss per common share as of September 30, 2015. Therefore, dilutive and basic losses per common share are equal.

Inventory

Inventory consists of raw materials consisting of castor bean seeds. Inventories are recorded at the lower of cost or market, using the first-in, first-out method. Cost is determined at the actual cost for raw materials.

Expenditures on growing crops are valued at the lower of cost or market and are deferred and charged to cost of sales when the related crops are harvested and sold. The deferred growing costs included in inventories in the balance sheets consist primarily of land rental cost and service costs.

In assessing the ultimate realization of inventories, the management makes judgments as to future demand requirements compared to current or committed inventory levels. The Company's reserve requirements generally increase or decrease with its projected demand requirements and market conditions. The Company estimates the demand requirements based on market conditions, forecasts prepared by its customers, sales contracts and orders in hand.

In addition, the Company estimates net realizable value based on intended use, current market value and inventory ageing analyses. The Company writes down the inventories for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventories and the estimated market value based upon assumptions about future demand and market conditions.

Based on the above assessment, the Company recorded an inventory reserve of \$151,818 and \$64,320 as of September 30, 2015 and December 31, 2014, respectively.

Revenue Recognition

Revenue from sales of the Company's products is recognized upon customer acceptance, which occurs at the time of delivery to the customer, provided persuasive evidence of an arrangement exists, such as signed sales contract, the significant risks and rewards of ownership have been transferred to the buyer at the time when the products are delivered to its customers with no significant post-delivery obligation on our part, the sales price is fixed or determinable and collection is reasonably assured. The Company does not provide its customers with contractual rights of return and post-delivery discount for any of its products. When there is any significant post-delivery performance obligations exists, revenue is recognized only after such obligations are fulfilled. The Company evaluates the terms of sales agreement with its customers in order to determine whether any significant post-delivery performance obligations exist.

Note 4—Inventory

Inventory consists of:

| | September 30, 2015 | December 31, 2014 |
|------------------------------------|-----------------------|----------------------|
| Seeds | \$ - | \$ - |
| Capitalized costs of growing crops | 569,314 | 551,314 |
| Total inventory | <u>\$ 569,314</u> | <u>\$ 551,314</u> |
| Less: inventory reserve | (151,818) | (64,320) |
| Inventory, net | <u>\$ 417,496</u> | <u>\$ 486,994</u> |

Note 5— Property and Equipment

Property and equipment consist of:

| | September 30, 2015 | December 31, 2014 |
|--------------------------------|-----------------------|----------------------|
| Machinery and equipment | \$ 11,240 | \$ 11,240 |
| Automobile | 7,000 | 7,000 |
| Office equipment | 4,216 | 4,216 |
| Total | 22,456 | 22,456 |
| Less: accumulated depreciation | (5,638) | (2,751) |
| Property and equipment, net | <u>\$ 16,818</u> | <u>\$ 19,705</u> |

For the nine months ended September 30, 2015 and 2014, depreciation expense was \$2,887 and \$971, respectively.

Note 6— Due from Related Parties

The Company and EarthBlock advance each other monies in the normal course of business. During the period ended December 31, 2014 net funds provided to EarthBlock were \$58,058. There have been no new advances for the nine month period ended September 30, 2015. The advances do not have written notes, do not accrue interest and are due on demand.

As of December 31, 2014, the Company owed \$55,641 to George Shen, CEO and shareholder of the Company for accrued service fees and monies advanced to and repaid by the Company in the normal course of business. On June 29, 2015, the Company paid accrued service fees of \$70,700 to Mr. Shen and money advanced by Mr. Shen of \$7,000 with the issuance of 1,100,000 shares of the Company's restricted common stock. As a result, the Company owed Mr. Shen \$14,610 as of September 30, 2015.

Prior to September 30, 2013, the Company was provided office space at no charge by George Shen. Starting July 1, 2013, the Company has been paying office rent at \$3,360 under a month-to-month lease agreement.

The Company obtained short-term loans from a company in which George Shen is also an officer and from certain shareholders for working capital purposes.

Promissory note from related parties consists of:

| | September 30, 2015 | December 31, 2014 |
|---|-----------------------|----------------------|
| Promissory note due related party, interest at 2% per annum, default interest at additional 5%, due July 30, 2015, note is in default | \$ 2,000 | \$ 2,000 |
| Promissory note due related party, no interest, due January 30, 2016 | 1,000 | - |
| Promissory note due shareholder, no interest, due July 30, 2013 | 3,000 | 5,000 |
| Promissory note due shareholder, no interest, default interest at additional 5%, due October 30, 2015 | 2,000 | - |
| Promissory note due shareholder, no interest, due January 31, 2016 | 1,000 | - |
| Promissory note due shareholder, no interest, due March 15, 2016 | 2,500 | - |
| Total | \$ 11,500 | \$ 7,000 |

For the over-due promissory notes, there has been no demand for repayment.

Note 7— Notes Payable

The Company obtained short-term loans from an unrelated party for working capital purposes.

Note payable consists of:

| | September 30, 2015 | December 31, 2014 |
|--|-----------------------|----------------------|
| Promissory notes due unrelated party, interest at 2% per annum, default interest at additional 5%, due July 30, 2015 | \$ - | \$ 3,000 |
| Total | \$ - | \$ 3,000 |

Note 8— Convertible Note

On December 15, 2014, the Company issued a \$7,000 convertible note. The convertible note bears interest at 2% per annum, due July 30, 2015, convertible into common stock of the Company anytime after June 20, 2015 at a conversion price of \$0.07 per share. If the outstanding balance of the convertible note is not paid when due, the default interest is 5% per annum above the rate that would otherwise be in effect with the default interest accruing, from and including such due date, on a cumulative, compounding basis. Note is in default, there has been no demand for repayment.

On October 29, 2014, the Company issued a \$36,000 convertible note. The convertible note bears interest at 5% per annum, due December 15, 2015, convertible into common stock of the Company anytime after May 15, 2015 at a conversion price of \$0.07 per share. If the outstanding balance of the convertible note is not paid when due, the default interest is 2% per annum above the rate that would otherwise be in effect with the default interest accruing, from and including such due date, on a cumulative, compounding basis.

On September 30, 2014, the Company issued a \$40,000 convertible note. The convertible note bears interest at 5% per annum, due September 15, 2015, convertible into common stock of the Company anytime after January 30, 2015 at a conversion price of \$0.10 per share. If the outstanding balance of the convertible note is not paid when due, the default interest is 2% per annum above the rate that would otherwise be in effect with the default interest accruing, from and including such due date, on a cumulative, compounding basis. Note is in default, there has been no demand for repayment.

The Company calculated \$63,000 for the intrinsic value of the beneficial conversion feature (“BCF”) of the convertible notes (based on the last sale price of \$0.15 per share) and recorded the \$63,000 BCF as a debt discount and as an addition to additional paid-in capital on effective date of the notes. The debt discount is being amortized to interest expense over the term of the note. As of September 30, 2015, a total of \$56,359 was amortized to interest expense, leaving unamortized debt discount of \$6,641. For the nine months ended September 30, 2015, \$44,998 of BCF debt discount was amortized to interest expense. There was no convertible note and related debt discount at September 30, 2014.

Note 9—Stockholders’ Equity

At September 30, 2015, the Company is authorized to issue 690,000,000 shares of \$0.0001 par value common stock and 10,000,000 of \$0.0001 par value preferred stock.

In anticipation of the rescission of the exchange agreement with EarthBlock and to prevent dilution to existing shareholders of the Company, on October 15, 2013, the board of directors of the Company approved a stock dividend of three shares for each outstanding share. The stock dividend is being treated as a stock split due to its high volume. All share and per share information has been retroactively adjusted to reflect the stock split.

On March 27, 2014, the Company's shareholders approved a recapitalization of the capital stock in the form of reverse stock split of its common stock in a ratio of 1-for-25. The shareholders also approved an amendment to the Articles of Incorporation to reduce the number of authorized shares of stock to 700,000,000 from 3,000,000,000. Of the 700,000,000 authorized shares, there are 10,000,000 shares of preferred stock and 690,000,000 shares of common stock.

As of September 30, 2015, 80,185,146 shares were issued and outstanding. As a result of above stock split and reverse split, at December 31, 2014, 75,080,817 shares were issued and outstanding.

Private Placements of Common Stock

From January 1, 2015 to September 30, 2015, Earth Gen issued to investors 2,467,929 shares of its common stock at the offering price of \$0.07 to \$0.15 per share for an aggregate amount of \$238,600. No commissions were paid. There was no agreement to register shares offered in this private placement.

The securities described above were issued to investors in reliance upon the exemption from registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and Regulation D promulgated thereunder relating to transactions by an issuer not involving any public offering. No commissions were paid and no agreements to register shares were offered in the private placements. All Purchasers of shares described above represented to us in connection with their purchase that they were accredited investors and were acquiring the shares for their own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

Restricted Stock Awards ("RSA") Issued for Services

All reference to numbers of shares issued for warrants and per share price is based on a post-stock-dividend and post-reverse-split amount. During nine months ended September 30, 2015 and year ended December 31, 2014, the Company granted 1,536,400 and 3,299,267 RSAs to various consultants for their services provided to the Company.

As of September 30, 2015 and December 31, 2014, all RSAs are vested and there was no unrecognized compensation cost related to RSAs.

For the nine months ended September 30, 2015 and 2014, stock-based compensation expense was \$107,548 and \$293,490, respectively. The value of the shares issued was based on the fair value of the stock issued, which was based on the most recent sale of common stock for cash.

Warrants

In connection with the 2013 private placements, the Company issued warrants for 6,400,000 shares of Earth Gen Common Stock on August 1, 2013 and 1,600,000 warrants on September 12, 2013. Each of these warrants entitled the holder to purchase one (1) share of Earth Gen common stock at \$0.03 per share starting on January 1, 2014 and ending on December 15, 2016. As of September 30, 2015, 1,000,000 warrants have been exercised in exchange for total cash proceeds of \$31,250 or \$0.03 per share.

In connection with the January 2014 private placement, the Company issued warrants to purchase 202,000 shares of Earth Gen common stock on March 20, 2014. Each warrant entitles the holder to purchase one (1) share of Earth Gen common stock at \$0.50 per share starting on July 15, 2014 and ending on September 30, 2016.

In connection with the April 2015 private placement, the Company issued warrants to purchase 3,000,000 shares of Earth Gen common stock on April 26, 2014. Each warrant entitles the holder to purchase one (1) share of Earth Gen common stock at \$0.07 per share starting on May 1, 2015 and ending on December 15, 2015.

In connection with the April 2015 private placement, the Company issued warrants to purchase 6,000,000 shares of Earth Gen common stock on April 26, 2014. Each warrant entitles the holder to purchase one (1) share of Earth Gen common stock at \$0.07 per share starting on May 1, 2015 and ending on March 31, 2016.

These warrants have standard anti-dilution language to allow for recapitalizations and distributions. The warrants are equity classified and amounts attributable to the warrants are classified within additional paid-in capital. All reference to numbers of shares issued for warrants and per share price is based on a post-stock-dividend and post-reverse-split amount.

A summary of the status of the Company's warrants outstanding as of September 30, 2015 is presented below:

| | Number of Shares |
|-----------------------------------|---------------------|
| Outstanding at December 31, 2014 | 7,202,000 |
| Granted | 9,000,000 |
| Outstanding at September 30, 2015 | 16,202,000 |
| Exercisable at September 30, 2015 | 16,202,000 |

The following table summarizes information about warrants outstanding as of September 30, 2015:

| Exercise Prices | Options and Warrants Outstanding | | | Options and Warrants Exercisable | | |
|-----------------|-------------------------------------|---|---------------------------------------|-------------------------------------|---------------------------------------|--|
| | Number Outstanding | Weighted Average Remaining Contractual Life (in years) | Weighted Average Exercise Price | Number Exercisable | Weighted Average Exercise Price | |
| \$ 0.03 | 7,000,000 | 1.21 | \$ 0.03 | 7,000,000 | \$ 0.03 | |
| \$ 0.50 | 202,000 | 1.00 | \$ 0.50 | 202,000 | \$ 0.50 | |
| \$ 0.07 | 9,000,000 | 0.40 | \$ 0.07 | 9,000,000 | \$ 0.07 | |
| | 16,202,000 | 0.76 | \$ 0.06 | 16,202,000 | \$ 0.06 | |

Note 10—Commitments and Contingencies

Farm Lease Agreements

On March 10, 2014, Earth Gen entered into a lease agreement for 136 hectares of farm land located at Phoengam Neua Village, Pek Districk, Xiengkhuang Province in the People's Republic of Lao. The term of the lease is for twelve years with an option for Earth Gen to renew for an additional twelve years. Earth Gen is obligated to pay taxes on the land of up to \$1,000 per year; any taxes in excess of that amount are the obligation of the landowner. In addition, Earth Gen is obligated to provide all elements required to grow castor beans on the land and start using the land in partial or in full for castor bean farming operations before the end of 2014. The compensation to the landowner under the agreement is \$50.00 per metric ton of castor beans harvested and is due ninety days after the harvest.

In addition to this agreement, Earth Gen has entered into two additional agreements, under terms substantially equivalent to the original agreement described above, for 103 additional hectares in Xiengkhuang Province in close proximity to the Phoengram Neua Village farm.

Note 11 – Subsequent Events

October 1, 2015 through November 13, 2015 Private Placement of Common Stock

The Company issued 428,571 shares of restricted common stock for cash proceeds of \$30,000.

The Company issued 500,00 shares of restricted common stock for services provided.

The securities described above were issued to investors in reliance upon the exemption from registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and Regulation D promulgated thereunder relating to transactions by an issuer not involving any public offering. No commissions were paid and no agreements to register shares were offered in the private placements. All Purchasers of shares described above represented to us in connection with their purchase that they were accredited investors and were acquiring the shares for their own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In this section, “Earth Gen,” “we,” “our,” “ours,” “us” and the “Company” refer to Earth Gen-Biofuel, Inc. You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q consists of forward-looking statements such as statements regarding our expectations about the trials, regulatory approval, manufacturing, distribution and commercialization of our current and future product candidates and statements regarding our anticipated revenues, expenses, margins, profits and use of cash. In this Quarterly Report on Form 10-Q, the words “anticipates,” “believes,” “expects,” “intends,” “future,” “could,” “estimates,” “plans,” “would,” “should,” “potential,” “continues” and similar words or expressions (as well as other words or expressions referencing future events, conditions or circumstances) often identify forward-looking statements.

These forward-looking statements are based on our current expectations. These statements are not promises or guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results to be materially different from any future results expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the following: our limited operating history and expectations of losses for the foreseeable future; the absence of revenue from our product candidates for the foreseeable future; our potential inability to obtain any necessary additional financing; our substantial dependence on the success of our lead product candidates, which may not be successfully commercialized even if they are approved for marketing; the effect of competition; our potential inability to obtain regulatory approval for our existing or future product candidates; our dependence on third parties to conduct some of our development activities; our dependence upon third-party manufacturers for supplies of our product candidates; uncertainties regarding the outcomes of trials regarding our product candidates; our potential failure to attract and retain senior management and key scientific personnel; uncertainty about our ability to develop a satisfactory sales organization; our significant costs of operating as a public company; our potential inability to obtain patent protection and other intellectual property protection for our product candidates; potential claims by third parties alleging our infringement of their patents and other intellectual property rights; our potential failure to comply with regulatory requirements, which are subject to change on an ongoing basis; the potential volatility of our stock price; and the significant control over our business by our principal stockholders and management.

Overview

Our primary business is the cultivation of non-food agricultural products for use in manufacturing processes, renewable energy and transportation fuel. Currently, our focus is on the cultivation of castor beans, an agricultural crop currently in high demand and short supply. Castor beans are an integral component in processing manufactured products for many countries and have attracted attention as a “renewable energy crop” with great value due to its high oil content in comparison to other oil seed crops.

Our goal is to become a major producer of castor beans in Southeast Asia and other tropical growing areas. Our business model is to supply the growing demand for castor beans by cultivating and growing in areas not suitable for food crops. Our plan to use areas of relatively poor soil conditions allows us to produce castor beans without competing with potentially more valuable products.

We plan to build our business by providing castor beans to chemical conversion facilities, which utilize chemical processes that require the use of castor oil in China and other countries such as Japan, Taiwan, Europe and the United States. Furthermore, as the world supply of castor beans grows along with our own production, we will benefit from a “tipping point” created when there is enough surplus castor bean supply to allow for its use as biodiesel. Based on current commercial demand for castor bean oil, long term need for clean fuel, and favorable industry conditions in China, the United States and Europe, we believe that, subject to obtaining the necessary capital, we are positioned for rapid near and long term growth.

Results of Operations

Our consolidated financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles (“GAAP”). The discussion of the results of our operations compares three and nine months ended September 30, 2015 with the three and nine months ended September 30, 2014, and is not necessarily indicative of the results which may be expected for any subsequent periods. Our prospects should be considered in light of the risks, expenses and difficulties encountered by companies in similar positions. We may not be successful in addressing these risks and difficulties.

Comparison of Three and Nine Months Ended September 30, 2015 and 2014

To date, we have incurred significant losses from operations, and at September 30, 2015, had an accumulated deficit of \$2,589,826. At September 30, 2015, we had \$1,356 of cash and cash equivalents. Since inception we raised an aggregate of approximately \$2,622,988 in equity financing to fund our operations. Until such time when we generate sufficient revenues from operations, we will continue to be dependent on raising substantial amounts of additional capital through any one of a combination of debt or equity offerings. There is no assurance that we will be able to raise additional capital when necessary or how much revenue will be obtained from our farming operations.

The financial data for the quarter ended September 30, 2015 when compared with the operations for the quarter ended September 30, 2014 reflect a different stage of the Company’s development. In the third quarter of 2014, the Company started to finalize infrastructure and relationships with national and local government officials and farmers in Laos to start large scale planting operations. There were limited operations consisting of test planting in Laos and Vietnam in the three and nine months ended September 30, 2014. Also the Company was beginning to create the infrastructure and identify the staff and consultants needed for farming operations in Southeast Asia. In the three and nine months ended September 30, 2014, there were very limited planting operations in Laos. In the three and nine months ended on September 30, 2015 operations consisted of farm maintenance operations as all planting was completed in 2014.

| | Three Months Ended September 30, 2015 (\$) | Three Months Ended September 30, 2014 (\$) | Nine Months Ended September 30, 2015 (\$) | Nine Months Ended September 30, 2014 (\$) |
|-------------------------------------|---|---|--|--|
| Revenue | — | — | — | — |
| Operating Expenses | | | | |
| Consulting fees | 24,050 | 98,527 | 166,400 | 330,419 |
| Legal and professional | 1,244 | 53,642 | 69,536 | 94,589 |
| Outside services | — | (44,456) | — | — |
| Stock based compensation | 105,000 | 107,250 | 107,548 | 293,490 |
| Travel | — | 8,879 | 9,134 | 68,373 |
| Other general and administrative | 12,626 | 19,449 | 42,142 | 120,349 |
| Inventory reserve | 28,466 | 34,085 | 87,497 | 34,085 |
| Loss from operations | (171,386) | (277,376) | (482,257) | (941,305) |
| Interest expense | 13,561 | — | 48,089 | — |
| Net loss before income taxes | (184,947) | (277,376) | (530,346) | (941,305) |
| Income tax provision | — | — | — | — |
| Net loss | (184,947) | (277,376) | (530,346) | (941,305) |

Operating Expenses

For the three and nine months ended September 30, 2015, general and administrative expenses (“G&A”) decreased by \$134,455 and \$546,545 compared with the same periods in 2014. The decreases were mainly due to a general decrease in corporate activity associated with limited planting and cultivation operations in Laos and the reduction of requirement for support staff in the U.S. In 2014, staff and consultants in Laos had to supervise and implement farming operations, train farm labor, and evaluate farming properties to prepare for expanded planting. Most of this work was completed in 2014 and the months prior to the rainy season are less active, which resulted in a lower staffing requirement in the three and nine months ended September 30, 2015. Therefore, consulting fees decreased by \$74,477 and \$164,019 and travel expense decreased by \$8,879 and \$59,239 for the three and six months ended September 30, 2015 versus the same periods in 2014. The much smaller stock based compensation in the nine months ended September 30, 2015 also contributed to the decrease in G&A. The outside services of \$44,456 incurred in the six months ended June 30, 2014 were adjusted to growing crop inventory in the third quarter of 2014 and has since been recorded as such, so in 2015, outside services were recorded in growing crop inventory instead of in G&A. In addition, legal and professional fee decreased by \$52,398 and \$25,053 in the three and nine months ended September 30, 2015 as the Company has become subject to routine public company filing requirements since the third quarter of 2014.

The Company recorded an inventory reserve of \$28,466 and \$87,497 for the three and nine months ended September 30, 2015 due to the low harvest. For the three and nine months ended September 30, 2014, the Company just started to assess inventory reserve in third quarter of 2014.

Operations in general were subject to a reduced requirement for startup expenses and the conditions in the three-month period ended September 30, 2015 did not have as many of the early stages of developing farming operations in Southeast Asia.

Liquidity and Capital Resources

Our working capital for the periods presented is summarized as follows:

| | As of September 30, 2015 (\$) | As of December 31, 2014 (\$) |
|---------------------|--|---|
| Current assets | 479,676 | 549,758 |
| Current liabilities | 217,871 | 184,342 |
| Working capital | <u>\$ 261,805</u> | <u>\$ 365,416</u> |

The following table shows cash flows for the periods presented:

| | Nine Months Ended September 30, | |
|---|--|--------------------|
| | 2015 | 2014 |
| Net cash (used in) operating activities | \$ (247,836) | \$ (1,112,733) |
| Net cash (used in) investing activities | - | (8,344) |
| Net cash provided by financing activities | 247,100 | 1,049,630 |
| Net increase in cash | <u>\$ (736)</u> | <u>\$ (71,447)</u> |

Operating Activities

For the nine months ended September 30, 2015, net cash used in operating activities was \$247,836. This was primarily due to a net loss of \$530,346 adjusted by non-cash related expenses including depreciation of \$2,887, and amortization of beneficial conversion feature (“BCF”) debt discount of \$44,998, inventory reserve of \$87,497 and stock-based compensation of \$107,548, then increased by favorable changes in working capital of \$39,580. The favorable changes in working capital mainly resulted from an increase in related party payables of \$29,670 and an increase in accounts payable and accrued expense of \$28,062, offset by an increase in inventory of \$18,000 in capitalized costs of growing crops.

For the nine months ended September 30, 2014, net cash used in operating activities was \$1,112,733. This was primarily due to a net loss of \$941,305, adjusted by non-cash related expenses including depreciation of \$971, inventory reserve of \$34,085 and stock-based compensation of \$293,490, then decreased by a net decrease in cash from changes in working capital of \$499,974. The net decrease in cash from changes in working capital mainly resulted from an increase in inventory of \$511,270 in capitalized costs of growing crops and an increase in prepaid expenses and other receivable of \$16,014, offset by an increase in accounts payable and accrued expense of \$21,938.

Investing activities :

For the nine months ended September 30, 2014, net cash used in investing activities included equipment acquisition of \$7,244 and a non-interest bearing 24-month loan of \$1,100 to a non-profit institute, which, in turn, makes micro loans to farmers.

Financing activities

For the nine months ended September 30, 2015, net cash provided by financing activities mainly resulted from common stock issued in private placements of \$238,600 and \$11,500 proceeds from related party note payable, offset by \$3,000 net repayment for note payable.

For the nine months ended September 30, 2014, net cash provided by financing activities resulted from common stock issued in private placements of \$1,009,630 which includes \$31,250 from the exercise of 1,000,000 warrants and \$40,000 proceeds from the issuance of a convertible 12 month note..

Equity Financings From Inception

Since inception, Earth Gen’s funding has been provided by the sale of its common stock for cash. In the quarter ended September 30, 2015, the Company raised \$5,000. A total of \$2,622,988 has been raised from inception to September 30, 2015.

Cash Requirements

Our primary objectives for the year 2015 period are to develop and pursue the commercialization of our planned farming operations. We continuously search for industry experts to expand our management team and better position our company. In addition, we expect to raise sufficient capital to fund our operations and to develop additional farmland for cultivation of castor beans and provide support in the form of equipment and personnel to expand operations and provide required working capital. Although no assurance can be given that such capital will be available.

We estimate our operating expenses and working capital requirements for the next 12 months to be approximately as follows:

| Expense | Amount |
|------------------------------------|-------------------|
| Castor bean agricultural operation | \$ 350,000 |
| Employee compensation | 205,000 |
| General and administration | 225,000 |
| Professional services fees | 105,000 |
| Total | \$ 885,000 |

Historically our funding has been a mixture of private offerings and debt. As of September 30, 2015, we had cash and cash equivalents of approximately \$1,356 and other current assets of \$478,320. Of the current assets, we have no specific time at which the Company will receive cash for the other current assets.

The Company does not have a commitment for capital. The Company believes that its current cash and expected net cash from operations will provide insufficient capital to cover expenses and debt obligations for the next twelve-month period. The Company intends to use a combination of new equity investment, loans and cash flow from operations to meet its operational needs. At this time the Company has 238 hectares of castor bean farms in production with two to three harvests expected over the next twelve-month period starting with 100 to 125 hectares in October of 2015. At the time the fields are ready for harvest, we estimate an annual yield from our estimated 200 operational hectares of farmland of approximately \$700,000 . This estimate is based on having two and one half tons of castor beans harvested from each hectare per harvest two and one half times per year and selling those beans on the world trading price of \$639.80 per ton on the most active commodities exchange for castor beans, a 10% discount to the world castor bean price of \$575.00 for the spot prices as quoted on the National Commodities and Derivatives Exchange of India (“NCDEX” Trading System) on November 10, 2015.

If working capital is not available in sufficient amounts, the Company will be required to reduce the amount expended on new planting and new farm development to save working capital for operations and to use expected future harvest cash flow for growth. The ability to obtain additional working capital from investors or from future farm operations may not develop or be available when needed, which will interfere with planned operations and cause results to vary based on these uncertainties.

If we obtain additional financing by issuing equity securities, our existing stockholders' ownership will be diluted. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. We may be unable to maintain operations at a level sufficient for investors to obtain a return on their investments in our common stock. Further, we may continue to be unprofitable.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported assets, liabilities, sales and expenses in the accompanying financial statements. Critical accounting policies are those that require the most subjective and complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain. However, we do not believe that there are any alternative methods of accounting for our operations that would have a material effect on our financial statements.

Inventory

Expenditures on growing crops are valued at the lower of cost or market and are deferred and charged to cost of sales when the related crops are harvested and sold. In assessing the ultimate realization of inventories, the management makes judgments as to future demand requirements compared to current or committed inventory levels. The Company's reserve requirements generally increase or decrease with its projected demand requirements and market conditions. The Company estimates the demand requirements based on market conditions, forecasts prepared by its customers, sales contracts and orders in hand. In addition, the Company estimates net realizable value based on intended use, current market value and inventory ageing analyses. The Company writes down the inventories for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventories and the estimated market value based upon assumptions about future demand and market conditions.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Judgment is required to determine the estimated useful lives of assets. Changes in these estimates and assumptions could materially affect our financial position and results of operations.

Accounting for Long-Lived Assets / Intangible Assets

We assess the impairment of long-lived assets, consisting of property and equipment, and finite-lived intangible assets, whenever events or circumstances indicate that the carry value may not be recoverable. Examples of such circumstances include: (1) loss of legal ownership or title to an asset; (2) significant changes in our strategic business objectives and utilization of the assets; and (3) the impact of significant negative industry or economic trends.

Recoverability of assets to be held and used in operations is measured by a comparison of the carrying amount of an asset to the future net cash flows expected to be generated by the assets. The factors used to evaluate the future net cash flows, while reasonable, require a high degree of judgment and the results could vary if the actual results are materially different than the forecasts. In addition, we base useful lives and amortization or depreciation expense on our subjective estimate of the period that the assets will generate revenue or otherwise be used by us. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less selling costs.

We also periodically review the lives assigned to our intangible assets to ensure that our initial estimates do not exceed any revised estimated periods from which we expect to realize cash flows from the technologies. If a change were to occur in any of the above-mentioned factors or estimates, the likelihood of a material change in our reported results would increase.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures .

The term “disclosure controls and procedures” means controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Act (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our management of the effectiveness of our disclosure controls and procedures (as defined) in Exchange Act Rules 13a – 15(c) and 15d – 15(e)). Based upon that evaluation, we concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure based on the following material weaknesses:

1. Lack of segregation of duties and check and balances.
2. Lack of written controls and procedures, particularly with regard to entering into contracts and commitments by the Company.
3. Use of an accounting software package that lacks a rigorous set of software and change controls. While this software is a proven industry standard and is in widespread use, it allows one person to make significant changes without oversight or approval.

We do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

There has not been any change in our internal control over financial reporting that occurred during the period ended September 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Unregistered Sales of Equity Securities and Issuer Purchases of Equity Securities

Private Placements of Common Stock 2015

- From January 1 to March 31, 2015, Earth Gen issued to investors 713,334 shares of its common stock at the offering price of \$0.075 to \$0.15 per share for an aggregate amount of \$105,500. For the three-month period ended March 31, 2015, the Company received \$28,000 for subscriptions payable to issue 253,167 shares of common stock.
- From April 1, 2015 to June 30, 2015, Earth Gen received \$100,100 for issuing 1,430,000 shares at a price of \$0.07 per share. The Company also issued 1,100,000 shares of common stock in conversion of \$70,700 in accrued compensation and \$7,000 in cash advances.
- From July 1, 2015 through September 30, 2015, Earth Gen issued to investors 71,428 shares of restricted common stock for proceeds of \$5,000.00.

The securities described above were issued to investors in reliance upon the exemption from registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and Regulation D promulgated thereunder relating to transactions by an issuer not involving any public offering. No commissions were paid and no agreements to register shares were offered in the private placements. All Purchasers of shares described above represented to us in connection with their purchase that they were accredited investors and were acquiring the shares for their own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

All information on Company securities are based on post March 26, 2014 approved reverse split of one share for every twenty five shares. Our authorized capital stock consists of 700,000,000 shares of capital stock of which 690,000,000 shares are common stock, \$0.0001 par value per share, and 10,000,000 shares are "blank check" preferred stock, par value \$0.0001 per share. We are registering our common stock under this Form 10 pursuant to Section 12(g) of the Exchange Act.

As of September 30, 2015, there were 80,185,146 shares of our common stock issued and outstanding. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of common stock are entitled to receive dividends out of legally available assets at such times and in such amounts as our Board of Directors may from time to time determine. There are no Preferred shares issued at the time of this filing. Each stockholder is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Cumulative voting for the election of directors is not authorized.

Our common stock is not subject to conversion or redemption and holders of common stock are not entitled to preemptive rights. Upon the liquidation, dissolution or winding up of the Company, the remaining assets legally available for distribution to stockholders, after payment of claims of creditors and payment of liquidation preferences, if any, on outstanding preferred stock, are distributable ratably among the holders of common stock and any participating preferred stock outstanding at that time. Each outstanding share of common stock is fully paid and non-assessable. Our Board of Directors has the authority to issue authorized but unissued shares of common stock without any action by our stockholders.

The securities described above were issued to investors in reliance upon the exemption from the registration requirements of the Securities Act, as set forth in Section 4(2) under the Securities Act and Regulation D promulgated thereunder relating to transactions by an issuer not involving any public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

| | |
|---------|---|
| 31.1 | Sarbanes-Oxley Act Section 302 Certification of Chief Executive Officer and Interim Chief Financial Officer.* |
| 32.1 | Sarbanes-Oxley Act Section 906 Certification of Chief Executive Officer and Interim Chief Financial Officer.* |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Schema Document |

101.CAL XBRL Calculation Linkbase Document
101.DEF XBRL Definition Linkbase Document
101.LAB XBRL Labels Linkbase Document
101.PRE XBRL Presentation Linkbase Document

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EARTH GEN-BIOFUEL, INC.

November 20, 2015

By: /s/ George Shen
George Shen
Chief Executive Officer and Interim Chief Financial Officer

Certification of the Principal Executive Officer and Interim Principal Financial Officer Under Section 302 of the Sarbanes-Oxley Act.

I, George Shen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Earth Gen-Biofuel, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 20, 2015

By: /s/ George Shen

Name: George Shen

Title: Chief Executive Officer and Interim
Chief Financial Officer

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER AND INTERIM PRINCIPAL FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Earth Gen-Biofuel, Inc. (the “Company”) hereby certifies that, to his knowledge:

- (i) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2015 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 20, 2015

By: /s/ George Shen

Name: George Shen

Title: Chief Executive Officer and Interim
Chief Financial Officer
