ALGAE INTERNATIONAL GROUP, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	September 30, 2014	June 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash	$ -	$ -
Related party receivables	66,500	66,500
Total current assets	66,500	66,500
Long Term Note Receivable, including accrued interest	310,150	303,750
Furniture and Equipment, net	397,500	397,500
TOTAL ASSETS	$ 774,150	$ 767,750
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 161,030	$ 159,436
Accrued interest	428,610	397,621
Accrued salaries	160,000	160,000
Advances payable	100,000	100,000
Advances payable - related parties	330,000	330,000
Due to related parties	7,500	7,500
Derivative liabilities	2,288,840	2,288,840
Promissory note payable - related party, current	160,000	160,000
Convertible notes payable, current	1,173,578	1,173,578
Convertible notes payable - related party	1,196,059	1,196,059
Total current liabilities	6,005,617	5,973,034
Promissory note payable, non-current	74,469	74,469
Total liabilities	6,080,086	6,047,503
STOCKHOLDERS' DEFICIT:		
Series D preferred stock, authorized 100,000 shares, par value $0.001, 100,000 and 0 shares issued and outstanding	100	100
Common stock, authorized 2,000,000,000 shares, par value $0.001, 31,855,555 and 29,355,555 shares issued and outstanding	31,856	29,356
Additional paid-in capital	242,423	242,423
Accumulated deficit during development stage	(5,554,132)	(5,551,632)
Total stockholders' deficit	(5,279,753)	(5,279,753)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 800,333	$ 767,750

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

ALGAE INTERNATIONAL GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the 3 Months Ended September 30, 2014	For the Year Ended June 30, 2014
Revenue	$ -	$ -
Cost of Revenue	-	-
Gross profit	-	-
Operating expenses:		
General and administrative expenses	75,000	167,666
Total operating expenses	75,000	167,666
Loss from operations	(75,000)	(167,666)
Non-operating income (expense):		
Change in fair value of derivative liability	-	(200,536)
Interest Income	6,400	18,750
Gain on sale of assets	-	250,000
Interest and finance costs	(30,989)	(115,312)
Total non-operating income (expense)	(24,589)	(47,098)
Loss before income tax	(99,589)	(214,764)
Income tax	-	-
Net loss	$ (99,589)	$ (214,764)
Weighted average shares outstanding :		
Basic	31,855,555	29,355,555
Diluted	31,855,555	29,355,555
Loss per share attributed to Algae International common stockholders:		
Basic	$ (0.00)	$ (0.01)
Diluted	$ (0.00)	$ (0.01)

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

ALGAE INTERNATIONAL GROUP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the 3 Months Ended September 30, 2014	For the 3 Months Ended September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (99,589)	$ (255,280)
Adjustments to reconcile net loss including noncontrolling interest to net cash used in operating activities:		
Change in fair value of derivative liability	-	152,024
Write down of fixed assets	-	-
Interest Receivable	(6,400)	-
Gain on sale of assets	-	-
Change in current assets and liabilities		
Accounts receivable	-	-
Accounts payable and accrued expenses	1,594	41,571
Net cash used in operating activities	(104,395)	(61,685)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions	-	-
Proceeds from sale of common stock	-	54,960
Proceeds from loans		-
Net cash provided by financing activities	-	54,960
NET INCREASE IN CASH AND CASH EQUIVALENTS	(104,395)	(6,725)
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE		7,937
CASH AND CASH EQUIVALENTS, ENDING BALANCE	$	$ 1,212
CASH PAID FOR:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Supplemental disclosure of non-cash financing activities		
Issue 80,036 shares of common stock pursuant to reverse merger agreement	$ -	$ (5,080,556)

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