Aquagold International Inc.

FINANCIAL REPORT

Years end December, 31 and September 30, 2014

TABLE OF CONTENTS

FINANCIAL STATEMENTS :

Statements of income……. 1

Statements of financial position ……..…… 2

Statements of changes in equity…….. 3

Statements of cash flows…… 4

NOTES TO FINANCIAL STATEMENTS …….. 5-6

AQUAGOLD INTERNATIONAL INC.

STATEMENTS OF INCOME

(Unaudited)

(in US dollars)

For the years ended	Notes	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Revenues		-	-	-	-	-	108 380
Cost of sales		-	-	-	-	-	264 441
Gross margin				-	-	-	(156 061)
Selling, general & administratives		3 262	(26 177)	276 652	275 295	186 984	830 347
R & D		-	-	904	-	15 000	19 584
Amortization	2	-	-	1 600	1 600	1 600	151
Foreign exchange			949	121	(566)	4 479	(156 556)
Gain on settlement of debt			(454 424)				
		3 262	(479 652)	279 278	276 329	208 063	693 527
EBIT		3 262	(479 652)	(279 278)	(276 329)	(208 063)	(849 588)
Financing expense				-	-	8 700	3 004
EBT		3 262	(479 652)	279 278	276 329	216 763	852 592
Income taxes				-	-	-	-
Net Loss		(3 262)	479 652	279 278	276 329	216 763	852 592
Basic and diluted							
Gain (loss) per share of common stock		0.0000	0.0004	(0.0002)	(0.0002)	(0.0002)	(0.0008)
Number of Share of common stock		1 143 343 671	1 143 343 671	1 125 643 671	1 125 643 671	1 125 643 671	1 101 834 148

The notes are an integral part of these financial statements.

AQUAGOLD INTERNATIONAL INC.
STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(in US dollars)

as at	Notes	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Assets							
Cash		1 395	73 150	-	-	-	236
Prepaid			-	-	-	-	-
Current assets		1 395	-	-	-	-	236
OTHER ASSETS	2, 3	34 357	35 475	35 475	37 075	38 675	40 275
panama		27 988					
Investment mortgage		1 975 670	2 240 273				
		2 039 410	2 348 898	35 475	37 075	38 675	40 511
Liabilities							
Trade and other payables	4	729 896	627 743	848 394	748 394	648 394	518 164
Current liabilities		729 896	627 743	848 394	748 394	648 394	518 164
Advances	5	2 960 087	3 046 029	3 233 651	3 055 973	2 881 245	2 826 223
		1 975 665					
		640 962					
Long term debt		5 535 527	2 240 273			-	-
Non-current liabilities		6 265 423	5 286 302	3 233 651	3 055 973	2 881 245	2 826 223
Equity							
Share capital	6	736 568	410 463	408 693	408 693	408 693	379 018
Deficit earnings		4 175 486	3 975 610	4 455 263	4 175 985	3 899 657	3 682 893
		(4 955 909)	(3 565 147)	(4 046 570)	(3 767 292)	(3 490 964)	(3 303 875)
		2 039 410	2 348 898	35 475	37 075	38 675	40 511

The notes are an integral part of these financial statements.

AQUAGOLD INTERNATIONAL INC.

STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

(in US dollars)

For the years ended

	Pref. Shares	Common Shares	Additionnal paid -in capital	Capital contribution	Deficit earning	Surplus	Deficit	
As at December 31, 2007	-	23 289	658 621	752 551	(1 389 027)	-		
Issued Shares		76 248	(100 197)	(52 156)	-			
Net Loss		-	-	-	627 594			
As at December 31, 2008	-	99 537	558 424	700 395	(2 016 621)			
Issued Shares		10 646	(320 926)	(669 058)	(709 014)			104 666
Net Loss					852 592			
As at December 31, 2009	-	110 183	237 498	31 337	(3 578 227)			104 666
Issued Shares	1600	2 381	25 694	-	-	-		
Net Loss					216 763			
As at December 31, 2010	1 600	112 564	263 192	31 337	(3 794 991)			104 666
Issued Shares		-	-	-	-			
Net Loss					276 329			
As at December 31, 2011	1 600	112 564	263 192	31 337	(4 071 319)			104 666
Issued Shares		-	-	-	-		-	
Net Loss		-	-	-	279 278			
As at December 31, 2012	1 600	112 564	263 192	31 337	(4 350 597)			104 666
Issued Shares		1 770	-	-	-			
Net Loss		1 770	-	-	479 652			
As at December 31, 2013	1 600	114 334	263 192	31 337	(3 870 945)			104 666
Issued Shares		1 770	-	-	-			
Net Loss		1 770	2 008	2 007	479 652			
As at December 31, 2013	1 600	116 104	263 192	31 337	(3 870 945)			104 666

The notes are an integral part of these financial statements.

AQUAGOLD INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS

(Unaudited)

(in US dollars)

For the years ended	Notes	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Operating activities							
Net Income (net loss)		(143 283)	479 652	(279 278)	(276 329)	(216 763)	(852 592)
Non-cash items:							
Amortization				1 600	1 600	1 600	151
Gain on settlement of debt			(454 424)				
Net change in non-cash operations	7		(220 651)	100 000	100 000	130 230	148 538
Cash flows from operating activities			(195 423)	380 878	377 929	348 593	(703 903)
Investing activities							
Additions (disposals) intangible assets			-	-	-	-	(38 212)
Cash flows from investing activities			-	-	-	-	(38 212)
Financing activities							
Variation of long-term debt				-	-	-	(291 830)
Variation of advances			266 803	177 678	174 729	55 022	2 826 223
Issuance (purchase) of common shares			1 770	-	-	28 075	(1 793 018)
Issuance of preferred shares						1 600	
Cash flows from financing activites			268 573	177 678	174 729	84 697	741 375
Net decrease in cash		68 493	73 150	-	-	(236)	(740)
Cash at the beginning		73 150		-	-	236	977
Cash at the beginning of year		73 150	73 150	-	-	-	237

The notes are an integral part of these financial statements.

8

AQUAGOLD INTERNATIONAL INC.

NOTES TO FINANCIAL STATEMENTS

(Unaudited) (in US dollars)

For the years ended December 31, 2013, 2012, 2011, 2010, 2009

1. BASIS OF PREPARATION

Aquagold International inc. is incorporated under the laws of Nevada. The corporation distributes premier canadian water to the world.

The financial statements are expressed in U.S. dollars.

The foreign exchange rate used to translate assets and liabilities into U.S. dollars were as follows as at:

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Canadian dollar	1.0982	1.0636	0.9949	1.00	1.00	0.96

The average foreign exchange used to translate revenues and expenses into U.S. dollars were as follows for the ended years and period :

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Canadian dollar	1.0982	1.0636	0.9898	1.030	1.142	0.876

2. ACCOUNTING POLICIES

Other assets

Amortization of other assets is based on their useful life using linear method at the following rates:

Incorporation fees	5 years
Web site	3 years

3. OTHER ASSETS

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
No-amortized item :						
Trademark	34 357	35 475	35 475	35 475	35 475	35 475
Amortized items:						
Incorporation fees	-		-	600	1 200	1 800
Other	-		-	-	-	-
Web site	-		-	1 000	2 000	3 000
	-		-	1 600	3 200	4 800
	34 357		**35 475**	**37 075**	**38 675**	**40 275**

4. TRADE AND OTHER PAYABLES

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Trade	55 411	57 214	176 695	176 695	176 695	244 516
Accrued salaries payable	586 701	570 529	570 529	470 529	370 529	270 529
Sales taxes	-	-	-	-	-	-
Accrued	-	-	101 170	101 170	101 170	3 119
	641 112	627 743	848 394	748 394	648 394	518 164

NOTES TO FINANCIAL STATEMENTS

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
5. ADVANCES						
Advance from shareholders P.A. TAILLEFER	1 999 178	2 090 529	2 392 009	2 238 003	2 082 268	2 153 042
Advances from investors	257 104	228 800				
	2 256 282	2 319 329	2 392 009	2 238 003	2 082 268	2 153 042
Advances from a company						
-Aquagold Canada inc.	703 805	726 700	841 642	817 970	798 976	673 181
	2 960 087	3 046 029	3 233 651	3 055 973	2 881 244	2 826 223

6. SHARES CAPITAL

Authorized, issued and outstanding share data as at

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Common shares	**Common shares are issued with a par value of one-hundredth of one cent ($0,0001)**					
Authorized	8 000 000	8 000 000 000	8 000 000 000	8 000 000 000	1 250 000 000	1 250 000 000
Restricted Affiliated shares	592 600	539 618 173	521 918 173	521 918 173	521 918 173	521 918 173
No restriction	604 061	603 725 498	603 725 498	603 725 498	603 725 498	579 915 975
	1 196 661	1 143 343 671	1 125 643 671	1 125 643 671	1 125 643 671	1 101 834 148
Preferred shares (multiple voting sixteenth votes each)		**Preferred shares are issued without any value**				
Authorized	600 000 000	600 000 000	600 000 000	600 000 000	16 000 000	-
Issued and outstanding	16 000 000	16 000 000	16 000 000	16 000 000	16 000 000	-
Preferres shares 'C'		**Preferred shares 'C' are issued with a $0.10 value**				
Issued and outstanding	11 000 000					

7. NET CHANGE IN NON-CASH BALANCES RELATED TO OPERATIONS

	September 30 2014	December 31 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Prepaid			-	-	-	-
Trade and other payables	-	(220 651)	100 000	100 000	130 230	148 538
	-	(220 651)	100 000	100 000	130 230	148 538