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	(5,580,315)	(5,551,632)
Total stockholders' deficit	(5,305,936)	(5,279,753)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 774,150	$ 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.