

Blox, Inc.
Consolidated Interim Financial Statements

For the Three Months ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

Blox, Inc.

Consolidated Statements of Financial Position
(Unaudited)
(Expressed in U.S. Dollars)

	June 30, 2014	March 31, 2014
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 763,111	\$ 903,850
Accounts receivable	66,835	63,826
Prepaid expenses (Note 5)	133,466	235,502
Total Current Assets	963,412	1,203,178
Prepaid Expenses (Note 5)	94,988	115,423
Property, Plant and Equipment (Note 4)	675,686	812,060
Total Assets	\$ 1,734,086	\$ 2,130,661
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 110,349	\$ 128,855
Royalty payments payable (Note 7)	67,483	66,570
Loans payable (Note 6)	60,290	60,290
Total Current Liabilities	238,122	255,715
STOCKHOLDERS' EQUITY		
Common Stock (Note 5)		
– 400,000,000 authorized		
– 101,572,464 issued (Mar 31, 2014 – 101,572,464)	892	892
Additional Paid-in Capital	5,120,063	5,120,063
Contributed Surplus	2,299,319	2,299,319
Accumulated Other Comprehensive Income	324,863	339,847
Deficit	(6,249,173)	(5,885,175)
Total Stockholders' Equity	1,495,964	1,874,946
Total Liabilities and Stockholders' Equity	\$ 1,734,086	\$ 2,130,661

Subsequent Event (Notes 5,10)

These unaudited consolidated interim financial statements are authorized for issue by the Board of Directors on August 19, 2014.

"Robert Abenante"
Director

"Robert Ironside"
Director

See accompanying notes to the consolidated interim financial statements.

Blox, Inc.

Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)
(Expressed in U.S. Dollars)

	Three Months Ended	
	June 30, 2014	June 30, 2013
Revenue	\$ -	\$ 146,637
Cost of Sales		
Cost of raw materials	66,317	217,747
Direct labour	6,023	13,601
Amortization	56,845	60,508
Other	27,552	54
	156,737	291,910
Gross loss	(156,737)	(145,273)
Operating Expenses		
Consulting and professional fees (Note 6)	176,278	4,982
Foreign exchange	2,624	-
Office and administration	28,359	20,564
Salaries	-	2,075
Total Operating Expenses	207,261	27,621
Net Loss for the Period	(363,998)	(172,894)
Unrealized (loss) gain	(14,984)	345,583
Comprehensive (Loss) Income for the Period	\$ (378,982)	\$ 172,689
Net Loss Per Common Share	\$ (0.00)	\$ (0.01)
Weighted Average Number of Shares Outstanding		
- Basic and diluted	101,572,464	15,892,062

See accompanying notes to the consolidated interim financial statements.

Blox, Inc.

Consolidated Statements of Changes in Equity (Deficiency)
(Unaudited)
(Expressed in U.S. Dollars)

	Common Stock		Additional Paid-in Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity (Deficiency)
	Shares	Amount					
March 31, 2013	15,892,062	\$ -	\$ 743,776	\$ -	\$ (249,012)	\$ (1,399,511)	\$ (904,747)
Unrealized gain on translation of foreign operations	-	-	-	-	345,583	-	345,583
Net loss	-	-	-	-	-	(172,894)	(172,894)
June 30, 2013	15,892,062	-	743,776	-	96,571	(1,572,405)	(732,058)
Debt converted for stock	100,310,000	-	2,129,805	-	-	-	2,129,805
Reverse acquisition	(43,863,458)	600	1,499,400	1,500,000	-	(3,055,425)	(55,425)
Stock issued for cash	20,000,000	200	499,800	500,000	-	-	1,000,000
Stock issued for services	9,233,860	92	247,282	214,319	-	-	461,693
Stock options issued	-	-	-	85,000	-	-	85,000
Unrealized gain on translation of foreign operations	-	-	-	-	243,276	-	243,276
Net loss	-	-	-	-	-	(1,257,345)	(1,257,345)
March 31, 2014	101,572,464	892	5,120,063	2,299,319	339,847	(5,885,175)	1,874,946
Unrealized loss on translation of foreign operations	-	-	-	-	(14,984)	-	(14,984)
Net loss	-	-	-	-	-	(363,998)	(363,998)
June 30, 2014	101,572,464	\$ 892	\$ 5,120,063	\$ 2,299,319	\$ 324,863	\$ (6,249,173)	\$ 1,495,964

See accompanying notes to the consolidated interim financial statements.

Blox, Inc.

Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in U.S. Dollars)

	Three Months Ended	
	June 30, 2014	June 30, 2013
OPERATING ACTIVITIES		
Net loss for the period	\$ (363,998)	\$ (172,894)
Non-cash adjustments:		
Amortization	56,845	60,508
Unrealized foreign exchange	(14,072)	133,904
Changes in non-cash working capital:		
Accounts receivable	(3,009)	41,112
Prepaid expenses	122,471	11,046
Accounts payable and accrued liabilities	(18,505)	(103,413)
Interest payable	-	(4,439)
	<u>(220,268)</u>	<u>(34,176)</u>
INVESTING ACTIVITIES		
Disposal of equipment	79,529	-
	<u>79,529</u>	<u>-</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	-	57,622
	<u>-</u>	<u>57,622</u>
(Decrease) Increase in Cash and Cash Equivalents	(140,739)	23,445
Cash and Cash Equivalents, Beginning of Period	903,850	22,285
Cash and Cash Equivalents, End of Period	\$ 763,111	\$ 45,730

See accompanying notes to the consolidated interim financial statements.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

1. Description of Business

Blox, Inc. (the "Company") was incorporated on July 21, 2005 under the laws of the state of Nevada. The address of the Company is 600 – 666 Burrard Street, Vancouver, British Columbia, V6C 3P6. The Company is primarily engaged in sourcing, developing, and operating renewable energy projects in Europe.

On February 27, 2014, the Company completed a business combination with International Eco Endeavors Corp. ("Eco Endeavors") and Ourco Capital Ltd. ("Ourco"), a wholly owned subsidiary of the Company formed for the purpose of this business combination under the name of "Blox Energy Inc." ("Amalco"). At amalgamation of Eco Endeavors and Ourco, all of Eco Endeavors common shares outstanding were cancelled. The holders of the cancelled Eco Endeavors' common shares, other than the common shares held by Company and Ourco, received in exchange for their cancelled Eco Endeavors' common shares, 60,000,000 units of the Company on a pro-rata basis with a deemed value of \$0.05 per unit. Neither the Company nor Ourco received any repayment of capital in respect of their Eco Endeavors' common shares that were cancelled. All of the common shares of Ourco outstanding immediately prior to the effective time were cancelled and replaced with an equal number of common shares of the amalgamated company ("Amalco"). As consideration for the issuance of the Company's units, Amalco issued the Company one common share of Amalco for each unit issued.

The Company's biogas asset in Hungary is currently undergoing care and maintenance and the Company has elected to cancel its power contract during this idle time. The contract was between MAVIR Zrt. and Kenderes Biogaz Termelo Kft., the Company's subsidiary, for the sale of up to 5,842 megawatt-hours per year from July 2007 to December 2020. The power could be sold at three different rates each day: 37.72 Hungarian Forints per kilowatt-hour (HUF/kWh) at peak hours; 33.76 HUF/kWh at midday hours, and 13.75 HUF/kWh at night hours. The request was submitted on April 26, 2014 and approved on May 23, 2014 for termination on June 1, 2014. There were no penalties for the termination. Once the care and maintenance process has concluded, the Company will utilize the opportunity and seek competitive rates before establishing a new contract.

2. Basis of Presentation

(a) Statement of Compliance

These consolidated interim financial statements are presented in accordance with generally accepted accounting principles in the United States ("US GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") and are expressed in U.S. dollars. The Company's fiscal year-end is March 31.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

2. Basis of Presentation (Continued)

(b) Basis of Presentation

The consolidated interim financial statements of the Company comprise the Company and its subsidiaries. The accounting policies followed in preparing these consolidated financial statements are the same as those set out in the audited consolidated financial statements of the Company for the year ended March 31, 2014. Certain information and note disclosures normally included for annual consolidated financial statements prepared in accordance with U.S. GAAP have been omitted. These consolidated interim financial statements should be read together with the audited consolidated financial statements of the Company for the year ended March 31, 2014.

In the opinion of management, all adjustments considered necessary (including reclassifications and normal recurring adjustments) to present fairly the financial position, results of operations and cash flows at June 30, 2014 and for all periods presented, have been included in these financial statements. The interim results are not necessarily indicative of results for the full year ending March 31, 2015, or future operating periods. For further information, see the Company's annual consolidated financial statements for the year ended March 31, 2014, including the accounting policies and notes thereto.

These consolidated interim financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred a net loss of \$363,998 the three months ended June 30, 2014, and has incurred cumulative losses since inception of \$6,249,173. These factors raise substantial doubt about the ability of the Company to continue as going concern. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations. These consolidated 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. Management of the Company has undertaken steps as part of a plan to sustain operations for the next fiscal year including plans to raise additional equity financing, controlling costs and reducing operating losses.

3. Accounting Standards Issued But Not Yet Adopted

In January 2014, the Financial Accounting Standards Board Accounting Standards Codification ("ASC") guidance was issued relating to service concession arrangements. This guidance states that certain service concession arrangements with public-sector grantors are not within the scope of lease accounting. Operating entities entering into these arrangements should not recognize the related infrastructure as its property, plant and equipment and should apply other accounting guidance. The updated guidance becomes effective for the Company beginning January 1, 2015.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
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3. Accounting Standards Issued But Not Yet Adopted (Continued)

In April 2014, ASC guidance was issued related to discontinued operations which changed the criteria for determining which disposals can be presented as discontinued operations and modified related disclosure requirements. The updated guidance requires an entity to only classify discontinued operations due to a major strategic shift or a major effect on an entity's operations in the financial statements. The updated guidance will also require additional disclosures relating to discontinued operations. The updated guidance becomes effective for the Company beginning January 1, 2015.

The Company has not assessed the impact, if any, of the standards that become effective January 1, 2015.

4. Property, Plant, and Equipment

	Land	Building	Machinery	Total
Cost				
Balance at March 31, 2014	\$ 4,830	\$ 507,286	\$ 742,916	\$ 1,255,032
Additions (disposals)	-	-	(281,289)	(281,289)
Balance at June 30, 2014	4,830	507,286	461,627	973,743
Accumulated Depreciation				
Balance at March 31, 2014	-	271,665	171,307	442,972
Depreciation for the period	-	15,548	41,437	56,985
Disposals	-	-	(201,900)	(201,900)
Balance at June 30, 2014	-	287,213	10,844	298,057
Carrying amounts				
As at June 30, 2014	\$ 4,830	\$ 220,073	\$ 450,783	\$ 675,686
Carrying amounts				
As at March 31, 2014	\$ 4,830	\$ 235,621	\$ 571,609	\$ 812,060

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

5. Share Capital

Common Stock issued and fully paid:

	Number of Common Shares
March 31, 2013	15,892,062
Debt converted for common stock	100,310,000
Common stock cancelled on reverse acquisition	(116,202,062)
Common stock acquired on reverse acquisition	12,338,604
Issuance of common stock on reverse acquisition	60,000,000
Issuance of common stock for cash	20,000,000
Issuance of common stock for services	9,233,860
June 30, 2014 and March 31, 2014	101,572,464

On June 19, 2013, the Company entered into an agreement (the "Amalgamation Agreement"), among Ourco Capital Ltd. ("Ourco"), the Company's wholly-owned subsidiary, International Eco Endeavors Corp., a private British Columbia, Canadian corporation ("Eco Endeavors"), and its wholly-owned subsidiaries Kenderesh Endeavors Corp. ("Kenderesh"), and Kenderes Biogaz. The Company closed the Amalgamation Agreement and completed the amalgamation of Ourco and Eco Endeavors under the name "Blox Energy Inc." ("Amalco"), thereby acquiring all of the issued and outstanding shares of Blox Energy Inc, on February 27, 2014.

Pursuant to the Amalgamation Agreement, the Company issued 60,000,000 units for a total consideration of \$3,000,000 on February 27, 2014, each unit consisting of one common share and one share purchase warrant, each warrant exercisable into an additional common share of the Company at an exercise price of \$0.05 per share for a period of five years from the closing date.

In connection with the closing of the Amalgamation Agreement on February 27, 2014, the Company completed a non-brokered private placement, pursuant to which the Company issued an aggregate of 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consisted of one common share and one share purchase warrant, each warrant entitling the holder to acquire an additional common share at the exercise price of \$0.05 for a period of 5 years from the closing of the financing.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

5. Share Capital (Continued)

Pursuant to a consulting agreement dated February 27, 2014 between the Company and Robert Abenante, a director and officer of the Company, Mr. Abenante was issued an additional 9,233,860 common shares of the Company and 8,000,000 share purchase warrants (the "Abenante Stock") entitling Mr. Abenante to acquire additional common shares at the exercise price of \$0.05 for a period of 5 years from February 27, 2014. The entry into the consulting agreement was a condition of closing of the Amalgamation Agreement. The Abenante Stock is subject to an escrow agreement whereby 25% of the Abenante Stock was released on February 27, 2014 ("Start Date"), 25% will be released 6 months from the Start Date, 25% will be released 12 months from the Start Date and 25% will be released 18 months from the Start Date, providing Mr. Abenante remains an officer of the Company failing which the Abenante Stock will be returned to the Company.

The fair value of the common shares included in the Abenante Stock of \$0.05 per common share was based on the price of the non-brokered private placement on February 27, 2014. The fair value of the warrants of included in the Abenante Stock was based on the Black-Scholes option pricing model using input assumptions of a risk free interest rate of 1.49%, volatility of 149%, expected dividend yield of zero and expected life of 5 years. The fair value of the current year Abenante Stock is expensed in the statement of operations over the escrow period on a straight-line basis with \$115,425 expensed during the year ended March 31, 2014 and \$120,470 expensed in the three month period ended June 30, 2014. The remainder includes current prepaid expenses of \$128,812 (June 30, 2013 - \$nil) and long term prepaid expenses of \$94,988 (June 30, 2013 - \$nil).

Warrants

The Company's outstanding warrants as at June 30, 2014 and March 31, 2014 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date	Remaining Life (Years)
March 31, 2013	-			
Issued on reverse acquisition	60,000,000	\$0.05	February 27, 2019	4.7
Issued for cash	20,000,000	\$0.05	February 27, 2019	4.7
Issued for prepaid services	8,000,000	\$0.05	February 27, 2019	4.7
June 30, 2014 and March 31, 2014	88,000,000			

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

5. Share Capital (Continued)

Stock Options

On the closing of the Amalgamation Agreement on February 27, 2014, the Company granted 1,700,000 stock options to directors and employees. Each stock option is exercisable at a price of \$0.01 per share until expiry on the date that is 5 years from

February 27, 2014. All stock options vested on February 27, 2014, but are subject to an escrow agreement whereby common stock issued on the exercise of the stock options will be held in escrow to be released as to 25% on February 27, 2014 ("Release Date"), 25% 6 months from the Release Date, 25% 12 months from the Release Date and 25% 18 months from the release Date, providing the stock option holder remains with the Company failing which the escrowed common shares will be returned to the Company.

Each stock option had a fair value of \$0.05, which was based on the Black-Scholes option pricing model using input assumptions of a risk free interest rate of 1.49%, volatility of 149%, expected dividend yield of zero and expected life of 5 years. The fair value of the stock options is expensed in the statements of comprehensive loss (income) with \$85,000 expensed during the year ended March 31, 2014. As of June 30, 2014, none of the stock options were exercised.

	Number of Stock Options	Weighted Average Exercise Price	Expiry Date	Remaining Life (Years)
March 31, 2013	-			
Issued	1,700,000	\$0.01	February 27, 2019	4.7
June 30, 2014 and March 31, 2014	1,700,000			

Subsequent to June 30, 2014, 125,000 stock options were exercised and 375,000 stock options were forfeited.

On August 7, 2014, the Company granted 4,500,000 stock options to directors and consultants. These stock options have an exercise price of \$0.15 and expire on August 7, 2019 with 25% vesting on the date of grant and 25% vesting every six months after the date of grant.

On August 9, 2014, the exercise price of 1,000,000 stock options previously granted to two directors was amended to \$0.05 from \$0.01.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
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6. Related Parties and Loans Payable

The Company undertakes transactions with related parties that are generally on the same terms as those accorded to unrelated third parties. In addition to the shares for services transactions disclosed in the share capital note, the Company completed transactions with Emerald Power Consulting Inc. ("Emerald"), which has a common director and officer with the Company. During the three months ended June 30, 2014, the Company paid consulting and office and administrative expense to Emerald amounting to \$31,500 (2013 - \$nil) and \$11,628 (2013- \$19,204), respectively. As at June 30, 2014, \$nil (2013-\$nil) was payable to Emerald.

At June 30, 2014 and 2013, the Company was indebted to arm's length parties in the amount of \$60,290. The loans payable are unsecured, non-interest bearing and have no fixed repayment terms.

7. Royalty Payments

The Company was required to make royalty payments of 3% of revenues to its previously long-term holder. Additionally, the Company is required to make royalty payments of 10% of earnings before interest, taxes, depreciation and amortization to an arms-length corporation in exchange for financial and advisory services. These royalties are calculated on a quarterly basis. For the three months ended June 30, 2014 and 2013, there was no royalty expense included in consulting and professional fees. As of June 30, 2014, \$67,483 is owed to the above noted parties (March 31, 2014 - \$66,570).

8. Commitments

- (a) On June 22, 2013, the Company entered into a share purchase agreement with Waratah Investments Limited ("Waratah") where the Company shall purchase all of Waratah's right, title, and interest in the Quivira Gold Ltd. ("Quivira") shares, of which Waratah holds 100% of the outstanding shares. As consideration for the Quivira shares, the Company will issue to Waratah 60,000,000 shares of common stock and 60,000,000 warrants. Each warrant entitles the holder to purchase one additional common share at \$0.05 for a period of five years from the closing date. Quivira, a subsidiary of Waratah Investments, owns and operates gold and diamond mining properties in Ghana.

The closing of the agreement is subject to the completion of due diligence and the completion of a private placement. The Agreements provide that closing is subject to completion of a private placement financing of up to \$1,500,000, consisting of units priced at \$0.05 per unit, with each unit comprises a share in the common stock of the Company and a share purchase warrant, exercisable at \$0.05 for five years. As of the issuance date of these financial statements, the due diligence and financing has not yet been completed.

- (b) On November 1, 2013, the Company entered into an agreement to lease office premises for \$3,188 per month until October 31, 2015.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

9. Geographical Area Information

	Canada	Hungary	Total
June 30, 2014:			
Prepaid expenses	\$ 94,988	\$	\$ 94,988
Property, plant and equipment	-	675,686	675,686
Total assets	\$ 912,890	\$ 821,196	\$ 1,734,086
<hr/>			
Total liabilities	\$ 181,146	56,976	\$ 238,122
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March 31, 2014:			
Prepaid expenses	\$ 115,423	\$	\$ 115,423
Property, plant and equipment	-	812,060	812,060
Total assets	\$ 1,233,630	\$ 897,031	\$ 2,130,661
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Total liabilities	\$ 192,581	63,134	\$ 255,715
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Three Months Ended			
	June 30, 2014	June 30, 2013	
Net Loss - Canada	\$ 207,263	\$ 27,654	
Net Loss - Hungary	156,735	145,240	
Net loss for the Period	\$ 363,998	\$ 172,894	

All of the Company's sales were in Hungary and the Company derived 99% of its sales from MAVIR Zrt.

10. Subsequent Event

On August 6, 2014, the Company announced that it entered into a Deed of Assignment and Assumption Agreement dated July 24, 2014 (the "Assumption Agreement") with Joseph Boamong Memorial Institute Ltd. ("JBMIL") and Equus Mining Ltd. ("EML"), Burey Gold Guinee sarl ("BGGs") and Burey Gold Limited ("BGL") and, collectively with EML and BGGs, (the "Vendors"), pursuant to which the Company has agreed to assume JBMIL's right to acquire a 78% beneficial interest in the Mansounia Concession (the "Property") from the Vendors. The Company also announced that it has exercised that right and has acquired a 78% beneficial interest in the Property.

Blox, Inc.

Condensed Notes to Consolidated Interim Financial Statements
Three Months Ended June 30, 2014
(Unaudited)
(Expressed in U.S. Dollars)

10. Subsequent Event (Continued)

The Property lies in the southwest margin of the Siguiri Basin, in the Kouroussa Prefecture, Kankan Region, in Guinea, West Africa and covers a surface area of 145 square kilometres. The Property is located approximately 80 kilometres west, by road, from the country's third largest city, Kankan.

An exploration permit for the Property was granted by the Ministère des Mines et de la Géologie on August 20, 2013. As part of its due diligence, Blox obtained a legal opinion which confirmed that the license remains in good standing. It is the Company's intention to obtain an exploitation permit, which would give the Company the exclusive right to mine and dispose of minerals for 15 years, with a possible 5 year extension. The Company has already commenced work on the feasibility study required for obtaining this permit.

In consideration for the acquisition of the interest in the Property, the Company paid \$107,142.86 to BGL and \$42,857.14 to EML and on July 31, 2014, issued BGL and EML an aggregate of 6,514,350 shares of common stock of the Company (the "First Tranche Shares"), at a deemed price of \$0.1765 per share, for an aggregate deemed value of \$1,150,000. The First Tranche Shares were issued to BGL and EML in the proportions of 71.43% and 28.57%, respectively. Within 14 days of commercial gold production being publicly declared from ore mined from the Property, the Company will issue BGL and EML a second tranche of shares of common stock of the Company (the "Second Tranche Shares"). The number of Second Tranche Shares to be issued shall be calculated by dividing \$1,150,000 by the volume weighted average share price of the Company's common stock over a 20 day period preceding the issuance date. The Second Tranche Shares shall be issued to BGL and EML in the proportions of 71.43% and 28.57%, respectively.