

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Triton Emission Solutions Inc.

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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 March 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

COMMISSION FILE NUMBER 000-33309

POLY SHIELD TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

33-0953557

(I.R.S. Employer Identification No.)

888 S Andrews Ave, Suite 201
Fort Lauderdale, Florida

(Address of principal executive offices)

33316

(Zip Code)

1 (800) 648-4287

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, 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 (§232.405 of this chapter) 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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): **Yes** **No**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: **As of May 14, 2014, the Issuer had 87,995,005 shares of common stock, issued and outstanding.**

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

The accompanying unaudited consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X, and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three month period ended March 31, 2014, are not necessarily indicative of the results that can be expected for the year ending December 31, 2014.

As used in this Quarterly Report, the terms "we," "us," "our," and "Poly Shield" mean Poly Shield Technologies Inc. and our subsidiaries Ecolutions, Inc. and Poly Shield Technologies (BVI) Ltd., unless otherwise indicated. All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

**POLY SHIELD TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS**

| | March 31, 2014 | December 31, 2013 |
|--|-----------------------|------------------------------|
| | Unaudited | |
| ASSETS | | |
| Current assets | | |
| Cash | \$ 505,905 | \$ 177,986 |
| Accounts receivable | 26,217 | 3,754 |
| Loan receivable | 1,000,000 | - |
| Prepays | 155,737 | 266,448 |
| Work in progress | 399,859 | - |
| | 2,087,718 | 448,188 |
| Equipment | 37,362 | 39,413 |
| Investment in distribution and license rights | 46,817 | 48,141 |
| Investment in technology | 52,161,750 | - |
| | \$ 54,333,647 | \$ 535,742 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Current liabilities | | |
| Accounts payable | \$ 335,648 | \$ 147,600 |
| Accrued liabilities | 271,588 | 206,454 |
| Unearned revenue | 1,100,000 | 1,100,000 |
| Notes and advances payable | 1,107,505 | 1,070,898 |
| Due to related parties | 6,170 | 58,293 |
| Current portion of the long-term loan | 384,818 | - |
| | 3,205,729 | 2,583,245 |
| Long-term loan | 138,660 | - |
| Total liabilities | 3,344,389 | 2,583,245 |
| Stockholders' equity (deficit) | | |
| Common stock \$0.001 par value, 200,000,000 common shares authorized, 87,995,005 issued and outstanding at March 31, 2014 (December 31, 2013 - 187,995,005) | 87,995 | 187,995 |
| Additional paid in capital | 65,934,336 | 2,240,253 |
| Accumulated deficit | (15,044,738) | (4,487,416) |
| Accumulated other comprehensive income | 11,665 | 11,665 |
| | 50,989,258 | (2,047,503) |
| | \$ 54,333,647 | \$ 535,742 |

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

POLY SHIELD TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

| | Three months ended March 31, | |
|---|------------------------------|---------------------|
| | 2014 | 2013 |
| Survey income | \$ 15,000 | \$ - |
| Royalty income | 9,948 | 10,219 |
| Total revenues | 24,948 | 10,219 |
| Amortization | 221,625 | 71,875 |
| General and administrative expenses | 544,810 | 304,570 |
| Royalty fee | 25,000 | 25,000 |
| Loss before other items | (766,487) | (391,226) |
| Other items | | |
| Accretion expense | (49,489) | - |
| Non-cash consulting fees | (9,677,730) | - |
| Interest expense | (63,616) | (41,144) |
| Net loss | \$ (10,557,322) | \$ (432,370) |
| Net loss per share - basic and diluted | \$ (0.06) | \$ (0.00) |
| Weighted average number of shares outstanding - basic and diluted | 170,217,227 | 126,210,561 |

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

POLY SHIELD TECHNOLOGIES INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(unaudited)

| | Common shares | | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Total |
|--|---------------------|-----------|----------------------------------|------------------------|---|---------------|
| | Number of Shares | Amount | | | | |
| Balance at December 31, 2012 | 33,745,005 | \$ 33,745 | \$ 2,295,003 | \$ (2,295,013) | \$ 11,665 | \$ 45,400 |
| Shares issued under employment agreement | 154,000,000 | 154,000 | 81,466,000 | - | - | 81,620,000 |
| Deferred compensation | - | - | (81,620,000) | - | - | (81,620,000) |
| Shares issued for purchase of subsidiary | 100,000 | 100 | 52,900 | - | - | 53,000 |
| Net loss for the three months ended March 31, 2013 | - | - | - | (432,370) | - | (432,370) |
| Balance at March 31, 2013 | 187,845,005 | 187,845 | 2,193,903 | (2,727,383) | 11,665 | (333,970) |
| Shares issued for services | 150,000 | 150 | 46,350 | - | - | 46,500 |
| Net loss for the nine months ended December 31, 2013 | - | - | - | (1,760,033) | - | (1,760,033) |
| Balance at December 31, 2013 | 187,995,005 | 187,995 | 2,240,253 | (4,487,416) | 11,665 | (2,047,503) |
| Shares cancelled upon cancellation of employment agreement | (154,000,000) | (154,000) | 154,000 | - | - | - |
| Fair value of warrants issued on long-term financing | - | - | 1,536,353 | - | - | 1,536,353 |
| Fair value of warrants issued for consulting services | - | - | 9,677,730 | - | - | 9,677,730 |
| Shares issued for patents | 54,000,000 | 54,000 | 52,326,000 | - | - | 52,380,000 |
| Net loss for the three months ended March 31, 2014 | - | - | - | (10,557,322) | - | (10,557,322) |
| Balance at March 31, 2014 | 87,995,005 | \$ 87,995 | \$ 65,934,336 | \$ (15,044,738) | \$ 11,665 | \$ 50,989,258 |

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

POLY SHIELD TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

| | Three months ended March 31, | |
|--|-------------------------------------|--------------|
| | 2014 | 2013 |
| Cash flows used in operating activities | | |
| Net loss | \$ (10,557,322) | \$ (432,370) |
| Non cash items: | | |
| Accretion expense | 49,489 | - |
| Amortization | 221,625 | 71,875 |
| Consulting services | 9,677,730 | - |
| Foreign exchange gain | (10,953) | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (22,463) | (3,834) |
| Prepays | 110,711 | 1,385 |
| Advances receivable | - | 80,000 |
| Work in progress | (399,859) | - |
| Accounts payable | 188,048 | 106,100 |
| Accrued liabilities | 65,134 | 24,838 |
| Due to related parties | (52,123) | (37,328) |
| Accrued interest | 63,616 | 35,245 |
| Net cash used in operating activities | (666,367) | (154,089) |
| Cash flows from financing activities | | |
| Long-term loan | 1,000,000 | - |
| Notes and advances payable | 48,286 | 147,377 |
| Payment of accrued interest on notes payable | (54,000) | - |
| Net cash provided by financing activities | 994,286 | 147,377 |
| Net increase (decrease) in cash | 327,919 | (6,712) |
| Cash, beginning | 177,986 | 6,969 |
| Cash, ending | \$ 505,905 | \$ 257 |
| Cash paid for: | | |
| Income tax | \$ - | \$ - |
| Interest | \$ 54,000 | \$ - |

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

POLY SHIELD TECHNOLOGIES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Poly Shield Technologies Inc. (the “Company”) was incorporated in the state of Delaware on March 2, 2000 and is listed on the OTCQB under the symbol “SHPR”. The Company was in the global wireless tracking business in Europe until November 1, 2004, when it exchanged this business for a royalty of 6% on future gross sales (the “Royalty Agreement”). The Royalty Agreement expires on October 31, 2015.

On March 12, 2012, the Company entered into an agreement to purchase the rights to market the products of Teak Shield Corp. (“Teak Shield”). Teak Shield has processes for the production of coatings used to protect surfaces from corrosion, oxidation and degradation (Note 4).

On December 1, 2012, the Company entered into an agreement (the “Employment Agreement”) with the President and Chief Technical Officer of the Company (the “Vendor”), the inventor and owner of certain technology used to remove alkali metal from fuel in efforts to protect gas turbines from corrosion. On March 10, 2014, the Company and the Vendor terminated the Employment Agreement and entered into a technology transfer agreement (the “Technology Transfer Agreement”) whereby the Vendor would transfer the title of certain patent applications to the Company (Notes 3 and 6).

On January 31, 2013, the Company acquired all of the issued and outstanding shares in the capital of Ecolutions, Inc., (“Ecolutions”) which was formed by the Vendor on November 15, 2012, for the purpose of developing and marketing environmental and pollution emission solutions internationally. As a result, Ecolutions became a wholly owned subsidiary of the Company (Note 5).

On November 18, 2013, the Company formed a subsidiary, Poly Shield Technologies (BVI) Ltd. (“Poly Shield BVI”) under the laws of the British Virgin Islands.

Basis of presentation

The unaudited interim consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Annual Report on Form 10-K of Poly Shield Technologies Inc. for the year ended December 31, 2013. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2014, are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. For further information, these unaudited financial statements and the related notes should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2013, included in the Company’s report on Form 10-K.

Reclassifications

Certain prior period amounts in the accompanying consolidated interim financial statements have been reclassified to conform to the current period’s presentation. These reclassifications had no effect on the consolidated results of operations or financial position for any period presented.

Going Concern

The accompanying unaudited consolidated interim financial statements have been prepared assuming the Company will continue as a going concern. Continuation as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due and ultimately upon its ability to achieve profitable operations. The outcome of these matters cannot be predicted with any certainty at this time and raise substantial doubt that the Company will be able to continue as a going concern. These unaudited interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Management intends to obtain additional funding by borrowing funds from its directors and officers, issuing promissory notes and/or a private placement of common stock.

NOTE 2 – RELATED PARTY TRANSACTIONS

Amounts due to related parties at March 31, 2014 and December 31, 2013:

| | March 31, 2014 | December 31, 2013 |
|--|----------------|----------------------|
| Due to a company controlled by a Chief Financial Officer | \$ 5,024 | \$ 5,405 |
| Due to a Chief Technical Officer and a President | - | 4,911 |
| Due to a former President | 294 | 294 |
| Due to a Chief Executive Officer | 649 | 43,605 |
| Due to a Vice President of Engineering | 203 | 4,078 |
| Due to related parties ^(a) | \$ 6,170 | \$ 58,293 |

a) Amounts are unsecured, due on demand and bear no interest.

During the three months ended March 31, 2014 and 2013, the Company incurred the following expenses with related parties:

| | March 31, 2014 | March 31, 2013 |
|--|----------------|----------------|
| Administrative fees incurred to a company controlled by the Chief Financial Officer | \$ 75,000 | \$ 37,500 |
| Management fees incurred to a director | 45,000 | - |
| Consulting fees incurred to the Vice President of Engineering | 35,001 | - |
| Consulting fees incurred to the President and the Chief Technical Officer | 22,500 | - |
| Fair value of warrants issued to the President and the Chief Technical Officer for consulting services (Notes 3 and 9) | 9,677,730 | - |
| Salary and withholding taxes incurred to the President and the Chief Technical Officer | 31,644 | 192,514 |
| Consulting fees incurred to the former President | 15,000 | - |
| Total transactions with related parties | \$ 9,901,875 | \$ 230,014 |

NOTE 3 – EMPLOYMENT AND MANAGEMENT CONSULTING AGREEMENTS

On December 1, 2012 (and as amended on December 30, 2013 and February 28, 2014), the Company entered into an Employment Agreement with the Vendor. This agreement became effective on February 5, 2013 (“Effective Date”). Under the terms of the Employment Agreement, the Vendor was appointed the Company’s Chief Executive Officer and received a signing bonus of \$180,000. Beginning on the first anniversary of the Effective Date, the Vendor was to be paid an annual base salary of \$180,000 per year. In addition, on the Effective Date, the Company issued 154,000,000 shares of its common stock with a fair value of \$81,620,000, which were placed in escrow and were to be released to the Vendor upon delivery of bona fide contracts for the sale or lease of products or services at a rate of one share for each \$0.25 in revenue. Escrowed stock was to be released in increments of 1,250,000 shares of common stock. The stock ineligible for release by March 31, 2014, was to be considered forfeited.

On March 10, 2014, the Company and the Vendor terminated the Employment Agreement and entered into a Technology Transfer Agreement whereby the Vendor transferred the title of certain patent applications to the Company in return for the release of 54,000,000 of the aforementioned 154,000,000 shares. The remaining 100,000,000 shares were cancelled (Notes 6 and 9).

On March 10, 2014, the Company entered into a management consulting agreement (the “Management Consulting Agreement”) with the Vendor whereby the Vendor agreed to provide consulting services to the Company in return for a monthly consulting fee of \$22,500 per month and the issuance of 10,000,000 warrants with an exercise price of \$1, which expire on March 10, 2017 (Note 9). The Vendor may choose to exercise the warrants for up to 5,000,000 shares of common stock by way of a cashless exercise. Either party may terminate the agreement at any time with sixty days written notice.

The fair value of the warrants issued for the Management Consulting Agreement was calculated to be \$9,677,730 and was expensed at the time of issuance. The fair value was determined using the Black-Scholes option pricing model at the grant date using the following assumptions: expected life of 3 years, risk-free interest rate of 0.79%, expected dividend yield of 0% and expected stock price volatility of 352%.

NOTE 4 – LICENSE AGREEMENT

On March 12, 2012, the Company entered into a license agreement with Teak Shield (the “Teak Shield License”) and its owners Robert and Marion Diefendorf (the “Licensors”) whereby the Company acquired a license to market and sell Teak Shield’s licensed products. In exchange, the Company agreed to pay a 5% royalty to the Licensors with a minimum \$100,000 annual royalty payment, and agreed to issue to the Licensors 1,666,667 shares of the Company’s common stock. At March 31, 2014, the Company has accrued \$195,833 (December 31, 2013 - \$170,833) in royalty payable under this agreement.

At December 31, 2013, management determined that the Teak Shield License was fully impaired.

NOTE 5 – DISTRIBUTION AND LICENSE RIGHTS

On January 31, 2013, the Company issued 100,000 shares of its common stock with a fair value of \$53,000 as a purchase price for all of the issued and outstanding shares in the capital of Ecolutions which held the rights to the intellectual property of Green Tech Marine AS (“GTM”). As a result of acquiring Ecolutions, the Company acquired distribution and license rights to the Exhaust Scrubber, a proprietary exhaust gas scrubber technology developed by GTM (“GTM Contracts”).

The GTM Contracts are in effect for ten years until November 15, 2022, and may be automatically renewed for a further ten year period unless either party gives written notice of termination at least 90 days prior to the then current term.

The GTM Contracts are amortized over 10 years on a straight line basis. During the three months ended March 31, 2014, amortization expense of \$1,324 (March 31, 2013 - \$Nil) was recorded.

NOTE 6 - TECHNOLOGY TRANSFER AGREEMENT

On March 10, 2014, the Company entered into a Technology Transfer Agreement with the Vendor. Under the terms of the Technology Transfer Agreement, the Vendor agreed to sell to the Company all of his right, title and interest in and to all technologies currently owned by him that relate to the abatement and reduction of emissions and exhausts from internal combustion engines through the pre-treatment of input fuels, the treatment of exhaust gases produced by such engines, or any combination thereof (collectively, the “Technology”), including all of the Vendor’s right, title and interest in and to certain patent applications to the Technology.

In consideration for the Technology, the Company agreed to release 54,000,000 of the total 154,000,000 shares of common stock that were previously issued to the Vendor and held in escrow, subject to forfeiture or release upon the fulfillment of certain performance conditions as set in the Employment Agreement. The remaining 100,000,000 shares have been cancelled (Notes 3 and 9).

The fair value of the 54,000,000 shares which were released for the Technology was \$52,380,000. The Technology is amortized over 10 years on a straight line basis. During the three months ended March 31, 2014, amortization expense of \$218,250 (March 31, 2013 - \$Nil) was recorded.

NOTE 7 – EQUIPMENT

During the three months ended March 31, 2014, the Company recorded \$2,051 (March 31, 2013 – Nil) in depreciation on testing and laboratory equipment that was acquired during the year ended December 31, 2013. The equipment is amortized on a straight-line basis over its useful life of five years.

NOTE 8 – UNEARNED REVENUE AND WORK IN PROGRESS

During the year ended December 31, 2013, the Company received \$1,100,000 in deposits for future installations of DSOX-15 Fuel Purification Systems (“DSOX-15 Systems”).

During the three months ended March 31, 2014, the Company started a manufacturing process for the two DSOX-15 Systems. As of March 31, 2014, the Company recorded \$399,859 as work in progress, of which \$109,820 represents the cost of parts and equipment required to build DSOX-15 Systems and \$290,039 represents payments made by the Company to the external contractors for building the DSOX-15 Systems.

NOTE 9 - SHARE CAPITAL

On March 10, 2014, in consideration for the Technology transferred by the Vendor to the Company (Notes 3 and 6), the Company agreed to release 54,000,000 shares of the total 154,000,000 shares of common stock that were previously issued to the Vendor and held in escrow. The fair value of the 54,000,000 shares was \$52,380,000. The remaining 100,000,000 shares with a fair value of \$53,000,000 have been cancelled.

Warrants

On January 15, 2014, the Company entered into a binding letter agreement (the "Letter Agreement") with a Lender, which was superseded by the formal definitive loan agreement signed on February 11, 2014 and further amended on March 10, 2014 (the "KF Loan Agreement") (Note 10). In consideration for the KF Loan Agreement, the Company issued to the Lender non-transferrable share purchase warrants to purchase a total of 6,200,000 shares of the Company's common stock, exercisable at a price of \$1 per share. Warrants for 2,200,000 shares of the Company's common stock expire on January 15, 2015, and warrants for 4,000,000 shares of the Company's common stock expire on January 15, 2018. The Lender may choose to exercise the warrants for up to 3,100,000 shares of common stock by way of a cashless exercise (Note 10).

On March 10, 2014, the Company signed an amendment to the KF Loan Agreement (Note 10). Under the terms of the amended agreement, the Company issued to the Lender non-transferrable share purchase warrants for a total of 704,546 shares of the Company's common stock with an initial exercise price of \$1 per share (collectively, the "Additional Warrants"). 250,000 of the Additional Warrants expire on January 15, 2015, with the remaining 454,546 Additional Warrants expiring on January 15, 2018. The Additional Warrants may be exercised by way of a cashless exercise for a total of up to 352,273 shares (Note 10).

On March 10, 2014, in consideration for the Management Consulting Agreement, the Company issued non-transferrable share purchase warrants to purchase a total of 10,000,000 shares of the Company's common stock with an initial exercise price of \$1 per share (Note 3). The warrants expire on March 10, 2017. The Vendor may choose to exercise the warrants for up to 5,000,000 shares of common stock by way of a cashless exercise.

Details of warrants outstanding as at March 31, 2014 are as follows:

| Exercise price | Expiry date | Number of warrants outstanding |
|-----------------------|--------------------|---------------------------------------|
| \$ 1.00 | January 15, 2015 | 2,450,000 |
| \$ 1.00 | March 10, 2017 | 10,000,000 |
| \$ 1.00 | January 15, 2018 | 4,454,546 |
| | | 16,904,546 |

At March 31, 2014, the weighted-average remaining contractual life of the outstanding share purchase warrants was 2.86 years.

NOTE 10 – NOTES, LOANS AND ADVANCES PAYABLE

Acamar Loan

On April 19, 2012, the Company signed a loan agreement for \$260,000, repayable on October 31, 2013 (the "Acamar Loan"). The Acamar Loan bears interest at 3.5% per month for an effective rate of 51% per annum and is secured by the Teak Shield License (Note 4). The repayment of Acamar Loan was extended to June 30, 2014.

During the three months ended March 31, 2014, the Company paid \$54,000 in interest (March 31, 2013 - Nil). As of March 31, 2014, the total principle payable under the Acamar Loan was \$380,688 (December 31, 2013 - \$377,500) and accrued interest of \$102,814 (December 31, 2013 - \$108,059).

KF Business Ventures Loan Agreement

Under the KF Loan Agreement (Note 9), the Lender agreed to lend to the Company up to \$2,000,000 (the "KF Loan") in four equal installments of \$500,000 each.

As of the date of this Quarterly Report, the following advances were received:

| Date | Amount |
|------------------|---------------|
| January 15, 2014 | \$ 500,000 |
| March 31, 2014 | \$ 500,000 |
| May 1, 2014 | \$ 500,000 |

The remaining \$500,000 is expected to be advanced on June 1, 2014.

The KF Loan accumulates interest at a rate of 10% per annum, compounded monthly. Principal and interest will become payable in 18 equal monthly installments commencing on January 1, 2015. The Company has the right to prepay the amounts outstanding under the KF Loan at any time in increments of not less than \$250,000.

As additional consideration for the Lender agreeing to loan the funds to the Company, the Company has agreed to issue to the Lender non-transferrable share purchase warrants to purchase a total of 6,904,546 shares of the Company's common stock, exercisable at a price of \$1 per share (Note 9). Warrants for 2,450,000 shares of the Company's common stock expire on January 15, 2015, and warrants for 4,454,546 shares of the Company's common stock expire on January 15, 2018. The Lender may choose to exercise the warrants for up to 3,452,273 shares of common stock by way of a cashless exercise.

The fair value of the warrants was calculated to be \$5,821,189 using the Black-Scholes option pricing model at the grant date using the following assumptions:

| | |
|----------------------------------|-------------|
| Expected Warrant Life (in years) | 1-4 |
| Risk-Free Interest Rate | 0.13%-1.24% |
| Expected Dividend Yield | Nil |
| Expected Stock Price Volatility | 130%-362% |

Under the guidance provided by ASC 470-20-25-2, proceeds from the sale of debt instrument with stock purchase warrants shall be allocated to the two elements based on the relative fair values of the debt instrument without the warrants and of the warrants themselves at time of issuance. The portion of the proceeds so allocated to the warrants shall be accounted for as paid-in capital. The remainder of the proceeds shall be allocated to the debt instrument portion of the transaction.

Management has determined that the warrants in this case are detachable from the debt instrument, as the debt instrument does not have to be surrendered to exercise the warrant.

The relative fair value of the warrants was determined to be \$1,536,353 and the value allocated to the debt portion of the instrument was determined to be \$463,647 at the time of issuance using an effective interest rate of 15%. During the three months ended March 31, 2014, the Company recognized accretion expense of \$49,489. At March 31, 2014, the Company accrued \$10,342 in interest payable under the KF Loan (December 31, 2013 – \$Nil). \$384,818 of the loan is due in the next 12 months.

Other Loans

During the three months ended March 31, 2014, the Company received an advance of CAD\$50,000 (\$48,286). This advance does not bear interest, is unsecured and due on demand.

The tables below summarize the other loans outstanding as at March 31, 2014 and December 31, 2013:

As at March 31, 2014

| | Interest rate per annum | Due date | Principal outstanding | Accrued interest | Total |
|-------------|----------------------------|-----------|--------------------------|------------------|------------|
| Other Loans | 8% | On demand | \$ 27,000 | \$ 5,232 | \$ 32,232 |
| Other Loans | 7% | On demand | 49,500 | 13,475 | 62,975 |
| Other Loans | 6% | On demand | 171,899 | 20,021 | 191,920 |
| Other Loans | 0% | On demand | 336,876 | - | 336,876 |
| | | | \$ 585,275 | \$ 38,728 | \$ 624,003 |

As at December 31, 2013

| | Interest rate per annum | Due date | Principal outstanding | Accrued interest | Total |
|-------------|----------------------------|-----------|--------------------------|------------------|------------|
| Other Loans | 8% | On demand | \$ 27,000 | \$ 4,604 | \$ 31,604 |
| Other Loans | 7% | On demand | 49,500 | 12,401 | 61,901 |
| Other Loans | 6% | On demand | 178,639 | 17,884 | 196,523 |
| Other Loans | 0% | On demand | 295,311 | - | 295,311 |
| | | | \$ 550,450 | \$ 34,889 | \$ 585,339 |

NOTE 11 – SUBSEQUENT EVENTS

On April 15, 2014, the Company entered into a purchase and services agreement (the “Purchase and Services Agreement”) with a major cruise line company for the procurement and installation of the DSOX-15 System. The agreement provides for the purchase of up to ten additional DSOX Systems.

Under the agreement, the Company is required to maintain at its sole expense commercial general liability insurance with a minimum limit of \$5,000,000, professional liability insurance with a minimum limit of \$1,000,000, all-risks property coverage in an amount equal to the replacement value of the Company’s property, and worker’s compensation insurance, including Maritime Employer’s Liability insurance, with limits of not less than \$5,000,000 per occurrence. The policy shall be maintained during the term of the Purchase and Services Agreement.

On May 1, 2014, the Company received the third \$500,000 advance under the KF Loan Agreement (Note 10).

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report constitute "forward-looking statements". These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions, include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under this caption "Management's Discussion and Analysis" and elsewhere in this Quarterly Report. We do not intend to update the forward-looking information to reflect actual results or changes in the factors affecting such forward-looking information. We advise you to carefully review the reports and documents we file from time to time with the United States Securities and Exchange Commission (the "SEC").

OVERVIEW

We were incorporated under the laws of the State of Delaware on March 2, 2000, under the original name 411 Place.com Inc. On February 28, 2001, we changed our name to Artescope, Inc., on July 29, 2002, we changed our name to GlobeTrac Inc. and on July 11, 2012, we changed our name to Poly Shield Technologies Inc.

Recent Corporate Developments

The following corporate developments have occurred during the three months ended March 31, 2014, and up to the date of the filing of this report:

Loan Agreement with KF Business Ventures LP

On January 15, 2014, we entered into a binding letter agreement (the "Letter Agreement") with KF Business Ventures LP (the "Lender"), which was superseded by a formal definitive loan agreement signed on February 11, 2014, and further amended by that Amendment No. 1 to Loan Agreement dated March 10, 2014 (as amended, the "KF Loan Agreement"). Under the KF Loan Agreement, the Lender agreed to lend to us up to \$2,000,000 (the "KF Loan"). KF Loan is to be advanced in four equal installments of \$500,000 each, the first installment of which was advanced on execution of the Letter Agreement. Subsequent advances were subject to the condition precedent that we enter into satisfactory arrangements with Mr. Norling to amend the terms and conditions associated with the release and forfeiture of the Custodial Stock. This condition precedent was satisfied on March 10, 2014, upon our entering into the Technology Transfer Agreement and Management Consulting Agreement with Mr. Norling described below. As such, on March 31, 2014 we received a second installment of \$500,000, and on May 1, 2014 – the third installment. We expect to receive the final \$500,000 installment on June 1, 2014.

The KF Loan accumulates interest at a rate of 10% per annum, compounded monthly. Principal and interest will become payable in 18 equal monthly installments commencing on January 1, 2015, with an option to prepay the outstanding balance at any time in increments of not less than \$250,000.

As additional consideration for the Lender agreeing to loan us the funds, we agreed to issue to the Lender non-transferrable share purchase warrants for a total of 6,200,000 shares of our common stock, at an initial exercise price of \$1.00 per share. Upon our entry into the Technology Transfer Agreement and Management Consulting Agreement with Mr. Norling described below, we issued to the Lender additional non-transferrable share purchase warrants for 704,546 shares of our common stock (the warrants issued to the Lender collectively being, the "KF Warrants"). KF Warrants for 2,450,000 shares of our common stock expire on January 15, 2015, and KF Warrants for 4,454,546 shares of our common stock expire on January 15, 2018. If an event of default occurs under the KF Loan Agreement, and for so long as that event of default is continuing, the Lender shall have the right to exercise the KF Warrants at the lesser of \$1.00 per share or 50% of the volume weighted average price of our common stock over the five trading days immediately prior to exercise. The KF Warrants may be exercised by way of a cashless exercise for a total of up to 3,452,273 shares of our common stock. If, at any time prior to the expiration date of the KF Warrants, we issue additional shares of common stock, or options, warrants, convertible notes or similar rights to acquire shares of our common stock for a purchase, exercise or conversion price per share less than the exercise price of the KF Warrants, the exercise price of the KF Warrants shall be adjusted to equal such lower price.

Technology Transfer Agreement and Management Consulting Agreement with Rasmus Norling

On March 10, 2014, we entered into a Technology Transfer Agreement (the "Technology Transfer Agreement") and a Management Consulting Agreement (the "Consulting Agreement") with our Chief Technical Officer, Rasmus Norling. In addition, pursuant to the terms of the Technology Transfer Agreement, we cancelled and terminated the terms of the Norling Employment Agreement.

Under the terms of the Technology Transfer Agreement, Mr. Norling agreed to sell to us all of his right, title and interest in and to all technologies owned by him at the date of the agreements that relate to the abatement and reduction of emissions and exhausts from internal combustion engines through the pre-treatment of input fuels, the treatment of exhaust gases produced by such engines, or any combination thereof (collectively, the "Norling Emission Technologies"), including all of Mr. Norling's right, title and interest in and to certain patent applications as set forth in the Technology Transfer Agreement. The Norling Emission Technologies, together with the Bio Scrubber technology previously acquired from Mr. Norling, form the basis of our DSOX-15 Pre-Combustion Fuel Purification System ("DSOX System"). In consideration for the Norling Emission Technologies, we agreed to release 54,000,000 of the total 154,000,000 shares of Custodial Stock that were previously issued to Mr. Norling under the Norling Employment Agreement, which Employment Agreement and all terms were cancelled on March 10, 2014, and superseded by these Management Consulting and Technology Transfer Agreements. The remaining 100,000,000 shares of Custodial Stock have been surrendered for cancellation.

Concurrent with the execution of the Technology Transfer Agreement, we also agreed to terminate the terms of the Norling Employment Agreement and instead entered into the Consulting Agreement with Mr. Norling. Under the terms of the Consulting Agreement, Mr. Norling will continue to act as our Chief Technical Officer and will be entitled to a consulting fee of \$22,500 per month. In addition, we issued to Mr. Norling warrants to purchase up to 10,000,000 shares of our common stock for an initial exercise price of \$1.00 per share (the "Norling Warrants"). The Norling Warrants are exercisable for a period of three years (subject to earlier termination as set out in the terms of the warrants). In addition, Mr. Norling may exercise the warrants by way of cashless exercise for up to 5,000,000 shares of common stock.

We recorded \$9,677,730 as the fair value of the Norling Warrants, which we determined using the Black-Scholes option pricing model at the grant date. Please refer to the notes to the unaudited interim consolidated financial statements for the assumptions we used in arriving at the fair value amount.

Purchase and Services Agreement with Magical Cruise Company, Limited

On April 15, 2014, we entered into a purchase and services agreement (the "Purchase and Services Agreement") with Magical Cruise Company, Limited ("DCL") regarding the procurement and installation of the Company's DSOX-15 Pre-Combustion Fuel Purification System including an in-line sulfur monitor (the "DSOX System"), for reducing the sulfur oxide content of marine fuel oil.

Under the terms of the Purchase and Services Agreement, we agreed to sell to DCL, and install on one of DCL's vessels, one DSOX System with a possibility to purchase up to ten additional DSOX Systems. Additional details of our agreement with DCL are provided in our Current Report on Form 8-K, filed on April 17, 2014.

Change in Executive Officers and Directors

On April 16, 2014, James Pakulis resigned as our President and a director. Mr. Pakulis's resignation was not due to, and was not caused by, in whole or in part, any disagreement with the Company, whether related to the Company's operations, policies, and practices or otherwise. On April 16, 2014, we appointed Mr. Norling our President in addition to the positions of the Chief Technical Officer, Chairman and director he held at the time.

RESULTS OF OPERATION

| | Three Months Ended March 31, | | Percentage Change |
|----------------------------|---------------------------------|--------------|----------------------|
| | 2014 | 2013 | |
| Survey income | \$ 15,000 | \$ - | n/a |
| Royalty income | 9,948 | 10,219 | (2.7)% |
| Total income | 24,948 | 10,219 | 144.1% |
| Amortization | 221,625 | 71,875 | 208.3% |
| General and administrative | 544,810 | 304,570 | 78.9% |
| Royalty fee | 25,000 | 25,000 | 0% |
| Operating expenses | 791,435 | 401,445 | 97.1% |
| Loss before other items | (766,487) | (391,226) | 95.9% |
| Non-cash consulting fees | (9,677,730) | - | n/a |
| Accretion expense | (49,489) | - | n/a |
| Interest expense | (63,616) | (41,144) | 54.6% |
| Net loss | \$ (10,557,322) | \$ (432,370) | 2,341.7% |

Revenues

Our revenue increased by \$14,729 from \$10,219 for the three months ended March 31, 2013, to \$24,948 for the three months ended March 31, 2014. The increase in revenue was primarily the result of revenues received from ship surveys for possible installation of our DSOX-15 Systems. Our royalty revenue from our agreement with WebTech Wireless ("WebTech") was comparable to revenue we received during the three months ended March 31, 2013. Our royalty agreement with WebTech is scheduled to terminate on October 31, 2015.

Operating Expenses

During the three months ended March 31, 2014, our operating expenses increased by \$389,990 or 97.1% from \$401,445 for the three months ended March 31, 2013, to \$791,435 for the three months ended March 31, 2014. This change was primarily associated with the development and marketing of our DSOX-15 Fuel Purification System and our acquisition of the Norling Emission Technologies.

The most significant year-to-date changes were:

- During the three months ended March 31, 2014, we incurred \$31,644 in salary and wage expenses as opposed to \$192,514 in salary and wage expenses incurred during the three months ended March 31, 2013. Salaries and expenses for the three months ended March 31, 2013 included \$180,000 plus applicable employment taxes paid as a signing bonus in connection with the Norling Employment Agreement, which became effective on February 6, 2013. Under the terms of the Norling Employment Agreement, Mr. Norling was paid a salary of \$15,000 per month (plus applicable employment taxes) for a period of two months during the three months ended March 31, 2014, and until the Norling Employment Agreement was terminated on March 10, 2014. Beginning March 10, 2014, Mr. Norling acts under the terms of a Management Consulting Agreement, and receives \$22,500 per month which is recorded as part of consulting fees.
- Our amortization expense for the three months ended March 31, 2014, increased by 208.3% or \$149,750 relative to the three months period ended March 31, 2013. The increase resulted from amortization of the Norling Emission Technologies that we acquired on March 10, 2014 as a result of our Technology Transfer Agreement with Mr. Norling. The Norling Emission Technologies were valued at \$52,380,000 and are amortized over the ten year useful life on a straight line basis.

- Due to increased business activity, we felt it was necessary to acquire director's and officer's liability insurance, which resulted in an additional cost to our operations of \$25,813.
- During the three months ended March 31, 2014, our travel and entertainment as well as advertising and marketing expenses increased by \$32,431, \$55,063, and \$7,525, respectively, relative to the same period in fiscal 2013. The increases were associated with the need to bring awareness about our new emission abatement technologies to the general public and prospective investors. In line with the increased advertising and promotion activities, our web design and maintenance costs increased by \$9,000.
- During the three months ended March 31, 2014, our administrative, consulting and management fees increased by \$37,500, \$78,891 and \$45,000, respectively. These increases were associated with the increased work load that we experienced due to the change in our business model and the need to restructure certain operations. In line with these changes, we also experienced increase to our professional fees of \$85,361, which increased from \$41,299 incurred during the three months ended March 31, 2013 to \$126,660 incurred during the three months ended March 31, 2014. Changes to our consulting fees also include the effects of terminating the Norling Employment Agreement and instead entering into a Management Consulting Agreement with Mr. Norling, which pays Mr. Norling a consulting fee of \$22,500 per month.
- In July of 2013 we entered into two separate operating lease agreements for an additional office as well as warehouse and testing facility. In connection with these new leases, we paid \$11,378 in rent fees. Our office expenses increased by \$9,100, from \$159 we incurred during the three months ended March 31, 2013 to \$9,259 we incurred during the three months ended March 31, 2014.

Our business efforts with respect to the DSOX-15 System, the Exhaust and Bio Scrubbers and the fluoropolymer products are currently in the development stage, and thus, as we pursue the development of our new business, we expect our operating expenses to further increase during the fiscal 2014 as compared to the prior year's results. In addition, because we don't have operating history with respect to these business lines, it may be difficult for us to predict future operating expenses and capital requirements related to these businesses and our historical results are not expected to be reflective of future expenses and capital requirements.

Other Items

During the three months ended March 31, 2014, we recorded \$49,489 accretion expense that resulted from the difference between stated interest rate and implied interest rate we used to determine the fair value of the proceeds we received pursuant to the KF Loan Agreement. During the same period, we recorded \$9,677,730 in non-cash consulting fees associated with the fair value of the warrants to acquire up to 10,000,000 shares of our Common Stock that we issued to Mr. Norling as part of his Consulting Agreement with us. We had no such transactions during the three months ended March 31, 2013.

Our interest expense increased by \$22,472, or 54.6% from \$41,144 for the three months ended March 31, 2013, to \$63,616 for the three months ended March 31, 2014; this increase resulted from the additional debt load associated with our current business activities.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

| | March 31, 2014 | December 31, 2013 | Percentage Change |
|-------------------------|---------------------------|------------------------------|------------------------------|
| Current assets | \$ 2,087,718 | \$ 448,188 | 365.8% |
| Current liabilities | 3,205,729 | 2,583,245 | 24.1% |
| Working capital deficit | \$ (1,118,011) | \$ (2,135,057) | (47.6)% |

As of March 31, 2014, we had a cash balance of \$505,905, a working capital deficit of \$1,118,011 and cash flows used in operations of \$666,367 for the three months then ended. During the three months ended March 31, 2014, we primarily funded our operations with \$994,286 in loans and advances received during this period, and, to the minor extent, with the cash we received from royalties and ship survey fees.

Cash Flows

| | Three Months Ended March 31, | |
|---|---|-------------|
| | 2014 | 2013 |
| Cash flows used in operating activities | \$ 666,367 | \$ 154,089 |
| Cash flows provided by financing activities | 994,286 | 147,377 |
| Net increase (decrease) in cash during the period | \$ 327,919 | \$ (6,712) |

Net Cash Used in Operating Activities

Net cash used in operating activities during the three months ended March 31, 2014, was \$666,367. This cash was primarily used to cover our operating loss of \$10,557,322, increase our work in progress by \$399,859, which was associated with payments we made to our contractors for the manufacturing of the first two DSOX-15 Systems as well as acquire necessary parts and equipment. In addition we used \$52,123 to reduce the amounts due to related parties. These uses of cash were offset by decrease in our prepaid expenses of \$110,711 and increases in our accounts payable and accrued liabilities of \$188,048 and \$65,134, respectively. \$63,616 increase in interest accrued on the notes and advances payable further contributed to offsetting the cash used in our operating activities during the three months ended March 31, 2014.

Net cash used in operating activities during the three months ended March 31, 2013, was \$154,089. This cash was primarily used to cover our operating loss of \$432,370, increase our accounts receivable by \$3,834 and decrease the amounts due to related parties by \$37,328. These uses of cash were offset by decreases in our prepaid expenses and advances of \$1,385 and \$80,000, respectively; increases in accounts payable of \$106,100, accrued liabilities of \$24,838, and accrued interest on notes and advances payable of \$35,245.

Non-cash transactions

During the three months ended March 31, 2014, our net loss was affected by the following items that did not have any impact on cash used in operations: \$49,489 accretion expense that resulted from the difference between stated interest rate and implied interest rate we used to determine the fair value of the proceeds we received pursuant to the KF Loan Agreement; \$9,677,730 in non-cash consulting fees associated with the fair value of the warrants to purchase up to 10,000,000 shares of our common stock we issued to Mr. Norling as part of his Consulting Agreement with us, and \$221,625 in amortization expense associated with our intangible assets as well as testing and laboratory equipment. \$10,953 gain that resulted from foreign exchange fluctuations on payments we made in Canadian dollars further affected the net loss for the three months ended March 31, 2014.

During the three months ended March 31, 2013 we recorded a non-cash item of \$71,875 for amortization of the license and option to purchase.

Net Cash Provided by Financing Activities

During the three months ended March 31, 2014, we received \$1,000,000 from KF Business Ventures LP, which represented first two installments pursuant to our KF Loan Agreement. In addition, we received an advance for the total of CAD\$50,000 (\$48,286) from an unrelated party. These financing activities were reduced by \$54,000 we paid to partially reduce amount we owed under the Acamar Loan Agreement we entered into on April 19, 2012. On May 1, 2014, we received a third \$500,000 installment from KF Business Ventures LP pursuant to our KF Loan Agreement.

During the three months ended March 31, 2013, we received \$40,000 in loans from unrelated parties. In addition, we received \$107,377 in advances received from unrelated parties.

Going Concern

The notes to our interim consolidated financial statements at March 31, 2014, disclose our uncertain ability to continue as a going concern. We were in the business of selling, marketing, distributing and installing global wireless tracking and telematics equipment in Europe until November 1, 2004, when we exchanged our rights to sell, market, distribute and install global wireless tracking and telematics equipment in Europe as well as specific assets and liabilities, for a royalty of 6% on future gross sales to qualified customers in Europe. This royalty agreement ends on October 31, 2015, which will end the revenue from this source. Our Teak Shield contract has not generated any revenue. Our DSOX-15 Fuel Purification System and Exhaust and Bio Scrubber business has begun to generate revenue only recently. To date revenue related to these emission abatement technologies has been limited to conducting surveys on ships for the potential installation of these systems. We have not yet recorded revenues from the sale or installation of any systems based on our emission abatement technologies.

We have accumulated a deficit of \$15,044,738 since inception and increased sales will be required to fund and support our operations. We plan to mitigate our losses in future years by controlling our operating expenses and actively seeking contracts for our new technologies. As of the date of this report we signed contracts to install five DSOX-15 Fuel Purification Systems on ships. The agreements provide for the installation of up to 57 additional DSOX-15 System. Despite our current contracts, we cannot provide assurance that we will be successful in generating additional sales. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Off-Balance Sheet Arrangements

None.

Critical Accounting Policies

An appreciation of our critical accounting policies is necessary to understand our financial results. These policies may require management to make difficult and subjective judgments regarding uncertainties, and as a result, such estimates may significantly impact our financial results. The precision of these estimates and the likelihood of future changes depend on a number of underlying variables and a range of possible outcomes. Other than our accounting for our royalty revenue, our critical accounting policies do not involve the choice between alternative methods of accounting. We have applied our critical accounting policies and estimation methods consistently.

Revenue Recognition

Royalty revenue

Royalty revenue is recognized when pervasive evidence of an agreement exists, when it is received or when the royalty income is determinable and collectability is reasonably assured.

Survey revenue

Revenue is realized when the service has been provided and the income is determinable and collectability is reasonably assured.

Accounts Receivable

Receivables represent valid claims against debtors for services and royalties arising on or before the balance sheet date and are reduced to their estimated net realizable value. An allowance for doubtful accounts is based on an assessment of the collectability of all past due accounts. At March 31, 2014, and December 31, 2013, our allowance for doubtful accounts was \$0.

Foreign Exchange Risk

We are subject to foreign exchange risk on our royalty revenue and some purchases which are denominated in Canadian dollars. Foreign currency risk arises from the fluctuation of foreign exchange rates and the degree of volatility of these rates relative to the U.S. dollar. Foreign exchange rate fluctuations may adversely impact our results of operations as exchange rate fluctuations on transactions denominated in currencies other than our functional currency result in gains and losses that are reflected in our Statement of Operations. To the extent the U.S. dollar weakens against foreign currencies, the translation of these foreign currency-denominated transactions will result in increased net revenue. Conversely, our net revenue will decrease when the U.S. dollar strengthens against foreign currencies. We do not believe that we have any material risk due to foreign currency exchange.

Fair Value of Financial Instruments

Our financial instruments include cash, accounts receivable, accounts payable and accrued liabilities. We believe the fair values of these financial instruments approximate their carrying values due to their short maturities.

Concentration of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and trade accounts receivable.

At March 31, 2014, we had \$505,905 in cash on deposit with a large chartered Canadian bank and a large US bank; \$3,733 of this cash was insured. As part of our cash management process, we perform periodic evaluations of the relative credit standing of these financial institutions. We have not experienced any losses in cash balances and do not believe we are exposed to any significant credit risk on our cash.

Accounts receivable are not collateralized and consist of royalties, survey income, and revenue from subleasing of our office space. We continually monitor the financial condition of our customers to reduce the risk of loss. We routinely assess the financial strength of our sources of revenue and as a consequence, concentration of credit risk is limited. At March 31, 2014, we had \$26,217 in accounts receivable outstanding.

Recent Accounting Standards and Pronouncements

Recent accounting pronouncements issued by the Financial Accounting Standards Board or other authoritative standards groups with future effective dates are either not applicable or are not expected to be significant to our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES.

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by our management, with the participation of our Chief Executive Officer and the Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act") as of March 31, 2014. Based on the evaluation, our management concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms.

During the quarter ended March 31, 2014, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

The following are certain risk factors that could affect our business, financial position, results of operations or cash flows. These risk factors should be considered along with the forward-looking statements contained in this Quarterly Report on Form 10-Q because these factors could cause our actual results or financial condition to differ materially from those projected in forward-looking statements. The following discussion is not an all-inclusive listing of risks, although we believe these are the more material risks that we face. If any of the following occur, our business, financial position, results of operations or cash flows could be negatively affected. We caution the reader to keep these risk factors in mind and refrain from attributing undue certainty to any forward-looking statements, which speak only as of the date of this Quarterly Report.

Risk Factors Associated with our Emission Abatement Technologies Line of Business

We have earned only limited revenues from the sale of products or services related to the DSOX-15 and other Technologies.

Our current principal business focus is on the research, development and marketing of products and services related to the DSOX-15 Technology. However, our efforts in this area are in the development stage and we have earned only limited revenues related to this product. There is also no assurance that we will be able to earn revenues from this businesses line in the future.

Although we have entered into sales contracts for our Emission Technologies, we have not yet completed the installation of any of the systems contracted for.

Although we have entered into sales contracts with LMS, Prestige and Magical Cruise Company, for the installation of DSOX-15 Systems, we have not yet completed the installation of any systems and have not yet recorded revenue from the sale of these products. Once installed, there is no assurance that the emission abatement systems installed by us will obtain certification under Current MEPC Standards.

We have only one supplier for the Exhaust Scrubbers.

Our Exhaust Scrubber is manufactured by Green Tech Marine AS ("Green Tech Marine") and Green Tech Marine is currently our sole supplier for the Exhaust Scrubber. Until we reach Manufacturing Capability under the GTM Contracts, of which there is no assurance, we will be wholly restricted to the manufacturing capacity of our sole supplier.

Flag Ship Approval under Regulation 4 of Marpol Annex VI is made on a ship by ship basis.

The approval of the scrubber installation is made on a ship by ship basis and it is very difficult to receive a Type Approval for the system prior to installation. While our Exhaust Scrubber is the only scrubber to have received Type Approval for large gas turbine engines, we cannot guarantee that it will receive Type Approval on future installations. Failure to receive Type Approval on future installations could have a significant material impact on the financial results of our Company.

Changes in government policies, regulations and laws could adversely affect our financial results.

We expect the majority of our future revenue to come from sales of our DSOX-15 Fuel Purification Systems, which is heavily dependent on current and future IMO Regulations being enforced by international signatories to MARPOL Annex VI. Currently the United States, Canada and the E.U. have Emission Control Area's (ECA) in place that apply stringent engine emission standards and fuel sulfur limits to ships that operate in these ECA's as set under MARPOL Annex VI. While sulfur oxide limit restrictions in these ECA's are expected to drop, there can be no assurance that this will happen. A change in the current and upcoming IMO regulations could have a significant material impact on our financial results.

Unforeseen complications during the installation of the DSOX-15 System can potentially halt ships operation, which could adversely affect our sales, results of operations or cash flows, as well as increase potential for lawsuits filed against us.

Our DSOX-15 Fuel Purification System can be installed on a ship without disruption to the ship's operations. However, if the planning and/or execution of the installation process have flaws, we can face a situation where the ship's operation has to be halted in order to complete installation. Depending on the type of the ship and its machinery, this risk can be mitigated by scheduling the operation of a different engine. However, if the alternative engine is not available, we will have no choice but to stop the operation of the ship.

We face competition from other companies who manufacture and install exhaust scrubbers or other emission abatement solutions, which could adversely affect our sales, results of operations or cash flows.

At the moment, none of our main competitors for the Exhaust Scrubber have received a full Type Approval (EPA, USCG, MEPC) for operation on commercial vessels. The scrubbers used by these competitors are limited to operating with caustic soda or in an open loop, which increases operating costs and risks due to the nature and sensitivity of the chemicals. However, should these companies get the full Type Approval or develop and introduce more enhanced technologies, we could face a decline in the market share for our Exhaust Scrubbers.

General Risk Factors

We have a lack of operating history in the fluoropolymer and the emission abatement industries and there is no assurance that our business efforts in these industries will be successful.

With our entry into the Teak Shield License Agreement, GTM Contracts, acquisition of patent application rights to the Bio Scrubber technology and development of DSOX-15 Fuel Purification System we have added to our business. Although our Board of Directors and Executive Officers have extensive business experience, they do not have experience in the fluoropolymer industry, and aside from our President and the Chief Technical Officer and our Vice President of Engineering, limited experience in the emission abatement industry. Some of our competitors may have greater experience and/or greater financial resources than we do at this time. We intend to hire experienced sales and consulting teams to market our products. However, since we have no history of earning revenue in these business lines, there is no assurance that our business efforts in these industries will prove successful.

We cannot guarantee that we will continue receiving royalty revenue from our agreement with WebTech Wireless.

From November 2004 through the end of June 2013, our sole source of revenue was from royalties received from WebTech on the sale of global wireless tracking and telematics equipment from qualified customers. In 2012 WebTech closed their UK office and curtailed some of their European operations. Even though WebTech continues its sales in Europe through its head office based in Canada, we cannot accurately predict future revenue from our royalty agreement due to uncertainties resulting from the WebTech's changes in operations. Our royalty agreement with Webtech is scheduled to expire on October 31, 2015.

Inability to protect and enforce our intellectual property rights could adversely affect our financial results.

Intellectual property rights, including patents, trade secrets, confidential information, trademarks, tradenames and other forms of trade dress, are important to our business. We endeavor to protect our intellectual property rights in jurisdictions in which our products are produced or used and in jurisdictions into which our products are imported. However, we may be unable to obtain protection for our intellectual property in key jurisdictions. We have designed and implemented internal controls to restrict access to and distribution of our intellectual property. Despite these precautions, our intellectual property is vulnerable to unauthorized access through employee error or actions, theft and cybersecurity incidents, and other security breaches.

Demand for and supply of our products and services may be adversely affected by several factors, some of which we cannot predict or control, that could adversely affect our financial position, results of operations or cash flows.

The demand for our products and services could be affected by several factors, including:

- economic downturns in the markets in which we sell our products;
- competition from other products;
- changes in customer preferences;
- product obsolescence or technological changes that render our products less desirable to use or more expensive to produce;
- changes in environmental regulations that may make our products illegal to sell and distribute in their present form;
- inability of our supplier to obtain materials used in production due to factors such as work stoppages, shortages or supplier plant shutdowns; and
- inability to supply products due to factors such as work stoppages, plant shutdowns or regulatory changes and exogenous factors, like severe weather.

If any of these events occur, the demand for and supply of our products and services could suffer, which could have a material adverse effect on our financial position, results of operations and cash flows.

Current and future disruptions in the global credit and financial markets could limit our access to financing, which could negatively impact our business.

Domestic and foreign credit and financial markets have experienced extreme disruption in the past three years, including volatility in security prices, diminished liquidity and credit availability, declining valuations of certain investments and significant changes in the capital and organizational structures of certain financial institutions. We are unable to predict the likely duration and severity of the continuing disruption in the credit and financial markets or of any related adverse economic conditions. These market conditions may limit our ability to access the capital necessary to grow and maintain our business. Accordingly, we may be forced to delay raising capital, issue shorter tenors than we prefer or pay unattractive interest rates, which could increase our interest expense, decrease our profitability and significantly reduce our financial flexibility. Overall, our results of operations, financial condition and cash flows could be materially adversely affected by the disruptions in the global credit and financial markets.

The global economic downturn may have a negative effect on our business and operations.

The global economic downturn has caused a general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, and lower business spending, all of which may have a negative effect on our business, results of operations, financial condition and liquidity. Potential customers may be unable to fund purchases or may determine to reduce purchases or inventories or may cease to continue in business. In addition, our supplier may not be able to supply us with needed raw materials on a timely basis, may increase prices or go out of business, which could result in our inability to meet customer demand or could affect our gross margins.

The timing, strength or duration of any recovery in the global economic markets remains uncertain, and there can be no assurance that market conditions will improve in the near future or that our results will not continue to be materially and adversely affected. Such conditions make it very difficult to forecast operating results, make business decisions and identify and address material business risks. There can be no assurance that the economy and our operating results will continue to improve, that the economy will not experience another significant downturn. In such an event, our operating results, financial condition and business could be adversely affected.

The agreements governing our debt contain various covenants that limit our ability to take certain actions, failure to comply with which could have a material adverse effect on us.

The agreements governing our senior secured term loan contain a number of covenants that, among other things, limit our ability to: transfer or sell all or substantially all of our assets or make certain other restricted payments. Any future refinancing of the term loan is likely to contain similar restrictive covenants.

Our President and the Chief Technology Officer holds approximately 61% of our common stock and will be able to exert considerable influence over our actions.

Mr. Rasmus Norling owns approximately 61% of the outstanding shares of our common stock. As the President, Chief Technical Officer and a significant stockholder, he has the power to exert considerable influence over our actions and the outcome of matters on which our stockholders are entitled to vote including the election of directors and other significant corporate actions. The interests of Mr. Norling may be different from the interests of our shareholders.

The loss of key members of our senior management team could disrupt the management of our business.

We believe that our success depends on the continued contributions of the members of our senior management team, including Mr. Rasmus Norling, our President, Chief Technical Officer and a principal stockholder. The loss of the services of Mr. Norling could impair our ability to identify and secure new customer contracts, to maintain good customer relationships and to otherwise manage our business, which could have a material adverse effect on our financial performance and our ability to compete.

We are subject to risks associated with selling our products internationally.

Our non-domestic sales efforts are subject to varying degrees of regulation in each of the foreign jurisdictions in which we may seek to provide services. Local laws and regulations, and their interpretation and enforcement, differ significantly among those jurisdictions, and can change significantly over time. Future regulatory, judicial and legislative changes or interpretations may have a material adverse effect on our ability to deliver services in foreign jurisdictions.

In addition to these international regulatory risks, some of the other risks inherent in conducting business internationally include:

- economic, political and social instability;
- currency restrictions and exchange rate fluctuations;
- potential submission to the jurisdiction of a foreign court or arbitration panel;
- import and export quotas;
- longer payment cycles and problems collecting accounts receivable;
- potential vessel seizure, terrorist attacks, piracy, kidnapping, the expropriation of assets and other governmental acts;
- pandemics or epidemics that disrupt worldwide trade or the movement of vessels;
- additional U.S. and other regulation of non-domestic operations, including regulation under the Foreign Corrupt Practices Act as well as other anti-corruption laws; and
- the imposition of unanticipated or increased taxes, increased environmental and safety regulations or other forms of public and governmental regulation that increase our operating expenses.

Many of these risks are beyond our control, and we cannot predict the nature or the likelihood of the occurrence or corresponding effect of any such events, each of which could have an adverse effect on our financial condition and results of operations.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to pay interest on our debt and to satisfy our other debt obligations will depend in part upon our future financial and operating performance and upon our ability to renew or refinance borrowings. Prevailing economic conditions and financial, business, competitive, legislative, regulatory and other factors, many of which are beyond our control, will affect our ability to make these payments. While we believe that cash flow from our current level of operations, available cash and available borrowings will provide adequate sources of liquidity for at least the next twelve months, a significant drop in operating cash flow resulting from economic conditions, competition or other uncertainties beyond our control could create the need for alternative sources of liquidity. If we are unable to generate sufficient cash flow to meet our debt service obligations, we will have to pursue one or more alternatives, such as, reducing or delaying capital or other expenditures, refinancing debt, selling assets, or raising equity capital.

We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including our term loan and revolving credit facility, on commercially reasonable terms or at all.

Because our stock is a penny stock, stockholders will be more limited in their ability to sell their stock.

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system.

Because our securities constitute "penny stocks" within the meaning of the rules, the rules apply to us and to our securities. The rules may further affect the ability of owners of shares to sell our securities in any market that might develop for them. As long as the quotation price of our common stock is less than \$5.00 per share, the common stock will be subject to Rule 15c-2 under the Exchange Act. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that:

- contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of securities laws;
- contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
- contains a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- contains such other information and is in such form, including language, type, size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock.

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

On March 10, 2014, we issued non-transferrable share purchase warrants for an aggregate of 10,000,000 shares of our common stock for an initial exercise price of \$1.00 per share for a period of three years to our President and Chief Technical Officer, Rasmus Norling. These warrants were issued pursuant to the exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), on the basis that Mr. Norling is a director and executive officer of the Company. Additional details regarding the issuance of these warrants are provided under Part I, Item 2. of this Quarterly Report on Form 10-Q.

Between January 15, 2014 and March 10, 2014, we issued non-transferrable share purchase warrants for an aggregate of 6,904,546 shares of our common stock with an initial exercise price of \$1.00 per share to KF Business Ventures, LP. These warrants were issued pursuant to the exemptions from registration provided by Rule 506 of Regulation D of the Securities Act on the basis of representations provided by KF Business Ventures that it is an "accredited investor" as defined in Rule 501 of Regulation D. Additional details regarding the issuance of these warrants are provided under Part I, Item 2. of this Quarterly Report on Form 10-Q.

Other than the sales mentioned above there were no other unregistered sales of securities during the three months period ended March 31, 2014 that would be required to be disclosed pursuant to Item 701 of Regulation S-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

All Exhibits required to be filed with this Quarterly Report on Form 10-Q are included in this Quarterly Report or incorporated by reference to our previous filings with the SEC, which can be found in their entirety at the SEC website at www.sec.gov under SEC File Number 000-33309 and 333-66590.

| Exhibit Number | Description of Exhibit |
|----------------|--|
| 3.1 | Articles of Incorporation.(1) Certificate of Amendment to Certificate of Incorporation - Name Change to Artescope Inc.(1) |
| 3.2 | Certificate of Amendment to Certificate of Incorporation - Name Change to GlobeTrac Inc.(2) |
| 3.3 | Certificate of Amendment to Certificate of Incorporation – Name Change to Poly Shield Technologies Inc.(7) |
| 3.4 | Bylaws.(1) |
| 10.1 | Termination and Transfer Agreement dated for reference November 1, 2004, among the Company, Global Axxess Corporation Limited, WebTech Wireless International and WebTech Wireless Inc.(3) |
| 10.2 | Technology License Agreement with Option to Purchase dated March 12, 2012, between the Company, Teak Shield Corp., and Robert and Marion Diefendorf. (5) |
| 10.3 | Loan Agreement dated April 19, 2012, between GlobeTrac Inc. and Acamar Investments Inc.(6) |
| 10.4 | Acamar Promissory Note dated April 19, 2012, given the Company in favor of Acamar Investments, Inc.(6) |
| 10.5 | Security Agreement dated April 19, 2012, granted by GlobeTrac Inc. in favor of Acamar Investments Inc.(6) |
| 10.6 | Loan Agreement dated June 29, 2012, in respect of the principal sum of CDN \$40,000 between the Company and Quarry Bay Capital LLC.(7) |
| 10.7 | Loan Agreement dated June 29, 2012, in respect of the principal sum of CDN \$100,000 between the Company and Quarry Bay Capital LLC.(7) |

- 10.8 Loan Agreement dated June 29, 2012, in respect of the principal sum of CDN \$50,000 between the Company and Quarry Bay Capital LLC.(7)
- 10.9 Extension letter dated October 17, 2012, from Acamar Investments, Inc. (8)
- 10.10 Amendment No. 1 to Loan Agreement and Promissory Note dated November 16, 2012, between the Company and Acamar Investments, Inc.(9)
- 10.11 Employment Agreement between Rasmus Norling and Poly Shield Technologies Inc. dated December 1, 2012. (10)
- 10.12 U.S. Patent Assignment Agreement dated January 12, 2013, between Rasmus Norling and Poly Shield Technologies Inc. (11)
- 10.13 European Patent Assignment Agreement dated January 12, 2013, between Rasmus Norling and Poly Shield Technologies Inc.(11)
- 10.14 Share Purchase Agreement dated January 31, 2013, between Rasmus Norling and Poly Shield Technologies Inc.(12)
- 10.15 Collaboration Agreement dated November 15, 2012, between Ecolutions, Inc. and Green Tech Marine AS.(12)
- 10.16 Master Distributor Agreement dated November 15, 2012, between Ecolutions, Inc. and Green Tech Marine AS.(12)
- 10.17 License Agreement dated November 15, 2012, between Ecolutions, Inc. and Green Tech Marine AS. (12)
- 10.18 Share Purchase Agreement dated April 8, 2013, between J. Douglas Faulkner and Poly Shield Technologies Inc.(13)
- 10.19 Sales and Purchase Agreement dated July 18, 2013 between LMS Shipmanagement, Inc. and Poly Shield Technologies Inc.(14)
- 10.20 Purchase and sale Agreement dated August 16, 2013 between Prestige Cruise Holdings, Inc., and Poly Shield Technologies Inc. (15)
- 10.21 Divestiture and Share Purchase Agreement amongst Octavio Viveros, New World Technologies Group, Inc., and Poly Shield Technologies Inc. dated effective as of December 2, 2013. (16)
- 10.22 Addendum to December 1, 2012 Employment Agreement, dated effective as of December 30, 2013. (17)
- 10.23 Letter Agreement dated January 15, 2014 between Poly Shield Technologies Inc. and KF Business Ventures, LP. (18)
- 10.24 Loan Agreement dated as of January 15, 2014 between Poly Shield Technologies Inc. and KF Business Ventures, LP. (19)
- 10.25 Addendum No. 2 to December 1, 2012 Employment Agreement, dated effective as of February 28, 2014. (20)
- 10.26 Technology Transfer Agreement between Paer Tomas Rasmus Norling and Poly Shield Technologies Inc. dated effective as of March 10, 2014. (21)
- 10.27 Management Consulting Agreement between Paer Tomas Rasmus Norling and Poly Shield Technologies Inc. dated effective as of March 10, 2014. (21)
- 10.28 Amendment No. 1 to Loan Agreement between Poly Shield Technologies Inc. and KF Business Ventures, LP dated effective as of March 10, 2014. (21)
- 10.29 Purchase and Services Agreement between Magical Cruise Company, Limited and Poly Shield Technologies Inc. dated effective as of April 15, 2014. (22)
- 14.1 Code of Ethics (2)
- 31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (23)
- 31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (23)
- 32.1 Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (23)
- 32.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (23)

101.INS XBRL Instance Document.
101.SCH XBRL Taxonomy Extension Schema.
101.CAL XBRL Taxonomy Extension Calculation Linkbase.
101.DEF XBRL Taxonomy Extension Definition Linkbase.
101.LAB XBRL Taxonomy Extension Label Linkbase.
101.PRE XBRL Taxonomy Extension Presentation Linkbase.

- (1) Filed as an exhibit to our Registration statement on Form SB-2 filed on August 2, 2001.
- (2) Filed as an exhibit to our Annual Report on Form 10-KSB filed on April 15, 2003.
- (3) Filed as an exhibit to our Current Report on Form 8-K filed on November 14, 2005.
- (4) Filed as an exhibit to our Current Report on Form 8-K filed on June 10, 2011.
- (5) Filed as an exhibit to our Current Report on Form 8-K filed on March 16, 2012.
- (6) Filed as an exhibit to our Current Report on Form 8-K filed on April 25, 2012.
- (7) Filed as an exhibit to our Current Report on Form 8-K filed on July 13, 2012.
- (8) Filed as an exhibit to our Current Report on Form 8-K filed on November 6, 2012.
- (9) Filed as an exhibit to our Current Report on Form 8-K filed on December 7, 2012.
- (10) Filed as an exhibit to our Current Report on Form 8-K filed on December 11, 2012.
- (11) Filed as an exhibit to our Current Report on Form 8-K filed on January 17, 2013.
- (12) Filed as an exhibit to our Current Report on Form 8-K filed on February 6, 2013.
- (13) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on May 14, 2013
- (14) Filed as an exhibit to our Current Report on Form 8-K filed on July 24, 2013
- (15) Filed as an exhibit to our Current Report on Form 8-K filed on August 22, 2013
- (16) Filed as an exhibit to our Current Report on Form 8-K filed on December 9, 2013.
- (17) Filed as an exhibit to our Current Report on Form 8-K filed on January 3, 2014.
- (18) Filed as an exhibit to our Current Report on Form 8-K filed on January 17, 2014.
- (19) Filed as an exhibit to our Current Report on Form 8-K filed on February 18, 2014.
- (20) Filed as an exhibit to our Current Report on Form 8-K filed on March 3, 2014.
- (21) Filed as an exhibit to our Current Report on Form 8-K filed on March 11, 2014.
- (22) Filed as an exhibit to our Current Report on Form 8-K filed on April 17, 2014.
- (23) Filed herewith.

**POLY SHIELD TECHNOLOGIES INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brad Eckenweiler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending March 31, 2014 of Poly Shield Technologies 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. The registrant's other certifying officer(s) and I are 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. The registrant's other certifying officer(s) and 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: May 15, 2014

/s/ Brad Eckenweiler
Brad Eckenweiler
Chief Executive Officer

**POLY SHIELD TECHNOLOGIES INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John da Costa, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending March 31, 2014 of Poly Shield Technologies 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. The registrant's other certifying officer(s) and I are 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. The registrant's other certifying officer(s) and 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: May 15, 2014

/s/ John da Costa
John da Costa
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Poly Shield Technologies Inc. (the "Company") on Form 10-Q for the period ending March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brad Eckenweiler, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2014

/s/ Brad Eckenweiler
Brad Eckenweiler
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Poly Shield Technologies Inc. (the "Company") on Form 10-Q for the period ending March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John da Costa, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2014

/s/ John da Costa

John da Costa

Chief Financial Officer