

PURE TO PURE BEAUTY INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

PURE TO PURE BEAUTY INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2024 AND SEPTEMBER 30, 2023
(Expressed in Canadian dollars)

	Notes	March 31, 2024	September 30, 2023
		\$	\$
ASSETS			
Current assets			
Cash		63,073	174,283
Accounts and other receivables	4	3,566	8,780
Total current assets		66,639	183,063
Non-current asset			
Intangible assets	5	36,034	38,534
Total assets		102,673	221,597
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		44,365	50,318
Due to related parties	7	30,350	13,382
Short term loan	9	-	43,000
Total current liabilities		74,715	106,700
Non-current liability			
Note payable	8	75,000	75,000
Total liabilities		149,715	181,700
Shareholders' equity			
Share capital	6	820,628	820,628
Contributed surplus	6	3,871	3,871
Deficit		(871,541)	(784,602)
Total shareholders' equity		(47,042)	39,897
Total liabilities and shareholders' equity		102,673	221,597

NATURE OF BUSINESS AND GOING CONCERN (Note 1)
BUSINESS ACQUISITION (Note 12)
SUBSEQUENT EVENTS (Note 13)

The financial statements were authorized for issue by the board of directors on May 17, 2024 and were signed on its behalf by:

/s/ "Simon Cheng"

Simon Cheng, Director

/s/ "Steven Pearce"

Steven Pearce, Director

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

PURE TO PURE BEAUTY INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THREE AND SIX MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in Canadian dollars)

	Note	Three months ended March 31, 2024	Three months ended March 31, 2023	Six months ended March 31, 2024	Six months ended March 31, 2023
		\$	\$		
Operating expenses					
Advertising		-	-	15,000	-
Amortization	5	1,250	1,250	2,500	2,500
Consulting fees		-	9,554	16,150	16,229
Interest and bank charges		173	111	454	302
Listing and transfer agent expenses		5,916	1,500	12,109	7,264
Management fees	7	12,000	14,000	27,430	28,941
Office and miscellaneous		684	-	4,792	-
Professional fees		4,624	(2,000)	8,504	21,730
Salaries and benefits		-	-	-	4,473
Total operating expenses		(24,647)	(24,415)	(86,939)	(81,439)
Other item					
Foreign exchange loss		-	(239)	-	(239)
Net loss and comprehensive loss for the period		(24,647)	(24,654)	(86,939)	(81,678)
Net loss per common share, basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding		53,076,882	53,076,882	53,076,882	53,076,882

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

PURE TO PURE BEAUTY INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR SIX MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance, September 30, 2022	53,076,882	820,628	3,871	(562,620)	261,879
Comprehensive loss for the period	-	-	-	(81,678)	(81,678)
Balance, March 31, 2023	53,076,882	820,628	3,871	(644,298)	180,201
Balance, September 30, 2023	53,076,882	820,628	3,871	(784,602)	39,897
Comprehensive loss for the period	-	-	-	(86,939)	(86,939)
Balance, March 31, 2024	53,076,882	820,628	3,871	(871,541)	(47,042)

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

PURE TO PURE BEAUTY INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in Canadian dollars)

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(86,939)	(81,678)
Adjustments for:		
Amortization	2,500	2,500
Changes in non-cash working capital items:		
Decrease (increase) in accounts and other receivables	5,214	(2,395)
Increase (decrease) in accounts payable and accrued liabilities	(5,953)	(8,622)
Increase (decrease) in due to related parties	16,968	-
Net cash used in operating activities	(68,210)	(90,195)
FINANCING ACTIVITY		
Repayment of short-term loan	(43,000)	-
Net cash used from financing activity	(43,000)	-
Change in cash	(111,210)	(90,195)
Cash, beginning of the period	174,283	315,806
Cash, end of the period	63,073	225,611
Supplemental disclosure with respect to cash flows:		
	\$	\$
Income tax paid	-	-
Interest paid	-	-

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

PURE TO PURE BEAUTY INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Pure to Pure Beauty Inc. (the "Company" or "P2P") was incorporated on September 29, 2014 under the laws of British Columbia, Canada. Its registered office is located at 2200 HSBC Building 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. The Company was incorporated as a wholly-owned subsidiary of Cascadia Blockchain Group Corp. ("Cascadia") for the purposes of a re-organization of Cascadia pursuant to a plan of arrangement ("Plan of Arrangement") under the Business Corporation Act of British Columbia. The Plan of Arrangement became effective on November 28, 2014. The Company became a reporting issuer in British Columbia, Alberta and Ontario on November 28, 2014. The principal business of the Company is the development and sale of consumer product goods under its own brand.

On September 1, 2022, the Company's common shares began trading on the Canadian Securities Exchange under the stock ticker symbol "PPB".

Going concern

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period. As at March 31, 2024, the Company has incurred losses since its inception and has an accumulated deficit of \$871,541 (September 30, 2023 - \$784,602). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future, which raises significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB").

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

The presentation and functional currency of the Company is the Canadian dollar.

PURE TO PURE BEAUTY INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. A significant area requiring the use of management estimates is the amount to be recognized on deferred income taxes and liabilities. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next fiscal year. The more significant area where management judgement has been applied is the ability of the Company to continue as a going concern.

Intangible assets

The Company's intangible assets consist of trademarks, trade secrets, know-how, and domain names (Note 5). Infinite life intangible assets are recorded at cost less accumulated impairment losses. Finite life intangible assets are recorded at cost and are amortized once they are in use on a straight-line basis over their estimated useful lives as follows:

Category	Useful life
Trademarks, trade secrets, know-how, and domain names	10 years

At the end of each reporting period, the Company assesses whether there has been any indication that an asset may be impaired. If an impairment indicator exists, the recoverable amount is determined and compared to the carrying amount of the asset or the CGU to which the asset relates. If the recoverable amount is lower, any difference between the carrying amount and the recoverable amount is written off to profit or loss as an impairment charge.

Financial instruments

(i) Financial assets - Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("FVOCI"), or through profit or loss ("FVTPL"), and
- Those to be measured at amortized cost.

PURE TO PURE BEAUTY INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets - Classification (continued)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

(ii) Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method. The Company has not designated any financial assets at FVOCI.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises. The Company has classified its cash as FVTPL.

(iii) Financial liabilities

The Company classifies its financial liabilities into the following categories:

- FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) Financial liabilities (continued)

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss. The Company has not designated any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company has classified its accounts payable and accrued liabilities, shareholder loan and due to related parties as amortized cost.

Impairment

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

(ii) Financial assets (continued)

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

Financing costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to earnings.

PURE TO PURE BEAUTY INC.
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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustment to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the end of each reporting period. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Revenue

The Company generates revenue from the sale of consumer product goods. Revenue from the product sales is recognized upon the transfer of title of the product to the customer.

The Company considers IFRS 5-step revenue recognition framework when assessing appropriate revenue recognition as follows:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Changes in accounting policies including initial adoption

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than January 1, 2024. These updates are not currently relevant to the Company or are not expected to have a material impact on the financial statements and are therefore not discussed herein.

PURE TO PURE BEAUTY INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

4. ACCOUNTS AND OTHER RECEIVABLES

The Company's other receivable are as follows:

	March 31, 2024	September 30, 2023
	\$	\$
GST/HST receivable	2,686	8,780
Prepaid Expenses	880	-
	3,566	8,780

5. INTANGIBLE ASSETS

During the year ended September 30, 2021, the Company acquired certain intangible assets from its Chief Executive Officer prior to his joining, in exchange of 2,500,000 common shares in the capital of the Company at a fair value of \$50,000.

Intangible assets consist of the following:

	Intellectual Property \$
Cost	
Balance, March 31, 2024, and September 30, 2023, 2022	50,000
Accumulated amortization	
Balance, September 30, 2022	6,466
Amortization during the year	5,000
Balance, September 30, 2023	11,466
Amortization during the period	2,500
Balance, March 31, 2024	13,966
Net book value	
Balance, September 30, 2023	38,534
Balance, March 31, 2024	36,034

6. SHARE CAPITAL

Authorized

The Company has authorized an unlimited number of common and preferred shares with no par value.

Issued and outstanding

There were no additional shares issued during the six months ended March 31, 2024, or the year ended September 30, 2023.

Escrow shares

As at March 31, 2024, the Company has 2,117,388 shares held in escrow.

PURE TO PURE BEAUTY INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes current and former directors, the Chief Executive Officer and the Chief Financial Officer of the Company. Salaries and benefits incurred are presented gross of any reimbursements from the Company.

Key management personnel compensation

During the three and six month ended March 31, 2024, and 2023, the Company incurred the following compensation to key management personnel:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
	\$	\$	\$	\$
Management fees	12,000	14,000	27,430	28,941
Salaries and benefits (former CFO)	-	-	-	4,473
	12,000	14,000	27,430	33,414

Due to related parties

Amounts due to related parties of \$30,350 (September 30, 2023 - \$13,382) are payable to officers and directors of the Company, and companies controlled by officers and directors. These amounts are unsecured, non-interest bearing and due on demand.

8. NOTE PAYABLE

In November 2020, the Company settled all amounts due to a shareholder in the amount of \$61,015 and amounts due to a former officer and director of the Company in the amount of \$16,447 included in accounts payable and accrued liabilities for an aggregate settlement amount of \$77,462, for a total consideration of \$75,000 of which \$37,500 is payable in cash or shares at the discretion of the creditors and \$37,500 is payable in cash or shares at the Company's discretion. The price per share will be based on the future qualifying transaction to be completed by the Company. The debt settlement resulted in a gain of \$2,462. The amount outstanding is unsecured, non-interest bearing and with no fixed repayment terms.

9. SHORT TERM LOAN

During the year ended September 30, 2023, the Company received a short-term loan of \$43,000. The loan was non-interest bearing, unsecured, and due on demand. The loan was repaid in full during the period.

PURE TO PURE BEAUTY INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS

Classification and fair value

The Company's financial instruments consist of cash, amounts receivable - excluding GST recoverable, accounts payable and accrued liabilities, due to related parties and note payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOC, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories.

The following table summarized the carrying values of the Company's financial instruments:

	March 31, 2024	September 30, 2023
	\$	\$
Financial assets at fair value through profit or loss (i)	63,073	174,283
Financial assets measured at amortized cost (ii)	-	-
Financial liabilities measured at amortized cost (iii)	149,715	181,700

(i) Cash

(ii) Amounts receivable excluding GST recoverable

(iii) Accounts payable and accrued liabilities, due to related parties and note payable

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable input).

Cash is classified as Level 1. The Company does not have any financial assets classified as Level 2 or 3.

The fair value of accounts payable and accrued liabilities, due to related parties and note payable approximate their book values because of the short-term nature of these instruments, and/or the terms of the repayment.

Financial risk management

The Company's financial risks arising from its financial instruments are currency risk, credit risk, liquidity risk, and interest rate risk. The Company's exposure to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and its current exposure to exchange rate fluctuations is minimal. The Company does not have any foreign currency denominated monetary assets or liabilities.

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10. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company does not have any significant credit risk. Cash is held in a major financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at March 31, 2024, the Company had a working capital deficit of \$8,076 (September 30, 2023 – working capital of \$76,363). As a result, the Company is subject to liquidity risk.

Interest rate risk

The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company does not have significant interest rate risk.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital of the Company includes all the accounts in the shareholders' equity.

The Company's objective is met by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management. Currently, the Company is relying on private placements and advances from the directors and officers to continue its operations. The Company is not subject to any externally imposed capital requirements.

12. BUSINESS ACQUISITION

On August 6, 2023, the Company signed a share purchase agreement (“SPA”) to acquire a 51% equity interest of UK-based Sunseal International Limited from Corium Health Limited. The Company was obligated to issue 5,000,000 common shares (not issued) and to make a cash payment of CAD\$75,000 (not paid), and enter into an earn-out and performance payment agreement, and a purchaser option agreement with Corium Health Limited.

On October 30, 2023, the Company announced the termination of the SPA to acquire a 51% equity interest in Sunseal International Limited from Corium Health Limited. The parties have mutually agreed to terminate the transaction with no further obligations.

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13. SUBSEQUENT EVENTS

There are no subsequent events to report at this time.