CleanGo Innovations Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

CleanGo Innovations Inc.
Condensed Interim Consolidated Statements of Financial Position
As at March 31
(Unaudited - Expressed in Canadian dollars)

(unaudited)	Notes	**As at March 31, 2023**	As at December 31, 2022
ASSETS			
Current assets			
Cash		**$ 173,850**	$ 14,105
Receivables	3	**119,762**	115,819
Deposits and prepaid expenses		**12,180**	12,190
Inventory	4	**71,223**	69,770
		377,015	211,884
Non-current assets			
Right-of-use assets	5	**293,757**	314,995
Property and equipment	6	**62,833**	65,548
		356,590	380,543
Total assets		**$ 733,604**	$ 592,427
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**$ 711,250**	$ 684,205
Related parties payables	11	**800,422**	733,580
Subscriptions received in advance	10	**250,000**	-
Current portion of lease liabilities	5	**116,019**	110,482
		1,877,691	1,528,267
Non-current liabilities			
Government loan	8	**39,440**	38,953
Lease liabilities	5	**191,958**	223,176
		231,398	262,129
Total liabilities		**$ 2,109,089**	$ 1,790,396
SHAREHOLDERS' DEFICIENCY			
Share capital	9	**8,012,675**	8,007,675
Contributed surplus	9	**1,417,422**	1,201,320
Warrants	9	**64,043**	280,145
Accumulated other comprehensive loss		**(14,391)**	(10,827)
Deficit		**(10,855,234)**	(10,676,282)
Total shareholders' deficiency		**(1,375,485)**	(1,197,969)
Total liabilities and shareholders' deficiency		**$ 733,604**	$ 592,427

Nature and continuance of operations (Note 1)

Subsequent events (Note 19)

"signed" Anthony Sarvucci
Director

"signed" Paula Pearce-Sarvucci
Director

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

CleanGo Innovations Inc
Consolidated Statements of Loss and Comprehensive Loss
For the three months ended March 31
(Unaudited - Expressed in Canadian dollars)

(unaudited)	Notes		**Three months ended March 31, 2023**		Three months ended March 31, 2022
Revenue		**$**	**11,706**	$	39,913
Cost of sales			**(6,406)**		(32,383)
Gross Margin			**5,300**		7,530
Expenses					
Selling and administrative	11		**116,902**		257,950
Depreciation and amortization	5,6		**23,674**		7,206
Foreign exchange loss / (gain)			**26,133**		(1,111)
Other (income) expense			**-**		(8,581)
Finance (income) expense	7		**17,542**		1,051
			184,252		256,515
Net loss before undernoted item			**(178,952)**		(248,985)
Gain (loss) on debt settlement	9		**-**		(17,945)
Net loss			**(178,952)**		(266,930)
Translation loss on foreign operations			**3,564**		(1,208)
Comprensive loss		**$**	**(175,389)**	$	(268,138)
Basic and diluted loss per share		**$**	**(0.07)**	$	(0.03)
Weighted average number of common shares outstanding basic and diluted			2,544,706		7,905,310

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

CleanGo Innovations Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
For the three months ended March 31
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Amount	Contributed surplus	Warrants	Accumulated other comprehensive loss	Deficit	Total
Balance at December 31, 2021	2,254,328	$ 7,620,334	$ 31,490	$ 689,729	$ (7,573)	$ (8,698,075)	$ (364,095)
Net loss for the year	-	-	-	-	-	(1,978,207)	(1,978,207)
Stock based compensation	-	-	718,646	-	-	-	718,646
Shares issued related to debt extinguishment	252,155	387,341	-	41,600	-	-	428,941
Expired warrants	-	-	451,184	(451,184)	-	-	-
Translation loss on foreign operations	-	-	-	-	(3,254)	-	(3,254)
Balance at December 31, 2022	**2,506,483**	**$ 8,007,675**	**$ 1,201,320**	**$ 280,145**	**$ (10,827)**	**$ (10,676,282)**	**$ (1,197,969)**
Net loss for the period	-	-	-	-	-	(178,952)	(178,952)
Common shares issued	40,000	5,000	-	-	-	-	5,000
Expired warrants	-	-	216,102	(216,102)	-	-	-
Translation loss on foreign operations	-	-	-	-	(3,564)	-	(3,564)
Balance at March 31, 2023	**2,546,483**	**$ 8,012,675**	**$ 1,417,422**	**$ 64,043**	**$ (14,391)**	**$ (10,855,234)**	**$ (1,375,485)**

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

CleanGo Innovations Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 20223 and 2022
(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended March 31, 2023	Three months ended March 31, 2022
Cash (used in) / provided by:			
Operating activities:			
Net loss		**$ (178,952)**	$ (266,930)
Items not involving cash:			
Depreciation and amortization	6	**23,674**	7,206
Accretion on government loan	7	**487**	514
Accretion on lease liability	7	**9,089**	-
Share-based payments		**-**	134,695
Unrealized foreign exchange (gain) / loss		**-**	(2,319)
Non-cash other income		**-**	(8,581)
		(145,702)	(135,416)
Net change in non-cash working capital		**93,501**	27,445
Cash used in operations		**(52,201)**	(107,971)
Financing activities:			
Subscriptions received in advance	10	**250,000**	-
Repayment of lease liabilities	5	**(25,500)**	(3,883)
Cash from (used in) financing activities		**224,500**	(3,883)
Increase (decrease) in cash		**172,299**	(111,854)
Net effect of foreign exchange on cash		**(12,555)**	-
Cash, beginning of year		**14,105**	295,750
Cash, end of year		**$ 173,849**	$ 183,896

Supplemental cash flow information (Note 17)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

CleanGo Innovations Inc. (the “Company” or “CleanGo”) was incorporated as CDN BVentures Ltd. on October 30, 2014 under the Business Corporations Act (British Columbia). On August 27, 2021, the Company completed a reverse take-over business combination with Clean Go Green Go Inc. (“CleanGo GreenGo”) wherein the Company acquired 100% of the issued and outstanding common shares of Clean Go Green Go and its wholly owned subsidiary CleanGo GreenGo Inc. (“CleanGo US”) and began trading on the Canadian Securities Exchange (“Exchange”) under the symbol “CGII”.

These consolidated financial statements reflect the continuation of the financial position, operating results and cash flow of the Company’s legal subsidiary, CleanGo GreenGo.

The head office, principal business address of the Company is located at Suite 422, 234 – 5149 Country Hills Blvd, Calgary, Alberta. Our registered and records address for CleanGo Innovations is located at suite 1100 – 1111 Melville Street Vancouver BC V6E 3V6.

The Company’s principal business activity is to manufacture and sell cleaning, disinfecting and industrial solutions using a proprietary formulation which is non-toxic, biodegradable and uses no harsh chemicals to provide a green cleaning, disinfecting and emulsifying solution to buyers.

On January 6, 2023, the Company consolidated all of the issued and outstanding common shares of the Company on the basis of one post-consolidation common share for every 5 pre-consolidation common shares. The common shares commenced trading on a post-share consolidation basis when the markets opened on January 13, 2023. Accordingly, all common share, option, warrant, and per share amounts have been retroactively restated to reflect this share consolidation.

Going concern

The Company incurred a net loss of $178,951 (2022 $266,930) for the three months ended March 31, 2023 and used cash in operations of $52,200 (2022 $107,971). As at March 31, 2023, the Company had a history of losses and an accumulated deficit of $10,855,234 (At December 31, 2022 $10,676,282). Current liabilities exceed current assets by $1,500,676 (At December 31, 2022 $1,316,383). Consequently, continuing business as a going concern is dependent upon the success of the Company’s sale of its products, generation of positive cash flows and the ability of the Company to obtain additional debt or equity financing all of which are uncertain. These circumstances indicate the existence of material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern.

The Company’s future capital requirements will depend on many factors, including the costs of developing its products, operating costs, the current capital market environment and global market conditions. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

These consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

Recent global issues, including the lingering impact of the COVID-19 pandemic and the 2022 Russian invasion of Ukraine have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

2. BASIS OF PREPARATION

Basis of consolidation and preparation

These Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and follow a basis consistent with the accounting, estimations and valuation policies described in the Company's audited Consolidated Financial Statements as at and for the year ended December 31, 2021 (the "Annual Financial Statements").

These Financial Statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting except for cash flow information. All financial information is reported in Canadian dollars, unless otherwise noted. Certain information and disclosures normally required to be included in the notes to the Annual Financial Statements prepared in accordance with IFRS have been condensed or omitted. These Financial Statements should be read in conjunction with the Annual Financial Statements.

The timely preparation of the financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses for the reporting period. The judgments, estimates, and assumptions are based on current data and relevant information available to the Company at the time of financial statement preparation. Accordingly, actual reported amounts may differ from estimated amounts as future confirming events occur.

The Financial Statements include the financial statements of the Company and its wholly owned subsidiaries. Inter-company accounts and balances are eliminated upon consolidation. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These Financial Statements are authorized for issue by the Board of Directors on May 30, 2023.

3. RECEIVABLES

		March 31, 2023		December 31, 2022
Trade receivables	**$**	**14,355**	$	11,198
Other receivables		**105,407**		104,621
Ending balance	**$**	**119,762**	$	115,819

4. INVENTORY

		March 31, 2023		December 31, 2022
Finished goods	**$**	**-**	$	-
Materials and supplies		**71,223**		69,770
Provision for inventory obsolescence		**-**		-
Ending balance	**$**	**71,233**	$	69,770

5. LEASES

On August 1, 2022, the Company entered into a warehouse lease agreement that gives the Company the right to use a certain warehouse space until July 31, 2025. The total present value of the monthly payments is $357,525, using the financing rate of 11.2%. At the start of this agreement, the Company recorded $357,525 as ROU asset and lease liabilities.

As at March 31, 2023, the Company is committed to minimum lease payments as follows in US dollars:

2023	US$	79,625
2024		112,625
2025		68,250
Total undiscounted lease liabilities	US$	286,000

		Lease Liability
Lease liability, initial recognition at August 1, 2022	$	357,525
Lease accretion		13,074
Lease payments		(56,902)
Unrealized foreign exchange		19,961
Lease liability, December 31, 2022		333,658
Lease accretion		9,089
Lease payments		(34,471)
Unrealized foreign exchange		(299)
Lease Liability, March 31, 2023		307,977
Long-term portion		(191,958)
Short-term portion	$	116,019

Changes in the Company's ROU assets for the year are as follows:

		ROU assets
Recognition of lease at August 1, 2022	$	**357,525**
Amortization		**(60,015)**
Unrealized foreign exchange		**17,485**
Balance December 31, 2022	$	**314,995**
Amortization		**(20,959)**
Unrealized foreign exchange		**(279)**
Balance March 31, 2023	$	**293,757**

(Unaudited - Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Machinery and equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Computer equipment	Total
Cost						
Balance December 31, 2022	$ 67,478	$ 3,367	$ 5,198	$ 17,229	$ 4,456	$ 97,728
Additions	-	-	-	-	-	-
Balance March 31, 2023	$ 67,478	$ 3,367	$ 5,198	$ 17,229	$ 4,456	$ 97,728
Depreciation						
Balance December 31, 2022	$ 14,119	$ 1,596	$ 5,198	$ 6,811	$ 4,456	$ 32,180
Depreciation expense	1,687	168	-	861	-	2,716
Balance March 31, 2023	$ 15,806	$ 1,764	$ 5,198	$ 7,672	$ 4,456	$ 34,896
Net book value						
March 31, 2023	$ 51,672	$ 1,603	$ -	$ 9,557	$ -	$ 62,832

	Machinery and equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Computer equipment	Total
Cost						
Balance December 31, 2021	$ 67,478	$ 3,367	$ 5,198	$ 17,229	$ 4,456	$ 97,728
Additions	-	-	-	-	-	-
Balance December 31, 2022	$ 67,478	$ 3,367	$ 5,198	$ 17,229	$ 4,456	$ 97,728
Depreciation						
Balance December 31, 2021	$ 7,370	$ 960	$ 3,899	$ 3,535	$ 3,261	$ 19,025
Depreciation expense	6,749	636	1,299	3,276	1,195	13,155
Balance December 31, 2022	$ 14,119	$ 1,596	$ 5,198	$ 6,811	$ 4,456	$ 32,180
Net book value						
December 31, 2022	$ 53,359	$ 1,771	$ -	$ 10,418	$ -	$ 65,548

7. FINANCE INCOME AND EXPENSE

	Three months ended March 31, 2023	Three months ended March 31, 2022
Finance Income	**$ -**	$ (8,581)
Interest Expense	**7,965**	285
Interest on lease liability (Note 5)	**9,089**	252
Accretion on Government loan (Note 8)	**487**	514
Ending balance	**$ 17,541**	$ (7,530)

8. GOVERNMENT LOAN

In April 2021, the Company obtained a bank loan under the Canadian Emergency Business Account program ("CEBA Loan") in the amount of $60,000. Under the provision of the loan, if the principal amount of the loan is repaid by December 31, 2023, $20,000 of the loan amount is forgiven. In addition, the loan is non-interest bearing until December 31, 2023. In the event the CEBA loan is not repaid by December 31, 2023, no amount will be forgiven, and the lender will automatically extend the loan by three years until December 31, 2026, and during the extension period, interest will be charged on the outstanding amount at a fixed rate of 5%. During the year ended December 31, 2022, the Company recognized the forgiveness amount and the interest benefit totalling $23,046 as other income using an interest rate of 7.946% to discount the loan. The interest benefit will be accreted on a monthly basis up to the payable amount through interest expense.

9. SHARE CAPITAL

A. Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Issued share capital

On August 27, 2021, the Company completed a share consolidation on the basis of 1:0.75. As well, on December 13, 2021, the Company completed a share consolidation on the basis of 4:1.0. These Financial Statements reflect the retrospective application of these share consolidations.

(i) In August 2021 a reverse acquisition transaction ("RTO") with Clean Go Green Go was completed resulting in an increase in share capital of $6,312,718
(ii) During the year ended December 31, 2021 as a condition of the CSE to complete the RTO and to adhere to the CSE policy on Builder Shares (Note 12), related party debt of $109,510 was settled for common shares, cash capital contribution of $311,760 and 5,625 shares held by the CEO were cancelled. As a result, share capital increased by $421,271.
(iii) During the year ended December 31, 2021 $520,173 of debt was settled by issuing shares and warrants resulting in an increase in share capital of $252,455 and warrant reserve of $28,043 resulting in a gain on debt settlement of $239,675.
(iv) During the year ended December 31, 2022, $406,224 of debt was settled by issuing shares and warrants resulting in an increase in share capital of $387,341 and warrant reserve of $41,600 resulting in a loss on debt settlement of $22,717.
(v) On January 4, 2023, the Company settled debt of $5,000 of accounts payable balance by issuing 200,000 shares at deemed price of $0.10 per share.
(vi) On January 6, 2023, the Company consolidated all of the issued and outstanding common shares of the Company on the basis of one post-consolidation common share for every 5 pre-consolidation common shares. The common shares commenced trading on a post-share consolidation basis when the markets opened on January 13, 2023. Accordingly, all common share, option, warrant, and per share amounts have been retroactively restated to reflect this share consolidation.

B. Warrants

The following table summarizes the continuity of share purchase warrants:

(Unaudited - Expressed in Canadian dollars)

	Number of warrants
Balance, December 31, 2020 and 2019	-
Purchase of warrants on RTO transaction (i) (note 12)	277,441
Warrants issued related to debt extinguishment (ii)	29,624
Balance December 31, 2021	307,065
Warrants issued related to debt extinguishment (iii)	3,175
Warrants issued related to debt extinguishment (iv)	37,895
Warrants expired June 18, 2022	(214,941)
Balance December 31, 2022	133,194
Warrants expired February 9, 2023	(13,641)
Warrants expired February 26, 2023	(48,859)
Warrants expired March 15, 2023	(3,175)
Balance March 31, 2023	**67,519**

(i) On the closing of the RTO transaction, the Company assumed the existing warrants of SoftLab9. The fair value was determined using the Black-Scholes model with the following assumptions: risk free interest rate between 0.40% – 0.43%; dividend yield – 0%; expected volatility between 140% – 160%; life of warrants between 0.8 – 1.5 years.

(ii) The Company issued warrants of CleanGo Innovations related to debt extinguishment that occurred on October 27, 2021. The fair value was determined using the Black-Scholes model with the following assumptions: risk free interest rate between 0.98%; dividend yield – 0%; expected volatility 160%; life of warrants 1.5 years.

(iii) The Company issued warrants of CleanGo Innovations related to debt extinguishment that occurred March 15, 2022. The fair value was determined using the Black-Scholes model with the following assumptions: risk free interest rate 1.6%; dividend yield – 0%; expected volatility 160%; life of warrants 1 year.

(iv) The Company issues warrants of CleanGo Innovations related to debt extinguishment that occurred June 7, 2022. The fair value was determined using the Black-Scholes model with the following assumptions: risk free interest rate 1.6%; dividend yield – 0%; expected volatility 160%; life of warrants 1 year.

The following table reflects the warrants issued and outstanding as of March 31, 2023.

Expiry date	Exercise price per warrant ($)	Outstanding
April 27, 2023 (i)	3.50	27,124
April 27, 2023 (i)	6.25	2,500
June 7, 2023	3.10	37,895
	3.55	**133,194**

(i) Subsequent to March 31, 2023, these warrants expired unexercised.

(Unaudited - Expressed in Canadian dollars)

C. Stock Options

Under the Company's rolling stock option plan dated December 21, 2022, the Company may grant options, with a maximum term of ten years, for up to 10% of the Company's issued and outstanding common shares, to directors, employees and consultants at exercise prices to be determined by the market value on the date of grant. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted with the exception of options granted in relation to investor relations. Options granted to consultants engaged in investor relations activities must vest no earlier than as to one-quarter upon the grant date and as to a further one-quarter after each of the following three four-month periods.

The following table summarizes the continuity of stock options:

	Number of Stock Options	Weighted average exercise price ($)
Balance, December 31, 2020	-	-
Assumed pursuant to RTO (Note 12)	7,900	0.60
Expired	(7,900)	0.60
Balance, December 31, 2021	-	-
Granted	237,500	3.25
Cancelled	(17,500)	3.00
Balance, December 31, 2022	220,000	3.25
Balance, March 31, 2023	**220,000**	**3.25**

Additional information regarding the outstanding stock options at March 31, 2023 is as follows:

Expiry Date	Exercise Price	Options Outstanding	Remaining Life (Years)	Options Exercisable
January 1, 2027	$3.25	220,000	4	220,000

10. SUBSCRIPTIONS RECEIVED IN ADVANCE

The Company received funds for $244,227 in February and March 2023 for purchase of securities of the Company. No securities were issued as at March 31, 2023.

Subsequent to March 31, 2023, on April 26, 2023, the Company closed the first tranche of a non-brokered private placement of convertible note units of the Company comprised of convertible notes in multiples of $1,000 of principal and $2,500 common share purchase warrants per CAD$1,000 of principal. In connection with the First Tranche, the Company issued a Note with principal value of CAD$150,000 and 375,000 Warrants for gross proceeds of CAD$150,000.

The Note bears interest at rate of 1.5% per month and principal and accrued interest are repayable in common shares of the Company at a conversion price of $0.375 per share at maturity 24 months from the date of issuance or at the time of earlier conversion at the option of either the Noteholder or the Company. If the Noteholder elects to convert within the first year, the payment of interest will be waived. Each Warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$0.40 per share for a period of two years from issuance.

At May 30, 2023, the remaining $100,000 remained as subscriptions received in advance.

(Unaudited - Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Related party transactions are in the normal course of operations and initially measured at fair value. Amounts due to or from related parties are non-interest bearing, due on demand and unsecured, unless specified.

The following related party transactions represent amounts incurred during the three months ended:

		March 31, 2023		March 31, 2022
Consulting fees	**$**	**54,000**	$	54,000

Summary of amounts payable to related parties:

		March 31, 2023		December 31, 2022
Directors and officers	**$**	**535,880**	$	469,038
Companies owned by directors		**264,542**		264,542
	$	**800,422**	$	733,850

The amounts due to directors and management originated from expenses incurred by the directors and management on the behalf of the Company. One of the payables to the Company owned by directors of $264,542 (At December 31, 2022 - $264,542) is related to the acquisition of a worldwide licensing agreement in 2014.

12. REVERSE TAKE-OVER

On November 20, 2020 the Company entered into an Arrangement Agreement ("Arrangement") with CleanGo GreenGo under which a reverse acquisition transaction (the "Transaction" or "RTO") was ultimately completed on August 27, 2021. Under the terms of the Arrangement, the Company acquired all of the issued and outstanding common shares of CleanGo GreenGo. Upon closing, former CleanGo GreenGo shareholders held approximately 54% of the outstanding shares of the Company; accordingly, the Transaction is considered to be a reverse acquisition transaction under which CleanGo GreenGo is identified as the accounting acquirer.

Former SoftLab9 Technologies Inc.("SoftLab9") did not meet the definition of a business under IFRS 3 Business Combinations ("IFRS 3") prior to the transaction, the future consolidated financial statements of the combined entity will represent the continuation of CleanGo GreenGo. The Transaction is therefore accounted for in accordance with IFRS 2 Share-based Payment ("IFRS 2") whereby CleanGo GreenGo is deemed to have issued shares in exchange for the net assets of former SoftLab9 Technologies Inc. at the fair value of the consideration received by CleanGo GreenGo.

As a result of this asset acquisition, a listing expense of $6,394,123 has been recorded. This reflects the difference between the net assets received and the estimated fair value of consideration given as follows:

(Unaudited - Expressed in Canadian dollars)

		Net assets acquired
Cash	$	932,303
Accounts receivables		102,734
Loans receivable		971,989
Accounts payable and accrued liabilities		(1,267,494)
Related parties payables		(28,031)
Loans payable		(99,730)
	$	**611,771**

		Consideration given
Share capital	$	6,312,718
Reserves for options and warrants assumed		693,176
	$	**7,005,894**

In connection with the acquisition, Softlab9 completed a private placement consisting of the issuance of 545,625 units at a unit price of $0.40 on August 19, 2021 and 1,954,375 units at a price of $0.40 on August 26, 2021. The consideration given was valued at $0.32 per share price which was based on the value of the common shares within the units.

The Company had a $928,526 loan outstanding with SoftLab9 which has been eliminated on completion of the RTO.

As a condition of the CSE to complete the RTO and adhere to the CSE policy on Builder Shares, related party debt of $109,510 was settled for common shares, cash capital contribution of $311,760 and 5,625 shares held by the CEO were cancelled. As a result, share capital increased by $421,271.

13. SEGMENTED INFORMATION

The Company has two reportable and operating segments which supply cleaning and disinfecting products to customers directly or through online distributers.

The Company operates in two geographical areas, Canada and the United States ("US"). The Company's revenue from external customers and information about non-current assets by location of assets are detailed below:

Revenue		**Three months ended March 31, 2023**		Three months ended March 31, 2022
Canada	**$**	**11,697**	$	39,690
US		**9**		224
	$	**11,706**	$	39,914

Inventory		**March 31, 2023**		March 31, 2022
Canada	**$**	**-**	$	150,760
US		**71,233**		57,038
	$	**71,223**	$	207,798

Non-current assets		**March 31, 2023**		March 31, 2022
Canada	**$**	**-**	$	78,679
US		**356,590**		-
	$	**356,590**	$	78,679

14. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholders' deficit. The Company's objectives when managing capital are to support the further advancement of the Company's business objectives and existing product lines, as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subjected to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value risk

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices 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 (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data

Cash, trade receivables, other receivables, accounts payable and accrued liabilities and related party payables approximate their fair value due to their short-term maturities. Fair value of the Government loan approximate carrying value due to the effective interest rate used in the calculation of the carrying value.

b) Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises two main types of risk: currency risk and interest rate risk and are disclosed as follows:

(i) Currency risk
Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company undertakes sales and purchase transactions in foreign currencies and is therefore subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The consolidated statements of financial position include the following amounts with respect to financial assets and liabilities for which cash flows are originally denominated in US dollars:

(Unaudited - Expressed in Canadian dollars)

		March 31, 2023		December 31, 2022
Cash	**$**	**14,994**	$	10,061
Trade receivables	**$**	**784**	$	784
Accounts payable and accrued liabilities	**$**	**(1,674)**	$	(1,675)
Related party payables	**$**	**(264,543)**	$	(264,543)

As at March 31, 2023, if a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately $19,676 (At December 31, 2022 $25,537) due to the fluctuation, and this would be recorded in the consolidated statements of loss and comprehensive loss.

(ii) Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates as its loans are non-interest bearing.

c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through a Canadian and American chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited.

The Company's trade receivables exposure to credit risk is considered to be limited. The Company's accounts receivable consists of amounts due from various customers. The maximum exposure to credit risk is equal to the carrying value of accounts receivable. The business models of the Company's respective segments require analysis of credit risk specific to each business line. The Company's historic rate of bad debts is low.

The Company applies the simplified approach to providing for ECL's prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECL, trade receivables are assessed primarily on days past due combined with the Company's knowledge of past bad debts.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At March 31, 2023, the Company's cash balance of $173,850 ($14,105 at December 31, 2022) is unable to settle current liabilities of $1,877,691 ($1,528,267 at December 31, 2022). The Company manages its liquidity risk by attempting to maintain sufficient cash balances to enable settlement of transactions on the due date. Due to the working capital deficiency, the Company will need to seek further sources of cashflows through increase revenue and/or additional equity or debt financings.

(Unaudited - Expressed in Canadian dollars)

16. SUPPLEMENTARY CASH FLOW INFORMATION

The change in non-cash working capital comprises the following:

		March 31, 2023		December 31, 2022
Changes in non-cash working capital:	**$**		$	
Trade and other receivables		**(3,943)**		8,382
Deposits and prepaid expenses		**10**		(2,354)
Inventory		**(1,453)**		138,987
Accounts payable and accrued liabilities		**32,045**		721,237
Related party payables		**66,842**		121,366
	$	**93,501**	$	987,618

17. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company:

a. On April 26, 2023, the Company closed the first tranche of a non-brokered private placement of convertible note units of the Company comprised of convertible notes in multiples of $1,000 of principal and $2,500 common share purchase warrants per CAD$1,000 of principal. In connection with the First Tranche, the Company issued a Note with principal value of CAD$150,000 and 375,000 Warrants for gross proceeds of CAD$150,000.

   The Note bears interest at rate of 1.5% per month and principal and accrued interest are repayable in common shares of the Company at a conversion price of $0.375 per share at maturity 24 months from the date of issuance or at the time of earlier conversion at the option of either the Noteholder or the Company. If the Noteholder elects to convert within the first year, the payment of interest will be waived. Each Warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$0.40 per share for a period of two years from issuance.

b. On May 16, 2023, the Company agreed to settle outstanding indebtedness of $150,000 to Anthony Sarvucci, the CEO and Director of the Company, through issuance of 500,000 units at a price of $0.30 per Unit. Each Unit consists of one common share of the Company and one Common Share purchase warrant. Each Warrant allows for the purchase one additional Common Share at an exercise price of $0.40 for a period of 24 months from the date of issue.

c. On May 16, 2023, the Company announced another non-brokered Private placement for an aggregate of $75,000 for units being offered at $0.30 per units consisting of one common share of the Company and one Common Share purchase warrant (each, a "Warrant"). Each Warrant allows for the purchase one additional Common Share at an exercise price of $0.40 for a period of 24 months from the date of issue. The use of proceeds will be for General Working Capital.

d. On May 16, 2023, the Company further announces that is has granted 118,652 Options to certain officers and Directors. The options were granted with an exercise price of $0.40 and are exercisable or 5 years. Certain vesting period may apply in accordance with the Company's option plan.