CLEANGO INNOVATIONS INC.

Management Discussion & Analysis

For the three and six months ended
June 30, 2024, and 2023
August 21, 2024

The following Management's Discussion and Analysis ("MD&A"), prepared as of August 21, 2024, should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes for the three and six months ended June 30, 2024, and 2023 of CleanGo Innovations Inc. (the "Company" or "CleanGo") together with the audited consolidated financial statements of the Company for the year ended December 31, 2023. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information provided in this MD&A, including information incorporated by reference, may contain "forward- looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, the impact of the COVID 19 pandemic on our business, plans, objectives, performance or business developments. Such statements reflect our current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) receiving patents on its proprietary product formulation; (ii) obtaining enough customers to create market; (iii) general business and economic conditions; (iv) the availability of financing on reasonable terms; (v) the Company's ability to attract and retain skilled staff; (vi) market competition; (vii) the products and technology offered by the Company's competitors; and (viii) the Company's ability to protect proprietary rights.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the heading "Financial Instruments and Risks". Should one or more of these risks or uncertainties, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERVIEW AND OUTLOOK

CleanGo Innovations Inc. was incorporated as CDN BVentures Ltd. on October 30, 2014, under the Business Corporations Act (British Columbia). On August 27, 2021, the Company began trading on the Canadian Securities Exchange ("Exchange") under the symbol "CGII". The Company's principal business activity is to manufacture and sell cleaning and disinfecting and descaling solutions using a proprietary formulation which is non-toxic, biodegradable and uses no harsh chemicals to provide a green solution to buyers.

Significant Events

In 2014, the Company obtained an exclusive worldwide licensing agreement from Emporium Group S.A., a related company owned by the inventor and patent holder to utilize the proprietary solution to sell cleaning, disinfecting and descaling products.

Recent global issues, including the ongoing 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.

We generally believe that our performance and future success depend on a number of factors that present significant opportunities for us. These factors are also subject to a number of inherent risks and challenges, some of which are discussed below in the Financial Instruments and Risks section of this MD&A.

On November 20, 2020, the Company entered into an Arrangement Agreement (the “Arrangement”) with Clean Go Green Go under which a reverse acquisition transaction (the “Transaction” or “RTO”) would be completed.

In late 2020, the Company was issued a Drug Identification Number (“DIN”) for each of the Industrial and Total Purpose sprays and is actively pursuing DINs for its wipes and fogging lines. The DIN number has strategic importance as it enables the Company to make disinfecting claims on its label, as opposed to sanitizing claims only. Further, the product kills the human coronavirus, and numerous others, in a 10-minute standard exposure test.

On August 27, 2021, the Company closed an arm’s length business combination whereby 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 take-over transaction under which CleanGo GreenGo is identified as the accounting acquirer. Concurrently, a non-brokered $1.0 million private placement occurred resulting in SoftLab9 issuing 2.5 million units priced at $0.40 per unit which was comprised of 1 common share and 1/2 of a share purchase warrant, with each warrant convertible into a common share at $0.70 per share.

On September 22, 2021, the Company received a DIN number from Health Canada for its plant-based, hand cream topical that has the same efficacy as 70% alcohol-based hand sanitizer. This represents the fourth Health Canada approval for CleanGo in 2021.

On January 6, 2022, CleanGo announced its wholly owned subsidiary CleanGo GreenGo has received Green Seal Certification of its compliance with industry leading GS-8 standards for its three-flagship cleaning and disinfecting products: CleanGo GreenGo Total Purpose, Fabric and Carpet & Industrial cleaners. CleanGo GreenGo’s products met Green Seal’s stringent standard for household use cleaning products. Green Seal requires products to be made from renewable material and sets strict sustainability criteria covering everything from raw materials to production to packaging. The cleaners were screened for carcinogens, reproductive toxins, mutagens, phthalates, parabens, and any other toxic ingredients that don’t belong near adults, children or pets. Only the safest, most responsible, and most effective products achievable today are able to meet this standard.

On April 26, 2022, CleanGo announced that they have begun the steps to relocate the primary manufacturing facility to the Houston, Texas area. The Board of Directors opted to adopt the initiative as a reaction to the growing demand in large Industrial based orders and to fine tune the distribution pipeline. Currently CleanGo GreenGo a wholly owned subsidiary of CleanGo Innovations Inc. has a manufacturing facility located in Calgary, Alberta Canada and a third-party manufacturing facility located in Los Angeles, California. The decision to relocate the manufacturing, distribution, and warehousing under one roof in Texas is economically sound. Further to this CleanGo will integrate ISO & GMP certifications into the new facility eliminating the requirement of third party blending and packaging services. These certifications will aid in the ability to offer our bottling and manufacturing services to our white label and private clients. The new 10,000 foot facility was opened in August of 2022.

On September 13, 2022, CleanGo announced the creation of two new proprietary products. The two new products are a Foaming/Sanitizing Toilet Bowl Cleaner and a New Gel Total Purpose Solution.

On June 14, 2023, the company received a purchase order from Oleum Partners LLC. for 14,000 Litres of CleanGo’s Proprietary Oil and Gas formulation to deploy in a well located just outside of the Dallas, Fort Worth area of Texas.

SELECTED FINANCIAL INFORMATION

The following is a summary of certain selected financial information of the Company for the periods ended June 30, 2024, and 2023.

For the six months ended June 30,	**2024** **$**	2023 $
Total revenues	**107,165**	101,086
Cost of sales	**(65,204)**	(80,625)
Gross margin	**41,961**	20,461
Net loss	**(492,280)**	(325,828)
Net loss per share - basic and diluted*	**(0.11)**	(0.13)

* No exercise or conversion is assumed during the periods in which a loss is incurred, as the effect is anti-dilutive.

	As at June 30, 2024 **$**	As at December 31, 2023 $
Total assets	**341,604**	842,354
Long term liabilities	**13,221**	86,990
Working capital deficit	**(1,069,063)**	(575,465)

DISCUSSION OF OPERATIONS

Six months ended June 30, 2024

Going Concern

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. For the six months ended June 30, 2024, the Company had a net loss of $492,280 (2023 - $325,828) an accumulated deficit of $11,612,884 (December 31, 2023 - $11,120,604) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to obtain additional financing until it can produce revenues sufficient to cover its costs. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Should the Company not be able to continue as a going concern, adjustments to the recorded amount and classifications of assets, liabilities and expenses will be required. Such adjustments could be material.

In an effort to address the elevated going concern risk during the first two quarters of 2024 and subsequent the Company has:

(i) Reduced general and administrative expenses; and;
(ii) Continued to seek equity financing to enable the Company to support ongoing operations.

The change in operating loss for the six months ending June 30, 2024, is due to the following:

- Cost of sales for the six months ending June 30, 2024, of $65,204 was lower compared to the comparable period in 2023 due to reduced purchase of chemicals.
- Selling and administrative expenses increased to $397,523 (2023 - $205,785) primarily related to increased consulting and advertising expenses.
- Stock based compensation decreased to $nil (2023 - $33,523) as no options have been issued so far this fiscal year.
- Finance expense increased to $95,381 (2023 - $24,047) due to costs associated with the accretion on the convertible debentures and promissory notes issued in 2023.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Company's capital is composed of shareholders' deficit, convertible debentures, and loans from related parties. The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support operations of the Company and to maintain corporate and administrative functions. The Company defines capital as cash and equity, consisting of the issued common stock. The Company had cash of $23,906 as at June 30, 2024 (December 31, 2023 - $296,728), and the Company had a working capital deficit of $1,069,063 as at June 30, 2024, compared to $575,465 as at December 31, 2023.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured through revenues or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits. The Company is not subject to any externally imposed capital requirements. If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. There were no changes to the Company's approach to capital management during the six months ended June 30, 2024.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended ($)			
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Net loss	**(250,522)**	(241,758)	(242,365)	(170,472)
Basic and diluted loss per share*	**(0.05)**	(0.05)	(0.08)	(0.06)
Total assets	**341,604**	488,030	842,354	515,958
Working capital deficiency	**(1,069,063)**	(811,028)	(575,465)	(1,017,421)

	Three Months Ended ($)			
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Net loss	(146,877)	(178,951)	(1,187,564)	(405,651)
Basic and diluted loss per share*	(0.06)	(0.07)	(0.51)	(0.05)
Total assets	628,879	733,604	592,427	1,236,803
Working capital deficiency	(1,302,520)	(1,500,676)	(1,022,040)	(578,492)

* No exercise or conversion is assumed during the periods in which a loss is incurred, as the effect is anti-dilutive.

SHARE CAPITAL

The Company has authorized unlimited common shares without par value.

During the year ended December 31, 2023, the Company underwent a share consolidation at a 5-1 ratio. All references to share, per share amounts, warrants, RSU's and stock options have been retroactively restated to reflect this transaction.

During the six months ended June 30, 2024:

- The Company issued 10,000 shares at a price of $0.90 per share for the redemption of warrants.

During the year ended December 31, 2023:

- The Company settled debt of $5,000 of accounts payable balance by issuing 40,000 shares at a fair value of $0.50 per share.
- The Company settled outstanding indebtedness of $150,000 to 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 share

purchase warrant. Each warrant allows for the purchase of one additional common share at an exercise price of $0.40 for a period of 24 months from the date of issue.

- The Company completed a non-brokered private placement for an aggregate of $75,000 through issuance of 250,000 units at a price of $0.30 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant allows for the purchase of one additional Common Share at an exercise price of $0.40 for a period of 24 months from the date of issue.
- The company entered into a debt settlement agreement with its CEO in the amount of $100,000 to be settled through the issuance of 285,714 common shares at a value of $100,000. As the debt was settled in the CEO's capacity as a shareholder, the value of the consideration was determined to equal the fair value of the debt settled.
- The company settled outstanding indebtedness of $100,000 to certain creditors, through the issuance of 266,666 common shares at a price of $0.375 per share. The shares issued were valued at the market price of $0.72 per share leading to a loss on settlement of $92,000.
- The Company completed a non-brokered private placement for an aggregate of $501,338 through issuance of 835,564 units at a price of $0.60 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant allows for the purchase of one additional common share at an exercise price of $0.90 for a period of 36 months from the date of issue. As at June 30, 2024. $60,000 is still outstanding and currently recognized as share receivable within equity. The warrants were valued at $25,067 using the residual value approach.

CONVERTIBLE NOTES

On April 26, 2023, and June 26, 2023, the Company closed the first and second tranche of a non-brokered private placement of convertible note units of the Company respectively of convertible notes in multiples of $1,000 of principal and 2,500 common share purchase warrants per $1,000 of principal.

The note bears interest at rate of 1.5% per month and principal and accrued interest is 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 $0.40 per share for a period of two years from issuance.

First Tranche

In connection with the First Tranche, the Company issued a note with a principal value of $150,000 and 375,000 warrants for gross proceeds of $150,000.

Proceeds from convertible note, net of financing costs	$	139,772
Allocation – convertible notes – equity portion		(29,484)
Allocation – convertible notes – warrant portion		(27,642)
Accrued Interest		18,300
Accretion of convertible note		17,342
Balance December 31, 2023	$	118,288
Accrued Interest		13,500
Accretion of convertible note (Note 9)		14,862
Balance June 30, 2024	**$**	**146,650**

The fair value of the warrants and conversion feature was determined using a Black-Scholes model with volatility of 172%, a risk-free rate of interest of 3.1%, a stock price of $0.25 per share, and a remaining expected period of 2 years.

Second Tranche

In connection with the Second Tranche, the Company issued a note with a principal value of $50,000 and 125,000 Warrants for gross proceeds of $50,000.

Proceeds from convertible note, net of financing costs	**$**	48,464
Allocation – convertible notes – equity portion		(10,223)
Allocation – convertible notes – warrant portion		(9,584)
Accrued Interest		4,500
Accretion of convertible note		4,268
Balance December 31, 2023	$	37,425
Accrued Interest		4,500
Accretion of convertible note (Note 9)		4,743
Balance June 30, 2024	**$**	**46,668**

The fair value of the warrants and conversion feature was determined using a Black-Scholes model with volatility of 172%, a risk-free rate of interest of 3.1%, a stock price of $0.35 per share, and a remaining expected period of 2 years.

RELATED PARTY TRANSACTIONS AND MANAGEMENT AND BOARD COMPENSATION

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 and six months ended:

		Three months ended			**Six months ended**	
		June 30, 2024	June 30, 2023		**June 30, 2024**	June 30, 2023
Consulting fees	**$**	**57,336**	55,000	$	**114,476**	109,000
	$	**57,336**	55,000	$	**114,476**	109,000

Summary of amounts payable to related parties:

		June 30, 2024		December 31, 2023
Directors and officers	**$**	**298,887**	$	206,580
Companies owned by directors		**253,555**		213,467
Promissory notes		**256,133**		220,607
	$	**808,575**	$	640,654

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 $253,555 (at December 31, 2023 - $213,467) is related to the acquisition of a worldwide licensing agreement in 2014.

The promissory notes were issued on September 15, 2023, to settle $253,000 and USD $24,000 in accounts payable owed to the CEO in exchange of these notes due on December 31, 2024. These notes are unsecured and accrue interest at 3% per annum until the full repayment of the principal amount. A contributory premium of $83,153 was calculated and put to reserves with the promissory notes accreting up to face value as at December 31, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISKS

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:

		June 30, 2024		December 31, 2023
Cash	**$**	**912**	$	14,901
Trade receivables	**$**	**-**	$	3,496
Prepaids and deposits	**$**	**89**		15,871
Accounts payable and accrued liabilities	**$**	**(12,431)**	$	(8,307)
Related party payables	**$**	**(281,868)**	$	(222,236)
Promissory note	**$**	**(29,434)**	$	(32,488)

As at June 30, 2024, 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 $32,273 (At December 31, 2023 - $22,831) 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 believes it has minimal exposure to risks associated with the effects of fluctuations in the prevailing levels of market interest rates as the majority of its loans have fixed interest rates. The only loans that have a variable interest rate are due to a related party, and can be renegotiated if interest rates change significantly.

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 trade accounts receivables 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 expected credit losses ("ECL") 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 June 30, 2024, the Company's cash balance of $23,906 (December 31, 2023 - $296,728) is unable to settle current liabilities of $1,223,470 (December 31, 2023 - $1,168,318). 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.

ADDITIONAL RISK FACTORS

For a detailed description of risk factors associated with the Company, refer to the "Risk Factors" section of the Company's Listing Application, which is available on SEDAR at www.sedar.com.

Business Operational Risks

Competition

The Company faces significant competition in the chemical space as it is occupied by highly competitive multinational suppliers. Competitors that can reverse engineer the product or change components identified in the patent. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow the Company's market share, any of which could substantially harm its business and results of operations. The Company competes directly against wholesalers and direct retailers of products, including large, diversified chemical companies with substantial market share and established companies expanding their production lines. Many of the Company's competitors have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution and other resources than the Company does. The Company's competitors may be able to achieve and maintain brand awareness and market share more quickly and effectively than it. The Company's competitors may also be able to increase sales in their new and existing markets faster than it does by emphasizing different distribution channels than it does.

The markets in which the Company operates are highly competitive. Competition may result in pricing pressures, reduced profit margins, lost market share (or a failure to grow the Company's market share), any of which could substantially harm its business and results of operations.

Economic Conditions and Consumer Spending

In the chemical space, the Company's customer base consists of national and international retailers, independent stores, and boutiques. The success of the Company is dependent on customers perpetually replenishing their distribution channels with the Company's merchandise, as well as ongoing commitments and purchase orders. The Company's ability to achieve the expected volume and price points of sales indirectly depends on the retailer's continuous ability to sell the Company's products to their end-use consumers. The retail chemical industry is highly sensitive to adverse economic factors, such as consumer debt levels, interest rates, social media reviews, consumer preferences and unemployment rates. Adverse economic conditions can have a negative impact on the volume of sales and gross margins that the Company expects to achieve in the retail industry. Further, the loss of a key client could materially affect future revenues and profitability.

Key Personnel

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, the Company believes it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. As the Company's business activities grow, it will require additional key financial, administrative and technical personnel as well as additional operations staff. If the Company is not successful in attracting and retaining qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Intellectual Property

The Company believes that its trademarks, patents and regulatory registrations are important to its competitive position. A substantial element of the Company's marketing strategy involves the creation of brand awareness in respect of its trademarks and patented products. The success of the Company will depend, in part, on its ability to maintain proprietary protection over its intellectual property and operate without infringing the proprietary rights of third parties. Despite precautions, it may be possible for a third party to copy or otherwise obtain and use the Company's technologies without authorization. There can be no assurance that any steps taken by the Company will prevent misappropriation of its intellectual property. In addition, intellectual property protection may be unavailable or limited in some foreign jurisdictions where laws or law enforcement practices may not offer the same level of intellectual property protection as the United States or Canada, and it may be more difficult for the Company to successfully register its intellectual property or challenge the use of its intellectual property by other parties in these jurisdictions. If the Company fails to protect and maintain its intellectual property rights, the value of its brands could be diminished, and the Company's competitive position may suffer.

If any of the Company's intellectual property is successfully challenged, the Company could be forced to rebrand or re-engineer its products, which could result in loss of brand recognition and could require the Company to devote resources to new product development and advertising and marketing of new brands, and the Company's competitive position may suffer, which could have a material adverse effect on its financial condition.

Litigation may be necessary to protect and enforce the Company's intellectual property rights, or to defend against claims brought by third parties. Although the Company is not aware of any current claims, the Company's products may, or may in the future be claimed to violate intellectual property rights of third parties. Although the Company cannot currently estimate the likely outcome of any intellectual property-related claims or lawsuits, any such litigation or claims brought by or against the Company could result in substantial costs and diversion of resources, which could have an adverse effect on the Company's business, financial condition and results of operations. If disputes arise in the future, the Company may not be able to successfully resolve these types of conflicts to its satisfaction.

Government Regulation, Regulatory Approvals and Compliance with Laws

The Company has secured a COVID-19 Site Licence (COV2095). This COVID-19 Site Licence is issued for the sole purpose of manufacturing and/or importing antiseptic skin cleansers (i.e. hand sanitizers) as an interim measure and is valid only for the duration of the COVID-19 emergency response. Should a member of the Company's team contract COVID-19, it may face a temporary facility closure as ordered by Alberta Health Services (AHS), the Provincial Government, or the Federal Government. If a facility closure would present itself, on either side of the border, its third-party supply chain is sufficiently robust to fulfill shipments.

In addition, cross border shipments involved in international trade may be hindered should the Federal Government elect to impose shipping restrictions. As the Company formulates on both sides of the Canada/USA border, with third party supply chains sourced locally, this risk is minimized.

The Company has established DIN numbers, as stated earlier and approvals must be maintained, as required, by Health Canada and US FDA. Labelling shall be maintained to Federal requirements on both sides of the border. With the Company having Health Canada and FDA approvals for its product line, there is risk of the approvals being revoked, but management believes the risk to be negligible.

The Company has maintained compliance with regulators since inception and it will continue to maintain regulatory compliance with governing law into the future.

Trading Price Volatility

The market price of the Company Shares could be subject to significant fluctuations which could materially reduce the market price of the Company Shares regardless of the Company's operating performance. In addition to the other risk factors described in this section of the Listing Statement, such factors include actual or anticipated changes or fluctuations in operating results, adverse market reaction to any indebtedness the Company may incur or securities it may issue in the future, litigation or regulatory action, significant acquisitions, business combinations or other strategic actions or capital commitments by or involving the Company or its competitors, recruitment or departure of key personnel and investors' general perception and reactions to the Company's public disclosure and filings. In addition, broad market and industry factors may harm the market price of the Company Shares. As a result, the market price of the Company Shares may fluctuate based upon factors external to the Company and that may have little or nothing to do with the Company, including expectations of market analysts, positive or negative recommendations or withdrawal of research coverage by analysts, publication of research reports or news stories about the Company, competitors or the industry and changes in general political, economic, industry and market conditions and trends.

Equity financing

The issuance of a substantial number of the Company Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of the Company Shares intend to sell the Company Shares, could significantly reduce the market price of the Company Shares and the market price could decline. The Company cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of the Company Shares. If the market price of the Company Shares was to drop as a result, this might impede the Company's ability to raise additional capital and might cause remaining shareholders to lose all or part of their investments.

Dilution

The Company will be authorized to issue an unlimited number of the Company Shares or other securities for such consideration and on such terms and conditions as may be established by the Company, without the approval of the Company Shareholders. In addition, it is currently anticipated that the Company will be required to conduct additional equity financings to develop the business of the Company as currently planned by the Company and envisioned by management of the Company. Any further issuance of the Company Shares pursuant to such equity financings may further dilute the interests of existing shareholders.

OUTSTANDING SHARE DATA

As of August 21, 2024, the company currently has the following issued and outstanding:

Common shares	**4,694,427**
Warrants	**2,095,564**
Options	**329,552**
Total	**7,119,543**