

CleanGo Innovations Inc.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)



**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated 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 interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

CleanGo Innovations Inc.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2025
(Unaudited - Expressed in Canadian dollars)

	Note	June 30, 2025 \$	December 31, 2024 \$
Assets			
Cash		147,461	101,335
Accounts receivable	3	2,841	3,098
Other receivable		8,358	-
Prepaid expenses		21,859	25,116
Inventory	4	58,828	115,003
Total current assets		239,347	244,552
Property and equipment	5	43,349	43,828
Right of use assets	6	-	78,085
Total assets		282,696	366,465
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	752,236	831,369
Convertible debentures, liability portion	10	67,096	233,672
Current portion of lease liabilities	7	-	94,639
Subscription received in advance		38,439	105,221
Promissory notes	12	340,536	298,764
Total current liabilities		1,198,307	1,563,665
Total liabilities		1,198,307	1,563,665
Shareholders' deficiency			
Share capital	11	9,845,074	9,094,606
Contributed surplus	11	1,778,091	1,771,843
Warrants	11	118,766	118,766
Unpaid share subscriptions		(161,500)	(60,000)
Accumulated deficit		(12,469,262)	(12,090,620)
Accumulated other comprehensive loss		(26,780)	(31,795)
Total shareholders' deficiency		(915,611)	(1,197,200)
Total liabilities and shareholders' deficiency		282,696	366,465

Nature and continuance of operations (Note 1)
Subsequent events (Note 18)

"Anthony Savrucci"

Director

"Paula Pearce-Sarvucci"

Director

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

CleanGo Innovations Inc**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

For the three and six months ended June 30, 2025

(Unaudited - Expressed in Canadian dollars)

		Three months ended		Six months ended	
		June 30,		June 30,	
	Note	2025	2024	2025	2024
		\$	\$	\$	\$
Revenue	13	49,952	73,540	107,139	107,165
Cost of sales		(67,416)	(39,422)	(84,937)	(65,204)
Gross margin		(17,464)	34,118	22,202	41,961
Expenses					
Depreciation and amortization	5,6	35,130	34,594	71,411	68,679
Finance expense	8	23,841	71,806	60,431	95,381
Selling and administrative	12	178,292	207,739	273,661	397,523
Stock-based compensation	11	1,910	-	6,248	-
Foreign exchange gain	7,8	(10,086)	(29,499)	(8,221)	(27,342)
		229,087	284,640	403,530	534,241
Net Loss before other items		(246,551)	(250,522)	(381,328)	(492,280)
Other items					
Gain on disposal of assets	6	2,686	-	2,686	-
Net loss for the period		(243,865)	(250,522)	(378,642)	(492,280)
Translation gain (loss) on foreign operations		(4,463)	1,946	(5,015)	(1,147)
Comprehensive loss		(248,328)	(248,576)	(383,657)	(493,427)
Basic and diluted loss per share		(0.04)	(0.05)	(0.07)	(0.11)
Basic and diluted weighted average shares outstanding		5,901,849	4,690,196	5,463,836	4,694,427

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

CleanGo Innovations Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

For the three and six months ended June 30, 2025

(Unaudited - Expressed in Canadian dollars)

	Common shares	Share capital	Contributed surplus	Warrants	Subscription receivable	Deficit	AOCI	Total
	#	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2023	4,684,427	8,936,672	1,708,003	131,566	(60,000)	(11,120,604)	(8,591)	(412,954)
Warrants exercised	10,000	11,800	-	(2,800)	-	-	-	9,000
Translation loss (gain) on foreign operations	-	-	-	-	-	-	1,147	1,147
Net loss for the period	-	-	-	-	-	(492,280)	-	(492,280)
Balance, June 30, 2024	4,694,427	8,948,472	1,708,003	128,766	(60,000)	(11,612,884)	(7,444)	(895,087)
Warrants exercised	250,000	110,000	-	(10,000)	-	-	-	100,000
Options exercised	52,934	36,134	(16,716)	-	-	-	-	19,418
Stock based compensation	-	-	80,556	-	-	-	-	80,556
Translation loss (gain) on foreign operations	-	-	-	-	-	-	(24,351)	(24,351)
Net loss for the period	-	-	-	-	-	(477,736)	-	(477,736)
Balance, December 31, 2024	4,997,361	9,094,606	1,771,843	118,766	(60,000)	(12,090,620)	(31,795)	(1,197,200)
Convertible debt conversion	545,000	197,962	-	-	-	-	-	197,962
Stock based compensation	-	-	6,248	-	-	-	-	6,248
Translation loss (gain) on foreign operations	-	-	-	-	-	-	5,015	5,015
Private placement	883,742	309,310	-	-	(101,500)	-	-	207,810
Share issued related to debt settlement	694,845	243,196	-	-	-	-	-	243,196
Net loss for the period	-	-	-	-	-	(378,642)	-	(378,642)
Balance, June 30, 2025	7,120,948	9,845,074	1,778,091	118,766	(161,500)	(12,469,262)	(26,780)	(915,611)

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

CleanGo Innovations Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the three and six ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

		Three months ended		Six months ended	
		June 30,		June 30,	
	Note	2025	2024	2025	2024
		\$	\$	\$	\$
Cash (used in) provided by:					
Operating activities					
Net loss		(243,865)	(250,522)	(378,642)	(492,280)
Items not involving cash					
Accretion on convertible debentures	8,10	5,860	28,124	18,186	37,605
Accretion on leases	7,8	-	5,150	2,288	11,087
Accretion on loans	8,9	-	-	-	1,047
Accretion on promissory notes	8,12	7,319	33,415	14,833	35,526
Interest on convertible debentures	8,10	4,200	-	13,200	-
Lease modification	7	(13,179)	-	(13,179)	-
Interest on shareholder loans	8,12	3,923	-	8,068	-
Depreciation and amortization	5,6	35,130	34,594	71,411	68,679
Disposal of asset	6	10,577	-	10,577	-
Stock-based compensation		1,910	-	6,248	-
		(188,125)	(149,239)	(247,010)	(338,336)
Change in non-cash working items	16	220,600	60,199	236,124	44,203
Net cash provided by (used in) operating activities		32,475	(89,040)	(10,886)	(294,133)
Investing activities					
Purchase of equipment	5	(5,401)	-	(5,401)	-
Net cash used in investing activities		(5,401)	-	(5,401)	-
Financing activities					
Private placement	11	207,810	1,280	207,810	127,906
Loan repayment	9	-	-	-	(40,000)
Lease repayment	7	(40,183)	(37,524)	(82,398)	(74,448)
Warrant exercise	11	-	-	-	9,000
Subscriptions received in advance		(66,782)	-	(66,782)	-
Net cash provided by (used in) financing activities		100,845	(36,244)	58,630	22,458
Net increase (decrease) in cash		127,919	(125,284)	42,343	(271,675)
Net effect of foreign exchange on cash		3,253	(3,183)	3,783	(1,147)
Cash, beginning of the period		16,289	152,373	101,335	296,728
Cash, end of period		147,461	23,906	147,461	23,906

Supplemental cash flow information (Note 16)

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

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

CleanGo Innovations Inc. (the “Company” or “CleanGo”) was incorporated as CDN Ventures 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 (the “Exchange”) under the symbol “CGII”.

The head office and principal business address of the Company is located at Suite 422, 234 – 5149 Country Hills Blvd, Calgary, Alberta. The registered and records address for the Company 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 formula which is non-toxic, biodegradable and uses no harsh chemicals to provide a green cleaning, disinfecting and emulsifying solution to buyers.

Going concern

The Company incurred a net loss of \$243,865 and \$378,642 (2024 - \$250,522 and \$492,280) for the three and six months ended June 30, 2025 respectively, and generated cash from operations of \$32,475 during three months ended June, 30, 2025 and used \$10,886 cash during six months ended June 30, 2025 (2024 – used cash of \$89,040 and \$294,133 respectively). As at June 30, 2025, the Company has a history of losses and an accumulated deficit of \$12,469,262 (December 31 2024 - \$12,090,620). As of June 30, 2025, the Company also has a working capital deficit of \$958,960 (December 31 2024 - \$1,319,113). 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 at favorable terms to the Company, 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 condensed consolidated interim financial statements (the “Financial Statements”) have been prepared on a going concern basis in accordance with IFRS Accounting Standards 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. Management monitors recent developments in relation to global tariffs and does not anticipate any material impacts to the financial position of the Company.

Recent global issues, including the lingering impact of geopolitical conflicts, the current tariffs from the USA, and the current uncertainty with escalations in the middle east have adversely affected workplaces, economies, supply chains, and financial markets globally. It is difficult 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, 2024 (the “Annual Financial Statements”).

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (Cont'd...)

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 August 21, 2025.

3. ACCOUNTS RECEIVABLE

As at June 30, 2025, the Company has \$2,841 (December 31, 2024 – \$3,098) in accounts receivable, and there is \$ nil (December 31, 2024 \$nil) in overdue accounts that do not have an associated provision.

4. INVENTORY

	June 30, 2025	December 31, 2024
Finished goods	\$ -	\$ 9,302
Materials and supplies	58,828	105,701
Ending balance	\$ 58,828	\$ 115,003

CleanGo Innovations Inc.**Notes to the Consolidated Financial Statements**

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

5. PROPERTY AND EQUIPMENT

	Machinery and equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance December 31, 2023	67,478	3,367	5,198	17,229	4,456	97,728
Derecognized	-	-	(5,198)	-	-	(5,198)
Balance December 31, 2024	67,478	3,367	-	17,229	4,456	92,530
Additions	-	-	5,401	-	-	5,401
Balance June 30, 2025	67,478	3,367	5,401	17,229	4,456	97,931
Accumulated Depreciation						
Balance December 31, 2023	20,642	2,268	5,198	10,476	4,456	43,040
Derecognized	-	-	(5,198)	-	-	(5,198)
Depreciation expense	6,749	673	-	3,438	-	10,860
Balance December 31, 2024	27,391	2,941	-	13,914	4,456	48,702
Depreciation expense	3,371	336	465	1,723	-	5,895
Unrealized foreign exchange			(15)			(15)
Balance June 30, 2025	30,762	3,277	450	15,637	4,456	54,582
Net book value						
December 31, 2024	40,087	426	-	3,315	-	43,828
June 30, 2025	36,716	90	4,951	1,592	-	43,349

6. RIGHT OF USE ASSETS

Balance December 31, 2023	\$	194,813
Amortization		(127,683)
Unrealized foreign exchange		10,955
Balance December 31, 2024		78,085
Amortization		(65,516)
Derecognized		(10,577)
Unrealized foreign exchange		(1,992)
Balance June 30, 2025	\$	-

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

7. 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. However, during the period ended June 30, 2025, the lease was mutually terminated. The total present value of the monthly payments was \$357,525, using the financing rate of 11.2%. At the start of previous lease agreement, the Company recorded \$357,525 as ROU asset and lease liabilities.

As at	Total
Balance at December 31, 2023	217,988
Lease accretion	18,637
Lease payments	(154,578)
Foreign exchange translation	12,592
Balance at December 31, 2024	94,639
Lease accretion	2,288
Lease payments	(82,398)
Lease modification	(13,179)
Foreign exchange translation	(1,350)
Balance at June 30, 2025	\$ -

Which consists of:

	June 30, 2025	December 31, 2024
Current lease liability	\$ -	\$ 94,639
Ending balance	\$ -	\$ 94,639

As at June 30, 2025, the Company had \$27,286 (December 31, 2024 - \$19,785) of outstanding rent included in accounts payable and accrued liabilities.

As at June 30, 2025, the Company is committed to minimum lease payments of \$ Nil.

8. FINANCE EXPENSES

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Accretion on lease liability (Note 7)	\$ 1,131	\$ 5,151	\$ 2,288	\$ 11,088
Accretion on government loan (Note 9)	-	-	-	1,047
Accretion on convertible debentures (Note 10)	5,860	28,125	18,186	37,606
Accretion on promissory notes (Note 12)	7,319	29,890	14,833	35,244
Interest expense	2,088	746	4,536	2,502
Interest on convertible debentures (Note 10)	4,200	-	13,200	-
Interest on shareholder loans (Note 12)	3,243	7,894	7,388	7,894
Total finance expenses	\$ 23,841	\$ 71,806	\$ 60,431	\$ 95,381

9. 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 was repaid by January 18, 2024, \$20,000 of the loan amount was forgiven. If the loan was not repaid by January 18, 2024, it would have been converted to a term loan that would bear interest at 5% per annum. During the year ended December 31, 2024, the Company repaid the full amount of \$40,000 and recorded accretion expense of \$1,047.

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

10. CONVERTIBLE NOTES

On April 26, 2023, and June 26, 2023, the Company closed the first and second tranches 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 a 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. During the period ending June 30, 2025, the holder converted the note into 545,000 common shares of the Company.

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		27,000
Accretion of convertible note		31,810
Balance December 31, 2024	\$	177,098
Accrued Interest		8,700
Accretion of convertible note		12,164
Conversion to common shares		(197,962)
Balance June 30, 2025	\$	-

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. Subsequent to June 30, 2025, the note was converted into common shares of the Company.

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		9,000
Accretion of convertible note		10,150
Balance December 31, 2024	\$	56,575
Accrued Interest		4,500
Accretion of convertible note		6,021
Balance June 30, 2025	\$	67,096

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

11. 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

- (i) On March 18, 2024, the Company issued 10,000 shares at a price of \$0.90 per share for the exercise of warrants.
- (ii) On August 28, 2024, the Company issued 302,934 shares for the exercise of 250,000 warrants with an exercise price of \$0.40, 17,798 options with an exercise price of \$0.40 and 35,136 options with an exercise price of \$0.35.
- (iii) On April 24, 2025, the Company issued 545,000 common shares for the redemption of the April 26, 2023 convertible debenture (Note 10) with an exercise price of \$0.375 per share.
- (iv) On May 28, 2025, the Company issued 883,742 common share units at a price of \$0.35 per unit for gross proceeds of \$309,310. As of June 30, 2025, the Company had an outstanding receivable of \$101,500 related to the private placement, which was received subsequent to June 30. Each unit consisted of 1 common share of the Company and ½ share purchase warrant, with an exercise price of \$0.50 and an expiry date of May 28, 2027. The warrants were valued at \$nil using the residual method.
- (v) On May 28 2025 the Company issued 694,845 common shares to settle debts of \$243,196 for various consulting agreements. The shares were valued at \$0.35 per share.

B. Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants
Balance December 31, 2023	2,085,564
Warrants exercised	(260,000)
Balance December 31, 2024	1,825,564
Warrants issued	441,872
Balance June 30, 2025	2,267,436

The following table reflects the warrants issued and outstanding as of June 30, 2025.

Grant Date	Expiry Date	Exercise Price	Remaining Contractual Life (years)	Number of Warrants Outstanding
April 26, 2023	April 26, 2026 ⁽¹⁾	\$ 0.40	0.82	375,000
June 6, 2023	June 6, 2026 ⁽¹⁾	\$ 0.40	0.93	500,000
June 26, 2023	June 26, 2026 ⁽¹⁾	\$ 0.40	0.99	125,000
December 22, 2023	December 22, 2026	\$ 0.90	1.48	825,564
May 28, 2025	May 28, 2027	\$ 0.50	1.91	441,872
		\$ 0.60	1.31	2,267,436

- ⁽¹⁾ During the period ended June 30, 2025, the Company extended the life of these warrants by 12 months. All other terms remained the same.

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

11. SHARE CAPITAL (Cont'd...)

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, 2023	329,552	0.37
Granted	222,500	0.40
Exercised	(52,934)	0.37
Balance, December 31, 2024	499,118	0.36
Balance, June 30, 2025	499,118	0.36

The fair value of the stock options issued was determined using the Black-Scholes pricing model with the following assumptions:

Stock price	\$ 0.40
Risk-free rate	3.10%
Expected life	5 years
Estimated volatility	209%
Dividend yield	Nil

The following table reflects the stock options issued and outstanding as at June 30, 2025

Grant Date	Expiry Date	Exercise Price	Remaining Contractual Life (years)	Number of options outstanding
May 16, 2023	May 16, 2028	\$ 0.40	2.88	100,854
July 11, 2023	July 11, 2028	\$ 0.35	3.03	175,764
November 18, 2024	November 18, 2029	\$ 0.40	4.39	222,500
			3.61	499,118

During the period ended June 30, 2025, the Company recorded share-based compensation of \$6,248 (2024 - \$nil) as a result of the vesting of stock options.

12. 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 period ended:

CleanGo Innovations Inc.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS (CONT'D)

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2023	June 30, 2025	June 30, 2024
Consulting fees	\$ 87,985	\$ 57,336	\$ 155,449	\$ 114,476
	\$ 87,985	\$ 57,336	\$ 155,449	\$ 114,476

Summary of amounts payable to related parties:

	June 30, 2025	December 31, 2024
Directors and officers	\$ 477,473	\$ 488,507
Companies owned by directors	136,350	135,705
Promissory notes	340,536	298,764
	\$ 954,359	\$ 922,976

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 \$136,350 (USD \$99,941) was 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 \$32,982 (USD \$24,000) in accounts payable owed to the CEO in exchange of these notes. These notes were unsecured with interest at 3% per annum and matured on December 31, 2024. The fair value of the promissory notes was estimated using an interest rate specific to the counterparty. At initial recognition, the estimated debt discount of \$83,153 was recorded as contributory premium and credited to contributed surplus. During the Six months ended June 30, 2025, the CEO agreed to extend the notes for an additional twelve-month term with interest accrued at prime plus 5% per annum. During the three and six months ended June 30, 2025, the Company recorded interest expenses of \$7,319 and \$14,833 (2024 - \$18,274 and \$35,244 respectively) related to these notes.

13. SEGMENTED INFORMATION

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

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		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Canada	\$ 23,581	73,217	\$ 43,348	106,628
USA	26,371	323	63,791	537
	\$ 49,952	73,540	\$ 107,139	107,165

Inventory	June 30, 2025	December 31, 2024
USA	\$ 58,828	\$ 115,003
	\$ 58,828	\$ 115,003

Non-current assets	June 30, 2025	December 31, 2024
USA	\$ 43,349	\$ 121,913
	\$ 43,349	\$ 121,913

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(Unaudited - Expressed in Canadian dollars)

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

The carry value of cash, accounts receivable, subscription receivable, accounts payable and accrued liabilities, and subscription received in advance approximate their fair value due to their short-term maturities. Fair value of the government loan, convertible debentures, and promissory notes 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 condensed interim 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, 2025		December 31, 2024
Cash	\$ 76,936	\$	22,559
Inventory	6,701		58,422
Prepays expenses	708		15,283
Accounts payable and accrued liabilities	(172,941)		(34,717)
Related party payables	(136,350)		(222,702)
Promissory notes	\$ (35,722)	\$	(35,882)

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15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

b) Market risk (Cont'd)

As at June 30, 2025, 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 \$26,067 (December 31, 2024 \$31,539) 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 Canadian and American chartered banks 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. As at June 30, 2025, the Company has a \$nil (December 31, 2024 \$nil) provision for bad debts.

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 June 30, 2025, the Company's cash balance of \$147,461 (December 31, 2024 - \$101,335) is unable to settle current liabilities of \$1,198,307 (December 31, 2024 - \$1,563,665). 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 increased revenue and/or additional equity or debt financings.

16. SUPPLEMENTARY CASH FLOW INFORMATION

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

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Trade and other receivables	\$ 31,692	(18,036)	\$ (8,102)	(24,527)
Deposits and prepaid expenses	(3,276)	3,122	3,257	65,127
Inventory	52,446	-	56,175	-
Accounts payable and accrued liabilities	139,738	75,113	184,794	3,603
	\$ 220,600	60,199	\$ 236,124	44,203

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17. CONTINGENT LIABILITY

On September 11, 2024, Independent Trading Group Inc. ("ITG") filed a claim against the Company for unpaid services related to a Market Making Service Agreement dated September 1, 2022. ITG is seeking damages in the amount of \$25,000 plus interest related to the breach of the agreement. The Company disputes the claim on the basis that the underlying agreement was terminated on consent and all amounts due and payable at the time of termination were paid in full. The outcome of the claim remains uncertain. As of June 30, 2025, the Company has included \$nil in accounts payable and accrued liabilities for amounts owing to ITG.

18. SUBSEQUENT EVENTS

Subsequent to the period ended June 30, 2025, the Company issued:

- 182,533 common shares for the redemption of tranche 2 of the convertible notes (Note 10) at the exercise price of \$0.375 per share.
- 9,375 common shares for the exercise of previously issued stock options for gross proceeds of \$3,750.