FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Ambari Brands Inc. (the "Issuer").

Trading Symbol: AMB

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

The Issuer's financial statements for the six months ended June 30, 2023 are attached as Schedule "A".

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the six months ended June 30, 2023 and attached as Schedule "A".

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

All securities issued have been disclosed in the notes to the financial statements for the six months ended June 30, 2023, and attached as Schedule "A". The Issuer has not granted any options.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
2023-02-24	Common shares	Private placement	2,000,000	$0.25	$500,000	Cash	Unrelated third parties	$28,000

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

A summary of the securities has been provided in the financial statements for the six months ended June 30, 2023 and attached as Schedule "A".

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

<u>As at August 22, 2023, the following common shares of the Issuer were subject to escrow and pooling agreements and other restriction on transfer:</u>

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	10,545,000	19%

Notes:

(1) Based on 55,880,195 Common Shares issued and outstanding as of the date of the MD&A.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Directors/Officers	Position(s) Held
Avneesh Dhaliwal (Nisha Grewal)	CEO, President, Secretary and Director
Gurcharn Deol	Interim CFO, Director
Meissam Hagh Panah	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

The Issuer's Management Discussion and Analysis for the six months ended June 30, 2023 is attached as Schedule "B".

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 22, 2023.

Avneesh Dhaliwal (Nisha Grewal)
Name of Director or Senior Officer

"*Nisha Grewal*"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Ambari Brands Inc.	For Quarter Ended June 30, 2023	Date of Report YY/MM/D 2023/08/22
Issuer Address 6th Floor – 905 West Pender Street		
City/Province/Postal Code Vancouver, BC V6C 1L6	Issuer Fax No. N/A	Issuer Telephone No. (424) 284-4022
Contact Name Avneesh Dhaliwal (Nisha Grewal)	Contact Position CEO	Contact Telephone No. (424) 284-4022
Contact Email Address inquiries@ambaribrands.com	Web Site Address https://ambaribeauty.com/	

"Schedule A"

AMBARI BRANDS INC.

Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

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

AMBARI BRANDS INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

		As at June 30, 2023		**As at December 31, 2022**
ASSETS				
Current assets				
Cash	**$**	**354,170**	$	247,301
Amounts receivable (Note 5)		**57,317**		22,922
Prepaid expenses and deposits (Note 6)		**15,050**		86,039
Inventory (Note 7)		**655,838**		724,351
Total assets	**$**	**1,082,375**	$	1,080,613
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 8 and 12)	**$**	**165,957**	$	234,127
SHAREHOLDERS' EQUITY				
Share capital (Note 9)		**6,907,286**		6,462,334
Accumulated other comprehensive income (loss)		**(14,776)**		2,261
Reserves (Note 9)		**236,461**		209,413
Deficit		**(6,212,553)**		(5,827,522)
Total shareholders' equity		**916,418**		846,486
Total liabilities and shareholders' equity	**$**	**1,082,375**	$	1,080,613

Nature and continuance of operations – Note 1
Subsequent events – Note 15

APPROVED ON BEHALF OF THE BOARD:

"Avneesh Dhaliwal" Director ***"Gurcharn Deol"*** Director

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

AMBARI BRANDS INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenue (Note 10)	**$ 33,451**	$ 20,925	**$ 88,318**	**$** 108,174
Cost of sales (Note 7)	**13,314**	9,616	**54,915**	35,042
Gross profit	**20,137**	11,309	**33,403**	73,132
Expenses				
Advertising and promotion	**145,131**	71,335	**188,230**	357,638
Consulting fees (Note 12)	**15,899**	20,601	**56,499**	64,317
General and administrative (Note 11)	**29,118**	35,490	**89,540**	65,472
Professional fees	**28,830**	68,819	**64,023**	151,995
Research and development	**11,691**	2,721	**11,691**	2,721
Salaries and benefits (Note 12)	**-**	8,368	**8,456**	16,735
Total expenses	**(230,669)**	(207,334)	**(418,439)**	(658,878)
Other Items				
Foreign exchange gain (loss)	**(34)**	140	**(39)**	67
Interest income	**24**	4,546	**44**	8,792
Net loss for the period	**(210,542)**	(191,339)	**(385,031)**	(576,887)
Exchange difference on translating foreign operations	**(15,493)**	20,333	**(17,037)**	6,802
Comprehensive loss for the period	**$ (226,035)**	$ (171,006)	**$ (402,068)**	**$** (570,085)
Loss per common share – basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	**$** (0.01)
Weighted average number of common shares outstanding – basic and diluted	**52,095,195**	39,973,221	**51,487,460**	40,147,254

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

AMBARI BRANDS INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Share Capital	Commitment to Issue Shares	Accumulated Other Comprehensive Income (Loss)	Reserves	Deficit	Total
Balance, December 31, 2021	**40,473,221**	**$ 3,090,622**	**$ 3,910,184**	**$ (45,160)**	**$ 209,413**	**$ (4,510,115)**	**$ 2,654,944**
Share repurchase and cancellation (Note 9)	(500,000)	(150,000)	-	-	-	-	(150,000)
Translation adjustment	-	-	-	6,802	-	-	6,802
Loss for the period	-	-	-	-	-	(576,887)	(576,887)
Balance, June 30, 2022	**39,973,221**	**$ 2,940,622**	**$ 3,910,184**	**$ (38,358)**	**$ 209,413**	**$ (5,087,002)**	**$ 1,934,859**
Balance, December 31, 2022	**50,095,195**	**$ 6,462,334**	**$ -**	**$ 2,261**	**$ 209,413**	**$ (5,827,522)**	**$ 846,486**
Private placement (Note 9)	2,000,000	500,000	-	-	-	-	500,000
Share issuance costs (Note 9)	-	(28,000)	-	-	-	-	(28,000)
Finder's warrants (Note 9)	-	(27,048)	-	-	27,048	-	-
Translation adjustment	-	-	-	(17,037)	-	-	(17,037)
Loss for the period	-	-	-	-	-	(385,031)	(385,031)
Balance, June 30, 2023	**52,095,195**	**$ 6,907,286**	**$ -**	**$ (14,776)**	**$ 236,461**	**$ (6,212,553)**	**$ 916,418**

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

AMBARI BRANDS INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended June 30, 2023	Six months ended June 30, 2022
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the period	**$ (385,031)**	$ (576,887)
Items not affecting cash:		
Accrued interest income	**-**	(7,705)
Foreign exchange gain	**-**	(67)
Changes in non-cash working capital items:		
Amounts receivable	**(34,395)**	12,097
Prepaid expenses and deposits	**70,989**	(23,395)
Inventory	**68,513**	2,433
Accounts payable and accrued liabilities	**(68,170)**	(32,704)
Net cash used in operating activities	**(348,094)**	(626,228)
FINANCING ACTIVITIES		
Issuance of common shares	**500,000**	-
Repurchase of common shares	**-**	(150,000)
Share issuance costs	**(28,000)**	-
Net cash provided by (used in) financing activities	**472,000**	(150,000)
Foreign exchange on cash	**(17,037)**	6,869
Change in cash for the period	**106,869**	(769,359)
Cash, beginning of the period	**247,301**	1,687,620
Cash, end of the period	**$ 354,170**	$ 918,261
Cash paid for interest during the period	**$ -**	$ -
Cash paid for income taxes during the period	**$ -**	$ -

Non-cash transactions affecting cash flows from financing activities:

	Six months ended June 30, 2023	Six months ended June 30, 2022
Fair value of finder’s warrants	**$ (27,048)**	**$ -**

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

1 Nature and continuance of operations

Ambari Brands Inc. (the "Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on June 20, 2019. The Company is a luxury skincare and consumer packaged goods company and has developed a product line on its proprietary "Modern Blend". The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the trading symbol "AMB", the OTCQB Venture Market under the symbol "AMBBF" and the Frankfurt Stock Exchange under the symbol "Y92". The Company's head office and registered and records office address is 6th Floor – 905 West Pender Street, Vancouver, British Columbia, Canada, V6C 1L6.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the six months ended June 30, 2023, the Company had negative cash flows from operations of $348,094 (June 30, 2022 - $626,228), a net loss of $385,031 (June 30, 2022 - $576,887), and as at that date an accumulated deficit of $6,212,553 (December 31, 2022 - $5,827,522). As at June 30, 2023, the Company had working capital of $916,418 (December 31, 2022 - $846,486). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise adequate financing from external sources and generate profits and positive cash flows from operations in order to carry out its business objectives. The Company will require additional financing for continuing operations, to evaluate strategic opportunities, and for working capital purposes. However, there is no assurance that the Company will be able to secure such financing on favourable terms. Subsequent to the six months ended June 30, 2023, the Company completed financing and raised gross proceeds of $1,500,000 for general working capital purposes (Note 15). These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the Company's condensed consolidated interim financial statements. Such adjustments could be material.

Since March 2020, there has been a global pandemic due to the outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The extent to which COVID-19 may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time. COVID-19 may impact the Company's ability to raise future financing.

The Company's business, financial condition, and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and the cosmetics industry and other industries in general could negatively affect the business and may make it more difficult to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position, and cash flows in the future.

2 Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements do not include all the disclosures required for the annual audited financial statements. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are stated at fair value. In addition, they have been prepared using the accrual basis of accounting, except for the cash flow information.

The condensed consolidated interim financial statements were approved and authorized for issuance on August 22, 2023 by the Board of Directors.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Ambari Beauty USA, Inc ("Ambari USA"). All inter-company balances, transactions, income, and expenses have been eliminated upon consolidation.

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Subsidiaries are included in the financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company is the Canadian dollar ("CAD"). The functional currency of Ambari USA is the Unites States dollar ("USD").

The presentation currency of the Company and Ambari USA is the Canadian dollar.

Accordingly, the accounts of Ambari USA are translated into CAD as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the statement of financial position;
- income and expense are translated at the average exchange rate over the reporting period; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income (loss).

2 Basis of preparation *(continued)*

Foreign currencies *(continued)*

Transactions occurring in currencies other than the functional currency of the entity in question are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the initial transaction. Non-monetary items that are measured at fair values are reported at the exchange rate on the date when fair values are determined. Foreign currency translation differences are recognized in profit or loss.

Use of accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. These condensed consolidated interim financial statements have been prepared using the judgments, estimates and assumptions summarized below.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.

Inventory

Inventory consists of raw materials, work in progress, shipping materials and finished goods recorded at the lower of cost and net realizable value. Inventory represents a significant portion of the asset base of the Company and its value is reviewed at each reporting period. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, expiry, damage, or slow moving. The assessment of whether inventory is slow moving is subject to management's estimates of future sales forecasts and expected shelf lives of inventory. Actual net realizable value can vary from the estimated provision.

3 Significant accounting policies

These condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as the Company's audited annual consolidated financial statements for the year ended December 31, 2022 and should be read in conjunction with those annual consolidated financial statements and notes thereto.

(Expressed in Canadian Dollars)

4 Basis of fair value

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

The Company's financial instruments consist of cash, trade receivables, and accounts payable and accrued liabilities. The Company has no financial instruments carried at fair value.

The carrying value of the Company's financial instruments approximate their fair values due to their short-term maturities.

There were no transfers between the levels of the fair value hierarchy during the six months ended June 30, 2023 or 2022.

5 Amounts receivable

		As at June 30, 2023		**As at December 31, 2022**
Trade receivables	**$**	**24,053**	$	2,646
Sales tax receivable		**33,264**		20,276
	$	**57,317**	$	22,922

6 Prepaid expenses and deposits

		As at June 30, 2023		**As at December 31, 2022**
Retainers and prepayments for services	**$**	**11,379**	$	48,277
Deposits on inventory		**-**		10,835
Prepaid insurance		**3,671**		26,927
	$	**15,050**	$	86,039

(Expressed in Canadian Dollars)

7 Inventory

		As at June 30, 2023		As at December 31, 2022
Finished goods	**$**	**380,956**	$	439,925
Raw materials		**144,903**		148,230
Work in progress		**59,461**		60,827
Shipping materials		**70,518**		75,369
	$	**655,838**	$	724,351

During the six months ended June 30, 2023, cost of sales include $48,273 (June 30, 2022 - $8,287) of inventory and impairment losses related to inventory of $185 (June 30, 2022 - $11,251). The remaining costs of sales comprise of fulfilment costs.

8 Accounts payable and accrued liabilities

		As at June 30, 2023		As at December 31, 2022
Trade payables	**$**	**155,868**	$	170,439
Accrued and other liabilities		**10,089**		63,688
	$	**165,957**	$	234,127

9 Share capital

Authorized

Unlimited common shares, without par value.

Common Shares Held in Escrow

As at June 30, 2023, 8,493,750 common shares (December 31, 2022 – 10,192,500 common shares) were held in escrow and restricted from trading. These common shares will be released from escrow as follows: 1,698,750 common shares released on July 25, 2023, 1,698,750 common shares released on January 25, 2024, 1,698,750 common shares released on July 25, 2024, 1,698,750 common shares released on January 25, 2025, and 1,698,750 common shares released on July 25, 2025.

Issued, Cancelled, Commitment to Issue

During the six months ended June 30, 2023:

On February 24, 2023, the Company closed a non-brokered private placement and issued 2,000,000 units of the Company for gross proceeds of $500,000. Each unit is comprised of one common share of the Company and one-half of one warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.35 per common share and expires on February 24, 2024.

(Expressed in Canadian Dollars)

9 Share capital *(continued)*

Issued, Cancelled, Commitment to Issue *(continued)*

The Company paid finder's fees of $28,000 and issued 112,000 finder's warrants in connection with closing the non-brokered private placement. Each finder's warrant is exercisable into one common share of the Company at an exercise price of $0.35 per common share and expires on February 24, 2024. The fair value of the finder's warrants was $27,048 and was determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 100%, risk-free interest rate of 4.32%, expected life of 1 year, exercise price of $0.35, a dividend yield of 0%, and a share price of $0.49.

During the year ended December 31, 2022:

On March 4, 2022, the Company repurchased and cancelled 500,000 common shares and 250,000 warrants, which were previously issued in connection with a unit private placement completed on February 18, 2020 for consideration of $150,000 pursuant to a unit purchase agreement.

On July 21, 2022, 9,175,700 special warrants issued during the year ended December 31, 2021 automatically converted in accordance with the underlying terms, and as a result the Company issued 11,093,154 units with each unit comprised of one common share and one-half of one warrant. A total of 5,546,577 warrants were issued with each warrant exercisable into one common share at an exercise price of $0.75 per common share and expiry of July 25, 2024.

On November 16, 2022, the Company repurchased and cancelled 971,180 common shares with a fair value of $388,472 in exchange for the settlement of a loan receivable due from the Company's CEO, Avneesh Dhaliwal (Note 12). The loan receivable had a carrying value of $417,464, including a principal balance of $388,472 and accrued interest balance of $28,992. The Company recorded a loss on settlement of $28,992.

Warrants

	Number of Warrants		Weighted Average Exercise Price
Outstanding, December 31, 2021	**4,378,518**	**$**	**0.50**
Issued – Conversion of special warrants	5,546,577		0.75
Cancelled	(250,000)		0.50
Outstanding, December 31, 2022	**9,675,095**		**0.64**
Issued – Private placement	1,000,000		0.35
Issued – Finder's warrants	112,000		0.35
Outstanding, June 30, 2023	**10,787,095**	**$**	**0.61**

(Expressed in Canadian Dollars)

9 Share capital *(continued)*

Warrants *(continued)*

As at June 30, 2023, the following warrants were outstanding:

Outstanding	Exercise Price	Expiry Date	Remaining Life (Years)
531,656(1)	$0.50	September 8, 2023	0.19
202,400(2)	$0.50	November 9, 2023	0.36
1,112,000	$0.35	February 24, 2024	0.65
5,546,577	$0.75	July 25, 2024	1.07
3,394,462	$0.50	July 25, 2024	1.07
10,787,095			

(1) Exercisable into 1.22 units with each whole unit consisting of one common share and one-half of one warrant, each such warrant will be exercisable to acquire one common share at an exercise price of $0.75 until July 25, 2024.
(2) Exercisable into 1.18 units with each whole unit consisting of one common share and one-half of one warrant, each such warrant will be exercisable to acquire one common share at an exercise price of $0.75 until July 25, 2024.

10 Revenue

The Company generates revenue from the sale of skincare products directly to consumers and to luxury department stores, and on a wholesale basis to distributors and spas.

The Company's revenue disaggregated by primary geographical markets is as follows:

	Six months ended June 30, 2023				
	Direct Consumers	**Distributors**	**Retailers**	**Other**	**Total**
United States	$ 5,074	$ 50,984	$ 8,500	$ -	$ **64,558**
European Union	-	23,760	-	-	**23,760**
	$ 5,074	**$ 74,744**	**$ 8,500**	**$ -**	**$ 88,318**

	Six months ended June 30, 2022				
	Direct Consumers	**Distributors**	**Retailers**	**Other**	**Total**
United States	$ 72,466	$ -	$ 26,910	$ 6,108	$ **105,484**
Other	2,690	-	-	-	**2,690**
	$ **75,156**	**$ -**	**$ 26,910**	**$ 6,108**	**$ 108,174**

(Expressed in Canadian Dollars)

10 Revenue *(continued)*

For the six months ended June 30, 2023 and 2022, the following revenue was recorded from customers that comprise 10% or more of revenue:

	Six months ended June 30,	
	2023	**2022**
Customer A	**$ -**	$ 13,732
Customer B	**$ 50,983**	$ -
Customer C	**$ 23,760**	$ -
Customer D	**$ 8,500**	$ 13,177

11 General and administrative expenses

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Bank charges (recovery)	**$ (587)**	$ 5,437	$ **4,537**	$ 14,452
Dues and subscriptions	**5,182**	3,390	**9,833**	7,683
Insurance	**9,276**	3,626	**40,689**	8,849
Rent	**330**	21,584	**8,230**	28,195
Regulatory and filing fees	**13,421**	-	**24,010**	-
Office expenses	**1,496**	1,453	**2,241**	6,293
	$ 29,118	$ 35,490	$ **89,540**	$ 65,472

12 Related party transactions and balances

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

(Expressed in Canadian Dollars)

12 Related party transactions and balances *(continued)*

Key management compensation

Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Consulting fees:				
Spiral Investment Corp.; a company controlled by Gurcharn Deol, Interim Chief Financial Officer and Director	**$ 9,000**	$ -	$ **18,000**	$ -
9317-3516 Quebec Inc.; a company controlled by Meissam Hagh Panah, Director	**1,500**	-	**3,000**	-
Salaries and benefits:				
Kate-Lynn Genzel, Former Chief Financial Officer and Director	**-**	7,800	**7,800**	15,600
	$ 10,500	**$** 7,800	$ **28,800**	$ 15,600

Loan receivable

On January 4, 2021, the Company entered into a loan agreement for a principal balance of $388,472 payable by the Company's CEO, Avneesh Dhaliwal (the "CEO Loan Agreement"). The loan was provided to Ms. Dhaliwal for the purpose of purchasing common shares of the Company from former shareholders. The principal balance accrued interest at a rate of 4% per annum. The principal balance and all accrued interest thereon were due within 30 business days of the Company providing written notice of demand to Ms. Dhaliwal. The loan was repayable to the Company at any time without further bonus or penalty.

On November 16, 2022, the Company and Ms. Dhaliwal entered into a share purchase agreement pursuant to which Ms. Dhaliwal returned 971,180 common shares of the Company with a fair value of $388,472 in exchange for the settlement of the principal balance and accrued interest of the CEO Loan Agreement. 971,180 common shares of the Company were subsequently cancelled and returned to treasury (Note 9). The loan receivable had a carrying value of $417,464, including a principal balance of $388,472 and accrued interest balance of $28,992. The Company recorded a loss on settlement of $28,992 during the year ended December 31, 2022.

During the three and six months ended June 30, 2023, the Company accrued interest income with respect to the loan receivable of $nil (June 30, 2022 - $3,874) and $nil (June 30, 2022 - $7,705), respectively.

Accounts payable and accrued liabilities

As at June 30, 2023, accounts payable and accrued liabilities includes $25,200 (December 31, 2022 - $18,900) related to consulting fees due to Spiral Investment Corp., a company controlled by Gurcharn Deol, Interim Chief Financial Officer and Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

12 Related party transactions and balances *(continued)*

As at June 30, 2023, accounts payable and accrued liabilities includes $2,225 (December 31, 2022 - $602) related to consulting fees due to 9317-3516 Quebec Inc., a company controlled by Meissam Hagh Panah, Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at June 30, 2023, accounts payable and accrued liabilities includes $2,631 (December 31, 2022 - $67) related to general and administration expenses due to Avneesh Dhaliwal, Director, Corporate Secretary and CEO. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

13 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. 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 does not presently utilize any quantitative measures to monitor its capital. In order to fund future product developments and pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto. There was no change to the Company's approach to capital management during the six months ended June 30, 2023.

14 Risk management and liquidity

The Company's risk exposures and the impact on the Company's condensed consolidated interim financial statements are summarized below.

<u>Credit risk</u>

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and amounts receivable. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash with high credit quality financial institutions. The Company's amounts receivable consist of input tax credits due from the Government of Canada and sales orders due from reputable luxury department stores, distributors, and third party credit card processing services; and as such, amounts receivable are not subject to significant credit risk.

<u>Interest rate risk</u>

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant. The Company does not rely on interest income to fund its operations and does not have any interest bearing debt.

14 Risk management and liquidity *(continued)*

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next 12 months. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash balances that are denominated in a foreign currency. As at June 30, 2023, the Company held cash denominated in US dollars of US$30,107 (December 31, 2022 – US$10,709) which expose the Company to minimal foreign currency exchange rate risk. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk as the Company consider this risk to be immaterial.

15 Subsequent Events

On August 18, 2023, the Company closed a non-brokered private placement of 3,750,000 units, comprising of one common share and one-half of one warrant, for a price of $0.40 per unit for gross proceeds of $1,500,000. Each warrant is exercisable into one common share for a period of one year from the date of issuance at an exercise price of $0.50 per common share. Finder's fees of $95,200 were paid and 238,000 finder's warrants were issued in connection with the private placement. Each finder's warrant is exercisable into one common share at a price of $0.50 per common share for a period of one year from issuance.

The Company issued 35,000 common shares pursuant to the exercise of 35,000 warrants for gross proceeds of $17,500.

AMBARI BRANDS INC.
Management's Discussion & Analysis
For the six months ended June 30, 2023 and 2022
(Stated in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of Ambari Brands Inc. (the "Company" or "Ambari") is dated August 22, 2023. This MD&A should be read in conjunction with the condensed consolidated interim financial statements and accompanying notes for the six months ended June 30, 2023 and 2022, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING INFORMATION

This MD&A may contain forward "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include, but are not limited to: estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, capital raising initiatives, the impact of industry and macroeconomic factors on the Company's operations, and market opportunities; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those set forth under "*Risk Factors*" contained in the Company's Prospectus dated July 13, 2022 (the "Prospectus") that is available under the Company's profile on SEDAR at www.sedar.com.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified in the Prospectus and this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

CORPORATE OVERVIEW

Ambari Brands Inc. was incorporated under the British Columbia Business Corporations Act on June 20, 2019 and primarily carries on business through its wholly-owned subsidiary, Ambari Beauty USA, Inc. ("Ambari USA"), which was incorporated under the laws of the State of Nevada on September 27, 2019.

The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the trading symbol "AMB", the OTCQB Venture Market under the symbol "AMBBF" and the Frankfurt Stock Exchange under the symbol "Y92".

The Company's head office and the registered and records office address is 6th Floor – 905 West Pender Street, Vancouver, British Columbia, Canada, V6C 1L6.

DESCRIPTION OF BUSINESS

Ambari is a consumer packaged goods company and has developed a luxury, performance-driven skincare line of products based on its customized "Modern Blend". The formula combines high levels of active ingredients, smart adaptogens and broad-spectrum CBD. The Company's mission is to provide clinical-grade skincare products that provide professional results from the comfort of your home.

To date, the Company has developed four core products – the Gold Profection22 Mask, the PM Active12 Serum, the Complex4 Hydrator Cream and the AM Active10 Essence – all of which are based on the Company's "Modern Blend" concept, which leverages the powerful combination of active ingredients, adaptogens, and broad-spectrum CBD to calm, balance, and transform the skin. In the development of its products, the Company has focused on sourcing high quality, pure ingredients to ensure the cleanest result. All Ambari products are vegan, cruelty-free, and formulated without silicones, parabens, fragrance, or phthalates.

The Company's products are currently sold directly through its e-commerce platform, as well as through select luxury retailers and international distributors.

RECENT DEVELOPMENTS AND OUTLOOK

Corporate

During the six months ended June 30, 2023, the Company completed a non-brokered private placement for gross proceeds of $500,000, as discussed in *"Share Capital"*. The net proceeds are being used for marketing expenses and for general working capital purposes.

Subsequent to the six months ended June 30, 2023, the Company completed a non-brokered private placement for gross proceeds of $1,500,000, as discussed in *"Subsequent Events"*. The net proceeds are expected to be used for general working capital purposes.

Distribution

The Company entered into an agreement with FabFitFun (www.fabfitfun.com), one of the largest subscription boxes in the USA, whereby FabFitFun distributed Ambari products to its broad base of users. The Company fulfilled FabFitFun's initial purchase order in the first quarter of fiscal 2023.

Furthering the Company's international expansion which launched in fiscal 2022, the Company entered into an agreement for the distribution of Ambari products in India through e-tailer shops and brick and mortar chains with sales expected to commence in the second half of fiscal 2023. The Company is currently in the registration process for the sale of its product line in Asia.

Developments

In July 2023, the Company commenced research and development towards an artificial intelligence-powered software name "Scarlett" with B2B and consumer applications. The software is intended to provide cutting-edge artificial intelligence technology and augmented reality to further personalize the beauty experiences of customers. The Company hopes that Scarlett will be able to identify and assess customers' skin and provide recommendations of the best products available for their unique individual needs. Additionally, the software will utilize augmented reality by means of a virtual try-on feature allowing the customers to try a wide range of beauty products. A long-term focus of the Company is implementing the technology within the retail sector, to potentially eliminate the need for human beauty advisors and provide customers individualized information within seconds. Further details can be found on the Company's newly established webpage for Scarlett at www.ambari.ai.

In August 2023, the Company began assembling the technical team for the development and deployment of Scarlett.

(Stated in Canadian Dollars)

RESULTS OF OPERATIONS

Six months ended June 30, 2023 and 2022

During the six months ended June 30, 2023, the Company recorded a net loss of $385,031 (June 30, 2022 - $576,887). The decrease in net loss of $191,856 is directly attributable to the Company focusing on preparations for and filing of a long form prospectus and the process to list the Company's common shares on the CSE and marketing initiatives to increase sales volumes during the six months ended June 30, 2022. During the six months ended June 30, 2023, the Company focused on expanding the distribution of Ambari products and raising capital through the issuance of shares. The composition and changes within net loss are further discussed below.

Gross profit

The Company recorded revenue for the six months ended June 30, 2023 of $88,318 (June 30, 2022 - $108,174) related to the sale of products directly to consumers, luxury retailers, distributors and wholesalers, as summarized in the table below.

	Six months ended June 30,					
	2023			2022		
Direct consumers	$	5,074	6%	$	75,156	69%
Distributors		74,744	85%		-	-
Retailers		8,500	9%		26,910	25%
Other		-	0%		6,108	6%
	$	88,318	100%	$	108,174	100%

During the six months ended June 30, 2023, the Company generated decreased total revenue compared to the same period of the prior year while focusing on the expansion of distribution channels, as discussed in "*Recent Developments and Outlook*". Direct to consumer sales contributed the largest share of total revenue for the six months ended June 30, 2022 as a result of targeted digital marketing initiatives during the period.

The composition of revenue by product line for the six months ended June 30, 2023 and 2022 is summarized in the table below.

	Six months ended June 30,	
	2023	2022
Gold Profection22 Mask	8%	32%
PM Active12 Serum	45%	30%
Complex4 Hydrator Cream	45%	24%
AM Active10 Essence	2%	-
Product bundles	-	14%
	100%	100%

The change in the composition of revenue by product line was directly attributable to the shift from individual direct to consumer orders during the six months ended June 30, 2022 to large quantity purchase orders from distributors during the six months ended June 30, 2023.

Cost of sales for the six months ended June 30, 2023 amounted to $54,915 (June 30, 2022 - $35,042) and included the inputs to finished goods sold, including raw materials, bottling and packaging, fulfillment costs, and impairment adjustments.

As a result of revenue exceeding the cost of sales, the Company realized a gross profit for the six months ended June 30, 2023 of $33,403 (38%). During the six months ended June 30, 2022, the Company realized a gross profit of $73,132 (68%). The decrease in gross profit for the six months ended June 30, 2023 is primarily attributable to the change in composition of revenue and the lower gross margin derived from distribution partners compared to the direct to consumer channel. The Company incurred additional shipping and distribution related costs contributing to the lower gross margin for the six months ended June 30, 2023.

Expenses

The Company incurred advertising and promotion expenses of $188,230 (June 30, 2022 - $357,638) during the six months ended June 30, 2023, representing a decrease of $169,408 compared to the same period of the prior year. During the six months ended June 30, 2023, the Company began to focus its marketing strategy on comprehensive digital marketing campaigns to heighten market and brand awareness and broaden the Company's reach within the investment community. During the six months ended June 30, 2022, the Company focused its efforts on digital advertising and strategic partnerships to bolster sales directly to consumers and retailers and identify new international channels.

The Company incurred consulting fees of $56,499 (June 30, 2022 - $64,317) during the six months ended June 30, 2023, representing a decrease of $7,818 compared to the same period of the prior year. The decrease in consulting fees is a direct result of the Company not renewing certain service agreements with third parties.

The Company incurred general and administrative expenses of $89,540 (June 30, 2022 - $65,472) during the six months ended June 30, 2023, representing an increase of $24,068 compared to the same period of the prior year. The increase in general and administrative expenses is explained by the Company becoming a publicly listed entity in July 2022, and as a result incurring regulatory and filing fees of $24,010 during the six months ended June 30, 2023 and an increase in insurance costs of $31,840 for additional policies implemented. These increases were partially offset by a decrease in rent expense of $19,965 relating to the costs incurred during the six months ended June 30, 2022 to relocate inventory to a new third-party logistics provider. The increases to general and administrative expenses for the six months ended June 30, 2023 were further offset by a decrease in bank charges and interest of $9,915 as a result of lower merchant fees on reduced direct to consumer sales volumes.

Professional fees for the six months ended June 30, 2023 amounted to $64,023 (June 30, 2022 - $151,995), representing a decrease of $87,972. The decrease in professional fees incurred by the Company is due to the preparations for a public listing that were ongoing in the six months ended June 30, 2022, including the completion of interim review and annual audit engagements by the Company's auditors and preparations of filing documents by the Company's advisors. During the six months ended June 30, 2023, professional fees comprised public company compliance and maintenance.

The Company incurred research and development expenses of $11,691 during the six months ended June 30, 2023 (June 30, 2022 - $2,721), representing an increase of $8,970. The increase in research and development expenses incurred by the Company is primarily due to the creation of custom molds and tooling for packaging items. During the six months ended June 30, 2022, research and development expenses comprised of dermatologist testing of products prior to launching.

The Company incurred salaries and benefits during the six months ended June 30, 2023 and 2022 of $8,456 and $16,735, respectively, in connection with an employment agreement with a former officer and director of the Company. The employment agreement was terminated during the six months ended June 30, 2023. Refer to *"Related Party Transactions"*.

(Stated in Canadian Dollars)

Other items

The Company recorded interest income for the six months ended June 30, 2023 of $44 for interest income earned on the Company's cash balances. During the six months ended June 30, 2022, the Company recorded interest income of $8,792 which primarily related to an interest-bearing loan agreement between the Company and Avneesh Dhaliwal, CEO of the Company was earning interest. Refer to *"Related Party Transactions"* for additional details of the loan agreement.

Three months ended June 30, 2023 and 2022

During the three months ended June 30, 2023, the Company recorded a net loss of $210,542 (June 30, 2022 - $191,339). The increase in net loss of $19,203 is further discussed below.

Gross profit

The Company recorded revenue for the three months ended June 30, 2023 of $33,451 (June 30, 2022 - $20,925) related to the sale of products directly to consumers, luxury retailers, distributors and wholesalers, as summarized in the table below.

	Three months ended June 30,					
	2023			2022		
Direct consumers	$	2,153	6%	$	10,652	51%
Distributors		23,760	71%		-	-
Retailers		7,538	23%		6,769	32%
Other		-	-		3,504	17%
	$	33,451	100%	$	20,925	100%

During the three months ended June 30, 2023, the Company generated increased total revenue compared to the same period of the prior year while focusing on the expansion of distribution channels, as discussed in "*Recent Developments and Outlook"*. Direct to consumer sales contributed the largest share of total revenue for the three months ended June 30, 2022 as a result of targeted digital marketing initiatives during the period.

Cost of sales for the three months ended June 30, 2023 amounted to $13,314 (June 30, 2022 - $9,616) and included the inputs to finished goods sold, including raw materials, bottling and packaging, fulfillment costs, and impairment adjustments.

As a result of revenue exceeding the cost of sales, the Company realized a gross profit for the three months ended June 30, 2023 of $20,137 (60%). During the three months ended June 30, 2022, the Company realized a gross profit of $11,309 (54%). The increase in gross profit for the three months ended June 30, 2023 is primarily attributable to the change in composition of revenue and costs associated with the fulfillment of distributor orders in contrast with direct consumers. Cost of sales increased during the three months ended June 30, 2023, as a direct result of increased sales and additional shipping and distribution costs related to international distributors.

Expenses

The Company incurred advertising and promotion expenses of $145,131 (June 30, 2022 - $71,335) during the three months ended June 30, 2023, representing an increase of $73,796 compared to the same period of the prior year. During the three months ended June 30, 2023, the Company continued its marketing strategy focused on comprehensive digital marketing campaigns to heighten market and brand awareness and broaden the Company's reach within the investment community. During the three months ended June 30, 2022, the Company focused on strategic partnerships to bolster sales directly to retailers and identify new international channels.

The Company incurred consulting fees of $15,899 (June 30, 2022 - $20,601) during the three months ended June 30, 2023, representing a decrease of $4,702 compared to the same period of the prior year. The decrease in consulting fees is a direct result of the Company not renewing certain service agreements with third parties.

The Company incurred general and administrative expenses of $29,118 (June 30, 2022 - $35,490) during the three months ended June 30, 2023, representing a decrease of $6,372 compared to the same period of the prior year. The decrease in general and administrative expenses is primarily attributable to decreased rent expenses offset by increased regulatory and filing fees and insurance costs in connection with the Company's public listing. During the three months ended June 30, 2022, the Company incurred higher rent costs as a result of transitioning and relocating inventory to a new third-party logistics provider.

Professional fees for the three months ended June 30, 2023 amounted to $28,830 (June 30, 2022 - $68,819), representing a decrease of $39,989. The decrease in professional fees incurred by the Company is due to the preparations for a public listing that were ongoing in the three months ended June 30, 2022, including the completion of interim review and annual audit engagements by the Company's auditors and preparations of filing documents by the Company's advisors. During the three months ended June 30, 2023, professional fees comprised public company compliance and maintenance.

The Company incurred research and development expenses of $11,691 during the three months ended June 30, 2023 (June 30, 2022 - $2,721), representing an increase of $8,970. The increase in research and development expenses incurred by the Company is primarily due to the creation of custom molds and tooling for packaging items. During the three months ended June 30, 2022, research and development expenses comprised of dermatologist testing of products prior to launching.

The Company incurred salaries and benefits during the three months ended June 30, 2023 and 2022 of $nil and $8,368, respectively, in connection with an employment agreement with a former officer and director of the Company. Refer to *"Related Party Transactions"*.

Other items

The Company recorded interest income for the three months ended June 30, 2023 of $24 for interest income earned on the Company's cash balances. During the three months ended June 30, 2022, the Company recorded interest income of $4,546 which primarily related to an interest-bearing loan agreement between the Company and Avneesh Dhaliwal, CEO of the Company was earning interest. Refer to *"Related Party Transactions"* for additional details of the loan agreement.

(Stated in Canadian Dollars)

SUMMARY OF QUARTERLY RESULTS

The table below sets forth selected results of operations of the Company. All figures are in accordance with IFRS.

For the three months ended		Revenue		Loss for the period		Loss per share (basic and diluted)
June 30, 2023	$	33,451	$	(210,542)	$	(0.00)
March 31, 2023	$	54,867	$	(174,489)	$	(0.00)
December 31, 2022	$	27,467	$	(414,661)	$	(0.01)
September 30, 2022	$	68,002	$	(325,859)	$	(0.01)
June 30, 2022	$	20,925	$	(191,339)	$	(0.00)
March 31, 2022	$	87,249	$	(385,548)	$	(0.01)
December 31, 2021	$	84,059	$	(1,747,203)	$	(0.04)
September 30, 2021	$	14,999	$	(1,424,830)	$	(0.03)

Historical quarterly results of operations and loss per share do not necessarily reflect any recurring expenditure patterns or predictable trends. The Company's expenditures are driven by the availability of financing to fund continued operations. The fluctuation in quarterly revenue correlates to the timing of marketing campaigns, the execution of which tends to drive increased revenue thereafter, and the timing of large quantity distributor orders. The Company incurred increased losses for the three months ended September 30, 2021 and December 31, 2021 while the Company engaged strategic partners and hosted promotional and media events which showcased the Company's product line with the intention of increasing brand awareness to targeted markets. Thereafter, the Company's operations and quarterly losses for the periods reflect reduced overall operations while the Company focused on expanding its distribution and raising additional working capital.

CAPITAL RESOURCES AND LIQUIDITY

The Company's working capital as at June 30, 2023 was $916,418 compared to working capital of $846,486 as at December 31, 2022. The increase in working capital of $69,932 during the six months ended June 30, 2023 is due to an increase in cash of $106,869 as a result of completing financing during the period, net of operating activities as detailed below in "*Capital Resources and Liquidity – Cash Flows*", an increase in amounts receivable of $34,395 related to a distribution sales order, and a decrease in accounts payable and accrued liabilities of $68,170 due to the timing of payments to third parties. These increases to working capital were partially offset by a decrease in prepaid expenses and deposits of $70,989 due to the timing of payments and agreement terms with third parties and a decrease in inventory of $68,513 for sales orders fulfilled during the six months ended June 30, 2023.

Going Concern

The accompanying condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

For the six months ended June 30, 2023, the Company had negative cash flows from operations of $348,094, a net loss of $385,031, and as at that date an accumulated deficit of $6,212,553. As at June 30, 2023, the Company had working capital of $916,418. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(Stated in Canadian Dollars)

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise adequate financing from external sources and generate profits and positive cash flows from operations in order to carry out its business objectives. The Company will require additional financing for continuing operations, to evaluate strategic opportunities, and for working capital purposes. However, there is no assurance that the Company will be able to secure such financing on favourable terms. Subsequent to the six months ended June 30, 2023, the Company completed financing and raised gross proceeds of $1,500,000 for general working capital purposes. The accompanying condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the Company's condensed consolidated interim financial statements. Such adjustments could be material.

Cash Flows

The Company's cash flows for the six months ended June 30, 2023 and 2022 are summarized in the table below.

	Six months ended June 30,			
		2023		**2022**
Cash used in operating activities	$	(348,094)	$	(626,228)
Cash provided by (used in) financing activities		472,000		(150,000)
Foreign exchange on cash		(17,037)		6,869
Change in cash for the period	$	106,869	$	(769,359)
Cash, beginning of the period		247,301		1,687,620
Cash, end of the period	$	354,170	$	918,261

In determining cash used in operating activities, the loss reported for the period is adjusted for non-cash items including, but not limited to, accrued interest income and gains and losses on foreign exchange. Cash used in operating activities also reflects changes in working capital items, such as amounts receivable, prepaid expenses and deposits, inventory, and accounts payable and accrued liabilities, which fluctuate in a manner that does not necessarily reflect predictable patterns for the overall use of cash. The generation of working capital is dependent on sources of financing to fund continuing operations.

There were no investing activities for the six months ended June 30, 2023 and 2022.

Cash provided by in financing activities for the six months ended June 30, 2023 totaled $472,000 and related to a non-brokered private placement for gross proceeds of $500,000, net of share issuance costs of $28,000. Refer to *"Share Capital"*. Cash used by financing activities for the six months ended June 30, 2022 of $150,000 related to the repurchase and cancellation of 500,000 common shares and 250,000 warrants of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

During the reporting periods there were no off-balance sheet arrangements.

(Stated in Canadian Dollars)

RELATED PARTY TRANSACTIONS

Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Consulting fees:				
Spiral Investment Corp.; a company controlled by Gurcharn Deol, Interim Chief Financial Officer and Director	**$ 9,000**	$ -	**$ 18,000**	$ -
9317-3516 Quebec Inc.; a company controlled by Meissam Hagh Panah, Director	**1,500**	-	**3,000**	-
Salaries and benefits:				
Kate-Lynn Genzel, Former Chief Financial Officer and Director	**-**	7,800	**7,800**	15,600
	$ 10,500	$ 7,800	**$ 28,800**	$ 15,600

Loan receivable

On January 4, 2021, the Company entered into a loan agreement for a principal balance of $388,472 payable by the Company's CEO, Avneesh Dhaliwal (the "CEO Loan Agreement"). The loan was provided to Ms. Dhaliwal for the purpose of purchasing common shares of the Company from former shareholders. The principal balance accrued interest at a rate of 4% per annum. The principal balance and all accrued interest thereon were due within 30 business days of the Company providing written notice of demand to Ms. Dhaliwal. The loan was repayable to the Company at any time without further bonus or penalty.

On November 16, 2022, the Company and the Company's CEO, Avneesh Dhaliwal, entered into a share purchase agreement pursuant to which Ms. Dhaliwal returned 971,180 common shares of the Company with a fair value of $388,472 in exchange for the settlement of the principal balance and accrued interest of the CEO Loan Agreement. 971,180 common shares of the Company were subsequently cancelled and returned to the treasury.

During the three and six months ended June 30, 2023, the Company accrued interest income with respect to the loan receivable of $nil (June 30, 2022 - $3,874) and $nil (June 30, 2022 - $7,705), respectively.

Accounts payable and accrued liabilities

As at June 30, 2023, accounts payable and accrued liabilities includes $25,200 (December 31, 2022 - $18,900) related to consulting fees due to Spiral Investment Corp., a company controlled by Gurcharn Deol, Interim Chief Financial Officer and Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at June 30, 2023, accounts payable and accrued liabilities includes $2,225 (December 31, 2022 - $602) related to consulting fees due to 9317-3516 Quebec Inc., a company controlled by Meissam Hagh Panah, Director. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

As at June 30, 2023, accounts payable and accrued liabilities includes $2,631 (December 31, 2022 - $67) related to general and administration expenses due to Avneesh Dhaliwal, Director, Corporate Secretary and CEO. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

(Stated in Canadian Dollars)

Transactions with related parties were measured based on the consideration established and agreed to by the related parties. All services were made on terms equivalent to those that prevail with arm's length transactions.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

As at the date of the MD&A:

Security	Number outstanding
Common shares issued	55,880,195
Warrants	12,131,039
Agent compensation options(1)	531,656
Agent compensation options(2)	202,400
	68,745,290

(1) Exercisable into 1.22 units with each whole unit consisting of one common share and one-half of one warrant, each such warrant will be exercisable to acquire one common share at an exercise price of $0.75 per warrant until July 25, 2024.

(2) Exercisable into 1.18 units with each whole unit consisting of one common share and one-half of one warrant, each such warrant will be exercisable to acquire one common share at an exercise price of $0.75 per warrant until July 25, 2024.

During the six months ended June 30, 2023:

On February 24, 2023, the Company closed a non-brokered private placement and issued 2,000,000 units of the Company for gross proceeds of $500,000. Each unit is comprised of one common share of the Company and one-half of one warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.35 per common share and expires on February 24, 2024. The Company paid finder's fees of $28,000 and issued 112,000 finder's warrants in connection with closing the non-brokered private placement. Each finder's warrant is exercisable into one common share of the Company at an exercise price of $0.35 per common share and expires on February 24, 2024.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The accompanying condensed consolidated interim financial statements have been prepared using the judgments, estimates and assumptions summarized below.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Refer to "*Capital Resources and Liquidity*".

Inventory

Inventory consists of raw materials, work in progress, shipping materials, and finished goods recorded at the lower of cost and net realizable value. Inventory represents a significant portion of the asset base of the Company and its value is reviewed at each reporting period. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, expiry, damage, or slow moving. The assessment of whether inventory is slow moving is subject to management's estimates of future sales forecasts and expected shelf lives of inventory. Actual net realizable value can vary from the estimated provision.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS AND RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and has determined that there are no new standards that are relevant to the Company.

FINANCIAL AND OTHER INSTRUMENTS

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

The Company's financial instruments consist of cash, trade receivables, and accounts payable and accrued liabilities. The Company has no financial instruments carried at fair value.

The carrying value of the Company's financial instruments approximate their fair values due to their short-term maturities.

There were no transfers between the levels of the fair value hierarchy during the six months ended June 30, 2023 or 2022.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and amounts receivable. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash with high credit quality financial institutions.

The Company's amounts receivable consists of input tax credits due from the Government of Canada and sales orders due from reputable luxury department stores, distributors, and third party credit card processing services; and as such, amounts receivable are not subject to significant credit risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant. The Company does not rely on interest income to fund its operations and does not have any interest-bearing debt.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next 12 months. The Company intends to settle these with funds from its positive working capital position.

The tables below summarize the maturity profile of the Company's financial liabilities.

As at June 30, 2023	Less than 1 year	1 – 3 years	4 – 5 years	Later than 5 years	Total
Accounts payable and accrued liabilities	$ 165,957	$ -	$ -	$ -	$ 165,957
Total liabilities	$ 165,957	$ -	$ -	$ -	$ 165,957

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash balances that are denominated in a foreign currency. As at June 30, 2023, the Company held cash denominated in US dollars of US$30,107 (December 31, 2022 – US$10,709) which expose the Company to minimal foreign currency exchange rate risk. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk as the Company consider this risk to be immaterial.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

SUBSEQUENT EVENTS

On August 18, 2023, the Company closed a non-brokered private placement of 3,750,000 units, comprising of one common share and one-half of one warrant, for a price of $0.40 per unit for gross proceeds of $1,500,000. Each warrant is exercisable into one common share for a period of one year from the date of issuance at an exercise price of $0.50 per common share. Finder's fees of $95,200 were paid and 238,000 finder's warrants were issued in connection with the private placement. Each finder's warrant is exercisable into one common share at a price of $0.50 per common share for a period of one year from issuance.

The Company issued 35,000 common shares pursuant to the exercise of 35,000 warrants for gross proceeds of $17,500.