



Coloured Ties Capital Inc.

Interim Condensed Financial Statements

Three and Nine months ended June 30, 2023

Expressed in thousands of Canadian dollars

(Unaudited)

Coloured Ties Capital Inc.Interim Condensed Statements of Financial Position
(Expressed in thousands of Canadian dollars)

		As at	
	Note	June 30, 2023	September 30, 2022
ASSETS			
Current Assets			
Cash and cash equivalents	5	\$ 287	\$ 4,259
Investments	6	42,198	16,458
Amounts receivable	6	28	3
Prepaid and deposits		42	23
Due from related parties (net of allowance)	16	279	-
Loan receivable	9	-	762
Total current assets		42,834	21,505
Non-Current Assets			
Mineral properties	7	-	90
Exploration and evaluation asset	8	40	-
Total assets		42,874	21,595
LIABILITIES			
Current Liabilities			
Margin facility	5	\$ 5,081	\$ -
Accounts payable and accrued liabilities		148	59
Due to related parties	16	153	314
Total liabilities		5,382	373
SHAREHOLDERS' EQUITY			
Share capital	10	157,746	204,663
Contributed surplus		40,093	39,615
Accumulated other comprehensive income		3,450	3,450
Deficit		(163,797)	(226,617)
Equity attributable to owners of the Company		37,492	21,111
Non- controlling interest	21	-	111
Total Shareholder's equity		37,492	21,222
Total liabilities and shareholders' equity		\$ 42,874	\$ 21,595

Approved by the Board of Directors on August 29, 2023

Signed:

"Bala Pratap Reddy Udumala"

Director – Bala Pratap Reddy Udumala

Signed:

"Chris Cooper"

Director – Chris Cooper

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

Coloured Ties Capital Inc.

Interim Condensed Statements of Income (Loss)

(Expressed in thousands of Canadian dollars, except per share amounts and number of shares outstanding)

		Three months ended		Nine months ended	
	Note	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Income (loss) from investments:					
Fair value gain (loss) on investments	11	\$ 7,086	\$ 1,275	\$ 19,906	\$ (46)
Gain (loss) on sale of investments	11	302	(3,612)	3,340	(3,687)
Total income from investments		7,388	(2,337)	23,246	(3,733)
General and administrative expenses:					
General and administrative	12	937	226	2,245	659
Income (loss) before other income (expense)		6,451	(2,563)	21,001	(4,392)
Other income (expense)	13	(4)	(1,523)	(2,072)	(158)
Net income (loss) for the period		6,447	(4,086)	18,929	(4,550)
Income (loss) per share - Basic	14	0.37	(0.18)	0.98	(0.20)
Income (loss) per share - Diluted	14	\$ 0.32	\$ (0.18)	\$ 0.85	\$ (0.20)
Weighted average number of shares outstanding		17,369,552	23,275,641	19,407,676	23,275,641
Weighted average number of shares outstanding - Diluted		20,201,475	23,275,641	22,343,680	23,275,641

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

Coloured Ties Capital Inc.

Interim Condensed Statements of Changes in Equity
(Expressed in thousands of Canadian dollars)

	Share capital (Note 10)		Reserves			Equity attributable to owners of the company \$	Non- controlling interest \$	Total - \$ -
	Number of shares	Amount - \$ -	Contributed surplus - \$ -	Accumulated other comprehensive income (loss) - \$ -	Deficit - \$ -			
Balance, September 30, 2021	23,275,641	215,435	39,195	3,450	(236,491)	21,589	111	21,700
Net loss for the period	-	-	-	-	(744)	(744)	-	(744)
Balance, June 30, 2022	23,275,641	215,435	-	39,195	(237,235)	20,845	111	20,956
Balance, September 30, 2022	22,111,859	204,663	39,615	3,450	(226,617)	21,111	111	21,222
Shares repurchased through NCIB	(5,192,307)	(47,156)	-	-	43,780	(3,376)	-	(3,376)
Shares issued for options exercised	450,000	239	(100)	-	-	139	-	139
Fair value of stock options granted	-	-	120	-	-	120	-	120
Fair value of RSU granted	-	-	458	-	-	458	-	458
Dissolution of subsidiary	-	-	-	-	111	111	(111)	-
Net income for the period	-	-	-	-	18,929	18,929	-	18,929
Balance, June 30, 2023	17,369,552	157,746	-	40,093	3,450	(163,797)	-	37,492

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

Coloured Ties Capital Inc.Interim Condensed Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

	Nine months ended	
	June 30, 2023	June 30, 2022
Cash Provided By (Used In)		
Operating Activities		
Net income (loss) for the period	\$ 18,929	\$ (464)
Adjustments for:		
Purchase of investments	(13,117)	(14,627)
Sale of investments	10,470	10,823
Fair value loss on investments	(19,906)	(46)
Realized gain on sale of investments	(3,340)	(3,687)
Loss on allowance on due from related parties	1,569	-
Stock based compensation	578	-
Loss on loan receivable written off	425	-
Unrealized foreign exchange gain	153	138
Interest accrued	(18)	-
Amortization	7	-
Recovery of bad debts	-	(1,350)
Changes in non-cash working capital:		
(Increase) decrease in amount receivable	(25)	28
Increase in prepaids and deposits	(19)	(27)
Increase in due from related parties	(13)	-
Increase in margin facility	5,081	-
Decrease in accounts payable and accrued liabilities	89	(38)
Decrease in due to related parties	(161)	-
Net cash provided by (used in) operating activities	702	(9,250)
Investing Activities		
Loan to related parties	(1,727)	-
Purchase of exploration and evaluation asset	(47)	-
Recovery of loan receivable	337	225
Net cash provided by (used in) investing activities	(1,437)	225
Financing Activities		
Stock options exercised	139	-
Shares repurchased through NCIB	(3,376)	-
Net cash used in financing activity	(3,237)	-
Net change in cash and cash equivalents	(3,972)	(9,025)
Foreign exchange effect on cash	-	48
Decrease in cash and cash equivalents	(3,972)	(8,977)
Cash and cash equivalents, beginning of the period	4,259	14,273
Cash and cash equivalents, end of the period	\$ 287	\$ 5,296

See supplemental cash flow information – Note 19

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

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

1. GENERAL INFORMATION

Coloured Ties Capital Inc. (the “Company”) is a publicly traded company that was formed on August 22, 2008, by an amalgamation of two predecessor entities. The Company is incorporated and domiciled in Canada having its corporate head office located at 1500 Royal Centre, 1055 West Georgia Street, PO box 11117, Vancouver, BC, V6G 2Z6. The Company is primarily listed and trading on the TSX Venture Exchange (“TSXV”) with the trading symbol “TIE”.

Since inception, efforts of the Company had been devoted to the acquisition, exploration and development of mineral properties. In the past years, the Company was focused on the exploration, evaluation, and development of phosphate and potassium-rich brine resources on its Bayovar property (the “Bayovar Property”), which is located in the Sechura Desert in northwestern Peru.

After a thorough review of the Company’s resources and strategic options, and given the expertise and skill sets of the Company’s current management and directors, the Company’s board of directors determined that the optimal allocation of the Company’s working capital would be within the framework of an investment company. On August 19, 2021, the Company announced that it received final approval from the TSXV with respect to its previously announced proposed change of business (“COB”) from mineral exploration to an investment issuer. Following this approval, the Company reported a change in its business focus away from mineral exploration and into an investment issuer classification.

On November 26, 2021, the Company consolidated its capital on one (1) post-consolidated share for (10) pre-consolidated shares. The Company had 23,275,641 (post-consolidation) shares issued and outstanding. The share consolidation has been adjusted retrospectively in the Financial Statements. The Company also changed its name to Coloured Ties Capital Inc. from GrowMax Resources Corp.

On September 15, 2022, the Company’s acquired majority interest in Quebec Pegmatite Corporation (“QPC”) which will be focused on holding and developing mineral claims in the Corvette Lithium District in Quebec.

On February 2, 2023, pursuant to non-compliance in filing the annual reports, Growmax Agri Corp (“GAC”), a subsidiary of the Company, was dissolved by the registrar of corporations. At the time of dissolution, GAC had no assets or liabilities and as such there was no income statement impact from its dissolution. The non-controlling interest balance related to GAC was reclassified to deficit upon dissolution (Note 22).

On February 10, 2023, the Company filed a preliminary short form base shelf prospectus (“the Prospectus”) to offer sale of common shares, warrants, subscription receipts, debt securities or any combination of such securities (collectively “the Securities”) from time to time, during the 25-months period the Prospectus, including any amendments thereto, remains effective, in one or more series of issuances, with a total offering price of the Securities in the aggregate, of up to \$10,000. The specific terms of any Securities offered will be described in one or more shelf prospectus supplements (collectively or individually, as the case may be, a “Prospectus Supplement”).

These unaudited interim condensed financial statements for the three and nine months ended June 30, 2023 (“Financial Statements”) have been prepared 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 through a process of forced liquidation. The operations of the Company were exclusively funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company’s future capital requirements will depend on many factors, including the current capital market environment, global market conditions, and management’s strategic investment decisions.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

2. BASIS OF PRESENTATION

Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. These Financial Statements should be read in conjunction with the annual financial statements for the year ended September 30, 2022. The Company has determined that it meets the definition of an investment entity under IFRS 10 Consolidated financial statements (“IFRS 10”). The accounting policies set out in Note 3 have been applied consistently by the Company and its subsidiary to all periods presented.

Basis of measurement

These Financial Statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at fair value through profit or loss. Additionally, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Unless otherwise noted, these Financial Statements are presented in Canadian dollars, which is also the functional currency of the Company. All dollar amounts reported are expressed in thousands except per income or loss per share.

Approval of the Financial statements

These Financial Statements of the Company for the three and nine-month period ended June 30, 2023, were approved and authorized for issue by the Board of Directors on August 29, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these Financial Statements are identical to those used in the preparation of the audited consolidated financial statements for the year ended September 30, 2022, which can be obtained on SEDAR at www.sedar.com.

New standards, amendments, and interpretation

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Critical accounting judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Recoverability of receivables

The determination of when receivables are impaired and if subsequently, they become receivable requires significant judgment as to their collectability.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Critical accounting judgements (continued)

Determination of investment issuer status

The Company considered all the available facts and concluded that the Company met all three criteria set forth in IFRS 10 to meet the definition of an investment issuer:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

Consolidation

Judgement is applied in assessing where the Company exercises control over its subsidiaries, in which the Company directly or indirectly owns an interest. The Company has control when it has power over the subsidiary, has exposure, or rights to variable returns, and has the ability to use its power to affect the returns. Additionally, as an investment issuer, the Company must also apply judgment in determining the purpose of the subsidiary and whether it meets the requirements for consolidation in accordance with IFRS 10.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future taxable income and the application of existing tax laws. To the extent that future taxable income differs significantly from estimates, the ability of the Company to realize deferred tax assets could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

Privately held equity investments

The fair value of privately held equity investments require management to make certain assumptions and estimates. Changes in assumptions used to estimate the fair value could result in materially different results.

Stock-based compensation and derivative instruments

The fair value of share-based payments and warrants held as equity investments are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate. We have revalued the derivative instrument based on the Black-Scholes model with revised assumptions for the quarter.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

5. CASH AND CASH EQUIVALENTS

As at June 30, 2023, cash and cash equivalents in the Company consists of the following:

	June 30, 2023	September 30, 2022
Cash held at bank	\$ 272	\$ 3,311
Cash held with investment brokers	15	948
	\$ 287	\$ 4,259

Pursuant to a client account agreement, one of the investment brokers has provided a margin credit facility to the Company. The amount of margin facility at any given time is based on lower of: a) 30% of the fair market value of the shares held in Patriot Battery Metals Inc. b) \$5,000. The interest rate of the margin facility is prime lending rate plus 3%. As at June 30, 2023, the Company has a payable balance of \$5,081 (September 30, 2022 - \$Nil) in the margin facility.

As per the agreement, the investment broker has the right to cancel, reduce, or change the terms of the margin facility at its sole discretion. In such case, the Company will be required to provide the required margin or pay any indebtedness due as a result of the above changes.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

6. INVESTMENTS

As at June 30, 2023, the Company's investments consist of:

Description	Number of securities			Cost	Fair Value
	Shares	Warrants	Debentures		
PRIVATE INVESTMENTS					
AuAg Exploration Inc.	3,500,000	-	-	\$ 460	\$ -
Canadian Towers and Fiber Optics Inc.	7,000,000	-	-	350	1,400
Meal Ticket Brand Systems Inc.	2,500,000	-	-	375	375
Pike Therapeutics Inc.	1,000,000	-	-	133	-
Quality Green Inc.	5,500,000	-	-	1,777	-
Quebec Pegmatite Corp.	10,000,000	-	-	10	2,500
Questcorp Mining Inc.	3,060,000	-	-	153	306
Ride Vision Ltd.	6,527	-	-	1,260	1,324
	32,566,527	-	-	\$ 4,518	\$ 5,905
PUBLIC INVESTMENTS					
Azimet Exploration Inc.	2,578,600	-	-	\$ 3,644	\$ 3,146
Beyond Medical Technologies Inc.	770,000	-	-	923	54
Navco Pharmaceuticals Inc.	333,333	-	-	50	18
Cannabix Tech Inc.	54,500	-	-	37	14
CULT Food Science Corp.	4,023,000	-	-	340	221
Cypherpunk Holdings Inc.	21,000	-	-	2	3
First Responder Technologies Inc.	234,000	-	-	1,005	91
First Uranium Res Ltd.	115,000	-	-	12	13
Genius Metals Inc.	864,000	-	-	48	52
Graphite One Inc.	5,600	-	-	7	7
Hertz Lithium Corp.	5,203,500	-	-	720	1,535
Honey Badger Silver Inc.	1,000,000	-	-	150	120
Makara Mining Corp.	1,500,000	-	-	30	15
Manning Ventures Inc.	7,767,000	-	-	627	117
Patriot Battery Metals Inc.	1,776,000	-	-	4,934	26,967
Power Metals Corp.	3,106,500	-	-	1,037	1,289
Powerstone Metals Corp.	1,687,000	-	-	157	106
Red lake Gold Inc.	24,500	-	-	7	1
Rockland Resources Ltd.	3,100,000	-	-	190	171
SPEY Resources Corp.	150,000	-	-	11	6
Starr Peak Mining Ltd.	1,519,000	-	-	827	957
HempFusion Wellness Inc.	240,000	-	-	351	-
Trio Petroleum Corp.	200,000	-	-	273	442
Winsome Resources Ltd.	83,000	-	-	143	122
	36,355,533	-	-	\$ 15,521	\$ 35,467
DERIVATIVE INSTRUMENTS					
WT – Navco Pharmaceuticals Inc.	-	333,333	-	\$ -	\$ 3
WT- Hertz Lithium Corp.	-	2,825,000	-	7	198
WT - Honey Badger Silver Inc.	-	500,000	-	-	26
WT- Intrepid Metals Corp.	-	600,000	-	88	-
WT- LQWD Fintech Corp.	-	37,500	-	3	-
WT - Quality Green Inc.	-	5,500,000	-	-	-
WT - Rockland Resources Ltd.	-	3,000,000	-	-	46
WT - Trio Petroleum Corp.	-	200,000	-	-	180
WT -Blue Sky Uranium Corp.	-	330,000	-	-	-
WT- Meal Ticket Brand Systems Inc.	-	2,500,000	-	-	59
	-	15,825,833	-	\$ 98	\$ 511
DEBT SECURITIES					
DB - Leef Brands Inc.	-	-	300	\$ 300	\$ 315
Total investments as at June 30, 2023	68,922,060	15,825,833	300	\$ 20,437	\$ 42,198

⁽¹⁾On December 5, 2022, Icanic Brands Company Inc. changed its name to Leef Brands Inc. As of June 30 2023, \$28 (September 30, 2022 - \$3) has been accrued as interest receivable on these debt securities.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

6. INVESTMENTS (continued)

The continuity of the Company's investments during the period ended June 30, 2023, is as follows:

	September 30, 2022	Purchase of Investments	Sale of Investments	Realized Gains (Losses)	Unrealized Gains (Losses)	Foreign Exchange	June 30, 2023
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Private investments	1,381	878	-	-	3,692	(46)	5,905
Public investments	14,641	12,232	(10,460)	3,354	15,807	(107)	35,467
Derivative instruments	136	7	(10)	(14)	392	-	511
Debt securities	300	-	-	-	15	-	315
Total	16,458	13,117	(10,470)	3,340	19,906	(153)	42,198

The Company has common executives with Beyond Medical Technologies Inc., AuAg Exploration Inc., Canadian Towers and Fiber Optics Inc., Hertz Lithium Corp., Navco Pharmaceuticals Inc. and Quebec Pegmatite Corp. The Company has common directors with First Responder Technologies Inc.

The warrants are valued using the Black-Scholes option pricing model with revised assumptions as of June 30, 2023; such as risk-free rate, volatility, dividend yield, and expected life. The inputs used to value the warrants are below:

Description	Statement Date	Expiry Date	Warrants	Stock Price	Exercise Price	Discount Rate	Volatility
WT – Navco Pharmaceuticals Inc.	6/30/2023	3/31/2025	333,333	\$ 0.06	\$ 0.25	3.00%	96.46%
WT – Hertz Lithium Corp.	6/30/2023	3/31/2025	2,825,000	0.30	0.25	3.00%	95.97%
WT – Honey Badger Silver Inc.	6/30/2023	4/21/2026	500,000	0.08	0.18	3.00%	83.21%
WT – Intrepid Metals Corp.	6/30/2023	4/21/2024	600,000	0.15	0.35	3.00%	100.00%
WT – LQWD Fintech Corp.	6/30/2023	10/28/2023	37,500	0.61	0.25	3.00%	100.00%
WT – Rockland Resources Ltd.	6/30/2023	11/25/2024	3,000,000	0.10	0.10	3.00%	96.91%
WT – Trio Petroleum Corp.	6/30/2023	3/31/2025	200,000	1.67	2.00	3.00%	60.48%
WT – Blue Sky Uranium Corp.	6/30/2023	6/14/2025	330,000	0.08	0.25	3.00%	100.00%
WT – Meal Ticket Brand System	6/30/2023	6/11/2025	2,500,000	\$ 0.15	0.35	3.00%	68.46%

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the investment's common share price on the relevant stock exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the warrants' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

6. INVESTMENTS (continued)

As at September 30, 2022, the Company's investments consist of:

Description	Number of securities			Cost	Fair Value
	Shares	Warrants	Debentures		
PRIVATE INVESTMENTS					
AuAg Exploration Inc.	3,500,000	-	-	\$ 460	\$ -
Hertz Lithium Corp.	3,000,000	2,800,000	-	355	355
Pike Therapeutics Inc.	1,000,000	-	-	133	-
Quality Green Inc.	5,500,000	5,500,000	-	1,777	-
Quebec Pegmatite Corp.	10,000,000	-	-	10	10
Ride Vision Ltd.	6,527	-	-	1,260	1,371
	23,006,527	8,300,000	-	\$ 3,995	\$ 1,736
PUBLIC INVESTMENTS					
Algemon Pharmaceuticals Inc.	41,600	-	-	\$ 218	\$ 175
Beyond Medical Technologies Inc.	7,700,000	-	-	609	154
Blue Sky Uranium Corp.	330,000	-	-	50	46
Canagold Resources Ltd.	676,000	-	-	187	176
Cannabix Tech Inc.	320,000	-	-	225	90
Cypherpunk Holdings Inc.	1,000,000	-	-	80	70
DLV Resources Ltd.	74,000	-	-	33	32
Endurance Gold Corp.	1,000,000	-	-	417	400
First Responder Technologies Inc.	3,000,000	-	-	990	15
First Uranium Resources Ltd.	624,786	-	-	192	62
Garibaldi Resources Corp.	300,000	-	-	118	104
Gobimin Inc.	181,900	-	-	149	169
Graphite One Inc.	364,900	-	-	517	376
Greenbriar Capital Corp.	19,400	-	-	29	25
Hempfusion Wellness Inc.	240,000	-	-	351	16
Intrepid Metals Corp.	1,200,000	-	-	152	144
LQWD Fintech Corp.	450,000	-	-	148	36
Manning Ventures Inc.	2,167,000	-	-	325	98
Maverix Metals Inc.	200,000	-	-	1,108	914
Patriot Battery Metals Inc.	1,881,200	-	-	3,486	10,869
Red Lake Gold Inc.	24,500	-	-	7	1
Revival Gold Inc.	28,500	-	-	16	18
Southern Energy Corp.	379,000	-	-	326	296
	22,202,786	-	-	\$ 9,733	\$ 14,286
DERIVATIVE INSTRUMENTS					
WT – Alpha Metaverse Technologies Inc.	-	1,428,571	-	\$ -	\$ -
WT – Beyond Medical Inc.	-	8,000,000	-	-	-
WT – Blue Sky Uranium Corp.	-	330,000	-	-	22
WT – First Uranium Resources Ltd.	-	214,143	-	-	1
WT – Graphite One Inc.	-	500,000	-	-	95
WT – Hempfusion Wellness Inc.	-	120,000	-	21	1
WT – Intrepid Metals Corp.	-	600,000	-	88	16
WT – LQWD Fintech Corp.	-	37,500	-	4	-
WT – Manning Ventures Inc.	-	2,350,000	-	-	1
	-	13,580,214	-	\$ 113	\$ 136
DEBT SECURITIES					
DB – Icanic Brands Company Inc.	-	-	300	\$ 300	\$ 300
Total of investments as at September 30, 2022	45,209,313	21,880,214	300	\$ 14,141	\$ 16,458

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

6. INVESTMENTS (continued)

The continuity of the Company's investments during the year ended September 30, 2022 is as follows:

	September 30, 2021 (\$)	Purchase of Investments (\$)	Sale of Investments (\$)	Realized Gains (Losses) (\$)	Unrealized Gains (Losses) (\$)	Foreign Exchange (\$)	September 30, 2022 (\$)
Private investments	2,236	1,625	-	-	(2,254)	129	1,736
Public investments	4,624	13,685	(9,122)	(761)	5,621	239	14,286
Derivative instruments	751	4,380	(2,059)	(2,292)	(644)	-	136
Debt securities	-	300	-	-	-	-	300
Margin account	-	1,534	(729)	(805)	-	-	-
Total	7,611	21,524	(11,910)	(3,858)	2,723	368	16,458

The inputs used to value the warrants are below:

Description	Statement Date	Expiry Date	Warrants	Stock Price	Exercise Price	Discount Rate	Volatility
WT - Alpha Metaverse Technologies Inc.	2022-09-30	2022-12-22	1,428,571	\$0.08	\$0.50	1.50%	100%
WT - Blue Sky Uranium Corp.	2022-09-30	2025-06-14	330,000	\$0.14	\$0.25	1.50%	100%
WT - First Uranium Res Ltd.	2022-09-30	2023-05-27	214,143	\$0.07	\$0.20	1.50%	100%
WT - Graphite One Inc.	2022-09-30	2023-05-12	500,000	\$1.03	\$1.50	1.50%	100%
WT - Intrepid Metals Corp.	2022-09-30	2024-04-21	600,000	\$0.12	\$0.35	1.50%	100%
WT - LQWD Fintech Corp.	2022-09-30	2023-10-28	37,500	\$0.08	\$0.25	1.50%	100%
WT - Hempfusion Wellness Inc.	2022-09-30	2023-02-28	120,000	\$0.04	\$1.25	1.50%	100%
WT - Beyond Medical Inc.	2022-09-30	2023-02-05	8,000,000	\$0.02	\$0.20	1.50%	100%
WT - Manning Ventures Inc.	2022-09-30	2023-02-11	2,350,000	\$0.055	\$0.20	1.50%	100%

7. MINERAL PROPERTIES

On July 20, 2022, the Company entered into an agreement with Glenn Griesbach and Junita Tedy Asihto (the "Vendors") to purchase 100% interest in 62 mineral claims located in the Cadillac-Pontiac region (Quebec) for \$50 subject to a 2% Net Smelter Returns Royalty ("NSR Royalty"). The Company has an option to purchase back 1% NSR Royalty at any time by making a payment of \$1,000 to the Vendors.

On August 19, 2022, the Company acquired 100% interest in additional 46 claims in the area from the Vendors for \$40 subject to a 2% NSR which can be reduced to 1% with a cash payment of \$1,000 at any time in the future.

On March 31, 2023, the Company sold all of the mineral claims it held to QPC for \$90. Pursuant to the sale, QPC has agreed to pay the full consideration to the Company within 120 days of the sale (Note 16).

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Title to mineral property interests

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

8. EXPLORATION AND EVALUATION ASSET

	Mining Equipment	
Cost		
Balance September 30, 2022	\$	-
Additions		47
Balance June 30, 2023		47
Accumulated Amortization		
Balance September 30, 2022		-
Additions		7
Balance June 30, 2023		7
Carrying Amounts		
September 30, 2022		-
June 30, 2023	\$	40

9. LOAN RECEIVABLE

On December 16, 2021, the Company entered into a loan repayment agreement with Fertimar Mineracao E Navegacao SA ("Fertimar"), whereby Fertimar shall repay the debt of Brazilian Reals ("R\$") 6,000,000 (\$1,350) in 12 monthly instalments. On August 6, 2022, the agreement was amended to reduce the remaining six-monthly payments of R\$666,666 to 12 monthly instalments of R\$333,333 with an interest rate of 2.5% per annum compounded yearly from July 2022 until June 2023.

During the period ended June 30, 2023, pursuant to the non-payment of 3 consecutive instalments, the Company has reached out to Fertimar to address the non-payments and is currently negotiating the recovery of the balance of the loan. In the absence of definitive assurance of recovery, the management has decided to impair the balance of the loan in accordance with level 3 of the fair value hierarchy.

Following table represents the changes in the balance of loan receivable during the periods ended June 30, 2023 and September 30, 2022:

	Amount
	\$
Balance as at September 30, 2021	-
Additions	1,350
Repayment	(675)
Foreign exchange adjustment	87
Balance as at September 30, 2022	762
Additions	-
Repayment	(337)
Foreign exchange adjustment	(87)
Loss on loan written off	(338)
Balance as at June 30, 2023	-

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

10. SHARE CAPITAL

Common shares

Authorized shares

Unlimited number of common shares and preferred shares without par value.

Issued

As at June 30, 2023 there were 17,369,522 issued and fully paid common shares (September 30, 2022 – 22,111,859)

Transactions during the nine months ended June 30, 2023.

On January 10, 2023, pursuant to exercise of the stock options, the Company issued 450,000 common shares for cash consideration of \$140. Upon exercise, \$100 of contributed surplus was reclassified to share capital.

On January 18, 2023, the Company announced that it successfully purchased and cancelled a total of 5,192,307 common shares at a price of \$0.65 per share under its substantial issuer bid for a total price of \$3,376. The difference of \$43,780 between the purchase price paid and the original cost was recorded as a credit to deficit.

Transactions during the year ended September 30, 2022

During the year ended September 30, 2022, the Company repurchased 1,163,782 common shares for \$376 through a normal course issuer bid (“NCIB”) and returned them to treasury. The difference between purchase price paid and the original cost was recorded as a credit to deficit.

Shares in escrow

As of June 30, 2023, there are Nil shares which are held in a Value Security Escrow (September 30, 2022 – 1,179,045).

Stock options

Stock option plan

The Company has a stock option plan under which the Board of Directors may from time-to-time grant to directors, senior officers, consultants and employees options to acquire common shares, exercisable for a period of up to ten years from the date of grant. The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall not exceed 10% of the total issued and outstanding common shares. The maximum number of common shares that may be reserved for issuance to any individual pursuant to stock options may not exceed 5% of the common shares issued and outstanding at the time of grant, and the number of common shares that may be reserved for issuance to all investor relations consultants pursuant to stock options may not exceed 2% of the common shares issued and outstanding at the time of grant. Options become exercisable as long as the optionee holds office or continues to be employed by the Company and 90 days following the cessation of an optionee’s position with the Company.

The following is a summary of changes in stock options for the period ended June 30, 2023, and September 30, 2022:

	Number of options	Weighted average exercise price (\$)	Weighted average life
Balance as at September 30, 2021	-	-	-
Options granted	1,900,000	0.31	2.92
Balance as at September 30, 2022	1,900,000	0.31	2.92
Options exercised	(450,000)	0.31	-
Options granted	250,000	0.75	4.57
Balance as at June 30, 2023	1,700,000	0.37	2.53
Exercisable	1,700,000	0.37	2.53

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

10. SHARE CAPITAL (continued)

Stock options (continued)

During the period ended June 30, 2023, the Company granted 250,000 (September 30, 2022 – 1,900,000) share purchase options to directors, officers, and consultants of the Company. During the period, the Company recognized an expense of \$120 (2022 - \$420) for the grant of stock options. The fair value of each option granted was determined using the Black-Scholes option pricing model with the weighted average assumptions as follows:

Exercise price	\$ 0.75
Risk-free interest rate	2.97%
Volatility	72.93%
Dividend yield	0.00%
Expected life (years)	5.00
Forfeiture rate	0.00%

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the TSXV. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

Transactions during the nine months ended June 30, 2023.

On January 10, 2023, pursuant to the exercise of the stock options, the Company issued a total of 450,000 shares for an exercise value of \$139. The corresponding fair value of \$100 was transferred from reserves to share capital.

On January 23, 2023, the Company granted 250,000 stock options. The options are exercisable at \$0.75 per share, vests immediately, and expires on January 23, 2028. The options vested immediately. The Company expensed \$120 as the fair value of the options and the amount was charged against the stock-based compensation reserve.

Transactions during the year ended September 30, 2022

On September 1, 2022, the Company granted a total of 1,900,000 stock options to its directors, officers, and consultants. The stock options can be exercised at \$0.31 per share until September 1, 2025. The options vested immediately. The Company expensed \$420 as the fair value of the options and the amount was charged against the stock-based compensation reserve.

Warrants

As at June 30, 2023, the Company had 1,883,076 (September 30, 2022 - 1,883,076) warrants outstanding.

Transactions during the nine months ended June 30, 2023.

There were no warrants transactions during the nine months ended June 30, 2023.

Transactions during the year ended September 30, 2022

There were no warrants transactions during the year ended September 30, 2022.

The following is a summary of changes in warrants for the period ended June 30, 2023 and September 30, 2022:

	Number of Warrants	Weighted average exercise price (\$)	Weighted average life
Balance as at September 30, 2021	1,883,076	0.80	4.91
Balance as at September 30, 2022	1,883,076	0.80	3.81
Balance as June 30, 2023	1,883,076	0.80	3.06

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

10. SHARE CAPITAL (continued)

Restricted Stock Units

Restricted Stock Units Plan

The Company has a stock option plan under which the Board of Directors may, in its discretion, at any time, and from time to time, issue Restricted Share Units (“RSU”) to eligible persons as it determines appropriate under this plan. However, any such issued RSU may not be paid out in shares in any event until receipt of any necessary approvals of the Company, shareholders, disinterested shareholders of the Company, the TSXV, and any other regulatory bodies. The aggregate number of shares available for issuance from treasury under this plan shall be 2,211,186 shares. Any share subject to an RSU, which has been cancelled or terminated in accordance with the terms of this plan without being paid out, shall again be available under this Plan.

The following is a summary of changes in RSU for the period ended June 30, 2023, and September 30, 2022:

	Number of RSU
Balance as at September 30, 2021 and 2022	-
RSU granted	2,205,000
Balance as at June 30, 2023	2,205,000

Transactions during the nine months ended June 30, 2023

On May 25, 2023, the Company issued 840,000 RSU to the directors, officers, and consultants of the Company and will vest on May 25, 2024.

On October 19, 2022, the Company issued a total of 1,365,000 RSU to the directors, officers, and consultants of the Company and will vest on October 19, 2023.

The RSU were valued at the trading price of the Company's common shares on the issuance date and expensed evenly over the vesting period. During the period ended June 30, 2023, \$458 was expensed for the vested RSU (2022 - \$Nil).

Transactions during the year ended September 30, 2022

No RSU were issued during the year ended September 30, 2022.

11. INCOME (LOSS) FROM INVESTMENTS

	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Fair value gain (loss) on investments	\$ 7,086	\$ 1,275	\$ 19,906	\$ (46)
Gain (loss) on sale of investments	302	(3,612)	3,340	(3,687)
	\$ 7,388	\$ (2,337)	\$ 23,246	\$ (3,733)

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Share based compensation	\$ 203	\$ -	\$ 578	\$ -
Professional and consulting fees	164	81	524	249
Office expenses	327	-	478	-
Management fees and employee benefits	89	77	267	196
Broker's commission	77	64	176	160
Transfer and filing fees	31	-	158	-
Other	33	4	50	54
Property investigation	13	-	13	-
	\$ 937	\$ 226	\$ 2,245	\$ 659

13. OTHER INCOME (EXPENSE)

	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Loss on allowance on due from related parties	(15)	-	(1,569)	-
Loss on loan written off	21	-	(425)	-
Foreign exchange gain (loss)	(40)	267	(166)	260
Interest income	30	5	87	7
Dividend income	-	6	1	26
Legal settlements	-	(24)	-	(24)
Recovery of bad debts	-	-	-	1,350
Other income (expense)	-	(1,777)	-	(1,777)
	\$ (4)	\$ (1,523)	\$ (2,072)	\$ (158)

14. INCOME (LOSS) PER SHARE

The calculation of income (loss) per share is based on the following data:

	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income (loss) for the period	\$ 6,447	\$ (4,086)	\$ 18,929	\$ (4,550)
Weighted average number of shares - Basic	17,369,552	23,275,641	19,407,676	23,275,641
Weighted average number of shares - Diluted	20,201,475	23,275,641	22,343,680	23,275,641
Income (loss) per share - Basic	0.37	(0.18)	0.98	(0.20)
Income (loss) per share - Diluted	\$ 0.32	\$ (0.18)	\$ 0.85	\$ (0.20)

The basic income (loss) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

The following table summarizes the carrying amounts of the Company's financial instruments:

	As at	
	June 30, 2023	September 30, 2022
<u>Financial Assets:</u>		
Cash and cash equivalents	\$ 287	\$ 4,259
Investments	42,198	16,458
Amount receivable	28	3
Due from related parties (net of allowance)	279	-
Loan receivable	-	762
<u>Financial Liabilities:</u>		
Margin facility	5,081	-
Accounts payable and accrued liabilities	149	59
Due to related parties	153	314
Total	\$ 37,410	\$ 21,109

Fair value estimation of financial instruments

The fair value of cash and cash equivalents, amount receivable, due from related party, loan receivable, accounts payable and accrued liabilities, and due to related parties approximate their carrying values due to the short-term maturity of the financial instruments. Public investments and derivatives are valued using the quoted price and observable inputs, respectively. Therefore, their carrying value represents their fair value. Private equity investments are value using unobservable inputs, which involves significant assumptions based on the conditions prevailing at the reporting date.

Financial instruments measured at fair value

Financial instruments that are measured at fair value subsequent to initial recognition are grouped in a hierarchy based on the degree to which the fair value is observable. The levels in the hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial instruments

The Company is responsible for performing the valuation of fair value measurements included in the Financial Statements, including Level 3 fair values. The valuation processes and results for recurring measurements are reviewed at least once every quarter, in line with the Company's quarterly reporting dates.

The following is a summary of the Company's financial instruments categorized in the fair value hierarchy as at June 30, 2023 and September 30, 2022:

	Fair Value Measurements Using			Total \$
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	
June 30, 2023				
Assets:				
Cash and cash equivalents	287	-	-	287
Amounts receivable	28	-	-	28
Investments - Public	35,467	-	-	35,467
Investments - Private	-	-	5,905	5,905
Investments - Derivatives and debt securities	-	826	-	826
Due from related parties (net of allowance)	-	279	-	279
Liabilities:				
Margin facility	5,081	-	-	5,081
Accounts payable and accrued liabilities	-	149	-	149
Due to related parties	-	153	-	153
September 30, 2022				
Assets:				
Cash and cash equivalents	4,259	-	-	4,259
Amounts receivable	3	-	-	3
Investments - Public	14,286	-	-	14,286
Investments - Private	-	-	1,736	1,736
Investments - Derivatives and debt securities	-	436	-	436
Loan receivable	-	762	-	762
Liabilities:				
Accounts payable and accrued liabilities	-	59	-	59
Due to related parties	-	314	-	314

Financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, credit risk and liquidity risk. Except as disclosed below, the Company's exposure to these risks and its methods of managing the risks remain consistent.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

Currency risk

The Company is exposed to financial risk related to fluctuations in foreign exchange rates. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at June 30, 2023, the Company's head office held United States dollars ("US\$") \$56 (September 30, 2022 – US\$2,399) of foreign currency in cash and cash equivalents and US\$1,585 (September 30, 2022 – US\$1,675) in investments. The Company estimates that a 5% weakening of the Canadian dollar at June 30, 2023 would have decreased the Company's reported net loss for the period ended June 30, 2023 by approximately \$109 (September 30, 2022 - \$278). A 5% strengthening of the Canadian dollar at June 30, 2023 would have had an equal but opposite effect.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. When investments are made, the Company's strategy is to stagger the maturity dates over different time periods to minimize exposure to interest rate changes. The Company monitors its exposure to interest rates but has not entered into any derivative financial instruments to manage this risk. Management believes the Company has minimal interest rate risk exposure.

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 obligation. The Company's exposure to credit risk is related to its cash and cash equivalents and loan receivable. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company's exposure to credit risk is considered to be low-moderate, given the size and nature of the various counterparties involved and their history of performance.

As at June 30, 2023, all of the Company's cash amounting to \$272 (September 30, 2022 - \$3,311) is held with a financial institution in Canada that was assigned a long-term issuer default rating of AAA (Fitch Ratings), the cash equivalents amounting to \$15 (September 30, 2022 - \$948) are held with the investment brokers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its holdings of cash. All of the Company's financial liabilities are short-term and without fixed terms of repayment.

To date, the Company has relied on cash flows from operations, equity financing, and sale of assets to fund its operations and capital expenditures.

Equity price risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and investments consisting of share purchase warrants and options are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's investments are monitored by the Board with decisions on sale or exercise taken by Management. An 18% decrease in fair value of the equity and derivative investments would result in an approximate \$7,539 decrease in the net loss for the period ended June 30, 2023 (June 30, 2022 - \$1,842).

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

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16. RELATED PARTY TRANSACTIONS

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the 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 Board of Directors and corporate officers.

As at June 30, 2023, the Company has a balance of \$279 due from related parties. (September 30, 2022 - \$Nil).

	As at	
	June 30, 2023	September 30, 2022
Due from a related company	\$ 266	\$ -
Due from a company controlled by CFO	13	-
	\$ 279	\$ -

As at June 30, 2023, due to related parties of \$153 (September 30, 2022 - \$314) comprises of amounts payable to key management personnel and/or companies owned directly or indirectly by key management personnel.

	As at	
	June 30, 2023	September 30, 2022
Company related to a director	\$ 104	\$ 147
Party related to the Chief Executive Officer ("CEO")	38	-
Companies controlled by directors	10	7
Company controlled by the CEO	-	114
Party related to a director	-	12
Company controlled by the Chief Financial Officer ("CFO")	-	4
Due to a related company	-	10
	\$ 153	\$ 314

Remuneration to the Company's related parties was as follows:

	Nine months ended	
	June 30, 2023	June 30, 2022
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Share based compensation	\$ 518	\$ -
Management fees and employee benefits	268	180
Professional fees	215	22
Consulting fees	69	62
	\$ 1,070	\$ 264

Share based payments were paid or accrued to the following:

	Nine months ended	
	June 30, 2023	June 30, 2022
CEO	\$ 246	\$ -
CFO	22	-
Corporate Development Officer ("CDO")	203	-
Directors	47	-
	\$ 518	\$ -

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

16. RELATED PARTY TRANSACTIONS (continued)

Management fees consisted of the following:

	Nine months ended		June 30, 2022
	June 30, 2023		
Company controlled by CEO	\$	190	\$ 140
Company controlled by CFO		47	41
Company controlled by CDO		31	-
	\$	268	\$ 181

Professional fees were paid or accrued to the following:

	Nine months ended		June 30, 2023
	June 30, 2023		
Company controlled by CFO	\$	55	\$ 22
Firm where a director is a partner		160	-
	\$	215	\$ 22

Consulting fees consisted of the following:

	Nine months ended		June 30, 2023
	June 30, 2023		
Companies controlled by directors	\$	47	\$ 38
Party related to a director		22	24
	\$	69	\$ 62

On March 31, 2023, the Company sold all of the mineral claims it held to QPC for \$90. Pursuant to the sale, QPC has agreed to pay the full consideration to the Company within 120 days of the sale. As at June 30, 2023, the management of the Company assessed the recoverability of the above amount and recorded a \$90 allowance for doubtful accounts based on the lifetime expected credit losses of this instrument in accordance with level 3 of the fair value hierarchy.

During the period ended June 30, 2023, the Company advanced \$1,150 to QPC by way of promissory note. The funds have been advanced to assist QPC in its mineral exploration projects. The amount bears interest at the rate of 4% and is due to be payable on December 31, 2024. As at June 30, 2023, the Company accrued \$13 as interest receivable on the promissory note. As at June 30, 2023, the management of the Company assessed the recoverability of the above amount and recorded a \$1,175 allowance for doubtful accounts based on the lifetime expected credit losses of this instrument in accordance with level 3 of the fair value hierarchy.

During the period ended June 30, 2023, the Company advanced \$300 to Flowing Lithium Exploration Inc. ("FLE") by way of promissory note. The funds have been advanced to assist FLE in its mineral exploration projects. The amount bears interest at the rate of 4% and is due to be payable on December 31, 2024. As at June 30, 2023, the Company accrued \$4 as interest receivable on the promissory note. As at June 30, 2023, the management of the Company assessed the recoverability of the above amount and recorded a \$304 allowance for doubtful accounts based on the lifetime expected credit losses of this instrument in accordance with level 3 of the fair value hierarchy.

During the period ended June 30, 2023, the Company entered into a loan agreement with a Company indirectly controlled by the CEO, Canuck Lithium Corp ("CLC"). The Company has advanced \$265 to assist CLC in its mineral exploration projects. The amount bears interest at a rate of 4% and is due to be payable on December 31st, 2023. As at June 30, 2023, the Company accrued \$1 as interest receivable on the promissory note.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

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16. RELATED PARTY TRANSACTIONS (continued)

The Company has entered into transactions to acquire common outstanding shares of companies related to directors. The following table highlights the total number of shares and corresponding cost for each related company as at June 30, 2023:

	As at June 30, 2023	
	Number of shares	Cost
Beyond Medical Inc.	770,000	\$ 922,586
AuAg Exploration Inc.	3,500,000	460,000
Canadian Towers and Fiber Optics Inc.	7,000,000	350,000
Hertz Lithium Inc.	5,203,500	719,517
Navco Pharmaceuticals Inc.	333,333	50,000
Quebec Pegmatite Corp.	10,000,000	10,000
	26,806,833	\$ 2,512,104

17. CAPITAL MANAGEMENT

The Company's objectives in managing liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide the financial capacity to meet its strategic objectives. The Company defines its capital as equity attributable to owners of the Company. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt and/or acquire or dispose of assets to facilitate the management of its capital requirements. The Company's investment policy is to invest in equity, debt and/or convertible securities, with the intention to hold both for long-term capital appreciation and shorter-term gains. The Company prepares annual expenditure budgets that are updated as necessary depending upon various factors, including successful capital deployment and general industry conditions. The Company's board of directors approves the annual and updated budgets.

The Company is not subject to any external imposed capital requirements and there were no changes in the Company's capital management during the period ended June 30, 2023.

18. LEGAL DISPUTES

On April 12, 2022, a settlement offer of \$19 was accepted to settle a claim filed against the Company during the year ended September 30, 2021, from a third party for a breach in an agreement. The Company has made the final payment for the settlement. In connection to this settlement, \$5 of prepaid expenses and deposits to this third party was written off and included in legal settlements during the year ended September 30, 2022.

19. SUPPLEMENTAL CASH FLOW INFORMATION

Following table depicts the supplemental cash flow information for the periods ended June 30, 2023, and 2022:

	June 30, 2023	June 30, 2022
	- \$ -	- \$ -
Cash paid for the period for:		
Interest	146	-
Income tax	-	-

20. SEGMENT DISCLOSURE

The Company has one operating segment, being the acquisition and sale of investments in other companies.

Coloured Ties Capital Inc.

Notes to the Interim Condensed Financial Statements

(Expressed in thousands of Canadian dollars, except per share amounts)

21. NON-CONTROLLING INTEREST

As at September 30, 2022, the Company held a 95% interest in GAC with the remaining 5% interest in GAC held by non-controlling interests. During the nine-month period ended June 30, 2023, GAC was dissolved. The accumulated non-controlling interest of GAC at the time of dissolution of \$111 was reclassified to deficit. At the time of dissolution, GAC held no assets or liabilities other than the intercompany balance with the Company and accordingly no gain or loss was recognized on the dissolution.

22. COMMITMENTS AND CONTINGENCIES

On August 9, 2022, a claim was filed in the Provincial Court of British Columbia (Small Claims Court) by Alfred & Company Advisors Inc. (“ACO”) against the Company. On May 1, 2022, the Company entered into a management consulting agreement with ACO (the “CT Contract”). The claim was for unpaid fees for the months of July 2022 pursuant to the CT Contract, as well as payments in the event of termination without just cause. The amount claimed was \$31, plus an extra for filing and service fees, for a total amount claimed of \$32. The Company intends to defend against these claims and cannot at this time determine the outcome.

23. SUBSEQUENT EVENTS

On August 9, 2023, the Company announced a substantial issuer bid offer, in which the Company will offer to purchase for cancellation up to \$3,750 of its outstanding common shares. The offer is being made of a “modified Dutch auction” and will purchase shares of not less than \$1.00 and not more than \$1.20 per outstanding common share. The offer is optional for all shareholders, who are free to choose whether to participate, how many shares to tender and, in the case of auction tenders, at what price to tender within the specified range.

On July 31, 2023, the Company successfully transferred 108 mineral claims located in the Cadillac-Pontiac region to QPC, pursuant to the agreement on March 31, 2023.