

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines
CTT PHARMACEUTICAL HOLDINGS, INC.

A Delaware Corporation
1100 – 1111 Melville Street, Vancouver, BC Canada V6E 3V6

(800) 516-1635
<http://www.cttpharmaceuticals.com>
info@cttpharmaceuticals.com
SIC Codes: 2834 and 2836

Quarterly Report

For the three-and six-month periods ending June 30, 2023 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

As at June 30, 2023, the number of shares outstanding of our Common Stock was:	51,392,381
As at March 31, 2023, the number of shares outstanding of our Common Stock was:	48,342,381
As of December 31, 2022, the number of shares outstanding of our Common Stock was:	47,742,381
As of December 31, 2021, the number of shares outstanding of our Common Stock was:	50,073,724

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

⁵ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

- On July 20, 2015, the company changed its name from Mindesta Inc. to CTT Pharmaceutical Holdings, Inc. (the "Company").

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

- The Company was incorporated within the State of Delaware on November 6, 1996. The Company is currently active with the State of Delaware.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

- N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

- N/A

The address(es) of the issuer's principal executive office:

1100 – 1111 Melville Street, Vancouver, BC Canada V6E 3V6

The address(es) of the issuer's principal place of business:

☒ Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

VStock Transfer, LLC
18 Lafayette Place
Woodmere, NY 11598

Phone: (212) 828-8436 info@vstocktransfer.com

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	CTTH	
Exact title and class of securities outstanding:	Common stock	
CUSIP:	12651E06	
Par or stated value:	\$0.0001	
Total shares authorized:	300,000,000	as at June 30, 2023
Total shares outstanding:	51,392,381	as at June 30, 2023
Total number of shareholders of record:	304	as at June 30, 2023

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

☐ N/A

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Voting rights

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

☐ N/A

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Number of Shares outstanding as of	Opening Balance:								
Jan. 1, 2019	Common: 47,073,724 Preferred: N/A		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
05/09/2019	New issuance	500,000	Common	0.19	No	Allen Greenspoon	Cash	RSTR	
12/14/2021	New issuance	2,500,000	Common	0.034	No	Dr. Pankaj Modi	Debt conversion	RSTR	1933 Act Legend
02/18/2022	New issuance	500,000	Common	0.035	No	Ryan Khouri	Consulting fees	RSTR	
08/18/2022	New issuance	500,000	Common	0.03	No	Ryan Khouri	Consulting fees	RSTR	
09/07/2022	New issuance	250,000	Common	0.027	No	Allen Greenspoon	Consulting fees	RSTR	
09/27/2022	New issuance	50,000	Common	0.0301	No	Alan King	Consulting fees	RSTR	
09/29/2022	New issuance	100,000	Common	0.04	No	Justin Chan	Consulting fees	RSTR	

09/30/2022	Return to treasury	(3,731,343)	Common	0.02	No	Aurora Cannabis Inc.	Settlement of Debt	RSTR	
03/20/2023	New Issuance	500,000	Common	0.02	No	Ryan Khouri	Consulting fees	RSTR	
03/20/2023	New Issuance	100,000	Common	0.02	No	Tavise Morabia	Consulting fees	RSTR	
04/04/2023	New Issuance	3,000,000	Common		No	Treasury Shares	Treasury shares	RSTR	
04/27/2023	New Issuance	50,000	Common	0.02	No	Alan King	Consulting fees	RSTR	
<u>Ending Balance:</u> <u>June 30, 2023,</u>			Common: 51,392,381 Preferred: <u>N/A</u>						

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.

(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company specializes in drug delivery systems technology within the pharmaceutical industry. Its focus is fast dissolving drug delivery systems through the development of advanced oral delivery thin wafers. The Company's technology platform includes the development of advanced oral delivery thin wafers to deliver treatment as an alternate to smoking and ingestion. The Company is currently conducting operations and its principal asset is a patented orally administered wafer (the "Wafer").

B. List any subsidiaries, parent company, or affiliated companies.

CTT Pharmaceuticals Inc. ("CTT Pharma") became the Company's wholly owned subsidiary on September 9, 2016 and become the Company's exclusive focus and sole business.

C. Describe the issuers' principal products or services.

Products

The Wafer

The wafer is an orally administrable paper-thin polymer film used as a carrier for pharmaceutical agents. The Wafer rapidly dissolves to release the pharmaceutical agent as soon as it comes in contact with saliva, thus obviating the need for water during administration. This attribute makes the wafer highly attractive for pediatric and geriatric patients due to the difficulty in swallowing conventional tablets and capsules.

The wafer is advantageously stable but readily dissolves on oral administration. Accordingly, the wafer is suitable for the oral administration of a compound such as a pharmaceutical agent to permit rapid release and onset of activity of the compound incorporated within the wafer. Our orally administered wafer comprises at least one physiologically acceptable film forming agent and an aqueous solvent, characterized by a dissolution rate of at least about 2 mg/s in an aqueous environment. There are several different aspects to our orally administered agents:

(a) At least one physiologically acceptable film forming agent, wherein said wafer is formed by exposing an aqueous mixture of the film forming agent to a plurality of heating and cooling cycles. (b) A pharmaceutical agent and at least one physiologically acceptable film forming agent, wherein the pharmaceutical agent is present in a pre-defined quantity.

To incorporate a pharmaceutical agent into a wafer according to the invention, the pharmaceutical agent is dissolved in an aqueous solution and added to a gel formed by an aqueous mixture of a selected film-forming agent. The wafer-forming heating and cooling cycles are then applied to the admixture of the pharmaceutical agent.

VetWafe – Oral Thin Film for Pain Management

VetWafe will be used for pain management for the pet markets. This product is thin films for treating dogs and cats. It is easy to administer orally as a thin film which dissolves within few seconds.

Distribution

The Company intends to partner with companies in multiple jurisdictions for the rights to distribute the Company's wafers. There can be no assurance that the Company will be successful in negotiating additional licensing agreements.

New Products

N/A

Competition

Our success depends in part upon maintaining a competitive position in the development of pharmaceutical agents suitable for our delivery system. We compete in an evolving field in which developments are expected to continue at a rapid pace. We compete with other drug delivery, biotechnology and pharmaceutical companies, research organizations, individual scientists and non-profit organizations engaged in the development of alternative drug delivery technologies or new drug research and testing, and with entities developing new drugs that may be orally active. Our product candidates compete against alternative therapies or alternative delivery systems for each of the medical conditions our product candidates address, independent of the means of delivery. Many of our competitors have substantially greater research and development capabilities, experience, marketing, financial and managerial resources than we have.

The pharmaceutical and biotechnology industry is characterized by intense competition, rapid product development and technological change. Most of our potential competitors are large, well-established pharmaceutical, chemical or healthcare companies with considerably greater financial, marketing, sales and technical resources than are available to us. Additionally, many of our potential competitors have research and development capabilities that may allow such competitors to develop new or improved products that may compete with our Wafers. Our Wafers could be made uneconomical by the development of new products to treat the conditions to be addressed by our developments, technological advances affecting the cost of production, or marketing or pricing actions by one or more of our potential competitors. Our business, financial condition and results of operation could be materially adversely affected by any one or more of such developments. Academic institutions, governmental agencies and other public and private research organizations are also conducting research activities and seeking patent protection and may commercialize products on their own or with the assistance of major health care companies in areas where we are developing product candidates. We are aware of certain development projects for products to treat or prevent certain diseases targeted by us, and the existence of these potential products or other products or treatments of which we are not aware, or products or treatments that may be developed in the future, may adversely affect the marketability of products developed by us.

In the area of advanced drug delivery, a number of companies are developing or evaluating enhanced drug delivery systems. We expect that technological developments will occur at a rapid rate and that competition is likely to intensify as various alternative delivery system technologies achieve similar if not identical advantages. Many of our competitors have greater financial and other resources, including larger research and development, marketing and manufacturing organizations. As a result, our competitors may successfully develop technologies and drugs that are more effective or less costly than any that we are developing, or which would render our technology and future products obsolete and non-competitive.

Suppliers

The Company has entered into an agreement with a supplier to produce the wafer. Until such time we are satisfied with the quality of the wafer, the wafer is being produced at lab trials with and without various medications. Once the wafer meets our quality control standards, the wafer will be treated with other molecules with various applications to create a rapidly dissolving formulation suitable for oral administration.

Major Customers

The Company is in preliminary talks with several potential licensees and or partners in the United States. As of the date of this report there are any new Major Customers.

Intellectual Property

On November 9, 2010 the Canadian Intellectual Property Office issued Patent Number 2,624,110 to Dr. Modi for A Rapidly Dissolving Orally Administrable Wafer Formulation. On Dec. 13, 2016 the Canadian Intellectual Property Office issued Patent Number 2,910,206 to Dr. Modi for Novel Therapeutic Composition. Both patents were subsequently assigned to CTT Pharma. On Jan. 2, 2018 the Canadian Intellectual Property Office issued Patent Number 2,922,959 to CTT Pharma for Orally Administrable Composition.

On January 7, 2014 the United States Patent and Trademark Office issued Patent Number 8,623,401 B2 to CTT Pharma for Wafer Formulation and on Dec. 5, 2017 Patent Number 9,833,461 B2 to CTT Pharma Ltd. for Therapeutic Compositions Comprising Cannabidiol and Corticosteroids. On April 27, 2017 a U.S. Patent Application was published for Novel Therapeutic Composition and on Sept. 7, 2017 another U.S. Patent Application was published for Orally Administrable Composition, both in the name of Dr. Pankaj Modi on behalf of CTT Pharma.

On Sept. 8, 2017 Patent Application 147691 for Orally Administrable Composition was published under the Patent Cooperation Treaty (PCT) of the World International Property Organization.

The Company intends to file additional patent applications when appropriate and to aggressively prosecute, enforce, and defend our patents and other proprietary technology. The Company also relies on trade secrets, know-how, and continuing innovation in an effort to develop and maintain our competitive position. Patent law relating to the patentability and scope of claims in the biotechnology and pharmaceutical fields is evolving and our patent rights are subject to this additional uncertainty.

Governmental Approval

The Company is looking at entering a joint venture or licensing agreement with several large pharmaceutical companies in the United States that have the financial capacity to secure FDA approval. Additionally, the Company is exploring opportunities at State level in the U.S., where products can be introduced through in accordance with state-level regulations. Entering the market through this route does put restrictions on any claims that could be made in relation to therapeutic benefits.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company's principal place of business is located 1100 – 1111 Melville Street, Vancouver, BC, Canada V6E 3V6. The Company leases this space at no cost to the Company from a consultant. Until such time as the Company becomes operational, management believes that this space is sufficient.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Dr. Allen Greenspoon	Director	Hamilton/On Canada	1,083,334	Common	2.2%	-
Ryan Khouri	Director	Tampa, FL	2,383,500	Common	4.9%	-
Capital Financial	Owner of more than 5%	Beirut, Lebannon	2,847,149	Common	5.9%	Camay Rabay, Principal

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

☐ N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

☐ N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

☐ N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

☐ N/A

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

☐ N/A

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Securities Counsel

Name: Ross D. Carmel, Esq.
Firm: Carmel, Milazzo & Feil LLP
Address 1: 18th Floor
55 W. 39th Street
Address 2: New York, NY 10018
Phone: (212) 658-0458
Email: rcarmel@cmdllp.com

Name: Kenneth Grace, Esq.
Firm: Lash Wilcox & Grace PL
Address 1: 200 – 2202 West Shore Blvd.
Address 2: Tampa, FL 33607
Phone: (813) 639-4206
Email: kgrace@lashwilcoxgrace.com

Accountant/Auditor

☐ N/A

Investor Relations

☐ N/A

All other means of Investor Communication:

☐ N/A

Other Service Providers

Provide the name of any other service provider(s) that that assisted, advised, prepared, or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

☐ N/A

9) Financial Statements

A. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)⁶:

Name: Ryan Khouri
Title: Interim Chief Financial Officer
Relationship to Issuer: Contractor

Mr. Khouri is an accomplished businessman with experience in the finance and administration aspect of running a business. He is financially literate and understands the reporting requirements of a publicly traded company.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Ryan Khouri certify that:

1. I have reviewed this Disclosure Statement for CTT PHARMACEUTICAL HOLDINGS, INC.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 15, 2023

/s/ Ryan Khouri

Principal Financial Officer:

I, Ryan Khouri certify that:

1. I have reviewed this Disclosure Statement for CTT PHARMACEUTICAL HOLDINGS, INC.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 15, 2023

/s/ Ryan Khouri

CTT Pharmaceutical Holdings, Inc.

Unaudited Condensed Interim Consolidated Financial Statements

The three- and six-month periods ended June 30, 2023 and 2022

(Expressed in U.S. dollars)

CTT PHARMACEUTICAL HOLDINGS, INC.

Condensed Interim Consolidated Statements of Financial Position

(Stated in US Dollars)

(Unaudited)

	Notes	June 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		\$ 14	\$ 8,096
Amounts receivable		-	44
TOTAL ASSETS		\$ 14	\$ 8,140
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 8,407	\$ 4,616
Loan payable	7	10,000	-
Total liabilities		18,407	4,616
Shareholders' equity			
Common shares	5	386,452	302,052
Treasury shares		(71,400)	-
Additional paid in capital		6,315,420	6,315,420
Contributed surplus		572,813	572,813
Accumulated other comprehensive income		1,151	1,151
Deficit		(7,222,829)	(7,187,912)
Total shareholders' equity		(18,393)	3,524
TOTAL LIABILITIES AND EQUITY		\$ 14	\$ 8,140
Nature and continuance of operations	1		

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

CTT PHARMACEUTICAL HOLDINGS, INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Stated in US Dollars)

(Unaudited)

		Three-month period ended June 30,		Six-month periods ended June 30,	
	Notes	2023	2022	2023	2022
Expenses					
Consulting fees		\$ 1,750	\$ -	\$ 10,099	\$ -
General and administrative		2,806	641	7,575	2,182
Marketing and promotions		312	-	527	2,320
Professional fees		3,200	350	3,200	3,578
Salaries and benefits	4	1,758	-	13,516	-
Total expenses		(9,826)	(991)	(34,917)	(8,080)
OTHER ITEMS					
Foreign exchange gain (loss)		-	-	-	493
Loss before other comprehensive loss		(9,826)	(991)	(34,917)	(7,587)
Other comprehensive loss					
Foreign currency translation adjustment		-	(461)	-	(461)
Comprehensive loss for the period		\$ (9,826)	\$ (1,452)	\$ (34,917)	\$ (8,048)

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

CTT PHARMACEUTICAL HOLDINGS, INC.
Condensed Interim Statements of Changes in Shareholders' Equity

(Stated in US Dollars)

(Unaudited)

	<u>Common Shares</u>							Accumulated other comprehensive income (loss)	Total Shareholders' Equity
	Shares	Amount	Treasury Shares	Additional Paid in Capital	Reserves	Deficit			
Balance, January 1, 2023	47,742,381	\$ 302,052	\$ -	\$ 6,315,420	\$ 572,813	\$ (7,187,912)	\$	1,151	\$ 3,524
Shares for services	650,000	13,000	-	-	-	-		-	13,000
Shares issued into treasury	3,000,000	71,400	(71,400)	-	-	-		-	-
Loss for the period	-	-	-	-	-	(34,917)		-	(34,917)
Balance, June 30, 2023	51,392,381	\$ 386,452	\$ (71,400)	\$ 6,315,420	\$ 572,813	\$ (7,222,829)	\$	1,151	\$ (18,393)
Balance, January 1, 2022	50,073,724	\$ 331,841	\$ -	\$ 6,315,420	\$ 498,186	\$ (7,141,783)	\$	1,612	\$ 5,276
Loss for the period	-	-	-	-	-	(7,587)		-	(7,587)
Other comprehensive loss	-	-	-	-	-	-		(461)	(461)
Balance, June 30., 2022	50,073,724	\$ 331,841	\$ -	\$ 6,315,420	\$ 498,186	\$ (7,149,370)	\$	1,151	\$ (2,772)

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

CTT PHARMACEUTICAL HOLDINGS, INC.

Condensed Interim Consolidated Statements of Cash Flows

(Stated in US Dollars)

(Unaudited)

	Three-month periods ended March 31,	
	2023	2022
Operating activities		
Income (loss) for the period	\$ (34,917)	\$ (7,587)
Item not involving cash:		
Shares issued for services	13,000	-
Foreign currency translation adjustment	-	(461)
Changes in non-cash working capital items:		
Amounts receivable	44	-
Accounts payable	3,791	(26,725)
Net cash used in operating activities	(18,082)	(34,773)
Financing activity		
Loan from shareholder	10,000	-
Net cash provided by financing activity	10,000	-
Change in cash during the period	(8,082)	(34,773)
Cash, beginning of period	8,096	102,097
Cash, end of period	\$ 14	\$ 67,324
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Common shares issued into treasury	\$ 71,400	\$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

CTT Pharmaceutical Holdings, Inc. (the “Company”, or “CTT”) is a Delaware Corporation that was incorporated on November 6, 1996 with its head office located at 1100 – 1111 Melville Street, Vancouver, BC, Canada, V6E 3V6.

The Company is a development stage company specializing in drug delivery systems technology within the pharmaceutical industry. The Company’s focus is on fast dissolving drug delivery systems through the development of advanced oral delivery thin wafers. The Company plans to specialize in the development of oral drug delivery systems for pain management and treatment.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. The Company has not generated cash flow from operations and is unlikely to generate significant cash flows from operations in the immediate or foreseeable future. These factors raise substantial doubt regarding the ability of the Company to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to raise additional capital to pay expenses and carry out any further product development, market program, market acceptance of its products and achieving profitability. The Company will require significant financing to continue its operations and fund any further activities. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

During the nine-month period ended September 30, 2022, the Company entered into a settlement agreement (the “Agreement”) with Aurora Cannabis Inc. (“Aurora”) regarding a Heath Canada approval milestone reached by the Company that should have triggered a milestone payment from Aurora. Terms of the Agreement require Aurora to return the 3,731,343 common shares of the Company previously issued to them and, for Aurora to settle the various patent costs incurred by the Company.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, are unaudited and have been prepared in accordance with Accounting Standards Codification 270 for interim reporting (“ASC 270”) and using generally accepted accounting policies in the United States of America (“US GAAP”).

2. BASIS OF PRESENTATION (continued):

b) Basis of presentation (continued):

These condensed interim consolidated financial statements of the Company, for the three- and six-month period ended June 30, 2023 and the notes thereto (the "Financial Statements") have been prepared in accordance and have been presented in US dollars and includes the Company's Canadian wholly owned subsidiary CTT Pharmaceuticals Inc. ("CTT Pharma"). All significant intercompany accounts and transactions are eliminated in consolidation.

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

b) Recent accounting pronouncements and changes to accounting policies

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

c) Approval of the interim condensed consolidated financial statements

The condensed interim consolidated financial statements of the Company for the three- and six-month periods ended June 30, 2023 were reviewed, approved and authorized for issue by the Board of Directors on August 15, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are as follows:

a) Cash

Cash includes cash on hand and deposits held with financial institutions.

b) Foreign currency translation

The functional and reporting currency of CTT is the United States dollar. The assets and liabilities of the Company's subsidiary, CTT Pharma, whose functional currency is the Canadian dollar, are translated into U.S. dollars at exchange rates in effect on the balance sheet date, and revenues and expenses are translated using an average exchange rate during the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

b) Foreign currency translation (continued):

Gains or losses resulting from translating foreign currency financial statements are recorded as a separate component of stockholders' equity. Gains and losses from foreign currency translations, such as those resulting from the settlement of foreign receivables or payables, are included in the consolidated statements of loss.

c) Research and development costs:

The Company incurs various research and development costs in the course of its business operations. These costs are expensed in the year incurred in accordance with US GAAP.

d) Income taxes:

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance so that the assets are recognized only to the extent that when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized.

Per FASB ASC 740 "Income taxes" under the liability method, it is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. At June 30, 2023, the Company believes it has appropriately accounted for any unrecognized tax benefits. A full valuation allowance has been taken against all potential deferred tax assets. To the extent the Company prevails in matters for which a liability for an unrecognized benefit is established or is required to pay amounts in excess of the liability, the Company's effective tax rate in a given financial statement period may be affected. Interest and penalties associated with the Company's tax positions are recorded as interest expense.

e) Share capital:

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants, and stock options are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares, warrants or stock options are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

e) Share capital (continued):

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component, as determined by the closing quoted bid price on the issuance date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

f) Comprehensive income:

Other comprehensive income refers to revenues, expenses, gains and losses that, in accordance with US GAAP, are included in comprehensive income, but are excluded from net income as these amounts are recorded directly as an adjustment to stockholders' equity. Comprehensive income relates to the effects of translation from CTT Pharma's functional currency of the Canadian Dollar to the reporting currency of the United States dollar.

g) Financial instruments:

The active market approach is utilized to measure fair value of financial assets and liabilities. Each class of assets and liabilities is reported separately, measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

The fair values of cash, amounts receivable and accounts payable and accrued liabilities for all periods presented approximate their respective carrying amounts due to the short-term nature of these financial instruments.

h) Use of estimates:

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates made by management in the accompanying financial statements include the valuation of deferred tax assets, valuation of stock-based compensation including the assumptions and estimates incorporated into the Black Scholes Option Pricing Model, and estimation of market rates of interest imputed on non-interest-bearing instruments.

4 RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

	Three-month period ended June 30,		Six-month period ended June 30,	
	2023	2022	2023	2022
Short-term benefits*	\$ 1,758	\$ -	\$ 13,516	\$ -

*includes base salaries pursuant to contractual employment or consultancy arrangements. These have been recorded in salaries and benefits.

During the six-month period ended June 30, 2023, the Company issued 500,000 shares to a director of the Company in exchange for services rendered. The value of the shares was recorded at \$10,000.

5. SHARE CAPITAL

Authorized capital stock: unlimited number of common shares without par value.

During the six-month period ended June 30, 2023, the Company issued the following common shares:

- On March 20, 2023, the Company issued 100,000 common shares of the Company to Tavis Morabia for consulting services. The total value of the transaction was recorded at \$2,000.
- On March 20, 2023, the Company issued 500,000 common shares of the Company to Ryan Khouri, a director of the Company for management fees. The total value of the transaction was recorded at \$10,000.
- On April 4, 2023, the Company issued 3,000,000 common shares of the Company into treasury. The total value of the transaction was recorded at \$71,400.
- On April 27, 2023, the Company issued 50,000 common shares of the Company to Alan King, for consulting services. The total value of the transaction was recorded at \$1,000.

5. SHARE CAPITAL (continued):

a) Stock options

The changes in stock option during the six-month period ended June 30, 2021 are as follows:

	Number of options	Weighted average price
Balance, December 31, 2021	1,250,000	0.10
Expired	(50,000)	0.10
Balance, December 31, 2022 and June 30, 2023	1,200,000	\$ 0.10

Stock options exercisable and outstanding as at June 30, 2023 are as follows:

	Number of options	Exercise price
August 21, 2025	1,200,000	\$ 0.10

b) Share purchase warrants

As at June 30, 2023, there were no warrants exercisable and outstanding.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, amounts receivable and accounts payable approximate their fair values due to the short-term maturity or the interest rates inherent in these instruments.

7. LOANS

The Company entered into a Loan Agreement (the "Loan") for \$10,000 with a director of the Company. The Loan is unsecured, matures in twelve months and bears interest at 10% per annum.

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and development of its business interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to fund new business opportunities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new business opportunities and seek to acquire new business assets if it determines there are sufficient business opportunities or economic potential and if it has adequate financial resources to do so (see Note 1).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three-month period ended June 30, 2023. The Company is not subject to externally imposed capital requirements.