FIRST PHOSPHATE CORP. (formerly First Potash Corp.)

Condensed Interim Financial Statements

For the three months ended May 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of First Phosphate Corp. (formerly First Potash Corp.) (the "Company") have been prepared by and are the responsibility of the Company's management. These financial statements, along with the accompanying notes, have been reviewed and approved by the members of the Company's audit committee.

In accordance with Canadian Securities Administrators National Instruments 51-102, the Company discloses that these unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

FIRST PHOSPHATE CORP. (formerly First Potash Corp.)

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT

ASSETS		May 31, 2022		February 28, 2022
Current				
Cash in trust	$	2,911	$	-
Deposits and prepaids		12,263		-
Total Current Assets	$	15,174	$	-
Non-current assets				
Exploration and evaluation assets (Note 5)		37,263		-
Total Assets	$	52,437	$	-
LIABILITIES				
Current				
Accounts payable	$	168,204	$	60,178
Accrued liabilities		16,872		12,500
	$	185,076	$	72,678
SHAREHOLDERS' DEFICIENCY				
Capital stock (Note 6)		8,927,636		8,927,636
Contributed surplus (Note 6)		1,466,528		1,466,528
Deficit		(10,526,803)		(10,466,842)
Total Shareholders' Deficiency		(132,639)		(72,678)
	$	52,437	$	-

Nature of operations (Note 1)
Going Concern (Note 2)
Subsequent Events (Note 9)

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

Approved and authorized by the Board of Directors on July 15, 2022:

"BENNETT KURTZ"
Director

"JOHN PASSALACQUA"
Director

FIRST PHOSPHATE CORP. (formerly First Potash Corp.)

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended May 31, 2022	May 31, 2021
Operating costs for the period		
Accounting fees (Note 7)	$ 2,500	$ 8,125
Audit fees	3,610	785
Consulting fees	7,500	-
Directors fees (Note 7)	27,500	-
Legal fees	14,271	5,303
Regulatory filing fees	3,575	2,809
Travel	1,005	-
	59,961	17,022
Net loss and comprehensive loss for the period	$ (59,961)	$ (17,022)
Loss per share - basic and diluted	$ (0.10)	$ (0.06)
Weighted average common shares [(1)]	598,718	298,444

[(1)] The number of shares has been adjusted retroactively to reflect a consolidation of the Company's common shares on a one to five hundred basis effective June 1, 2022. See Note 10.

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

FIRST PHOSPHATE CORP. (formerly First Potash Corp.)

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended May 31, 2022	May 31, 2021
Operating activities		
Net loss for the period	$ (59,961)	$ (17,022)
Non-cash working capital item changes:		
Deposits and prepaids	(12,263)	-
Accounts payable and accrued liabilities	112,398	(7,208)
Cash used in operating activities	40,174	(24,230)
Investing activities		
Exploration and evaluation assets expenditures	(37,263)	-
Cash provided by investing activities	(37,263)	-
Change in cash for the period	2,911	(24,230)
Cash, beginning of year	-	26,181
Cash, end of period	$ 2,911	$ 1,951
Cash (paid) received during the period for income taxes and interest	$ -	$ -

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

FIRST PHOSPHATE CORP. (formerly First Potash Corp.)

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

FOR THE THREE MONTHS ENDED MAY 31, 2022 AND MAY 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares(1)	Capital Stock	Contributed Surplus	Deficit	Total
Balance February 28, 2021	**598,718**	**$ 8,927,636**	**$ 1,466,528**	**$ (10,402,325)**	**$ (8,161)**
Loss for the period	-	-	-	(17,022)	(17,022)
Balance May 31, 2021	**598,718**	**8,927,636**	**1,466,528**	**(10,419,347)**	**(25,183)**
Balance February 28, 2022	**598,718**	**$ 8,927,636**	**$ 1,466,528**	**$ (10,466,842)**	**$ (72,678)**
Loss for the period	-	-	-	(59,961)	(59,961)
Balance May 31, 2022	**598,718**	**$ 8,927,636**	**$ 1,466,528**	**$ (10,526,803)**	**$ (132,639)**

(1) The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a one new for five hundred old basis effective June 1, 2022. See Note 10.

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

1. Nature of Operations

First Phosphate Corp. (formerly First Potash Corp.) (the "Company") was incorporated in British Columbia on September 18, 2006. The address of the Company's corporate office is Suite 3606-833 Seymour Street, Vancouver, BC V6B 0G4.

On October 23, 2020, the Company was restored. The Company announced that pursuant to its application to the Executive Director of the British Columbia Securities Commission (the "BCSC") for a partial revocation of the order issued by the BCSC dated July 17, 2013 (the "BC CTO"), and its application to the Executive Director of the Alberta Securities Commission (the "ASC") to vary a cease trade order issued by the ASC on October 16, 2013 (the "AB CTO"), on December 16, 2020, the BCSC issued a partial revocation order (the "Partial Revocation Order") of the BC CTO and the ASC issued a variation order (the "Variation Order") varying the AB CTO. The Partial Revocation Order and the Variation Order are solely for the purpose of permitting the Company to: (a) enter into a loan agreement (the "Loan Agreement") to borrow $10,000 (the "Loan"), with the proceeds to be used to pay expenses for the revival of the Company and the expenses in connection with the Partial Revocation Order and Variation Order (b) to convert the Loan into units; and (c) issue: (i) up to 180,590 common shares of the Company, at a subscription price of $0.0805 per common share; and (ii) up to 171,977 common shares of the Company, at a subscription price of $0.3225 per common share.

On March 26, 2021, the Alberta Securities Commission and British Columbia Securities Commission each issued an order revoking their previously issued cease trade orders in respect of the securities of the Company. The Company has not resumed trading despite revocation of the cease trade order.

For the period ended May 31, 2022, the Company is in the process of exploring its mineral properties and has not yet determined whether the reserves of its properties are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and future profitable production or proceeds from the disposition thereof.

A consolidation of the Company's common shares on a one for five hundred basis effective June 1, 2022 has been reflected retroactively throughout these financial statements (see Note 9).

2. Going Concern

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

2. Going Concern (cont'd…)

As at May 31, 2022, the Company had a working capital deficit of $169,902. The Company's liquidity is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

The Company has not generated revenue from operations and will require additional financing to maintain its operations and activities. These material uncertainties and conditions may cast significant doubt as to the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Further, in March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to continue as a going concern.

3. Basis of Presentation

Statement of compliance

These condensed interim 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. The comparative information has also been prepared on this basis. They do not include all of the information required for full annual financial statements.

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issue by the Board of Directors on July 15, 2022.

Basis of measurement

These financial statements are presented in Canadian dollars.

3. Basis of Presentation (cont'd…)

Critical accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Critical judgments in applying accounting policies

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 2.

4. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with IFRS and reflect the following significant accounting policies:

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:
(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss; and
(ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

4. Significant Accounting Policies (cont'd…)

Financial Instruments (cont'd…)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company has implemented the following classifications:

- Financial assets measured at amortized cost are comprised of cash in trust.
- Current liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken to profit and loss or other comprehensive income or loss (an irrevocable election at the time of recognition).

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

See Note 8 for additional information on the classification of the Company's financial instruments.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

4. Significant Accounting Policies (cont'd…)

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probably that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(Expressed in Canadian Dollars)

4. Significant Accounting Policies (cont'd…)

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders. Gains and losses that would otherwise be recorded as part of net earnings is presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, net loss was the same as comprehensive loss.

Recent Accounting Pronouncements

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:
- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2023 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its financial statements.

5. Exploration and Evaluation Assets

Ownership in certain mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best its knowledge, such ownership interests are in good standing.

		Quebec
Balance, February 28, 2022	**$**	**-**
Acquisition costs		37,263
Total for the period		37,263
Balance, May 31, 2022	**$**	**37,263**

(Expressed in Canadian Dollars)

6. Capital Stock and Reserves

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares issuable in series. As at May 31, 2022, February 28, 2022 and February 28, 2021, the Company had 598,718 common shares outstanding.

Options

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2021	4,650	$ 70
Expired	-	
Outstanding at May 31, 2021	4,650	70
Outstanding at February 28, 2022	400	35
Expired	(400)	35
Outstanding at May 31, 2022	-	$ -

*On July 4, 2022, 500,000 stock options were issued to a director and subsequently exercised on July 11, 2022.

At May 31, 2022 there are no stock options outstanding or exercisable.

(Expressed in Canadian Dollars)

6. Capital Stock and Reserves (cont'd…)

Warrants

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Outstanding at May 31, 2022, February 28, 2022 and 2021	124,224	$ 0.32	January 8, 2026*

*All warrants surrendered for cancellation and returned to treasury subsequent to May 31, 2022.

7. 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.

There was remuneration attributed to key management personnel during the three months ended May 31, 2022, and May 31, 2021:

	For the three months ended	
	May 31, 2022	**May 31, 2021**
Accounting/Consulting fees	$ 7,500	$ 3,250
Directors fees	27,500	-
	$ 35,000	$ 3,250

7. Related Party Transactions (cont'd…)

Other related parties

As at May 31, 2022, $153,767 (February 28, 2022, $58,617) was included in accounts payable as due to officers and directors and Expo World, a beneficial owner in the current period and in the previous year.

8. Financial Instruments and Capital Risk Management

The Company's financial instruments consist of cash in trust and accounts payable.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meetits contractual obligations. The Company is not exposed to significant credit risk.

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 as of May 31, 2022, has $2,911 cash in trust and $185,076 in current liabilities. The Company as of February 28, 2022, has $nil cash in trust and $72,678 in current liabilities. TheCompany is exposed to liquidity risk.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

8. Financial Instruments and Capital Risk Management (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) 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.

The risk that the Company will realize a loss as a result of a decline in the interest rate is low, as the Company has no investments or liabilities with variable interest rates.

b) Foreign currency risk

As at May 31, 2022, the Company's expenditures are predominantly in Canadian dollars, and anyfuture equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

Capital management

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 debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

9. Subsequent Events

Share Consolidation

On June 1, 2022, the Company completed a consolidation of the Company's issued and outstanding common shares on the basis of one post-consolidation common share for every 500 pre-consolidation common shares. This share consolidation has been reflected retroactively in these financial statements.

Purchase of Mineral Property and Claims

On June 17, 2022, the Company entered into an option agreement (the "Agreement") with an arm's length TSX Venture Exchange listed company (the "Optionor"), which provides the Company the right to acquire a 100% legal and beneficial interest, subject to an existing 1% NSR royalty, in a phosphate exploration property in the Province of Quebec. Pursuant to the Agreement, the Company is to acquire the interest in the Property by paying a total cash consideration of $1,491,000 as follows: (i) $191,000 on June 17, 2022, which payment was made, (ii) $300,000 on or before July 7, 2022, (iii) $500,000 on or before October 17, 2022, (iv) $500,000 on or before February 17, 2023. In addition, pursuant to the Agreement, the Company is to issue the Optionor 6,000,000 common shares of the Company on or before December 17, 2022. Furthermore, in relation to the Agreement, the Company is to issue to finders an aggregate of 700,000 common shares of the Company.

The Company also purchased two mineral claims in the Province of Quebec in the proximity of the Property for $15,000.

In addition, concurrent with entering into the Agreement, the Company entered into another option agreement with 2 individuals, to acquire 11 mineral claims in the Province of Quebec in the proximity of the Property. An initial payment of $10,000 was made to secure the option, and an additional $80,000 in cash or common shares of the Company, at the option of the Company, is to be paid on or before March 17, 2023.

Furthermore, the Company paid $78,169 and staked another 1,081 mineral claims between May and June 2022 in the Province of Quebec in the proximity of the Property.

Name Change and Share Issuance

On June 29, 2022, the Company changed its name from First Potash Corp. to First Phosphate Corp. The Company also completed a non-brokered private placement of 19,300,000 common shares in the capital of the Company at a price of $0.02 per share for aggregate gross proceeds of $386,000. All of the securities issued are subject to a hold period of four months plus one day from the date of closing pursuant to applicable securities laws. No finder's fees were paid with respect to the completion of the private placement.

Issuance of Options

On July 4, 2022, the Company granted 500,000 stock options to a director of the Company. The options are exercisable for a period of one year from the date of issuance at an exercise price of $0.02 per share. On July 11, 2022, the 500,000 stock options were exercised.