QUEBEC PEGMATITE HOLDINGS CORP.
(formerly, First Responder Technologies Inc.)

Condensed Interim Financial Statements

For the Three and Six Months Ended December 31, 2023, and 2022

(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

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

QUEBEC PEGMATITE HOLDINGS CORP.
(formerly First Responder Technologies Inc.)
Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Note	December 31, 2023	June 30, 2023
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		128,464	190,091
GST receivable		16,641	7,549
Prepaid expenses and deposits		10,000	6,500
TOTAL ASSETS		**155,105**	**204,140**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		321,859	291,872
Due to related parties	7	1,317,709	1,215,383
Short-term loan	4	76,449	70,416
Loan payable	5	461,424	446,970
TOTAL LIABILITIES		**2,177,441**	**2,024,641**
SHAREHOLDERS' DEFICIT			
Share capital	6	11,095,458	11,095,458
Reserves	6	802,994	802,994
Deficit		(13,920,788)	(13,718,953)
		(2,022,336)	(1,820,501)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**155,105**	**204,140**

Nature of business and going concern (Note 1)
Subsequent Events (Note 10)

Approved on behalf of the Board of Directors on February 29, 2024

/s/ Kal Malhi	*/s/ Michael Kelly*
Kal Malhi	Michael Kelly
Director	Director

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

QUEBEC PEGMATITE HOLDINGS CORP.
(formerly First Responder Technologies Inc.)
Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months ended December 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

		Three months ended December 31,		Six months ended December 31,	
	Note	**2023**	**2022**	**2023**	**2022**
		$	**$**	**$**	**$**
Expenses					
Consulting fees		-	1,500	14,469	3,500
Transfer agent and filing fees		9,884	8,745	13,859	13,609
Office expenses		3,591	3,384	8,174	5,501
Management and director fees		39,000	53,500	78,000	112,655
Professional fees		54,609	113,736	64,494	133,577
Interest expense	3,4	10,612	3,484	21,091	6,865
Travel and accommodation		-	-	1,786	-
Operating expenses		(117,696)	(184,349)	(201,873)	(275,707)
Other income (expense):					
Foreign exchange (loss) gain		5,163	737	38	(12,979)
Interest income		-	16	-	44
		5,163	753	38	(12,935)
Loss and comprehensive loss for the period		(112,533)	(183,596)	(201,835)	(288,642)
Basic and diluted loss per common share		(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of common shares outstanding		10,139,366	2,714,3666	10,139,366	2,714,366

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

(Unaudited - expressed in Canadian Dollars)

	Number of common shares	Share Capital	Reserves	Deficit	Total
		$	$	$	$
Balance, June 30, 2022	2,714,366	10,464,333	802,994	(13,296,174)	(2,028,847)
Net loss for the period	-	-	-	(288,642)	(288,642)
Balance, December 31, 2022	**2,714,366**	**10,464,333**	**802,994**	**(13,584,816)**	**(2,317,489)**
Shares issued pursuant to private placement	7,425,000	631,125	-	-	631,125
Net loss for the period	-	-	-	(134,137)	(134,137)
Balance, June 30, 2023	**10,139,366**	**11,095,458**	**802,994**	**(13,718,953)**	**(1,820,501)**
Net loss for the period	-	-	-	(201,835)	(201,835)
Balance, December 31, 2023	**10,139,366**	**11,095,458**	**802,994**	**(13,920,788)**	**(2,022,336)**

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

QUEBEC PEGMATITE HOLDINGS CORP.
(formerly First Responder Technologies Inc.)
Condensed Interim Statement of Cash Flow
For the Six Months ended December 31, 2023 and 2022
(Unaudited – expressed in Canadian Dollars)

	December 31, 2023	December 31, 2022
	$	$
Cash flows used in operating activities		
Loss for the period	(201,835)	(288,642)
Non-cash items:		
Interest	20,487	6,865
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	29,987	106,893
Due to related parties	102,326	117,975
Prepaids	(3,500)	(1,466)
GST receivable	(9,092)	(2,550)
	(61,627)	**(60,925)**
Change in cash during the period	(61,627)	(60,925)
Cash, beginning of period	190,091	101,057
Cash, end of period	**128,464**	**40,132**

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

1. NATURE OF BUSINESS AND GOING CONCERN

Quebec Pegmatite Holdings Corp. (formerly First Responder Technologies Inc.) ("First Responder" or the "Company") was incorporated under the BC Business Corporations Act on January 27, 2017. On January 14, 2020, the Company completed its initial public offering ("IPO") and is now publicly traded on the Canadian Securities Exchange ("CSE") under the ticker WPN.

Prior to the fiscal year ended June 30, 2023, the Company was in the business of developing detection products and services using WiFi-based detection technology that can be used to detect dangerous concealed weapons. During the year ended June 30, 2022, management made the determination to no longer develop this line of business. The Company is currently exploring business opportunities.

The Company's registered, records office, and principal place of business address is 2050 - 1055 West Georgia Street, Vancouver, BC, V6E 3P3.

On May 8, 2023, the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") with Quebec Pegmatite Corp. ("QPC") (the "Transaction"). Pursuant to the Share Exchange Agreement the Company would acquire all of the issued and outstanding common shares of QPC (the "QPC Shares") and shareholders of QPC would receive common shares of the Company, in exchange for their QPC Shares, resulting in a reverse takeover of the Company by QPC. Subsequent to December 31, 2023, the Company announced closing of the Transaction, resulting in the Company changing its name from First Responder Technologies Inc. to Quebec Pegmatite Holdings Corp. ("QPHC") (Note 10).

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company has no operating income. As at December 31, 2023, the Company has an accumulated deficit of $13,920,788, a working capital deficit of $2,022,336 and, incurred a net loss of $201,835 for the six months ended December 31, 2023. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These condensed interim financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance and basis of presentation

These unaudited 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 condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended June 30, 2023.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended June 30, 2023.

The condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for certain financial assets and liabilities that are measured at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The condensed interim financial statements were approved by the board and authorized for issue on February 29, 2024.

Certain comparative balances in the statement of loss and comprehensive loss have been re-classified to conform with current period presentation.

Critical accounting estimates and judgements

The Company uses the same critical accounting estimates and judgements as those that applied to the annual consolidated financial statements for the year ended June 30, 2023.

New *and Amended Accounting Pronouncements*

IAS 1, Presentation of financial statements

The amendments change the requirements in IAS1 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

The adoption of the amendment did not have a material impact on the Company’s consolidated financial statements.

3. SHORT-TERM LOAN

On August 24, 2021, the Company entered into a loan agreement with an arm’s length party to borrow $100,000 for a period of one (1) year maturing on August 24, 2022. The loan bears interest at a rate of 12% per annum and is computed on the principal outstanding from the date of advance until the loan is paid in full.

This agreement was extended on October 20, 2022, to have a maturity date of August 24, 2023. As at December 31, 2023, principal of $50,000 and interest of $26,449, totalling $76,449 is still outstanding. This loan is now due on demand.

4. LOAN PAYABLE

On October 10, 2020, the Company entered into a Regional Relief and Recovery Fund Agreement (the “RRRF Agreement”) with Pacific Economic Development Canada (“PacifiCan”) (fka Western Economic Diversification Canada). PacifiCan provides assistance to businesses and communities that may require additional support to cope with and recover from the COVID-19 pandemic and is part of Canada’s COVID-19 Economic Response Plan.

During the year ended June 30, 2021, the RRRF Agreement provided the Company with an interest-free, repayable contribution from the government of $439,016 which is to be repaid in monthly instalments of $12,200 commencing January 31, 2023, and ending December 31, 2025. The Company has discounted the RRRF loan using a rate of 8.50% for a period of five years and recognized a gain of $112,903 as a result of the imputed interest benefit received from the interest-free RRRF loan during the year ended June 30, 2021.

During the year ended June 30, 2022, management determined the Company was not in compliance with certain provisions of the loan due to the strategic decision to stop development activity. As a result, the entire balance is classified as current, and the loan was accreted to its face value. On October 7, 2022, the Company received a notice of default (the "Notice of Default") related to the obligation indicating a total amount of $439,016 to be repaid. The management is currently in negotiations with PacifiCan regarding the terms of the repayment.

Pursuant to the RRRF Agreement, the Company is required to pay an interest on the amount due as a result of an event of default, at 3 percent above the minimum rate at which the Bank of Canada is prepared to make loans as at the date of the Notice of Default. During the year ended June 30, 2023, the Company has recorded default interest in the amount of $20,154. During the year ended June 30, 2023, the Company repaid $12,200 of the balance. As at December 31, 2023, the total outstanding RRRF loan is $461,424 consisting of the principal amount of $426,816 and the related interest of $34,608.

5. SHARE CAPITAL

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued and Outstanding

As at December 31, 2023 there were 10,139,366 issued and outstanding common shares.

During the six months ended December 31, 2023, the Company did not issue shares.

During the six months ended December 31, 2022, the Company completed a consolidation of the authorized and issued common shares based on a one (1) post-consolidated common share for each twenty-five (25) pre-consolidation common shares. Total post-consolidated common shares as at December 31, 2022 were 2,714,366.

Stock options

On July 11, 2019, the Company implemented an Incentive Stock Option Plan (the "Stock Option Plan"). Pursuant to the Stock Option Plan, the Company will grant stock options to directors, officers, employees and consultants for services, provided that the number of common shares reserved for issuance shall not exceed 10% of the issued and outstanding common shares exercisable for a period of up to five years. The exercise price and vesting terms of the options granted under the Stock Option Plan will be determined by the Board of Directors.

There were no share option transactions during the six months ended December 31, 2023 and 2022. As at December 31, 2023 and 2022, the Company had no share options outstanding

(Unaudited - expressed in Canadian dollars)

Warrants

The Company's warrant transactions during the six months ended December 31, 2023 and 2022 were as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life
		$	
Balance, June 30, 2022	-	-	-
Issued	7,425,000	0.11	-
Balance, June 30, 2023	**7,425,000**	**0.11**	**1.71**
Balance, December 31, 2023	**7,425,000**	**0.11**	**1.21**

These warrants expire on March 15, 2025.

Restricted Share Units

On April 8, 2020, the Company implemented a Restricted Share Unit Plan (the "RSU Plan"). Pursuant to the RSU Plan, the Company will grant restricted share units ("RSUs") to directors, officers, employees and consultants for services, provided that the maximum number of common shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 20% of the common shares issued and outstanding from time to time, less any common shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan. The settlement and method of settlement and vesting terms of the RSUs granted under the RSU Plan will be determined by the Board of Directors.

During the six months ended December 31, 2023 and 2022, the Company had no transactions in relation to equity settled restricted stock units. As at December 31, 2023 and 2022, there were no RSUs outstanding.

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are presented below.

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.

(Unaudited - expressed in Canadian dollars)

During the three and six months ended December 31, 2023 and 2022 key management compensation was as follows:

	For the three months ended December 31,		**For the six months ended December 31,**	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Management fees and Director fees	39,000	53,500	78,000	112,655
Professional fees	9,396	6,750	19,283	13,000
	48,396	**60,250**	**97,283**	**125,655**

As at December 31 2023, the Company had $1,317,709 (June 30, 2023 - $1,215,383) owing to related parties of which $1,307,709 is non-interest bearing and due on demand.

On February 8 and March 9, 2023, the Company entered into debt assignment agreements with existing vendors whereby a total of $570,519 in debt was assigned to parties related to the CEO of the Company. This amount was included in the balance of due to related parties as at December 31, 2023.

On April 29, 2022, the Company entered into a loan agreement with a related party to borrow $100,000 for a period of one (1) year maturing on April 24, 2023. The loan bears interest at a rate of 12% per annum and is computed on the principal outstanding from the date of advance until the loan is paid in full. This agreement was extended on October 20,2022 to have a maturity date of August 24, 2023. During the year ended June 30, 2023, the Company repaid $90,000 of the principal balance and as at December 31,2023, principal of $10,000 and interest of $11,417 is still outstanding. This amount was included in the balance of due to related parties as at December 31, 2023.

On December 20, 2023, the Company had received funds of $40,000 from the CEO of the Company. This loan is non-interest bearing and due on demand. As at December 31, 2023, the amount of $40,000 is still outstanding. This amount was included in the balance of due to related parties as at December 31, 2023.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company’s financial instruments consist of cash, accounts payable and accrued liabilities and loans payable. The carrying value of the financial instrument approximates its fair value due to its immediate or short-term maturity.

The Company classifies the fair value of financial instruments according to the following hierarchy based on observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The carrying amount of financial assets represents the maximum credit exposure.

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 manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at December 31, 2023, the Company had a cash balance of $128,464 to settle current liabilities of $2,177,441. The Company will need to raise additional funds to meet its liabilities as they come due.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company does not have any financial assets exposed to market rate risk.

Foreign Exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out entirely in Canada and the Company's exposure to foreign exchange risk is considered low.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities and it does not believe it is currently subject to any significant interest rate risk.

8. CAPITAL MANAGEMENT

The Company has not generated any cash flows from its operations. It has not yet determined whether it will be successful in its endeavours. The Company's primary source of funds comes from the issuance of common shares and external debt financing. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' deficiency and loans. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. Since currently the Company does not have any revenue generating operations, the management has focused on managing the cash outflows by limiting the operating expenses.

There have been no changes to the Company's approach to capital management during the period ended December 31, 2023. There are no externally imposed restrictions on the Company's capital.

9. LEGAL CLAIM

On August 19, 2022, a claim was filed in the Provincial Court of British Columbia (Small Claims Court) by Alfred & Company Advisors Inc. (the "Claimant"). The Company was named as one of the defendants (the

"Defendants"). The Claimant demanded for unpaid fees for the months of March to July 2022 pursuant to the service contract with QPHC, as well as payments in the event of termination without just cause for $35,000, plus an extra $266 for filing and service fees, for a total amount of $35,266. The Defendants has filed a counter claim dated September 6, 2022, alleging the Claimant has breached and misrepresented the service contracts with Defendants and demanding the repayment of the excess compensation received by the Claimant for approximately $31,000. The Company considered the claim filed by the Claimant has no merit and will defend it vigorously.

10. SUBSEQUENT EVENTS

On February 21, 2024, pursuant to the May 8, 2023 Share Exchange Agreement, as amended, the Company announced the closing of the Transaction and changed its name to Quebec Pegmatite Holdings Corp. Upon closing of the Transaction, the Company issued 18,833,333 shares to the shareholders of QPC and acquired all 18,833,333 outstanding shares of QPC. The completion of the Transaction resulted in a reverse takeover of QPHC by QPC.

In connection with the Transaction, QPC closed two concurrent non-brokered private placements (each, a "Concurrent Financing") on December 28, 2023 and February 16, 2024. On December 28, 2023, QPC completed a private placement issuing 3,333,334 flow-through shares at a price of $0.30 per share for gross proceeds of $1,000,000. On February 16, 2024, QPC completed a non-brokered private placement issuing 4,499,999 units (the "QPC Units") at $0.25 per QPC Unit for gross proceeds of $674,500. Each QPC unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to exercise such warrants for common shares of QPHC at $0.25 per warrant for a period of 5 years. Subscribers of the Concurrent Financing exchanged their QPC Shares and warrants for QPHC shares and warrants, respectively upon closing of the Transaction.

The Transaction was approved by the shareholders of QPHC and QPC. In accordance with the policies of the CSE, the QPHC Shares are not currently trading and will not resume trading until such time as the CSE determines.