

QUEBEC PEGMATITE CORP.

Condensed Interim Financial Statements

For the Three and Nine Months Ended December 31, 2023
(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 CORP.
Condensed Interim Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Note	December 31, 2023	March 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash		1,357,619	811,339
Prepays		65,500	24,000
GST receivable		47,615	17,667
Marketable securities	4	2,556,000	-
		4,026,734	853,006
Exploration and evaluation assets	3	210,800	414,940
		4,237,534	1,267,946
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	486,085	362,366
Flow-through premium liability	6	500,000	-
Short-term advances	5,7	100,000	-
Deferred income tax liability	4	226,640	-
		1,312,725	362,366
Loans payable	5	1,102,148	1,043,135
		2,414,873	1,405,501
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	6	560,000	60,000
Subscriptions received	6	392,145	92,145
Contributed surplus	5	146,504	146,504
Retained earnings (deficit)		724,012	(436,204)
		1,822,661	(137,555)
		4,237,534	1,267,946

Nature of business and going concern (Note 1)
Subsequent events (Note 9)

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

/s/ Kal Malhi

Kal Malhi
Director

/s/ Mike Stier

Mike Stier
Director

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

QUEBEC PEGMATITE CORP.**Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)**

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

(Unaudited - expressed in Canadian Dollars)

	Note	There months ended, December 31, 2023 \$	Three months ended, December 31, 2022 \$	Nine months ended December 31, 2023 \$	Period from incorporation to December 31, 2022 \$
Expenses					
Advertising and promotion		-	-	69,050	-
Interest expense	5	11,597	-	34,666	-
Exploration expenditures	3	13,591	137,802	146,284	138,302
Accretion	5	20,233	-	59,347	-
Management fees	7	72,600	20,000	258,600	20,000
Professional fees	7	76,201	-	211,937	-
Meals and entertainment		35	-	30,484	-
Office and general		516	5,234	3,753	6,324
Loss before Other items:		(194,773)	(163,036)	(814,121)	(164,626)
Other items:					
Foreign exchange		-	-	(83)	-
Gain on sale of exploration and evaluation asset	3	840,000	-	3,105,060	-
Change of fair value of marketable securities	4	(1,001,000)	-	(904,000)	-
		(161,000)	-	2,200,977	-
Loss before taxes		(355,773)	(163,036)	1,386,856	(164,626)
Deferred income tax expense		21,333	-	(226,640)	-
Net and comprehensive income (loss) for the period		(334,440)	(163,036)	1,160,216	(164,626)
Basic and diluted earnings (loss) per common share		(0.03)	(0.02)	0.11	(0.02)
Weighted average number of common shares outstanding		11,144,928	10,000,000	11,048,485	9,181,818

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

QUEBEC PEGMATITE CORP.**Condensed Interim Statements of Changes in Shareholder's Equity**

For the Nine Months Ended December 31, 2023 and September 12, 2022 (Date of incorporation) to December 31, 2022

(Unaudited - expressed in Canadian Dollars)

	Number of common shares	Share capital	Contributed surplus	Subscriptions received	Retained earnings	Total
		\$	\$	\$	\$	\$
Balance, September 12, 2022	-	-	-	-	-	-
Shares issued for cash	10,000,000	10,000	-	-	-	10,000
Shares issued for exploration and evaluation assets	1,000,000	50,000	-	-	-	50,000
Net loss for the period	-	-	-	-	(164,626)	(164,626)
Balance, December 31, 2022	11,000,000	60,000	-	-	(164,626)	(104,626)
Subscriptions received	-	-	-	92,145	-	92,145
Capital contribution	-	-	146,504	-	-	146,504
Net loss for the period	-	-	-	-	(271,578)	(271,578)
Balance, March 31, 2023	11,000,000	60,000	146,504	92,145	(436,204)	(137,555)
Shares issued for cash	3,333,334	1,000,000	-	-	-	1,000,000
Flow-through premium	-	(500,000)	-	-	-	(500,000)
Subscriptions received	-	-	-	300,000	-	300,000
Net income for the period	-	-	-	-	1,160,216	1,160,216
Balance, December 31, 2023	14,333,334	560,000	146,504	392,145	724,012	1,822,661

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

QUEBEC PEGMATITE CORP.
Condensed Interim Statements of Cash Flow
For the Nine Months Ended December 31, 2023
(Unaudited - expressed in Canadian Dollars)

	Nine months ended December 31, 2023	Period from incorporation to December 31, 2022
	\$	\$
Cash flows used in operating activities		
Net income (loss) for the period	1,160,216	(164,626)
Non-cash items:		
Interest and accretion	94,013	-
Unrealized loss on marketable securities	904,000	-
Gain on sale of exploration and evaluation assets	(3,105,060)	-
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	123,719	72,117
Deferred income tax liability	226,640	-
Due to related parties	-	99,849
Prepays	(41,500)	-
GST receivable	(29,948)	(7,340)
	(667,920)	-
Cash flows used in investing activities		
Purchase of marketable securities	(30,000)	-
Purchase of mineral property	(120,800)	-
	(150,800)	-
Cash flows provided by financing activities		
Loans received	100,000	-
Loan paid	(35,000)	-
Subscriptions received	1,300,000	-
	1,365,000	-
Change in cash during the period	546,280	-
Cash, beginning of period	811,339	-
Cash, end of period	1,357,619	-

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

QUEBEC PEGMATITE CORP.

Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended December 31, 2023
(Unaudited - expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Quebec Pegmatite Corp. (“QPC” or the “Company”) was incorporated under the laws of Quebec on September 12, 2022. The address of the Company’s head office is 1500 – 1055 West Georgia Street, Vancouver, BC V6E 4N7, Canada.

QPC is a private company focused on lithium exploration in Quebec Canada.

The Company’s condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at December 31, 2023, the Company had not yet generated revenues. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts difference from those reflected in the accompanying financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance and basis of presentation

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”) and interpretations of the IFRS Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the period ended December 31, 2023, including IAS 34, *Interim Financial Reporting*.

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value. These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company, unless otherwise noted.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These unaudited condensed interim financial statements should be interpreted in conjunction with the audited financial statements for the period of incorporation on September 12, 2022 to March 31, 2023.

Critical accounting estimates and judgements

The significant estimates and judgements made by management for the three and nine months ended December 31, 2023, in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3 of the Company’s audited financial statements for the period of incorporation on September 12, 2022 to March 31, 2023.

Marketable securities

Marketable securities consist of investment of securities of publicly traded company with shares quoted in an active market, such as on a recognized securities exchange and for which no sales restrictions apply. Marketable securities are classified at fair value through profit or loss upon initial acquisition based on quoted closing prices with changes in fair value recognized in the statements of net loss and comprehensive loss.

QUEBEC PEGMATITE CORP.

Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended December 31, 2023
(Unaudited - expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

Acquisition cost of exploration and evaluation assets and evaluation expenditures as at December 31, 2023 and March 31, 2023 are as follows:

	Vieux Comptoir	Mazerac	Brazil 1 Lithium	Total
	\$	\$	\$	\$
Acquisition Costs				
Balance, September 12, 2022	-	-	-	-
Acquisition costs – cash	282,440	90,000	-	372,440
Acquisition costs – shares	50,000	-	-	50,000
Proceed from the option agreement	(7,500)	-	-	(7,500)
Balance, March 31, 2023	324,940	90,000	-	414,940
Disposed pursuant to the option agreement	(324,940)	-	-	(324,940)
Acquisition costs – cash	-	-	120,800	120,800
Balance, December 31, 2023	-	90,000	120,800	210,800

Exploration expenditures for the nine months ended December 31, 2023 are as follows:

	Brazil 1 Lithium	Mazerac	Property Investigation	Total
	\$	\$	\$	\$
Field costs	-	-	1,580	1,580
Technical reports	-	8,407	-	8,407
Consultants	-	-	70,535	70,535
Mapping	12,589	-	-	12,589
Site travel and accommodation	-	-	49,015	49,015
Supplies and equipment	-	-	4,158	4,158
Total exploration expenditures	12,589	8,407	125,288	146,284

Vieux Comptoir

During the period from incorporation on September 12, 2022 to March 31, 2023, the Company acquired 323 claims comprising the Vieux Comptoir property for cash of \$245,000 (of which 239 claims were acquired from an officer who is also the director of the Company for \$145,000) and 1,000,000 shares of the Company valued at \$50,000. The Company also incurred an additional \$37,440 in fees for claim registration that were capitalized as acquisition costs.

The Vieux Comptoir property is subject to a 3% Net Smelter Returns (“NSR”) royalty, the Company can purchase 1.5% of the NSR royalty for \$2,000,000.

On December 1, 2022, and subsequently amended on January 16, 2023, the Company entered into an option agreement with Superior Mining International Corporation (“Superior”), whereby Superior could acquire the Vieux Comptoir property on the following basis:

- \$7,500 by January 15, 2023 (received);
- Issuing 7,000,000 common shares of Superior within 5 days of Superior receiving approval from the TSX Venture Exchange but not later than March 30, 2023 (received in April 2023);
- 3,500,000 common shares of Superior on December 1, 2023 (received); and
- 3,500,000 common shares of Superior on June 1, 2024.

Upon exercise of the option, Superior will have the option to acquire a 1.5% NSR royalty for \$3,000,000.

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Notes to the Condensed Interim Financial Statements
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During the nine months ended December 31, 2023, the Company received 10,500,000 common shares of Superior valued at \$3,430,000 based on Superior's stock trading price at the date received and recorded a gain of \$3,105,060.

Mazerac

On March 31, 2023, the Company entered into an agreement with Coloured Ties Inc. ("CTI") to acquire certain mineral claims making up the Mazerac Lithium Property (the "Mazerac Property") located in Quebec. In consideration for the Mazerac Property the Company will make a cash payment of \$90,000 within 120 days of the Company completing a go public transaction. This amount was accrued as at March 31, 2023, it remains outstanding as at September 30, 2023. CTI is a significant shareholder of the Company and one of the officers and directors of CTI is also an officer and director of QPC.

The Mazerac Property is subject to a 2% NSR royalty, of which 1% can be repurchased for \$1,000,000 at any time in the future.

During the period from incorporation on September 12, 2022 to March 31, 2023, the Company incurred \$190,149 of general exploration expenditures relating to due diligence on potential acquisition properties, including \$170,149 on the Mazerac Property relating to preliminary prospecting and soil surveys, these expenditures were expensed when incurred. Of the total \$190,149 of general exploration expenditures, \$20,000 related to geological consulting with the remainder consisting of field work.

During the nine months ended December 31, 2023, the Company incurred \$8,407 of general exploration expenditures relating to technical reports on the property.

Brazil-Li 1 Lithium, Brazil

On August 7, 2023 (the "Effective Date"), the Company entered into a property option agreement (the "Assignment Agreement") with Brascan Resources Inc. ("BRAS" or "Assignor") BHBC Exploracao Mineral Ltda ("BHBC") and RTB Geologia Mieraca Ltda ("RTB") (where BHBC and RTB together referred as the "Optionors") to acquire 100% beneficial interest in and to certain lithium prospects located in the state of Minas Gerais, Brazil. Pursuant to the Assignment Agreement, the Company agrees to assume all of the Assignor's responsibilities, liabilities and obligations under the option agreement entered between Brascan and Optionors on the Effective Date, and agreed to make a cash payment with an aggregate amount of \$199,100 as follows:

- \$3,300 within 2 business days of execution of the Assignment Agreement (paid);
- \$15,000 within 2 business days of execution of Agreement (paid);
- \$52,500 (in exchange for Assignor issuing 1,500,000 common shares to the Optionors) within 5 business days of confirmation of the Assignor completing the share issuance (paid);
- \$25,000 on or before the date that is 45 days from the Effective Date (paid);
- \$3,300 to cover mineral rights tax by June 30, 2024;
- \$25,000 on or before October 1, 2023 (paid);
- \$25,000 on or before October 1, 2024; and
- \$50,000 on or before October 1, 2025

The Company is required to incur exploration expenditures of \$100,000 on the property on or before September 30, 2023 and subsequently extended to March 31, 2024. The Optionors will retain a 2% NSR with the Company having the option to repurchase 1% of the NSR for a cash payment of \$500,000 for a period for two years after the commencement of commercial production.

Upon confirmation of the existence of spodumene from surface sample assays results on Brazil-Li 1 Lithium property, the Company is required to pay \$100,000 to the Assignor in cash within 5 business days if the assays result in a grading of a minimum of 1% lithium.

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During the nine months ended December 31, 2023, the Company had paid a total amount of \$120,800 cash to BRAS and incurred \$12,589 of exploration expenditures, relating to mapping of the Brazil-Li 1 Lithium property.

4. MARKETABLE SECURITIES

On April 14, 2023, the Company received 7,000,000 common shares of Superior as consideration of sale of the Vieux Comptoir property (Note 3). On December 18, 2023, the Company received an additional 3,500,000 shares of Superior (Note 3). Changes in the Company's marketable securities during the three and nine months ended December 31, 2023, are as follows:

	\$
Balance, September 12, 2022 and March 31, 2023	-
Additions, sale of exploration assets	3,430,000
Additions, cash	30,000
Unrealized loss on change of fair value	(904,000)
Balance, December 31, 2023	2,556,000

The Company recorded a deferred tax liability of \$226,640 as the fair value of the marketable securities at December 31, 2023 exceeds the cost basis.

5. LOANS PAYABLE

On March 1, 2023, the Company entered into a loan agreement with CTI and received loan proceeds of \$1,150,289. This loan bears simple interest at 4% per annum calculated monthly. Both the principal loan amount and accrued interest is due on December 31, 2024. Kal Malhi is a director of the Company and of CTI.

The Company has determined that a below-market interest rate was provided. The fair value of the loan received was estimated to be \$1,003,785 based on a 12% discount rate, which represents the approximate market interest rate. The difference between the initial fair value and the face value of the loan of \$146,504 has been treated as a capital contribution to the Company from CTI. The loan will be accreted to its face value over the term of the loan at an effective interest rate of 12%

During the three and nine months ended December 31, 2023, the Company recorded accretion expense of \$20,233 and \$59,347, respectively (December 31, 2022 - \$Nil and \$Nil) and interest of \$11,597 and \$34,666, respectively (December 31, 2022 - \$Nil and \$Nil). As at December 31, 2023, this loan balance was \$1,102,148 (March 31, 2023 - \$1,008,135).

On February 28, 2023, the Company received an advance from Bullrun Capital Inc. ("Bullrun"), an entity controlled by the president and secretary of the Company who is also a director of the Company, for \$35,000. The amount was non-interest bearing and due on demand. During the nine months ended December 31, 2023, this amount was fully repaid.

On September 28, 2023, the Company received another advance from Bullrun for \$50,000, this amount is due on September 28, 2024 and is non-interest bearing.

On October 13, 2023, the Company received an additional advance from Bullrun for \$50,000, this amount is due on October 13, 2024 and is non-interest bearing.

QUEBEC PEGMATITE CORP.

Notes to the Condensed Interim Financial Statements
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(Unaudited - expressed in Canadian dollars)

6. 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 14,333,334 (March 31, 2023 – 11,000,000) issued and outstanding common shares.

During the nine months ended December 31, 2023:

- On December 27, 2023, the Company issued 3,333,334 Flow-Through ("FT") shares for \$0.30 per FT share for gross proceeds of \$1,000,000. The amounts are held in trust until applicable flow-through expenditures are incurred. The Company recorded a flow-through premium liability of \$500,000 in connection with the FT share issuance.
- On December 27, 2023, the Company received \$300,000 in subscriptions for a financing that has not been completed (Note 9).

During the period from incorporation on September 12, 2022 to March 31, 2023, the Company had the following transactions:

- On September 12, 2022, the Company issued 10,000,000 common shares at a price of \$0.001 per share for gross proceeds of \$10,000.
- On October 4, 2022, the Company issued 1,000,000 pursuant to the acquisition of the Vieux Comptoir property (Note 3). The shares were fair valued at \$50,000.

During the period from incorporation on September 12, 2022, to March 31, 2023, the Company received \$92,145 in subscriptions for a financing that has not been completed (Note 8).

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

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. The related party transactions not disclosed elsewhere in these financial statements are presented below:

As at December 31, 2023, included in accounts payable and accrue liabilities, the Company had \$396,992 (March 31, 2023 - \$268,676) owing to related parties. These amounts are non-interest bearing and due on demand.

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.

QUEBEC PEGMATITE CORP.

Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended December 31, 2023
(Unaudited - expressed in Canadian dollars)

Key management compensation for the three and nine months ended December 31, 2023 and 2022 were as follows:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Nine months ended December 31, 2023	Period from incorporation to December 31, 2022
	\$	\$	\$	\$
Management fees	72,600	20,000	258,600	20,000
Professional fees	12,514	-	35,983	-
	85,114	20,000	294,583	20,000

During the period from incorporation on September 12, 2022 to March 31, 2023, the Company received loan proceeds from related parties totalling \$1,185,289, of which \$1,150,289 are outstanding as at December 31, 2023 (Note 5).

During the nine months ended December 31, 2023, the Company received \$100,000 in advances from Bullrun. The amounts advanced are non-interest bearing and \$50,000 is due on September 28, 2024 and \$50,000 is due on October 13, 2024.

The Company entered a consulting agreement on February 10, 2023, amended on May 1, 2023, with Ambe Holdings Corp., a company controlled by Mike Stier, whereby Mike Stier would act as chief executive officer ("CEO") of the Company. Pursuant to the agreement the Company agreed to pay \$12,000 per month, in management consulting fees and to grant 1,000,000 stock options at a price of \$0.075 per share immediately before the Company completes a going-public transaction, subject to exchange approval. During the nine months ended December 31, 2023, the management consulting fees were reduced to \$3,000 per month.

8. PROPOSED TRANSACTION

On May 8, 2023, the Company entered into a Share Exchange Agreement (the "Share Exchange Agreement") with First Responder Technologies Inc. ("First Responder") (the "Proposed Transaction"). Pursuant to the Share Exchange Agreement First Responder will acquire all of the issued and outstanding common shares of QPC (the "QPC Shares") and shareholders of QPC will receive First Responder common shares (the "First Responder Shares") in exchange for their QPC Shares, resulting in a reverse takeover of First Responder by QPC.

9. SUBSEQUENT EVENTS

On February 16, 2024, the Company completed a non-brokered private placement issuing 4,500,000 units (the "QPC Units") at \$0.15 per QPC Unit for gross proceeds of up to \$675,000 (the "Concurrent Financing"). Each QPC Unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to exercise at \$0.25 per warrant for a period of 5 years. Subscribers of the Concurrent Financing shall exchange their QPC Shares and warrants for Quebec Pegmatite Holdings Corp. ("QPHC") Shares and warrants ("QPHC Shares"), respectively upon closing of the Proposed Transaction.

On February 23, 2024, pursuant to the May 8, 2023 Share Exchange Agreement the Company announced the closing of the Proposed Transaction. Upon closing of the Transaction holders of QPC Shares exchanged their QPC shares for QPHC shares, on the basis of one (1) QPHC Shares for every one (1) QPC Share, resulting in the issuance of an aggregate 18,833,334 QPHC Shares to the shareholders of QPC. The completion of the Transaction resulted in a reverse takeover of QPHC by QPC.

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.