

First Phosphate set to become the only publicly-traded global phosphate company dedicated to the LFP battery industry

It's exciting times for Québec-based First Phosphate, a junior explorer that we've followed for some time. The company just received conditional approval from the CSE, and will be trading under ticker symbol PHOS, as the only global phosphate company fully dedicated to the Lithium Iron Phosphate (LFP) battery industry. Upon final approval, the company will issue a news release confirming the date when shares will start trading on the CSE.

There are a few reasons we've had our eye on First Phosphate, including its massive 1,500 square kilometre land package and flagship asset, the Lac à l'Original phosphate project, ideally situated near Saguenay, Québec. The project hosts one of the purest phosphate deposits in the world, and the company recently reported the highest phosphate assays to date.

Backed by strong financing, First Phosphate has exceeded its initial fundraising objective; the company recently closed an additional tranche of its oversubscribed private placement for a total of \$4.45 million, up from \$2.0 million to accommodate overwhelming investor interest.

First Phosphate is overseen by a stellar management team and advisory board that recently added some serious talent. In September, First Phosphate appointed a new Company President, none other than Peter Kent, former international journalist and Canadian Member of Parliament, who commented:

"We believe First Phosphate is set to become the only pure-play publicly-traded company worldwide to be entirely dedicated to producing clean, high-grade and ethically-sourced phosphate material for the Lithium Iron Phosphate (LFP) battery industry. Our conditional approval is another important milestone for the corporate development of First Phosphate as we continue to witness the global shift to LFP energy storage."

Factor in the soaring demand for phosphate and the global transition to LFP batteries, and this is one company to keep on your radar!

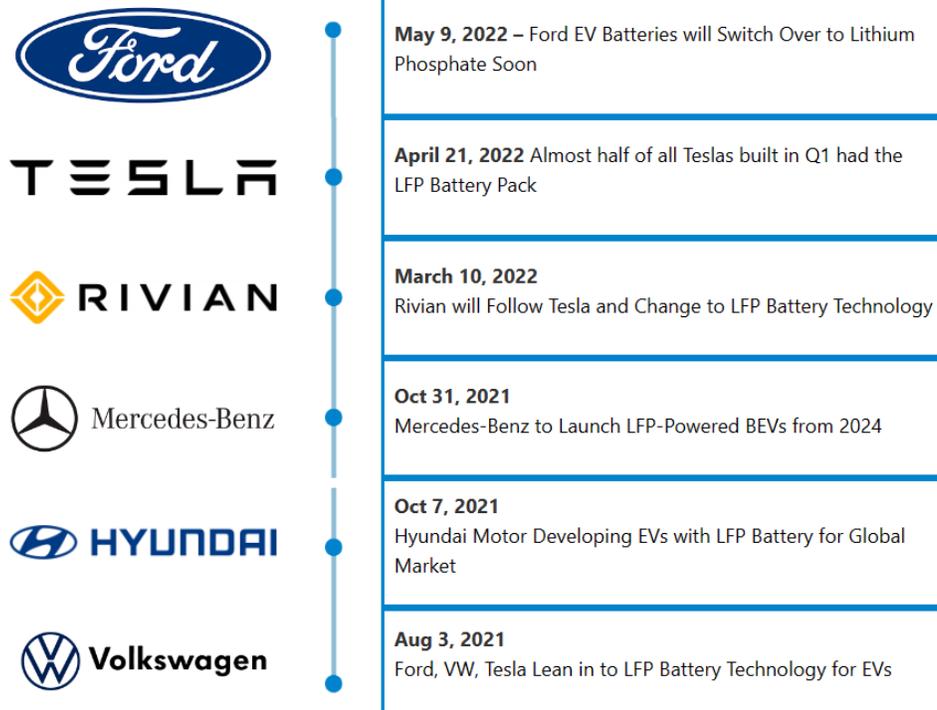
LFP will be the dominant battery chemistry in 2028

We all know the story of how mandated transitions from fossil fuels to clean energy resulted in accelerated demand for battery metals, including lithium, copper, cobalt, and nickel, to manufacture EVs. But a lesser-known fact is that EV manufacturers have recently started shifting towards using LFP batteries. Among these manufacturers are Ford, Tesla, Rivian, Mercedes-Benz, Hyundai, and Volkswagen.

Why the shift? LFP batteries are non-toxic, recyclable, and generate much less heat, making them a safer, performance-enhancing option. They're small, lightweight, and can withstand cold temperatures without internal damage. They're also the lowest-priced EV battery on the market and are fully ESG approved.

Rapid Growth in Demand for LFP Batteries for EVs

Major EV manufacturers announce plans to move battery production from other technologies to Lithium iron phosphate

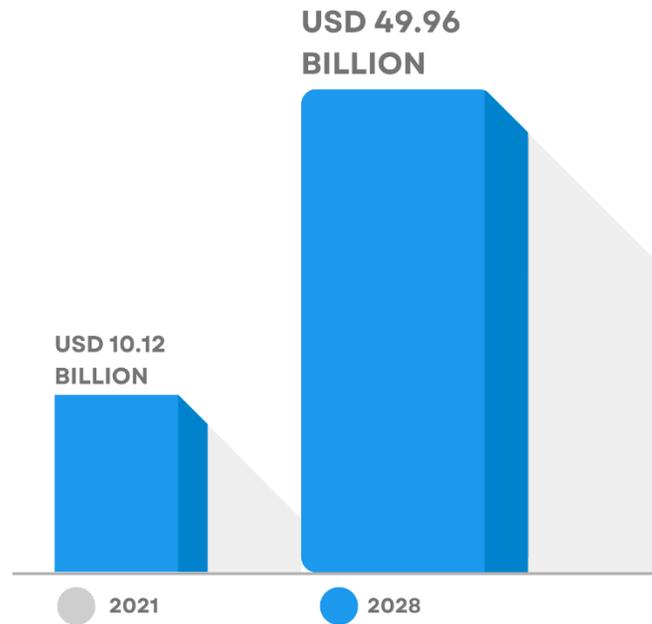


According to a Wood Mackenzie Power & Renewables report, LFP will be the dominant battery chemistry over nickel manganese cobalt (NMC) by 2028, with global demand exceeding 3,000GWh by 2030. Nearly 80% of this demand will come from the EV market, while LFP also gains popularity for use in commercial transportation and large-scale energy storage systems.

Furthermore, the U.S. government proposes to offer EV credits to manufacturers requiring 40% of battery materials to be sourced in the U.S. or aligned free-trade countries. By 2027, that figure is expected to rise to 80%. Noting this shift, a Benchmark Mineral Intelligence report highlighted an urgent need for western automakers to build LFP battery manufacturing capacity since more than 90% of the world's LFP production capacity currently resides in China.

The Province of Québec has indicated a desire to become the leading jurisdiction in developing a vertically integrated EV industry hub and is offering government incentives to attract industry. This strategically positions First Phosphate to fully focus on integrating its phosphate material directly into the supply chain of major battery and EV producers in North America.

Company President, Peter Kent, commented: “The North American LFP battery industry requires domestic, clean, traceable, ethically sourced, consistent and secure production of high-grade phosphate material, and that is what First Phosphate is developing with our Lac à l’Original property.”



According to Fortune Business Insights, the Global LFP Battery Market is projected to grow from USD 10.12 billion in 2021 to USD 49.96 billion by 2028 at a CAGR of 25.6% during the forecast period.

One of the cleanest phosphate deposits in the world

An interesting fact about First Phosphate’s flagship Lac à l’Original project is that it hosts phosphate deposits in high-purity igneous rock. Only 4% of the world’s phosphate is found in clean igneous carbonatite rock, and a mere 1% of the world’s phosphate is found in even cleaner igneous rock, primarily located in Québec. The other 95% of the world’s phosphate comes from sedimentary soft rock deposits, found mainly across Africa and the Middle East. These deposits often contain heavy metals such as cadmium and uranium.

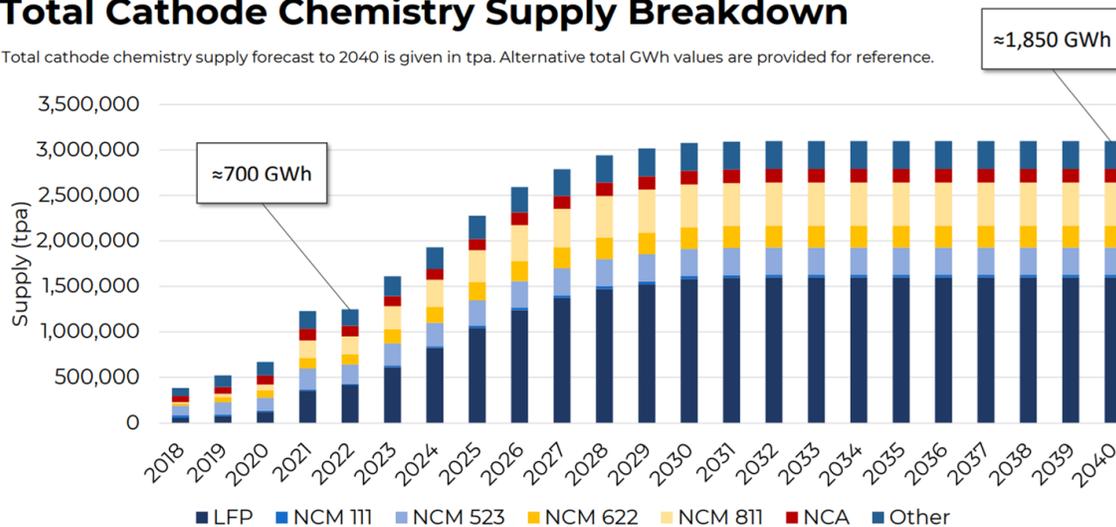
Dr. Peir K. Pufahl, P.Geo, a professor at Queen’s University, was quoted as saying: “At least 85% of the world’s phosphate reserve base resides in North Africa and the Middle East. This phosphatic region is composed entirely of sedimentary phosphorite and is therefore not ideally suited for the LFP battery market. The First Phosphate deposit is a strategically located North American igneous occurrence.”

First Phosphate’s flagship project enjoys other advantages, such as being located within driving distance of Québec’s sixth largest city, which hosts daily flights to Montreal and access to a skilled industrial workforce. The project is also located near a seaport, and the company recently signed an MOU with Port of Saguenay to secure potential deep-sea access for shipping phosphate concentrate internationally, along with greenfield land on which to build its facilities.

First Phosphate also partnered with the globally recognized Pufahl Research Group at Queen’s University to determine the detailed mineralogy and geochemistry of phosphatic ore and waste minerals at Lac à l’Original. This step complements the bulk geochemical assays and metallurgy being conducted by SGS Canada Inc.

Total Cathode Chemistry Supply Breakdown

Total cathode chemistry supply forecast to 2040 is given in tpa. Alternative total GWh values are provided for reference.



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At the Lac à l'Original project 89 holes have been drilled to date for a total of 8,776 metres. This drilling returned an average grade of 5.3% P2O5, with some grades as high as 17% P2O5. The size of the main deposit, which starts at the surface, is estimated to be 1,500 metres long by 250 metres wide, and up to 100 metres thick. First Phosphate recently reported the results of its mineral resource estimate and mineral processing testwork on the project, with highlights including:

- Indicated pit-constrained Mineral Resource of 15.8 Mt at grades of 5.18% P2O5, 4.23% TiO2 and 23.90% Fe2O3.
- Inferred pit-constrained Mineral Resource of 33.2 Mt at grades of 5.06% P2O5, 4.16% TiO2 and 22.55% Fe2O3.

Metallurgical testwork indicated an anticipated apatite grade of at least 38% P2O5 at over 90% recovery. Furthermore, the testwork revealed potential to recover two additional primary mineral products: a titanium oxide concentrate and an iron oxide concentrate. The deposit was also found to contain very low levels of potentially hazardous components, such as arsenic, heavy metals, and radioactivity.

Back in October, First Phosphate secured drilling permits for the Lac à l'Original project in addition to the Bégin-Lamarche property, which is part of the company's additional 1500+ square kilometres of Bluesky land claims. Forage Premières Nations will carry out all drilling activities, and First Phosphate will provide job training opportunities for local youth.

On the Bégin-Lamarche property, First Phosphate recently announced the highest phosphate assays to date. Sampling in the initial discovery area assayed up to 18.53% P2O5 and 11.73% TiO2. In other areas of Sector 1, numerous samples returned assays over 5% P2O5. In Sector 8 of the project, samples

returned 19.41% P₂O₅ and 8.91% TiO₂. The analysis of 43 trace elements, including U, Th, REE, As and Cd, indicated very low concentrations of potentially deleterious elements.

Following on the heels of this announcement, First Phosphate reported the remaining assay results, with impressive highlights including:

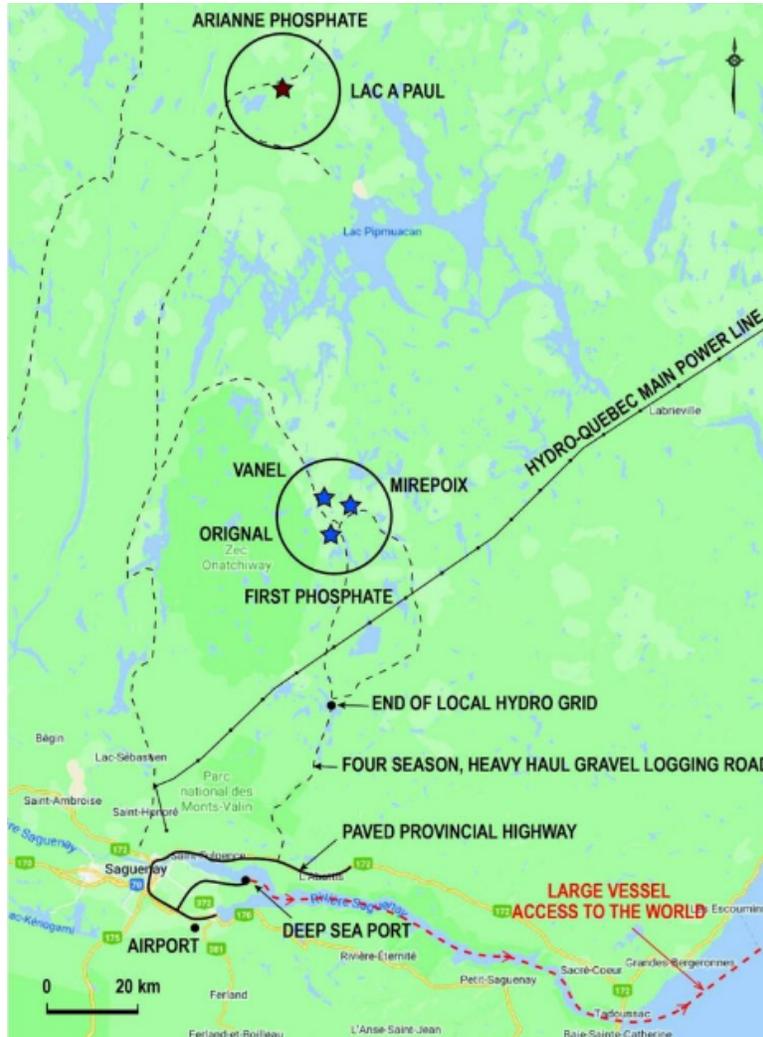
- Multiple high grade surface grab samples of up to 18.96% P₂O₅ (phosphate) and 6.81% TiO₂ (titanium)
- 70 surface sample results confirming the high-grade nature of the phosphate discovery with 30% of assays grading over 10% P₂O₅
- The delineation of a strike zone of 2.5 km by 400 m containing rich phosphate rock layers within the Target 1 sector

A new discovery was also made on Target 3 where the results of 38 grab samples in a 30-60 m wide nelsonite produced multiple phosphate assays of over 10% P₂O₅. Magnetic surveying shows that Target 1 and Target 3 might be aligned and form part of an even further extended strike zone. Furthermore, sampling identified another high-grade phosphate area on Target 8 with up to 20.52% P₂O₅ and 9.10% TiO₂. Six of the 19 surface grab samples taken at Target 8 revealed assay results of over 10% P₂O₅.

“Extended analysis of the Bégin-Lamarche property continues to reveal some of the highest-grade phosphate samples ever produced in the Saguenay-Lac-St-Jean region of Québec,” explained Peter Kent. “Igneous anorthosite comprises only about 1% of total global phosphate reserves. These deposits have the potential to be highly desirable for the production of LFP battery material because they are devoid of high concentrations of deleterious elements.”

To follow up on these outstanding assay results and verify the continuity at depth of the surface titanium-phosphate occurrence, a maiden drilling program will be initiated, consisting of roughly 7,600 metres across 38 drill holes.

Also in the works for 2023, First Phosphate will publish the full preliminary metallurgical testwork for the Lac à l’Original property as well as a study conducted by Queen’s University to assess the stability of the resource for material for the production of LFP battery, formalize partnerships with strategic stakeholders, and conceive a plan for the advanced processing pilot plant facility.



Hosting one of the world's purest phosphate deposits, the Lac à l'Original project is ideally situated in a mining-friendly jurisdiction within driving distance of Québec's sixth largest city. It's located near a seaport, airport, and comprehensive road network.

With a revitalized management team, strong financing, a rare domestic phosphate asset, and an optimally located flagship property, you'll want to keep your eye on what this company does next! Learn more at: <https://firstphosphate.com>.