

# QUEBEC'S STRATEGIC PLAN FOR CRITICAL MINERAL DEVELOPMENT: WHAT CAN THIS MEAN FOR FIRST PHOSPHATE IN 2024?

Quebec has unveiled its second action plan to develop its critical and strategic minerals (MCS) sector and consolidate its position as a world leader in the industry. This move and the addition of several new minerals is going to expand funding and grants to a number of mining companies in the province. This move could be a very positive one for a company we are big fans of; First Phosphate. As we dive into the news release you will begin to see how...

The Quebec Government's latest initiative, spearheaded by Ms. Maïté Blanchette Vézina, Minister of Natural Resources and Forests, marks a significant step towards sustainable mining and green economic growth. The 2023-2025 Action Plan, part of the broader Quebec Plan for the Valorization of Critical and Strategic Minerals (PQVMCS) launched in 2020, focuses on leveraging Quebec's mineral wealth responsibly and innovatively.

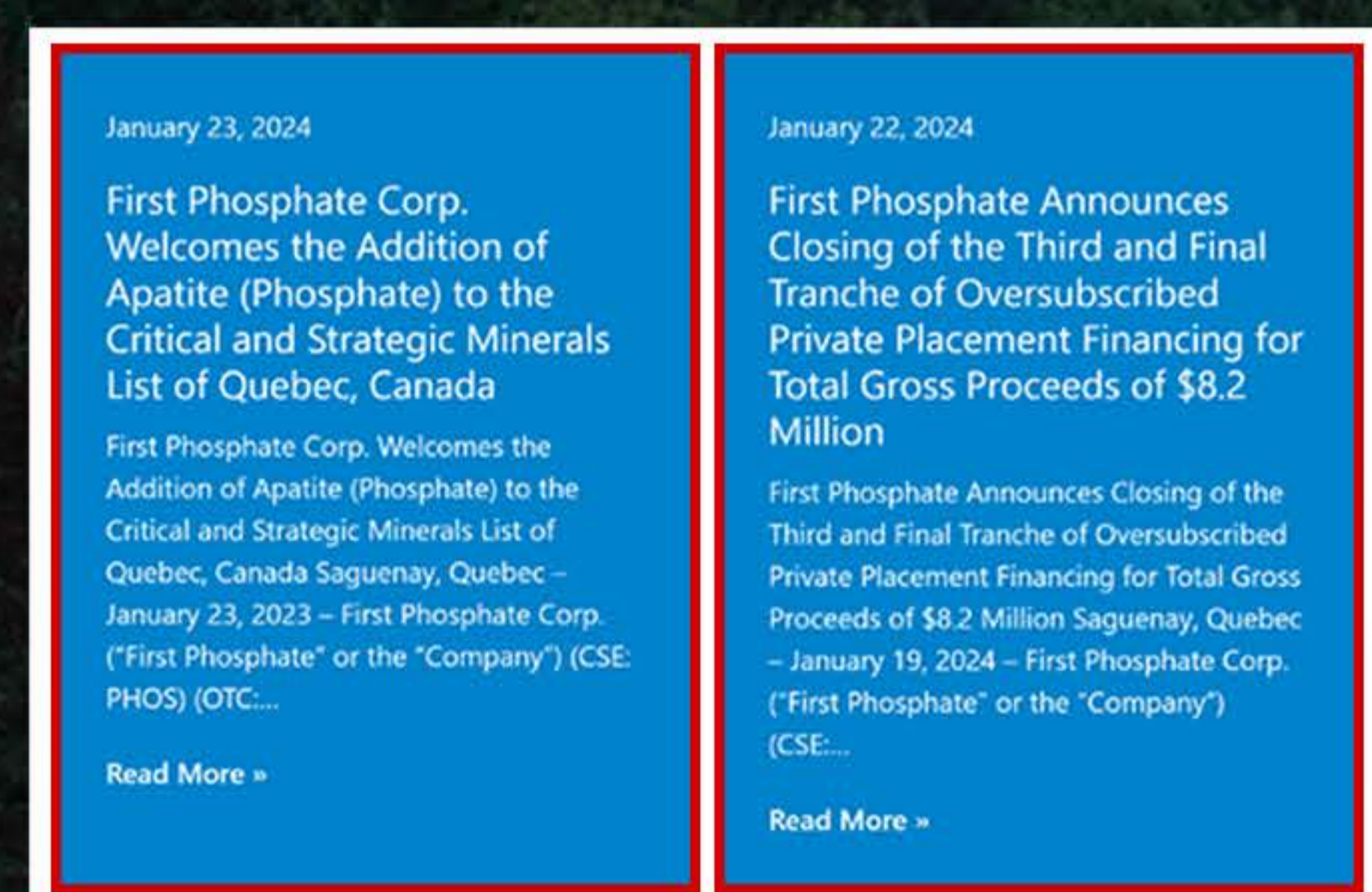
A pivotal component of the PQVMCS is its expansion to include new minerals in its list of critical and strategic resources. This move, elevating the count from 22 to 28 minerals, aligns with Quebec's broader strategy to become a front-runner in the production, processing, and recycling of these materials. The inclusion of minerals like aluminum, apatite, and high purity silica signifies Quebec's ambition to strengthen its position in the global mineral market, especially in sectors such as lithium-ion batteries.

The updated action plan introduces various initiatives, including support for workforce training, digital transformation of mines, and enhanced environmental supervision to align with

## KEY TAKE AWAYS:

**THE CORE MINERALS OF FIRST PHOSPHATES BUSINESS ARE NOW INCLUDED IN THE CRITICAL MINERALS LIST**

**SMART MONEY LOOKING FOR THE RIGHT PROJECTS  
\$8.2 MILLIONS OVERSUBSCRIBED TO THEIR 3RD AND FINAL TRANCHE.**



decarbonization goals. Additionally, flagship measures aim to back circular economy projects, particularly in mining residue recycling.

Financial commitment is a cornerstone of the PQVMCS. By March 2023, Quebec had already allocated 41.1% of the initial \$90 million budget. With an additional \$18 million infusion, the total investment reaches \$108 million over five years. This funding underscores Quebec's dedication to transforming its mineral sector into a more sustainable and environmentally friendly industry. The positive outcomes include a doubling of expenditures by exploration companies for MCS research from 2021 to 2022, a significant increase in the proportion of total exploration and development expenditures, the confirmation of a substantial pegmatite deposit in Eeyou Istchee Baie-James, and Quebec's status as the primary producer of high purity scandium oxide and spodumene (lithium) in North America.

## WHAT IS APATITE?

Apatite is the name of a group of phosphate minerals with similar chemical compositions and physical properties. They are an important constituent of phosphorite, a rock mined for its phosphorus content and used to make fertilizers, acids, and chemicals.



## SO WHAT DOES THIS MEAN?

The Quebec government has added the core minerals around which First Phosphate has based their business, to their critical metals list. First Phosphate just closed an oversubscribed \$8.2 million financing, its third and final tranche. That is a huge accomplishment in the current economy, markets and particularly for mining. This is a big signal. It may not move the stock today, but this lets you know where the smart money is positioning itself.