

# First Phosphate Announces Closing of Oversubscribed Private Placement Financing, Buys Out NSR, Initiates 43-101 and Metallurgy work at Lac Orignal, Acquires Additional Land Claims

Toronto, Ontario--(Newsfile Corp. - August 24, 2022) - First Phosphate Corp. ("**First Phosphate**" or the "**Company**") is pleased to announce the closing of its previously announced non-brokered private placement financing (the "**Offering**") of shares in the capital of the Company (the "**Shares**").

The Offering of \$1 million was oversubscribed, and as a result the Company issued a total of 7,035,000 Shares at a price of \$0.25 per Share for gross proceeds of \$1,758,750. The Offering was led by its management, board of directors and chief geologist who subscribed for a total of 1,443,000 Shares for gross proceeds of \$360,750.

The proceeds of the Offering are expected to be used for general working capital purposes. All Shares issued in connection with the Offering are subject to a statutory four month and one day hold period. Furthermore, the Shares issued pursuant to the Offering are subject to a contractual lock-up with a release schedule varying over up to a maximum of 12 months following the Company's Shares being listed for trading on a stock exchange.

Additionally, the Company anticipates it will be doing a second tranche of the Offering up to an additional \$300,000 which is to close by September 2, 2022. The Company does not plan to disseminate a subsequent news release in relation to this second tranche.

In connection with the Offering, the Company paid \$67,560 in finder's fees and issued 270,240 warrants ("**Compensation Warrants**"). The Compensation Warrants are exercisable at a price of \$0.25 per Share, for a period of 24 months from the closing of the Offering.

## **OPTION FOR LAC À L'ORIGNAL UPDATE**

The Company is pleased to announce that it has now issued 6,000,000 Shares to Glen Eagle Resources Inc. ("**Glen Eagle**"), the vendor of phosphate exploration property known as the Lac à l'Orignal, Lac Vanel and Mirepoix Trilogy (the "**Property**"), and has paid a total of \$991,000, with only one remaining payment of \$500,000 due, to be made on or before February 17, 2023. The Shares issued to Glen Eagle are subject to a statutory four month and one day hold period and a voluntary resale restriction with 10% of such Shares being released on March 31, 2023 and 15% of such Shares being released every three months thereafter.

In addition, the Company is pleased to announce that it has also repurchased the net smelter return royalty that was due on the Property for cash consideration of \$50,000.

First Phosphate has engaged P&E Mining Consultants Inc. and SGS Canada Inc. to complete its NI 43-101 Mineral Resource Estimate Technical Reports and metallurgical testing on the Property, with an expected completion before November 1, 2022.

The Company has also acquired an additional 26 mineral claims representing approximately 14 sq. km in the area of Begin, Quebec for consideration of \$210,000 plus 50,000 Shares. These Shares are subject to a statutory four month and one day hold period.

## **RELATED PARTY TRANSACTION**

Certain directors, officers and other insiders of the Company ("**Interested Parties**") purchased or acquired direction or control over a total of 1,403,000 Shares as part of the Offering. The placement to those persons constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Notwithstanding the foregoing, the Company has relied on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 under sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the fair market value of the Shares being purchased will not exceed 25% of the Company's market capitalization. The Company did not file a material change report related to the Offering more than 21 days before the expected closing of the Offering as required by MI 61-101 as the Company requires the consideration received in connection with the Offering immediately for working capital purposes.

#### **EARLY WARNING REPORTS**

John Passalacqua will file an early warning report in accordance with National Instrument 62-104 *Take-Over Bids and Issuer Bids* and National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. Shpirtrat Trust, of which Mr. John Passalacqua is a trustee, acquired 620,000 Shares at a price of \$0.25 per Share for the total price of \$155,000 pursuant to the Offering. Subsequent to the acquisition and as a result of the increase in the issued and outstanding shares of the Company, Mr. Passalacqua's holding of Shares decreased by more than 2%. Prior to the acquisition, Mr. Passalacqua owned and controlled a total of 7,638,395 Shares, which represented approximately 36.20% of the then outstanding Shares. Subsequent to the acquisition, Mr. Passalacqua now owns and controls a total of 8,258,395 Shares, representing approximately 24.16% of the outstanding Shares.

Bennett Kurtz will file an early warning report in connection with the acquisition of 126,000 Shares by 582284 Ontario Limited, a company owned and controlled by Mr. Kurtz, at a price of \$0.25 per Share for the total price of \$31,500 pursuant to the Offering. Subsequent to the acquisition and as a result of the increase in the issued and outstanding shares of the Company, Mr. Kurtz's holding of Shares decreased to below 10%. Prior to the acquisition, Mr. Kurtz owned and controlled a total of 2,756,895 Shares, which represented approximately 13.07% of the then outstanding Shares. Subsequent to the acquisition, Mr. Kurtz now owns and controls a total of 2,882,895 Shares, representing approximately 8.43% of the outstanding Shares.

Glen Eagle will file an early warning report in connection with the 6,000,000 Shares issued by the Company for the Property. Prior to the share issuance, Glen Eagle did not own any Shares or securities of the Company. Subsequent to the share issuance, Glen Eagle holds 6,000,000 Shares, representing approximately 17.55% of the outstanding Shares.

The Insiders' participation in the Offering was completed for investment purposes. In the future, the Insiders will evaluate their investment in the Company from time to time and may, based on such evaluation, market conditions and other circumstances, increase or decrease their shareholdings as circumstances require through market transactions, private agreements, or otherwise. A copy of the early warning reports may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) (<https://www.newsfilecorp.com/redirect/vRbbrfkBXG>) under the Company's profile or by contacting the Company at (416) 200-0657.

#### **About First Phosphate Corp**

First Phosphate is a mineral exploration and development company fully dedicated to extracting and refining advanced phosphate material for the LFP Battery industry. First Phosphate is committed to producing at high purity level, at full ESG-grade scale and with low anticipated carbon footprint. First Phosphate plans to integrate directly into the R&D and supply chain functions of major North American LFP Battery producers that require battery grade phosphate material that emanates from a consistent and secure supply source. First Phosphate holds 1,234 sq. km of total land claims in the Saguenay Region of Quebec, Canada that it is actively developing. First Phosphate deposits consist of rare igneous rock formation that generally yields high purity phosphate concentrate with fewer deleterious trace elements.

For additional information, please contact:

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### ***Forward-Looking Information and Cautionary Statements***

*Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include statements relating to: the anticipated timing of the closing of the Offering; and the anticipated use of proceeds from the Offering; the receipt of required approvals.*

*These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company's inability to complete the Offering and/or utilize the use of proceeds on the terms and within the timelines anticipated or at all; and the Company's inability to obtain the required approvals to complete the Offering on the proposed terms and timeline or at all.*

*Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.*

*Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.*



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