

First Phosphate Announces \$2,000,000 Non-Brokered Private Placement and Filing of The Lac à l'Original Phosphate Project Technical Report

Saguenay, Quebec--(Newsfile Corp. - November 28, 2022) - First Phosphate Corp. ("**First Phosphate**" or the "**Company**") is pleased to announce that it intends to complete a non-brokered private placement for gross proceeds of up to \$2,000,000 (the "**Offering**") or such greater amount as the Corporation may determine.

The Company intends to raise gross proceeds of up to \$1,000,000 from the issuance of up to 2,500,000 flow-through units ("**FT Units**") at a price of \$0.40 per FT Unit. Each FT Unit will consist of one flow-through common share in the capital of the Company (the "**FT Shares**") and one half of one common share purchase warrant (**each whole warrant, a "Warrant"**) exercisable for one non-flow-through common share in the capital of the Company (a "**Share**") at a price of \$0.50 until December 31, 2025. The FT Shares will qualify as a "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada).

The Company also intends to raise gross proceeds of up to \$1,000,000 from the issuance of up to 2,857,142 hard dollar units ("**HD Units**") at a price of \$0.35 per unit. Each HD Unit will consist of one Share and one half of one common share purchase warrant (**each whole warrant, a "Warrant"**) exercisable for one additional Share at a price of \$0.50 until December 31, 2025.

The Company can elect to accelerate the expiry date of the Warrants in the event that the volume-weighted average trading price of the Shares on any recognized stock exchange equals or exceeds \$0.80 for any five (5) consecutive trading days, in which case the Warrants will expire thirty (30) days after the date that the Company issues a press release triggering the acceleration.

The gross proceeds from the issuance of FT Units will be used to incur "Canadian exploration expenses" that are "flow-through mining expenditures" (as such terms are defined in the *Income Tax Act* (Canada)) related to the Company's mineral exploration projects, primarily for drilling at the Company's Lac à l'Original and Bégin-Lamarche properties in Quebec. The proceeds from the issuance of HD Units will be used for general corporate purposes.

The Offering is expected to close on or about December 9, 2022, or such other date or dates as may be determined by the Company. Closing may be completed in one or more tranches as the Company may determine. Completion of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals. There can be no assurance that the Offering will be completed, whether in whole or in part.

All securities issued under the Offering will be subject to a four-month and one day statutory hold period in accordance with applicable securities laws. Furthermore, the Shares underlying the FT Units and the HD Units shall be subject to a contractual lock-up, with 25% released upon the Company being listed for trading on any recognized stock exchange (the "**Listing Date**"), and additional releases of 25% on each of the 4, 8, and 12 months following the Listing Date.

In connection with the Offering, eligible finders will receive (a) a cash commission equal to 8% of the gross proceeds raised from subscribers to the Offering who were introduced by such finder, and (b) such number of non-transferrable finder warrants ("**Finder Warrants**") as is equivalent to 8% of the number of FT Units and/or HD Units, as applicable, issued to such subscribers. Each Finder Warrant will entitle the holder thereof to purchase one Share at a price of \$0.50 until December 31, 2025, subject to the same

acceleration provisions of the Warrants.

The securities issued pursuant to the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements of the 1933 Act, and applicable state securities laws.

Technical Report

Further to First Phosphate's press release dated November 15, 2022, the Company is pleased to announce that it has filed on SEDAR an independent technical report and mineral resource estimate titled "Technical Report and Initial Mineral Resource Estimate of the Lac Original Phosphate Property, Saguenay-Lac-Saint-Jean Region, Northern Québec" effective October 3, 2022 and dated November 17, 2022 (the "Technical Report") for the Lac à l'Original Phosphate deposit. The Technical Report was prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects and supports the disclosure made by the Company in its November 15, 2022 news release announcing the mineral resource estimate. There are no material differences in the Technical Report from the information as disclosed in the Company's November 15, 2022 news release. The Technical Report is available for download under the Company's profile on SEDAR (www.sedar.com). A copy of the Technical Report is also located on the Company's website.

Related Party Transaction

Certain directors, officers and insiders of the Company intend to subscribe for FT Units or HD Units in the Offering. The participation of such insiders in the Offering constitutes "related party transactions" as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 under sections 5.5(a), 5.5(c), 5.7(1)(b) of MI 61-101 as the Company is not listed on a specified market; the securities are being purchased for cash, the fair market value of the securities being purchased will not exceed 25% of the Company's market capitalization and the securities being purchased will not have fair market value more than \$2,500,000. 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 it will receive in connection with the Offering immediately for working capital purposes.

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About First Phosphate Corp

First Phosphate is a mineral exploration and development company fully dedicated to extracting and refining titanium and advanced phosphate material for the Lithium Iron Phosphate ("LFP") Battery industry. First Phosphate is committed to producing at high purity level, at full ESG standard and with low anticipated carbon footprint. First Phosphate plans to integrate directly into the research & development 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 over 1,500 sq. km of total land claims in the Saguenay Region of Quebec, Canada that it is actively developing. First Phosphate properties consist of rare anorthosite igneous rock formation that generally yields high purity titanium oxide and phosphate concentrate devoid of high concentrations of deleterious heavy metals.

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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