

# First Phosphate Announces Intention to Complete \$2,000,000 Non-Brokered Private Placement

Saguenay, Quebec--(Newsfile Corp. - April 4, 2023) - First Phosphate Corp. (CSE: PHOS) (FSE: KD0) ("**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 Company may determine.

The Company intends to issue up to 1,250,000 flow-through units ("**FT Units**"), or such greater amount as the Company may determine, at a price of \$0.80 per FT Unit. Each FT Unit will be comprised of (i) one (1) common share of the Company that will qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the "**FT Shares**"); and (ii) one half of one common share purchase warrant (each a "**Warrant**") exercisable for one non-flow-through share in the capital of the Company (a "**Share**") at a price of \$1.25 for 36 months following closing of the Offering.

The Company also intends to issue up to 1,428,571 hard dollar units ("**HD Units**"), or such greater amount as the Company may determine, at a price of \$0.70 per HD Unit. Each HD Unit will be comprised of (i) one (1) Share; and (ii) one half of one Warrant.

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 the Canadian Securities Exchange equals or exceeds \$2.00 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 Bégin-Lamarche and Lac à l'Original 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 April 21, 2023, 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.

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 \$1.25 for 36 months following closing of the Offering, 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

-30-

**For additional information, please contact:**

Bennett Kurtz, CFO  
[bennett@firstphosphate.com](mailto:bennett@firstphosphate.com)  
Tel: +1 (416) 200-0657

Investor Relations: [investor@firstphosphate.com](mailto:investor@firstphosphate.com)  
Media Relations: [media@firstphosphate.com](mailto:media@firstphosphate.com)  
Website: [www.FirstPhosphate.com](http://www.FirstPhosphate.com)

**Follow First Phosphate:**

Twitter: <https://twitter.com/FirstPhosphate>  
LinkedIn: <https://www.linkedin.com/company/first-phosphate>

**About First Phosphate Corp.**

First Phosphate is a mineral development company fully dedicated to extracting and purifying phosphate for the production of cathode active material for the LFP battery industry. First Phosphate is committed to producing such material at high purity level, at full ESG standard and with low carbon footprint. First Phosphate plans to vertically integrate from mine source directly into the supply chains of major North American LFP battery producers that require battery grade LFP cathode active material emanating from a consistent and secure supply source. First Phosphate holds over 1,500 sq. km of royalty-free land claims in the Saguenay-Lac-St-Jean Region of Quebec, Canada that it is actively developing. First Phosphate properties consist of rare anorthosite igneous phosphate rock that generally yields high purity phosphate material devoid of high concentrations of harmful elements.

***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.*

**THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.**



To view the source version of this press release, please visit  
<https://www.newsfilecorp.com/release/161193>