

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

First Phosphate Corp. (the “Company” or “First Phosphate”)
1055 West Georgia Street
1500 Royal Centre, P.O. Box 11117
Vancouver, British Columbia
V6E 4N7

Item 2: Date of Material Change

April 25, 2023.

Item 3: News Release

A news release was issued and disseminated via Newsfile Corp. on April 25, 2023, a copy of which was filed under the Company’s profile on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

The Company announced that it has closed its non-brokered private placement financing (the "**Offering**"), as described in the Company's news release dated April 4, 2023. The Offering was oversubscribed for gross proceeds of \$2,339,151.90. As part of the Offering, the Company issued 1,205,217 HD Units (as defined in the in the Company's news release dated April 4, 2023) for gross proceeds of \$843,651.90, and 1,869,375 FT Units (as defined in the in the Company's news release dated April 4, 2023) for gross proceeds of \$1,495,500.00.

The Company also announced it has approved the grant of 832,000 stock options to purchase common shares of the Company (the "**Options**") to certain eligible persons of the Company, at an exercise price of \$0.70 per share, with an expiry date of three years from the date of issuance. The Options are subject to time-based vesting such that increments of 25% vest every 6 months for two years. The terms of the Options granted are in accordance with the Company's stock option plan approved by shareholders of the Company on August 25, 2022. All securities issued are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Also, the Company announced that is has entered into agreement to engage Captify Solutions Corporation ("**Captify**") for investor relations services with the effective date of April 21, 2023. Captify's engagement is for an initial term of 9 months and ending on December 31, 2023, during which the Company will pay Captify the aggregate fee of CA\$15,000 in cash.

Item 5.1: Full Description of Material Change

A full description of the material change is described in the Company’s press release dated April 25, 2023, which is attached as Schedule “A” hereto.

The following supplementary information is provided in accordance with the Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The offering constitutes a "related party transaction" for the Company under MI 61-101. The participation of the officer is exempt from the formal valuation and minority shareholder approval requirements provided under MI 61-101 in accordance with sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 available because the fair market value of the Interest Shares pertaining to the officer does not exceed 25%

of the Company's market capitalization, as determined in accordance with MI 61-101.

(a) a description of the transaction and its material terms:

Certain directors, officers and other insiders of the Company ("**Interested Parties**") purchased or acquired direction or control over a total of 458,114 HD Units and 169,625 FT Units as part of the Offering. The Offering was led by the Company's management, board of directors and chief geologist of the Company, who subscribed for a total of 458,114 HD Units and 169,625 FT Units for gross proceeds of \$456,380.

(b) the purpose and business reasons for the transaction:

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. All securities issued in connection with the Offering are subject to a statutory four month and one day hold period.

The Interested Parties' participation in the Offering was completed for investment purposes. In the future, the Interested Parties 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 under the Company's profile or by contacting the Company at (416) 200-0657.

(c) the anticipated effect of the transaction on the Company's business and affairs:

The proceeds from the issuance of HD Units will be used for general corporate purposes. The **Interested Parties'** participation in the Offering was completed for investment purposes.

(d) a description of:

i. the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

The Interested Parties participated in the Offering either personally and/or through a holding company as follows:

- John Passalacqua (through Shpirtrat Trust, which Mr. Passalacqua is trustee)
- Bennett Kurtz (through POF Capital Corp., of which Mr. Kurtz is the sole owner)
- Laurence Zeifman personally and through Z Six Financial Corporation, of which Mr. Zeifman and his spouse are the sole owners
- Marc Branson (through CapWest Investment Corp. of which Marc Branson is the sole owner), and
- Peter Kent personally and through Peter Kent Investments Inc, of which Mr. Kent is the sole owner.

ii. the anticipated effect of the transaction on the percentage of securities of the Company, or of an affiliated entity of the Company, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Following the Offering, John Passalacqua (including those securities held by Expoworld Ltd. of which Mr. Passalacqua is a director and Shpirtrat Trust, of which Mr. Passalacqua is trustee), Mr. Passalacqua owns controls, directly or indirectly, an aggregate of 8,535,895 common shares, 122,500 warrants, and 1,200,000

options representing approximately 16.92% on an undiluted basis, 18.17% on a fully diluted basis and of the issued and outstanding common shares of the Company.

Following the Offering, Bennett Kurtz (including those securities held by POF Capital Corp. and 582284 Ontario Limited, both of which Mr. Kurtz is the sole owner.), Mr. Kurtz owns controls, directly or indirectly, an aggregate of 3,035,895 common shares, 76,500 warrants, and 600,000 options representing approximately 6.02% on an undiluted basis, 6.42% on a fully diluted basis and of the issued and outstanding common shares of the Company.

Following the Offering, Laurence Zeifman (including those securities held Z Six Financial Corporation, of which Mr. Zeifman and his spouse are the sole owners), Mr. Zeifman owns controls, directly or indirectly, an aggregate of 2,264,114 common shares, 47,557 warrants, and 600,000 options representing approximately 4.48% on an undiluted basis, 4.68% on a fully diluted basis and of the issued and outstanding common shares of the Company.

Following the Offering, Marc Branson (including those securities held CapWest Investment Corp. of which Marc Branson is the sole owner), Mr. Branson owns controls, directly or indirectly, an aggregate of 679,500 common shares, 58,250 warrants, and 600,000 options representing approximately 1.35% on an undiluted basis, 2.16% on a fully diluted basis and of the issued and outstanding common shares of the Company.

Following the Offering, Peter Kent (including those securities held by Peter Kent Investments Inc., of which Mr. Kent is the sole owner.), Mr. Kent owns controls, directly or indirectly, an aggregate of 132,625 common shares, 52,312 warrants, and 600,000 options representing approximately 0.26% on an undiluted basis, 1.42% on a fully diluted basis and of the issued and outstanding common shares of the Company.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the Company for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The Board determined (i) the fair market value of the HD Units and FT Units are not readily determinable; (ii) the Board acting in good faith determined that the fair market value of the HD Units and FT Units shall be the HD Offering Price, respectively; (iii) prior to closing the Offering, the Corporation had 48,584,135 Shares issued and outstanding, which based on the good faith determination of fair market value based on the Offering Price results in a market capitalization of \$34,008,894.50; (iv) Mr. Passalacqua, Kurtz, Zeifman and Branson had collectively subscribed for 337,025 HD Units and 125,000 FT Units for aggregate consideration of \$347,380; and (v) the Board, acting in good faith, determined that Mr. Passalacqua, Kurtz, Zeifman, Branson and Kent collectively have only subscribed for under 1.02% of the Corporation's market capitalization, enabling the Corporation to rely upon section 5.5(a) of MI 61-101 as an exemption from a formal valuation and section 5.7(1)(a) of MI 61-101 as an exemption from minority shareholder approval.

Mr. Passalacqua, Kurtz, Zeifman, Branson and Kent disclosed their personal interest in the Offering to the Board and agreed to abstain from voting on the approval of the Offering but only as it pertains to each of their respective subscription in the Offering.

The Board passed the Offering resolution on April 24, 2023.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Laurence Zeifman personally and through Z Six Financial Corporation, of which Mr. Zeifman and his spouse are the sole owners, owns 375,000 common shares and 187,500 warrants.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the transaction:

i. that has been made in the 24 months before the date of the material change report:

Not applicable.

ii. the existence of which is known, after reasonable enquiry, to the Company or to any director or officer of the Company:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the Company, or a related party of the Company, with an interested party or a joint actor with an interested party, in connection with the transaction:

Not applicable.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the Company is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The offering constitutes a "related party transaction" for the Company under MI 61-101. The participation of the officer is exempt from the formal valuation and minority shareholder approval requirements provided under MI 61-101 in accordance with sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 available because the fair market value of the Interest Shares pertaining to the officer does not exceed 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

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.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Bennett Kurtz
CFO and Director
T: 416-200-0657
Email: bennett@firstphosphate.com

Item 9: Date of Report

June 6, 2023.