

**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

September 1, 2023.

Item 3: News Release

A news release was issued and disseminated via Newsfile Corp. on September 1, 2023, a copy of which was filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

Item 4: Summary of Material Change

On September 1, 2023, the Company announced that it had obtained strong assay results from a geological reconnaissance program at its Larouche property at only 40 km distance from the deep sea Port of Saguenay (Figure 2) in Saguenay-Lac-St-Jean, Quebec, Canada.

The Company also announced that Peter Kent retired as president and director of the Company. Also, Garry Siskos stepped down as Chief Operating Officer and Chief Financial Officer of the Company. Bennett Kurtz was appointed as the Company's Chief Financial Officer in addition to his Chief Administrative Officer role.

Furthermore, the Company approved the grant of 500,000 stock options (the "**Options**") to purchase common shares of the Company (the "**Common Shares**") to certain advisors of the Company.

The Company also announced that it settled \$273,200 of debt for accrued management and board salaries through the issuance of 718,947 Common Shares at the deemed price of \$0.38 per Common Share.

In addition, the Company granted restricted share units ("RSUs") of the Company to certain directors, officers, and consultants of the Company in lieu of cash compensation.

Moreover, the Company entered into an agreement to engage Laura Stein for Investor Relations Activities (as defined in the CSE's Policy) with the effective date of September 1, 2023.

Lastly, the board of directors (the "Board") of the Company approved the implementation of an Omnibus Equity Incentive Plan ("Omnibus Plan") as approved by disinterested shareholders at the Company's annual and special meeting of shareholders held on August 25, 2023.

Item 5.1: Full Description of Material Change

Stock Options

The Company approved the grant of 250,000 stock options (the "**Options**") to each of two advisors of the Company, resulting in an aggregate grant of 500,000 Options to purchase common shares of the Company (the "**Common Shares**") at an exercise price of \$0.70 per share, with an expiry date of three years from the

date of issuance (the "**Option Grants**"). 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 Omnibus Equity Incentive Plan as approved by disinterested shareholders at the Company's annual and special meeting of shareholders held on August 25, 2023. 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.

Debt Settlement

The Company settled \$273,200 of debt for accrued management and board salaries through the issuance of 718,947 Common Shares at the deemed price of \$0.38 per Common Share, with such shares subject to a statutory four month and one day hold period (the "D&O Shares for Debt Transaction"). Further, the Company settled \$216,676 of debt for accrued amounts owing to arm's length service providers through the issuance of 570,200 Common Shares at the deemed price of \$0.38 per Common Share, with such shares subject to a statutory four month and one day hold period.

Restricted Share Units

The Company granted restricted share units ("RSUs") of the Company to certain directors, officers, and consultants of the Company in lieu of cash compensation. The Company will issue 1,018,424 RSUs at a deemed price of \$0.38 per Common Share (the "RSU Grants"). Such RSUs will vest in 2 tranches after 3 and 6 months of issuance and will be subject to a statutory four month and one day hold period. Each vested RSU entitles the holder to receive one Common Share.

Investor Relations Activities

The Company entered into an agreement to engage Laura Stein for Investor Relations Activities (as defined in the CSE's Policy) with the effective date of September 1, 2023. Ms. Stein's engagement is for an initial term of 12 months ending on September 1, 2024, during which the Company anticipates to issue, as compensation to Ms. Stein 250,000 Options over the course of the 12 month engagement, at the exercise price of \$0.70 per Common Share, subject to minimum exercise price as set out in the CSE's Policy. The Options are anticipated to be granted at 25% per quarter over 9 months with the first 25% of such Options granted immediately.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable

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, CAO and Director
T: 416-200-0657
Email: bennett@firstphosphate.com

Item 9: Date of Report

September 11, 2023.