

First Phosphate Receives Letter of Interest in the Amount of up to US\$170 Million from the Export-Import Bank of the United States (EXIM)

Saguenay, Quebec--(Newsfile Corp. - September 29, 2023) - First Phosphate Corp. (CSE: PHOS) (OTC Pink: FRSPF) (FSE: KD0) ("**First Phosphate**" or the "**Company**") is pleased to announce that, on September 26, 2023, it has received a letter of interest ("LOI") from the Export-Import Bank of the United States ("EXIM"), where EXIM express that it would be able to provide financing in the amount of up to USD \$170,000,000.00 to the Corporation.

The LOI is in support of the procurement of U.S. goods and services by First Phosphate in Canada and is eligible for a maximum repayment term of 10 years and expires on October 14, 2024.

Moreover, the transaction may be eligible for special consideration under Section 402 of EXIM's 2019 reauthorization (P.L. 116-94), which directs EXIM to take steps to mitigate the competitive impact of export support provided by the People's Republic of China and other covered countries for opportunities such as this one and/or to advance the comparative leadership of the United States in the Transformational Export Areas under EXIM's China and Transformational Exports Program ("CTEP").

"First Phosphate is committed to creating a strategic purified phosphoric acid ("PPA") reserve to service the development of the lithium iron phosphate ("LFP") battery industry in North America," said CEO, John Passalacqua. "We thank EXIM bank and US policy makers for working to build a strong North American LFP battery supply chain. We are honoured by the receipt of the LOI and look forward to committing to purchasing our capital equipment and services in America through support from EXIM. Access to this stable, government-backed financing allows us to build out our projects judiciously while limiting the amount of equity dilution to our shareholders."

First Phosphate notes that the LOI does not represent a financing commitment and does not guarantee the Company's access to any or all financing from EXIM. EXIM is to conduct its standard due diligence prior to issuing a final commitment for this transaction. All final commitments must be in compliance with EXIM policies as well as program, legal and eligibility requirements.

About Export-Import Bank of the United States

EXIM is the official export credit agency of the United States. EXIM is an independent Executive Branch agency with a mission of supporting American jobs by facilitating the export of U.S. goods and services. When private sector lenders are unable or unwilling to provide financing, EXIM fills in the gap for American businesses by equipping them with the financing tools necessary to compete for global sales. In doing so, the agency levels the playing field for U.S. goods and services going up against foreign competition in overseas markets, so that American companies can create more good-paying American jobs. Because it is backed by the full faith and credit of the United States, EXIM assumes credit and country risks that the private sector is unable or unwilling to accept. The agency's charter requires that all transactions it authorizes demonstrate a reasonable assurance of repayment; EXIM consistently maintains a low default rate and closely monitors credit and other risks in its portfolio.

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 Lithium Iron Phosphate ("LFP") battery industry. First Phosphate is committed to producing at high purity level, in responsible manner and with low anticipated 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 district-scale 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.

For additional information, please contact:

Bennett Kurtz, CFO & CAO
bennett@firstphosphate.com
Tel: +1 (416) 200-0657

Investor Relations: investor@firstphosphate.com
Media Relations: media@firstphosphate.com
Website: www.FirstPhosphate.com

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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 Company's commitment to producing high purity phosphate materials under a low carbon footprint; the Company's plans to integrate directly into the functions of certain major North American LFP Battery producers; the Company's proposed development of its land claims in the Saguenay Region; the terms of the LOI with EXIM, including the amounts of potential financing, the eligibility for special consideration under Section 402 of EXIM's 2019 reauthorization, the Corporation's satisfaction or EXIM's proposed due diligence, next steps by EXIM or the Corporation with respect to the LOI, if any; the Company's proposed uses for the financing, if received, and the limitations thereof imposed by EXIM; the benefits of the financing to the Company and its shareholders, including the limitations to shareholder dilution; the terms, benefits, obligations, and timelines associated with the agreement with ABF; and the Company's intention to purify clean igneous anorthosite phosphate-bearing rock to a large quantity of battery-grade PPA.

Forward-looking information in this press release are based on certain assumptions and expected future events, namely: the Company's ability to producing high purity phosphate materials under a low carbon footprint; the Company's ability to integrate directly into the functions of certain major North American LFP Battery producers; the Company's ability to develop its land claims in the Saguenay Region; the Company having the ability to carry out terms of the LOI with EXIM; the Company's ability to realize upon the proposed uses for the financing, if received; the Company's ability to realize upon the benefits of the financing to the Company and its shareholders; the Company's ability to carry out and realize upon the terms, benefits, obligations, and timelines associated with the agreement with ABF; and the Company's ability to carry out its intention to purify clean igneous anorthosite phosphate-bearing rock to a large quantity of battery-grade PPA.

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 produce high purity phosphate materials under a low carbon footprint; the Company's inability to integrate directly into the functions of

certain major North American LFP Battery producers; the Company's inability to develop its land claims in the Saguenay Region; the Company's inability to carry out terms of the LOI with EXIM; the Company's inability to realize upon the proposed uses for the financing, if received; the Company's inability to realize upon the benefits of the financing to the Company and its shareholders; the Company's inability to carry out and realize upon the terms, benefits, obligations, and timelines associated with the agreement with ABF; and the Company's inability to carry out its intention to purify clean igneous anorthosite phosphate-bearing rock to a large quantity of battery-grade PPA.

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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