

First Phosphate Corp Applauds Proposed Guidance on the Clean Vehicle Provisions of the Inflation Reduction Act and Predicts Boom for LFP Battery Industry in North America

Saguenay, Quebec – December 4, 2023 – First Phosphate Corp. (“First Phosphate” or the “Company”) (CSE: PHOS) (OTC Pink: FRSPF) (FSE: KD0) applauds proposed guidance on the clean vehicle provisions of the Inflation Reduction Act (“IRA”) as released by the U.S. Department of the Treasury and Internal Revenue Service (IRS) on December 1, 2023.

“First Phosphate has always interpreted the spirit of the law with respect to the IRA since its inception,” states CEO, John Passalacqua. “We have been working tirelessly over the last years to build a fully localized phosphate mine to finished lithium iron phosphate (“LFP”) battery industry supply chain in North America. We are well advanced in this goal and perfectly positioned to meet this new reality within the timeframes exacted by the US administration.”

“With this new guidance, the US administration has made it clear that it wants to see the development of a local battery supply chain in North America and that it is intent to stop all attempts to arbitrage the IRA. The loophole where foreign entities of concern (“FEOCs”) could locate in US Free Trade Areas (“FTAs”), alone or with foreign partners, and supply components to the US battery industry has effectively been closed.”

“Moreover, other circumvents where US automakers could effectively receive IRA subsidies while still importing numerous electric vehicle components from FEOCs have arguably been shut as well.”

“Lastly and most importantly, a requirement has been introduced that vehicles do not exceed a Manufacturers Suggested Retail Price of \$80,000 for a van, pickup truck, or sport utility vehicle, or \$55,000 for any other vehicle. This means that LFP battery with its price and safety advantages will be a battery chemistry to flourish in North America. Full automotive manufacture and assembly has been clearly mandated back to America where it belongs and where it benefits our local communities and workforces.”

Section 30D Excluded Entities Proposed Rule can be found at:

<https://www.federalregister.gov/documents/2023/12/04/2023-26513/section-30d-excluded-entities>

Interpretation of Foreign Entity of Concern can be found at:

<https://www.federalregister.gov/documents/2023/12/04/2023-26479/interpretation-of-foreign-entity-of-concern>

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 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:

Jérôme Cliche, VP, Business Development
jerome@firstphosphate.com
Tel: +1 (514) 815-8799

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

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-30-

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 belief that Quebec igneous anorthosite phosphate rock is an untapped source of high purity phosphate which can potentially be mined and transformed into large quantities of purified phosphoric acid (PPA) to service North America's need for the production of LFP cathode active material to meet electrification targets; and the Company's plans and goals with respect to changes in law and legislations, the stated benefits, and the timelines thereof.

Forward-looking information in this press release are based on certain assumptions and expected future events, namely: 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 region of Saguenay-Lac-St-Jean, Quebec; the Company ability to carry out its plans for the development of a LFP CAM manufacturing business in North America; and the Company possessing the ability to realize upon the potential agreements with governmental and other entities, potential the development of partnerships, relationships and customers, and the stated benefits thereof; and the Company's ability to realize upon the plans and goals with respect to changes in law and legislations, the stated benefits, and under the timelines thereof.

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 integrate directly into the functions of certain major North American LFP Battery producers; the Company's

inability to develop its land claims in the region of Saguenay-Lac-St-Jean, Quebec; the Company inability to carry out its plans for the development of a LFP CAM manufacturing business in North America; the Company's inability to realize upon the potential agreements with governmental and other entities, potential the development of partnerships, relationships, and customers, and the stated benefits thereof; and the Company's inability to realize upon the plans and goals with respect to changes in law and legislations, the stated benefits, and under the timelines thereof.

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.