

June 22, 2026

Price (as of close June 18, 2026)

**C\$1.76**

12-Month Target Price

**C\$4.94**

Research Team

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### About the Company

First Phosphate is a mineral development and cleantech company dedicated to building and onshoring a vertically integrated mine-to-market LFP battery supply chain for North America. Target markets include energy storage, data centers, robotics, mobility and national security. First Phosphate's flagship Bégin-Lamarche Property in Saguenay-Lac-Saint-Jean, Quebec is one of North America's rare igneous phosphate resources, yielding high-purity phosphate with minimal impurities.

52-Week Range	C\$0.30 - C\$2.06
Shares Outstanding	187.9 mil
Insider/Institutional	21.0% / 11.4%
Public Float	148.3 mil
Market Cap	C\$306 mil
Total Debt	Nil
Debt/Equity	NA
ROE (LTM)	NA
Book Value/Share	C\$0.16
Consolidated Daily Volume (90-day)	541,091
Fwd. Div. & Yield	--

# EMERGING *Growth* Research

## G7 Recognition, Quantified Offtakes and C\$35M Treasury Further De-Risk Development Strategy.

First Phosphate continues to strengthen its position as a strategically important participant in the North American LFP battery supply chain. Recent milestones include formal recognition under the G7 Critical Minerals Resilience and Production Alliance, the disclosure of definitive offtake agreements covering both its mining and phosphoric acid assets, and the expansion of its treasury to approximately C\$35 million. Collectively, these developments provide increased commercial validation, financing visibility, and project de-risking across the Company's integrated mine-to-market platform.

**G7 Names First Phosphate as Strategic Critical Minerals Partner:** At the 52nd G7 Leaders' Summit in France, the Government of Canada identified First Phosphate as one of only 13 critical minerals initiatives supported under the G7's Critical Minerals Resilience and Production Alliance, representing the strongest institutional endorsement in the Company's history. The designation positions First Phosphate as a strategic mine-to-market solution for securing Western LFP battery supply chains and reducing reliance on concentrated foreign sources. The project now benefits from coordinated support across five jurisdictions namely Canada, Denmark, Italy, Belgium, and the European Union.

Denmark's EIFO, the Danish state export credit agency, has issued a letter of interest for a guarantee of up to C\$275M for the Bégin-Lamarche mine. Italy is backing the downstream phosphoric acid facility through SACE (Export Credit Agency), CDP (National Promotional Institution), and SIMEST (international growth partner), and engineering group MAIRE (Euronext Milan; ~US\$5B market cap).

The Bégin-Lamarche project was also specifically referenced by Canada's Minister of Energy and Natural Resources in the Prime Minister's Office announcement. Importantly, the concurrent Canada-Italy Critical Minerals Partnership provides a formal bilateral framework supporting the project's development. With LFP batteries identified alongside rare earths and semiconductors as one of the most strategically important supply chains exposed during recent geopolitical trade tensions, First Phosphate has emerged as a flagship G7-backed phosphate platform for North America's energy transition.

**Meaningful Progress Toward Commercialization:** First Phosphate disclosed definitive offtake agreements covering 200,000 tonnes per year of phosphate concentrate and 60,000 tonnes per year of phosphoric acid, providing commercial validation and further de-risking the projects.

**C\$15.4M Financing Closed; 3x Oversubscribed:** On June 12, 2026, First Phosphate raised C\$15.4 million comprising 1,432,750 Hard Dollar Units at C\$2.00 and 6,277,570 Flow-Through Shares at C\$2.00. The Offering was oversubscribed 3x, reflecting strong investor demand. Notably, the financing was initiated at the request of existing shareholders who wished to contribute additional capital and strengthen the Company's position, despite management's view that the balance sheet was already fully funded for the next 18-24 months. The willingness of current investors to commit additional capital at levels near the Company's 52-week highs is a direct vote of confidence in the asset and its trajectory.

**C\$2.00 as a Valuation Anchor:** The placement price of C\$2.00 per unit provides a meaningful valuation reference point. Completed near the stock's 52-week highs, the financing demonstrates that existing and informed investors remain willing to commit capital at elevated levels, reflecting confidence in the underlying asset base and future value creation potential.

**C\$35M Treasury Plus C\$16.7M Government Grant:** Following the financing, the Company holds approximately C\$35 million in cash along with access to a C\$16.7 million non-repayable, non-dilutive grant from Natural Resources Canada, which the Company has now begun to draw. Together, these sources provide roughly C\$52 million of available funding, placing the Company in a strong financial position relative to its stage of development. This capital base substantially de-risks the path toward Feasibility Study completion and a Final Investment Decision (FID), while minimizing the need for near-term equity financing.

**Use of proceeds:** The additional capital will support balance sheet strength, advance metallurgical workstreams, and fund continued exploration across the broader Saguenay-Lac-Saint-Jean region. Management is pursuing a long-term strategy focused on establishing First Phosphate as the leading owner and developer of igneous phosphate assets in the district, with an emphasis on securing prospective ground and expanding its resource footprint. As industry interest in igneous phosphate continues to grow, including increased attention from larger mining companies (such as Agnico Eagle), the Company is moving proactively to consolidate strategic land positions and maintain leadership in what it views as an emerging, multi-decade critical minerals opportunity.

**LFP Onshoring Tailwind:** North American onshoring of LFP battery manufacturing is accelerating with major announcements from Ford, Tesla, LG Energy Solution, and others expanding domestic cell and cathode capacity. First Phosphate's high-purity igneous phosphate resource in Quebec is uniquely positioned to serve this supply chain. Management is moving aggressively to own as much of the regional phosphate exploration ground as possible.

### Valuation

- We value PHOS using a sum-of-the-parts approach. We discount the mine free cash flow at 11.5% and acid-plant free cash flow at 13.5% to reflect process and market risks prior to qualification, then apply project-stage risking prior to FID, and consolidate corporate items to equity value to arrive at a per-share target price of C\$4.94.

#### **SOTP valuation**

Mine NAV, C\$m	515
PPA plant NAV, C\$m	378
Cash, C\$m	35
<b>Total NAV</b>	<b>928</b>
Shares outstanding, mn	187.9
<b>NAV/share, C\$</b>	<b>4.94</b>
Share price, C\$	1.77
<i>Upside</i>	179%
<i>Price/NAV</i>	0.36x
<b>Key assumptions</b>	
Discount rate – mine	11.5%
Discount rate – plant	13.5%
Mine cash opex/ton (adj for credits), US\$	95
PPA cash opex/ton, US\$	250
US\$/CAD	1.40
P <sub>2</sub> O <sub>5</sub> conversion factor	0.73
Battery grade purity premium, US\$/tonne	45

**Reserves**

Total mine resources, million tonnes (Mt)	150.55
Grade estimate	5.76% P <sub>2</sub> O <sub>5</sub>
Mine life	~24 years
Strip ratio	1.5:1 (waste:ore)
Implied mass yield to concentrate	13.7% (20.7 Mt conc./150.55 Mt feed)
Implied P <sub>2</sub> O <sub>5</sub> recovery:	90-95% (40% P <sub>2</sub> O <sub>5</sub> concentrate)

*Source: Fertiliser Association of India, Argus Media, P2O5.com*

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**Buy**, 30% or greater price appreciation in the next 12 months.

**Buy-Extended**, near-term EPS and/or revenue horizon is challenging with strong long-term appreciation possibility.

**Buy-Emerging**, initial stages with low revenue and the potential for large returns with higher risk and volatility.

**Hold**, perform similar to market.

**Sell**, 30% or more decline in the next 12 months.

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**5-Year Chart (CAD)**

