First Phosphate Corp.
CSE: PHOS; OTC: FRSPF
Flash Report

July 21, 2026

Price (as of close July 20, 2026)
C$1.45

Rating
BUY

12-Month Target Price
C$4.94

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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$0.40 - C$2.06
Shares Outstanding	187.9 mil
Insider/Institutional	20.1% / 10.8%
Public Float	149.9 mil
Market Cap	C$252 mil
Total Debt	Nil
Debt/Equity	NA
ROE (LTM)	NA
Book Value/Share	C$0.14
Consolidated Daily Volume (90-day)	587,091
Fwd. Div. & Yield	--

EMERGING Growth Research

Sell-Off Unwarranted; First Phosphate's Fundamentals Intact and Fully Funded.

First Phosphate shares have declined approximately 24% over the past month. In our view, the weakness is entirely macro-driven and disconnected from Company fundamentals, which have strengthened, not deteriorated, over the same period. With approximately C$35 million in treasury following the recently closed C$17.7 million placement at C$2.00 per share, plus access to a C$16.7 million non-repayable contribution from the Government of Canada, the Company has over C$50 million of capital access and a runway exceeding 24 months, through Feasibility Study completion, permitting, and a Final Investment Decision, without any need to return to market.

The Macro Panic: The current sell-off has been driven by the U.S.-Iran war, which has pushed oil prices higher, reigniting inflation concerns and stoking fears that interest rates will remain higher for longer. The result is indiscriminate pressure on junior and mid-cap companies perceived as dependent on external capital. That logic does not hold true for First Phosphate. The Company recently raised capital at C$2.00 per share from committed existing shareholders and now has access to more than C$50 million of funding, materially reducing near-term financing risk. Moreover, its domestic, high-purity, igneous phosphate deposit in Quebec is insulated from the geopolitical supply disruptions and should benefit from the West's accelerating efforts to secure and localize critical mineral supply chains.

C$17.7 Million Raised at C$2.00 - A Meaningful Valuation Anchor: First Phosphate closed a C$17.7 million private placement in July 2026 at C$2.00 per share, with the financing supported predominantly by existing individual shareholders. That investors were willing to commit capital at C$2.00, near the 52-week high and materially above the current share price, provides a credible reference point for the value assigned by informed, long-duration holders. Importantly, management raised the capital proactively, ahead of the current market dislocation, positioning the Company to remain well funded through precisely this type of volatility.

More Than C$50 Million of Capital Access; 24+ Months of Runway: Following the recent financing, First Phosphate has approximately C$35 million of cash, supplemented by a C$16.7 million non-repayable, non-dilutive federal contribution from which it has already begun drawing. Few junior or mid-cap developers at a comparable stage can point to a similarly strong funding position. This capital base is expected to fund the Company through completion of the Feasibility Study, targeted for year-end or early next year, along with permitting activities and the progression toward a final investment decision.

Sovereign and Institutional Backing Unchanged: First Phosphate was recently named to the G7's strategic project list under the Critical Minerals Resilience and Production Alliance, with coordinated support and guarantees across Canada, Denmark, Italy, Belgium, and the European Union. None of this support is affected by equity market volatility.

Understanding the Selling Pressure: We view the recent decline as a function of market mechanics rather than any deterioration in fundamentals. After appreciating by more than 500% over the preceding year, the shares became a natural source of liquidity during a risk-off episode, as leveraged and momentum-driven investors sold winners to offset losses elsewhere, meet margin calls, or reduce exposure. In our view, this process should ultimately strengthen the shareholder register by replacing short-term momentum capital with fundamentally oriented investors positioned for the Company's next stage of development.

Our Take: The recent share-price weakness is disconnected from fundamentals. First Phosphate remains fully funded through FID, has access to more than C$50 million of capital, recently raised C$17.7 million at C$2.00 per share, retains coordinated G7 sovereign backing, and continues to deliver against its development milestones on schedule. We reiterate our **C$4.94 SOTP target price**.

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Rating Definitions

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.

First Phosphate Corp
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Sum-of-the-parts / NAV model

C$'mn unless otherwise stated	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**
Mining																											
ROM mined, ktpa					**3,460**	**5,309**	**5,309**	**5,309**	**6,989**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**
Nameplate concentrate capacity (ktpa)					900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Recovery to concentrate					*10%*	*80%*	*85%*	*88%*	*89%*	*90%*	*90%*	*92%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*93%*	*92%*	*92%*	*92%*	*90%*	*90%*
Apatite concentrate (kt, ~40% P_2O_5)					90	720	765	792	801	810	810	828	855	855	855	855	855	855	855	855	855	837	828	828	828	810	810
Realized apatite price, US$/t, adj for freight					325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325
Apatite revenue, US$'mn					29	234	249	257	260	263	263	269	278	278	278	278	278	278	278	278	278	272	269	269	269	263	263
Apatite revenue, C$'mn					**41**	**328**	**348**	**360**	**364**	**368**	**368**	**377**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**381**	**377**	**377**	**377**	**368**	**368**
opex (adj for magnetite credit)	(9)	(9)	(9)	(9)	(12)	(96)	(102)	(105)	(107)	(108)	(108)	(110)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(111)	(110)	(110)	(110)	(108)	(108)
Change in net working capital		-	-	-	2	11	1	0	0	0	-	0	0	-	-	-	-	-	-	-	-	(0)	(0)	-	-	(0)	-
Capex	(6)	(6)	(338)	(338)	(6)	(8)	(9)	(10)	(11)	(13)	(15)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(15)	(15)	(14)	(13)	(13)
FCF (pre-tax)	**(15)**	**(15)**	**(347)**	**(347)**	**25**	**236**	**238**	**245**	**247**	**248**	**246**	**251**	**260**	**259**	**259**	**259**	**259**	**259**	**259**	**259**	**259**	**253**	**251**	**252**	**253**	**247**	**248**
Effective tax rate					*10%*	*12%*	*15%*	*15%*	*15%*	*15%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Income tax					(3)	(28)	(36)	(37)	(37)	(37)	(62)	(63)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(63)	(63)	(63)	(63)	(62)	(62)
FCF (post-tax)	(15)	(15)	(347)	(347)	23	207	202	209	210	211	185	188	195	194	194	194	194	194	194	194	194	190	189	189	189	186	186
Discount factor (12% WACC)	1.00	0.94	0.85	0.76	0.68	0.61	0.55	0.49	0.44	0.39	0.35	0.32	0.28	0.26	0.23	0.21	0.18	0.17	0.15	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.06
Mine NAV (PV of FCF)	**(15)**	**(14)**	**(293)**	**(263)**	**15**	**127**	**111**	**102**	**92**	**83**	**65**	**60**	**55**	**50**	**45**	**40**	**36**	**32**	**29**	**26**	**23**	**20**	**18**	**16**	**15**	**13**	**12**
Mine NAV, C$'mn	**515**																										

PPA plant	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Nameplate capacity (ktpa, P_2O_5 basis)					**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**
Utilization					*10%*	*70%*	*75%*	*80%*	*80%*	*85%*	*85%*	*90%*	*90%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*90%*	*90%*	*88%*	*88%*
PPA sales volume (kt, P_2O_5 basis)					10	133	143	152	152	162	162	171	171	175	175	175	175	175	175	175	175	175	175	171	171	167	167
Realized PPA price, US$/t P_2O_5, FOB Saguenay					918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918
PPA revenue, US$ mn					9	122	131	139	139	148	148	157	157	160	160	160	160	160	160	160	160	160	160	157	157	153	153
By-product credits - gypsum/others US$mn					0	7	10	11	11	12	12	13	13	13	13	13	13	13	13	13	13	13	13	13	13	12	12
By-product credit as % of PPA revenue					*3%*	*6%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*
Total PPA plant revenue, US$mn					9	129	141	151	151	160	160	169	169	173	173	173	173	173	173	173	173	173	173	169	169	166	166
Total PPA plant revenue, C$mn					**13**	**181**	**198**	**211**	**211**	**224**	**224**	**237**	**237**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**237**	**237**	**232**	**232**
Feedstock cost – apatite transfer					141	(146)	(166)	(178)	(182)	(187)	(187)	(195)	(207)	(207)	(207)	(207)	(207)	(207)	(207)	(207)	(207)	(199)	(195)	(195)	(195)	(187)	(187)
Cash opex, C$'mn					(3)	(47)	(50)	(53)	(53)	(57)	(57)	(60)	(60)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(60)	(60)	(59)	(59)
Change in net worrking capital		-	-	-	1	13	1	1	-	1	-	1	-	0	-	-	-	-	-	-	-	-	-	(0)	-	(0)	-
Capex			(122)	(122)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
FCF (post-tax)			**(122)**	**(122)**	**3**	**141**	**142**	**151**	**150**	**161**	**160**	**171**	**170**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**170**	**170**	**166**	**166**
Effective tax rate					*10%*	*12%*	*15%*	*15%*	*15%*	*15%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Tax charge					(0)	(17)	(21)	(23)	(23)	(24)	(40)	(43)	(42)	(44)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(42)	(42)	(41)	(42)
FCF (post-tax)			(122)	(122)	3	124	121	129	128	137	120	128	127	131	130	130	130	130	130	130	130	130	130	127	127	124	125
Discount factor (14% WACC)			*0.82*	*0.72*	*0.64*	*0.56*	*0.50*	*0.44*	*0.38*	*0.34*	*0.30*	*0.26*	*0.23*	*0.20*	*0.18*	*0.16*	*0.14*	*0.12*	*0.11*	*0.10*	*0.08*	*0.07*	*0.07*	*0.06*	*0.05*	*0.04*	*0.04*
PV of FCF			**(101)**	**(89)**	**2**	**70**	**60**	**56**	**49**	**46**	**36**	**34**	**30**	**27**	**23**	**21**	**18**	**16**	**14**	**12**	**11**	**10**	**9**	**7**	**6**	**6**	**5**
PPA NAV	**378**																										

SotP Valuation	
Mine NAV, C$mn	515
PPA plant NAV, C$mn	378
Cash, C$mn	35
Total NAV	**928**
Shares outstanding, mn	188.0
Est. NAV/share, C$	**4.94**
Share price, C$	1.77
Upside	*179%*
Price/NAV	*0.36x*
Key assumptions	
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$/CAD	1.40
P_2O_5 conversion factor	0.73
Battery grade purity premium, US$/tonne	45
Reserves	
Total mine resources, million tonnes (Mt)	150.55
Grade estimate	5.76% P_2O_5
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_2O_5 recovery:	90-95% (40% P_2O_5 concentrate)

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

Price Target Sensitivity Analysis:

Mine discount rate	Apatite price (adjusted), US$/t				
	225	275	325	375	425
12%	2.18	3.44	4.69	5.95	7.21
13%	1.97	3.11	4.26	5.40	6.55
14%	1.78	2.83	3.88	4.92	5.97
15%	1.63	2.58	3.54	4.50	5.46
16%	1.49	2.37	3.25	4.13	5.01

PPA discount rate	Battery grade purity premium, US$/tonne				
	35	40	45	50	55
12%	5.32	5.35	5.37	5.40	5.43
13%	5.02	5.05	5.07	5.10	5.12
14%	4.77	4.79	4.81	4.83	4.85
15%	4.54	4.56	4.58	4.60	4.62
16%	4.34	4.36	4.38	4.39	4.41