First Phosphate Corp.
Nasdaq: PHOS; CSE: PHOS; OTC: FRSPF; FSE: KD0
Flash Report

August 17, 2026

Price (as of close Aug 14, 2026)
C$2.37

12-Month Target Price
C$4.94

Research Team
Research@EmergingGrowth.com

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$0.42 - C$2.02
Shares Outstanding	189.1 mil
Insider/Institutional	20.2% / 10.8%
Public Float	150.1 mil
Market Cap	C$356 mil
Total Debt	Nil
Debt/Equity	NA
ROE (LTM)	NA
Book Value/Share	C$0.12
Consolidated Daily Volume (90-day)	550,826
Fwd. Div. & Yield	--

EMERGING Growth Research

Nasdaq ADR Uplisting Without Capital Raise; Expands U.S. Access.

We view the ADR uplist as a high-quality, non-dilutive catalyst that materially widens First Phosphate's investor base while rewarding existing holders. Executing a self-sponsored uplist to Nasdaq without a capital raise reflects a strong balance sheet, with over C$30 million of cash and access to C$21.5 million of non-repayable federal contributions, and a runway of approximately 24 to 36 months that fully funds the Company through FID. With just 1,302,672 ADRs outstanding against a 10:1 underlying and free conversion available through year-end, we believe the structure could drive incremental demand for common shares. Combined with Quebec's Filon fast-track status and C$4.84 million of additional federal infrastructure funding, we believe the investment case is further strengthened.

Self-Sponsored Uplisting Milestone: First Phosphate has uplisted its American Depositary Receipts (ADRs) to the Nasdaq Global Market as a Level 2 program under the ticker symbol PHOS, effective at the open on August 10, 2026. We view the uplisting as an important capital markets milestone, broadening U.S. investor access and potentially improving trading liquidity and institutional visibility with the last two days since the bell-ringing ceremony being the two largest trading volume and dollar amounts in the history of the Company. Notably, the Company completed the uplisting without a concurrent equity raise, supported by a balance sheet with more than C$30 million of cash and access to C$21.5 million of non-repayable Government of Canada contributions. The ADR ratio is 10 common shares per one ADR. CEO, John Passalacqua below, rang the opening bell at Nasdaq on August 13, 2026.

Tight ADR Float Could Support Conversion Led Demand. As of August 6, 2026, just 1.3 million ADRs were outstanding, leaving the initial U.S. float relatively limited. We see this scarcity as potentially supportive for the underlying common shares. With each ADR representing 10 common shares, incremental U.S. demand may need to be met through conversion of common shares into newly created ADRs. Any sustained premium in the ADRs versus the underlying could also encourage arbitrage driven creation activity, whereby investors purchase common shares and deposit them to create ADRs. Over time, this action could expand ADR liquidity while simultaneously generating incremental demand for the common shares.

Efficient Uplisting Structure Adds Longer-Term U.S. Capital Markets Optionality. The ADR structure provides First Phosphate with U.S. market access without the cost and complexity of a direct U.S. listing. As an Multijurisdictional Disclosure System (MJDS) issuer, the Company can largely retain its existing Canadian reporting framework, keeping incremental compliance costs relatively modest. More strategically, the Nasdaq listing creates a platform for future U.S. capital formation, including the potential use of a Canadian base shelf with a U.S. wrapper. With an estimated 24-36 months of funding runway through FID, however, we see little near-term financing pressure. Management's priority is to establish trading depth and institutional awareness before considering a larger U.S. raise. Most notably, with essentially all U.S. domestic phosphate being sedimentary, the listing offers U.S. institutions a way to play the emerging LFP phosphate theme.

"Filon" Fast-Track Status in Quebec. First Phosphate's flagship Begin-Lamarche project was selected on July 27, 2026 for Quebec's "Filon" support status under the province's Critical and Strategic Minerals Strategy 2025-2031. The program provides coordinated government support across the ministries and agencies involved in mining approvals, with the aim of streamlining, permitting, and advancing priority projects more efficiently. We view the designation as a positive validation of the project's strategic importance to Quebec's domestic LFP battery supply chain and, more importantly, as a potential de-risking catalyst for the permitting timeline.

C$4.8M Federal Funding Further De-Risks Infrastructure Buildout. First Phosphate secured C$4.84 million of additional non-repayable federal funding on August 5, 2026, targeting critical power and road infrastructure for Begin-Lamarche. The award includes C$3.07 million for a 161-kV transmission line and substations and C$1.77 million for mine access and port/rail connectivity work. Combined with the C$16.7 million awarded in March, total federal non-dilutive support now stands at roughly C$21.5 million. In our view, the funding meaningfully de-risks execution, while reinforcing the project's strategic importance to Canada's critical-minerals supply chain.

Our Take: The Nasdaq ADR uplisting materially broadens First Phosphate's U.S. investor access without dilution, while the tight initial ADR float could support conversion-led demand for the underlying shares. With more than C$50 million in total liquidity, and an estimated 24-36 months of funding runway through FID, near-term financing risk remains limited. Quebec's Filon designation and additional federal infrastructure funding further de-risk permitting and development. We view the recent milestones as strengthening both the project's execution profile and First Phosphate's positioning as a differentiated U.S.-listed exposure to the emerging LFP phosphate theme. We reiterate our **C$4.94 SOTP target price**.

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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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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$	1.88
Upside	*163%*
Price/NAV	*0.38x*

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				
4.94	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				
4.94	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