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

September 23, 2026

Price (as of close Sep 22, 2026)
C$2.29

12-Month Target Price
C$5.72

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$0.48 - C$2.78
Shares Outstanding	189.4 mil
Insider/Institutional	20.3% / 9.9%
Public Float	150.9 mil
Market Cap	C$451 mil
Total Debt	Nil
Debt/Equity	NA
ROE (LTM)	NA
Book Value/Share	C$0.12
Consolidated Daily Volume (90-day)	652,871
Fwd. Div. & Yield	--

EMERGING Growth Research

SERV Letter of Intent Strengthens the Non-Dilutive Financing Stack; Maintain Target Price at C$5.72.

First Phosphate secured support from Swiss Export Risk Insurance (SERV) for US$212.5 million toward the capital cost of its Begin-Lamarche igneous phosphate project in Quebec. The capital will cover eligible Swiss machinery and equipment for the mine, as well as goods and services for the associated processing facility. The announcement is meaningful as it builds on earlier LOIs from G7-aligned funding agencies, further strengthening the prospect for a substantial portion of development capex to be funded through debt. We view this outcome as positive for existing shareholders, as it points to materially lower future dilution. We are maintaining our sum-of-the-parts (SOTP) target price of C$5.72 per share.

Swiss Export Risk Insurance Offers US$212.5 Million of Potential Financing Support. SERV is prepared to consider insurance and guarantees supporting a buyer credit facility based on an assumed eligible Swiss export contract value of US$250 million. On that basis, SERV would consider supporting US$212.5 million of financing, equivalent to 85% of the contract value. SERV's Letter of Support adds another potential source of export credit agency (ECA) backed financing for Begin-Lamarche and strengthens the case that a meaningful portion of project capex could be funded through debt rather than equity. While the support remains subject to due diligence and definitive documentation, we view the expanding ECA-backed funding stack as an important de-risking step that could materially reduce future dilution for PHOS shareholders.

SERV's support adds to a growing set of G7-aligned funding sources assembled around the project, including – 1) a letter of intent from Denmark's state-backed Export and Investment Fund (EIFO) for a guarantee of EUR170 million (or C$275 million); 2) letters of intent from Italian institutions SACE, Cassa Depositi e Prestiti (CDP), and SIMEST for the proposed Port Saguenay phosphoric acid plant; 3) a Letter of Interest of up to US$170 million from the Export-Import Bank of the United States (pending renewal); and 4) C$21.5 million of contributions from Government of Canada.

ECA-backed guarantees and insurance can reduce the need to fund project capex through equity issuance. With 189.4 million shares outstanding and a market capitalization of ~C$451 million, avoiding a sizeable equity raise at current levels would materially limit dilution and help preserve per share NAV.

The Bégin-Lamarche PEA estimates mine capex at C$675 million (US$490 million). Against this backdrop, EIFO's EUR170 million (US$195 million) guarantee and SERV's US$212.5 million of potential support total US$407.5 million, equivalent to 83% of PEA mine capex. Combined with EXIM support (pending renewal), aggregate ECA-backed support could exceed 100% of estimated mine capex. In our view, this result would materially strengthen PHOS's financing optionality and bargaining power across countries and suppliers, increasing the potential for a non-dilutive mine build-out.

SOTP Target reiterated. Our SOTP framework values the mine and phosphoric acid plant separately. We maintain our target price at C$5.72 per share. We would look to the conversion of these letters into committed facilities, together with the feasibility study (expected early 2027) as the key catalysts to revisit our assumptions.

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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.

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	0.95	0.86	0.78	0.70	0.64	0.58	0.52	0.47	0.43	0.39	0.35	0.32	0.29	0.26	0.23	0.21	0.19	0.17	0.16	0.14	0.13	0.12	0.11	0.10	0.09	0.08
Mine NAV (PV of FCF)	**(15)**	**(14)**	**(297)**	**(269)**	**16**	**132**	**116**	**109**	**99**	**90**	**71**	**66**	**62**	**56**	**50**	**46**	**41**	**37**	**34**	**31**	**28**	**24**	**22**	**20**	**18**	**16**	**15**
Mine NAV, C$'mn	**617**																										

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)			*0.83*	*0.74*	*0.66*	*0.59*	*0.52*	*0.46*	*0.41*	*0.37*	*0.33*	*0.29*	*0.26*	*0.23*	*0.20*	*0.18*	*0.16*	*0.14*	*0.13*	*0.11*	*0.10*	*0.09*	*0.08*	*0.07*	*0.06*	*0.06*	*0.05*
PV of FCF			**(102)**	**(91)**	**2**	**73**	**63**	**60**	**53**	**50**	**39**	**37**	**33**	**30**	**26**	**24**	**21**	**19**	**17**	**15**	**13**	**12**	**10**	**9**	**8**	**7**	**6**
PPA NAV	**431**																										

SotP Valuation	
Mine NAV, C$mn	617
PPA plant NAV, C$mn	431
Cash, C$mn	35
Total NAV	**1,083**
Shares outstanding, mn	189
Est. NAV/share, C$	**5.72**
Share price, C$	2.38
Upside	*140%*
Price/NAV	*0.42x*

Key assumptions	
Discount rate - mine	10.5%
Discount rate - plant	12.5%
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%	2.45	3.70	4.94	6.19	7.44
13%	2.23	3.37	4.51	5.65	6.79
14%	2.05	3.09	4.13	5.17	6.21
15%	1.90	2.85	3.80	4.75	5.70
16%	1.76	2.63	3.51	4.38	5.26

PPA discount rate	Battery grade purity premium, US$/tonne				
	35	40	45	50	55
12%	5.83	5.85	5.88	5.90	5.93
13%	5.53	5.56	5.58	5.60	5.63
14%	5.27	5.30	5.32	5.34	5.36
15%	5.05	5.07	5.09	5.11	5.13
16%	4.85	4.87	4.89	4.91	4.92