

First Phosphate and American Battery Factory Sign MOU to On-Shore up to 40,000 tonnes of Annual LFP Cathode Active Material Production in North America

written by Raj Shah | September 13, 2023

September 13, 2023 ([Source](#)) – First Phosphate Corp. (CSE: PHOS) (OTC Pink: FRSPF) (FSE: KD0) (“First Phosphate” or the “Company”) is pleased to announce that, on September 13, 2023, it has entered into an agreement with American Battery Factory Inc. (“ABF”) of Utah, USA to support production of up to 40,000 tonnes of annual fully North American manufactured lithium iron phosphate (“LFP”) cathode active material (“CAM”).

The initiative aims to bring production of LFP batteries for the battery storage sector to North America.

The following mutually beneficial arrangements to 2028 have been agreed upon and the parties intend to enter into a definitive agreement governing its customer-supplier relationship once the Company and ABF are able to source an established LFP technology partner to work with the companies to service ABF’s LFP CAM production needs in North America.

1. First Phosphate is to source and supply local raw materials and manage logistics for the LFP CAM production process and is to work on close integration into ABF workflows.

2. ABF projects sustained annual demand for LFP CAM starting in 2026 and achieving up to 40,000 tonnes of annual LFP CAM requirement by 2028 at its first planned LFP battery manufacturing facility in Tuscon, Arizona.
3. ABF intends to construct several other LFP battery manufacturing facilities across North America, each of which should require similar amount of LFP CAM. As plans for such additional sites are developed, ABF will work with First Phosphate on updating demand forecasts.
4. ABF and First Phosphate are to begin a homologation process whereby First Phosphate raw materials are to be integrated directly into LFP CAM produced for ABF. LFP CAM produced by way of the partnership is to be integrated into ABF battery cells and end-user energy storage products.
5. First Phosphate and ABF intend to co-operate in the development of an LFP battery ecosystem in North America and to consider the possibility of locating certain facilities at the Port of Saguenay, Quebec.

“Stationary energy storage and telecom applications are already an established market application for LFP batteries in North America alongside the rapidly expanding electric vehicle sector,” says First Phosphate CEO, John Passalacqua. “Launching our LFP raw materials strategy with a focused partner like ABF with existing LFP product demand in North America allows us to enter the market in prudent and pragmatic fashion.”

“Raw material bottlenecks, not technology, will be the single largest impediments to the roll out of fully localized LFP batteries in North America,” says ABF President, Major General John S. Kem. “We lean to a sustainable raw materials development partner like First Phosphate that is fully committed to the LFP battery industry as we focus to on-shore our full production of

LFP batteries in North America.”

First Phosphate has access to clean igneous anorthosite phosphate-bearing rock in Quebec, Canada that it intends to purify into a large quantity of battery-grade purified phosphoric acid (“PPA”).

About American Battery Factory (ABF)

American Battery Factory Inc., a Lithium Iron Phosphate (LFP) battery cell manufacturer, is developing the first-ever network of safe LFP cell giga-factories in the United States. The company is dedicated to making energy independence and renewable energy a reality for the United States by creating a domestic battery supply chain. Along with creating domestic manufacturing jobs, ABF will play a crucial role in meeting federal and state government climate change initiatives and “Made-in-USA” national security requirements. For more information on American Battery Factory, please visit www.americanbatteryfactory.com.

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 Lithium Iron Phosphate (“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.

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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 commitment to producing high purity phosphate materials under a low carbon footprint; the Company’s plans to integrate directly into the functions of certain major North American LFP Battery producers; the Company’s proposed development of its land claims in the Saguenay Region; the stated aims, benefits and terms of the MOU, including production

numbers, monetary values, and arrangements therein, statements regarding the benefits of the Company's partnership with ABF; and the Company's plans, goals, and timelines thereof with respect to the MOU.

Forward-looking information in this press release are based on certain assumptions and expected future events, namely: the Company's ability to producing high purity phosphate under a low carbon footprint; 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 Saguenay Region; the Company's ability to carry out and realize upon the stated aims, benefits and terms of the MOU, including production numbers, monetary values, and arrangements therein, the Company's ability to realize upon the benefits of the Company's partnership with ABF; and the Company's ability to carry out its plans, goals, and timelines thereof with respect to the MOU.

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 produce high purity phosphate materials under a low carbon footprint; 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 Saguenay Region; the Company's inability to carry out and realize upon the stated aims, benefits and terms of the MOU, including production numbers, monetary values, and arrangements therein, the Company's inability to realize upon the benefits of the Company's partnership with ABF; and the Company's inability to carry out its plans, goals, and timelines thereof with respect to the MOU.

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.