First Phosphate Provides Update on Plans for a Purified Phosphoric Acid Plant at Port Saguenay, Quebec

written by Raj Shah | February 20, 2024

February 20, 2024 (Source) – First Phosphate Corp. (CSE: PHOS) (OTC: FRSPF) (FSE: KD0) ("First Phosphate" or the "Company") is pleased to update the market on its plans for a purified phosphoric acid ("PPA") plant at the Port of Saguenay and the development of the North American lithium iron phosphate ("LFP") battery valley in the Saguenay-Lac-Saint-Jean Region of Quebec.

On November 21, 2022, First Phosphate CEO, John Passalacqua, addressed the Federation of Chambers of Commerce of the Saguenay-Lac-Saint-Jean Region of Quebec ("FCC-SLSJ") and shared, with local business leaders and politicians, the vision for the creation of an LFP battery ecosystem in the Saguenay-Lac-Saint-Jean Region of Quebec. Mr. Passalacqua provided a further update to the FCC-SLSJ on February 8, 2024. A recording of the February 8 session is available at: https://www.youtube.com/watch?v=CnarUchmXdg.

Building a PPA plant and an LFP battery ecosystem for North America is a major undertaking. Since first laying out the Company's vision in 2022, First Phosphate has taken the following progressive steps towards realizing its PPA plant at Port Saguenay and in establishing the Saguenay-Lac-St-Jean region of Quebec as the LFP battery valley of North America.

Engineering and Feasibility Study

The Company has completed its internal pre-feasibility study for its PPA plant at Port Saguenay, Quebec and is in the process of evaluating engineering firms to begin a potential formal feasibility study. All PPA production will be fully internalized and limited to the development of LFP cathode active material ("CAM") by the Company and its strategic partners so as not to disrupt existing fragile equilibria in the food phosphates and fertilizer industries.

The Company has created a full proprietary financial model for the future PPA facility and is amenable to sharing details of its pre-feasibility work with those who have the ability to add synergies to its existing network of strategic partners.

Industrial Land, Infrastructure & Port Access

The Company signed a memorandum of understanding ("MOU") with Port Saguenay Authority to secure industrial lands and deep-sea shipping access for the establishment a PPA plant: https://firstphosphate.com/PortSaguenay

Sulfuric Acid Supply

The Company signed an MOU with with NorFalco Sales ("NorFalco"), a division of Glencore Canada Corporation to secure supply of sulfuric acid (a key component in the production of PPA) for its future industrial facilities in Saguenay-Lac-St-Jean, Quebec: https://firstphosphate.com/norfalco

Phosphate Concentrate Feedstock

The Company successfully concentrated its phosphate ore into beneficiated phosphate concentrate at ~41% pure P205 (~97% pure apatite) in pilot production and has developed a pilot plant for the purpose of creating feedstock to produce PPA: https://firstphosphate.com/pilotplant

PPA Production

The Company transformed its beneficiated phosphate concentrate into Merchant Grade Phosphoric Acid (“MGA”) and subsequently into food/battery grade PPA at pilot scale:
https://www.firstphosphate.com/phos_acid

PPA Facility Financing

The Company established a clean, debt-free credit history and has been able to procure an LOI from the Export-Import Bank of the United States (“EXIM”) to provide stable, government-backed financing for a PPA plant while limiting the amount of equity dilution to shareholders.
https://firstphosphate.com/exim

Downstream LFP Manufacturing Partnerships

The Company negotiated agreements with various LFP production technology providers for downstream offtake for its PPA production and to service various LFP market segments:
https://firstphosphate.com/abf
https://firstphosphate.com/ultion-technologies-mou
https://firstphosphate.com/IntegralsPower
https://firstphosphate.com/lithium-australia-mou
https://firstphosphate.com/sunchem
https://firstphosphate.com/ipl_jda

Local Supply Chain Development

Through Comité de maximisation des retombées économiques regionals (“CMAX”), the Company has created direct relationships with businesses, contractors and suppliers in the Saguenay-Lac-St-Jean region of Quebec that have experience with large-scale industrial projects.. The Company has obtained regional major project status from CMAX:

https://firstphosphate.com/CRP-CMAX

Indigenous Community Involvement

CEO, John Passalacqua, and Chief Geologist, Gilles Laverdière, have personally visited all three local Innu communities (Essipit, Mastheuiatsh, Pessamit) and met with local leadership to present the project and to establish dialogue. Innu First Nations mining executive, Armand Mackenize, was appointed to the advisory board of the Company. Groupe Conseil Nutshimit-Nippour was hired for social and environmental impact analysis; and First Nations Drilling was engaged for exploration activities:
https://firstphosphate.com/armandmackenzie
https://firstphosphate.com/le-groupe-conseil-nutshimit-nippour
https://firstphosphate.com/first-nations-drilling

Clean Power from Quebec Hydro

The Company submitted formal requests to Quebec Hydro in 2023 for the allocation of clean electricity to the PPA and LFP facilities as well as requested consideration to return electricity to the hydro grid should a sulfuric acid plant be built at the Port of Saguenay. The Company's requests are with Hydro Quebec Lots #2 and #3 and awaiting response.
https://www.hydroquebec.com

Quebec Critical-Strategic Minerals List and Government Awareness

In January 2024, in response to advocacy by the Company and others, the Quebec Government recognized apatite (phosphate) as a critical and strategic mineral. Furthermore, the Company received a strong letter of support for its activities and its planned PPA plant from Mario Simard, Member of Parliament for the local riding of Jonquière, Québec, vice-chair of Parliament's Standing Committee on Natural Resources and critic for natural resources for the Bloc Québécois.

https://firstphosphate.com/phosphate-added-critical-minerals-list
https://firstphosphate.com/mariosimard.pdf

Battery Ecosystem Development and Validation of the Company's Business Model

On January 30, 2024, Arianne Phosphate (DAN: TSXV) announced that "it has commenced work on a Prefeasibility Study to construct a downstream purified phosphoric acid plant in the region" and "allow the Saguenay region to establish itself within the global battery ecosystem." First Phosphate looks forward to working with all interested parties in generating awareness and support for, and building the infrastructure necessary to realize its vision of developing the Saguenay-Lac-Saint-Jean Region of Quebec into the LFP battery valley of North America.
https://www.arianne-inc.com/news/arianne-phosphate-advances-prefeasibility-study-for-a-purified-phosphoric-acid-plant
https://firstphosphate.com/ChambresCommerce

Proposed Location of First Phosphate PPA Facility at Existing Port of Saguenay

To view an enhanced version of this graphic, please visit: https://images.newsfilecorp.com/files/8917/198475_1c5ff88b64f7ca22_001full.jpg

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 materially devoid of high concentrations of harmful elements.

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Forward-Looking Information and Cautionary Statements

This news release contains certain statements and information that may be considered "forward-looking statements" and "forward looking information" within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not

anticipate" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved" and other similar expressions. In addition, statements in this news release that are not historical facts are forward looking statements, including, among other things, the Company's planned exploration and production activities, the properties and composition of any extracted phosphate, the Company's plans for vertical integration into North American supply chains, including, but not limited to, the Company's ability to realize and successfully participate in its "Vertically Integrated Production Plan" and "External Downstream Producer" plan, and related disclosure, continued relations with local Innu communities, the establishment of the Saguenay-Lac-St-Jean region of Quebec as the LFP battery valley of North America, the results of feasibility studies, and the receipt of approvals and availability of financing for the proposed PPA plant,

These statements and other forward-looking information are based on assumptions and estimates that the Company believes are appropriate and reasonable in the circumstances, including, without limitation, expectations of the Company's long term business outcomes given its short operating history; expectations regarding revenue, expenses and operations; the Company having sufficient working capital and ability to secure additional funding necessary for the exploration of the Company's property interests; expectations regarding the potential mineralization, geological merit and economic feasibility of the Company's projects; expectations regarding drill programs and the potential impacts successful drill programs could have on the life of the mine and the Company; mineral exploration and exploration program cost estimates; expectations regarding any environmental issues that may affect

planned or future exploration programs and the potential impact of complying with existing and proposed environmental laws and regulations; receipt and timing of exploration and exploitation permits and other third-party approvals; government regulation of mineral exploration and development operations; expectations regarding any social or local community issues that may affect planned or future exploration and development programs; expectations surrounding global economic trends and technological advancements; and key personnel continuing their employment with the Company.

There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include: limited operating history; high risk of business failure; no profits or significant revenues; limited resources; negative cash flow from operations and dependence on third-party financing; the uncertainty of additional funding; no dividends; risks related to possible fluctuations in revenues and results; insurance and uninsured risks; litigation; reliance on management and key personnel; conflicts of interest; access to supplies and materials; dangers of mineral exploration and related liability and damages; risks relating to health and safety; government regulation and legal uncertainties; the company's exploration and development properties may not be successful and are highly speculative in nature; dependence on outside parties; title to some of the Company's mineral properties may be challenged or defective; Aboriginal title and land claims; obtaining and renewing licenses and permits; environmental and other regulatory risks may adversely affect the company; risks relating to climate change; risks related to infrastructure; land reclamation requirements may be burdensome; current global

financial conditions; fluctuation in commodity prices; dilution; future sales by existing shareholders could cause the Company's share price to fall; fluctuation and volatility in stock exchange prices; and risks related to market demands. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Company. In addition, the Company will incur costs in pursuing any particular opportunity, which may be significant.

These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the Company and, though they should be considered carefully, should be considered in conjunction with the risk factors described in the Company's other documents filed with the Canadian securities authorities, including without limitation the "Risk Factors" section of the Company's Annual Information Form dated November 29, 2023 which is available on SEDAR at www.sedarplus.ca. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.