Investor Presentation

Phosphate for the Lithium Iron Phosphate (LFP) Battery Industry

October 26, 2023
The information contained in this presentation has been prepared by First phosphate Corp. (the "Company"). We "we", "us" or "our" and contains confidential information pertaining to, among other things, the business, assets, operations, capital, management and prospects of the Company. This presentation is being provided to you for your information and may not be reproduced, in whole or in part, in any form or furthered or disseminated to any other person. Any forwarding, distribution or reproduction of this presentation in whole or in part is unauthorized. By accepting and reviewing this presentation, you acknowledge and agree (i) to maintain the confidentiality of this presentation, and (ii) the information contained herein, (iii) to protect such information in the same manner you protect your own confidential information, which shall be at least a reasonable standard of care, and (iv) not to utilize any of the information contained herein except with your evaluation of a potential direct or indirect investment in the Company.

The information contained in this presentation is subject to the risk that basic or essential information has not been updated or changed without notice. The information contains forward-looking statements and predictions and you are advised that there may be risks and uncertainties associated with the Company's ability to secure additional capital to continue to develop business and realize on objectives; (v) the Company's ongoing mining and operating cost estimates, and (vi) the Company's net proceeds from the private placement. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking information. Such risks and uncertainties include, but are not limited to, (i) risks and uncertainties related to the timing of the FOFI, and financial Outlooks which the Company may from time to time conduct its business, (iii) the Company's ongoing mining and operating cost estimates, and (iv) the Company's net proceeds from the private placement. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publicaations and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in the presentation, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation contains market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words such as "expect", "believe", "intend", "estimate", "anticipate", "plan", "potential", "opportunities", or stating that certain actions, events or results may, could, would, might not or could or will occur, or be, observed, or achieved, which form part of this presentation) are not statements of historical fact and may be "forward-looking statements" as defined in the "Prospective Investors should carefully consider, among other things, the risk factors described below under the forward-looking statements". This Company does not make any representation as to the accuracy of such information.

This presentation includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but that no assurance can be given as to the accuracy or completeness of included information. Although we believe it to be reliable, we have not independently verified any of the data from such parties referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon in referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. This Company does not make any representation as to the accuracy of such information.
First Phosphate (CSE: PHOS) (FSE: KD0) is the only publicly listed company that is fully dedicated to extracting and purifying phosphate for the production of cathode active material for the Lithium Iron Phosphate ("LFP") battery industry.

First Phosphate holds a total of 1,500+ sq. km of royalty-free land claims in the Saguenay-Lac-St-Jean Region of Quebec, Canada consisting of rare anorthosite igneous phosphate rock that generally yields high purity phosphate material devoid high concentrations of harmful elements.

First Phosphate plans to employ a prudent partnership model 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.
It all Starts with the Highest Purity Source of Phosphate

95% of the World’s Phosphate is found in heavy metal laden Sedimentary Rock.

Only 4% of the World’s Phosphate is found in Clean Igneous Carbonatite Rock.

Only 1% of the World’s Phosphate is found in Even Cleaner Igneous Anorthosite found mostly only in Quebec, Canada.

✔ Up to 90% of feedstock can be converted to purified phosphoric acid (PPA) for LFP battery
✔ Allows strict focus on LFP battery technology client downstream
✔ Mine size is 8-10x smaller
✔ Capex focused on value added
✔ Allows for full circular economy

Source: Food and Agriculture Organization of the United Nations
Reasons to Own First Phosphate

1. Geographic Advantage
Flagship property with exploration upside ( >1500 km$^2$ of royalty-free claims)

- Quebec, Canada is a friendly mining jurisdiction and electric vehicle hub for North America
- Strong government support for industry
- Meets Inflation Reduction Act Requirements

2. The Right Type of Phosphate
World’s cleanest source of phosphate rock from igneous anorthosite

- Devoid of harmful elements, low sulphur
- Produces large amounts of LFP battery grade purified phosphoric acid
- Environmentally clean, circular advanced mining and refinement methods. Solventless phosphate extraction

3. Driven by EV Battery Market
Phosphate with characteristics to go from mine to LFP cathode active material

- Process using clean Quebec Hydro
- Traceable, ethical, responsible, secure supply source
- Ability to supply across North America from Saguenay-Lac-St-Jean
LFP batteries use lithium iron phosphate (LiFePO4) as the cathode active material. LFP batteries operate similarly to other lithium-ion batteries. They have the advantage of being non-toxic, having superior fire safety, longer cycle life and lower cost.

### Why the LFP Battery?

- **May 9, 2022** – [Ford EV Batteries will Switch Over to Lithium Phosphate Soon](#)
- **April 21, 2022** – [Almost half of all Teslas built in Q1 had the LFP Battery Pack](#)
- **March 10, 2022** – [Rivian will Follow Tesla and Change to LFP Battery Technology](#)
- **Oct 31, 2021** – [Mercedes-Benz to Launch LFP-Powered BEVs from 2024](#)
- **Oct 7, 2021** – [Hyundai Motor Developing EVs with LFP Battery for Global Market](#)
- **Aug 3, 2021** – [Ford, VW, Tesla Lean in to LFP Battery Technology for EVs](#)

Source: [https://www.allaboutcircuits.com](https://www.allaboutcircuits.com)
Tesla confirmed that nearly half of all its vehicles are already using lithium iron-phosphate (LFP) batteries.

Elon Musk: "the vast majority of the heavy lifting for electrification will be iron-based cells."

"By 2030-2035, lithium iron phosphate batteries will dominate" (IndustryWeek Quoting Jim Farley, CEO Ford Motor Co)


LFP Batteries are now on the Street or Planned in North America

- Ford F-150 Lightning
- Ford Mustang Mach-E
- Rivian R1T
- Rivian R1S SUV
- Tesla Model 3
- Tesla Model Y
- Tesla Model 2
- Tesla Semi Light Trucks
- Mercedes-Benz eSprinter

electrek: [https://electrek.co/2022/04/22/tesla-using-cobalt-free-lfp-batteries-in-half-new-cars-produced](https://electrek.co/2022/04/22/tesla-using-cobalt-free-lfp-batteries-in-half-new-cars-produced)
LFP is Becoming the Battery Chemistry of Mass Market Adoption

- Non toxic (cobalt, manganese and nickel free)
- Superior fire safety (much less heat produced)
- Well defined performance (lower capacity loss, structurally more stable)
- Environmentally friendly and recyclable (no harmful metals)
- Lowest cost battery on the market (input material pricing)
- Longer longer life, lower degradation (millions of miles in some cases)
- Higher charge/discharge efficiency (no battery memory)
- Consistent discharge voltage (less power loss when battery low)
- Longer shelf life (stores itself better)
- Versatile for various storage applications (small and large scale)

Sources:
https://www.ludabattery.com/advantages-and-disadvantages-of-lifepo4-battery
LFP Batteries also Deployed in Larger Applications - Even More Phosphate!

Commercial Transportation

May 29, 2022: **CATL Batteries to Be Used by Europe's Top Electric Bus Maker Solaris**

May 23, 2022: **LFP battery Increasingly Applied to Electric Buses, Energy Storage Systems**

Large Scale Energy Storage

Mar 30, 2022: **Report Suggests Lithium Iron Phosphate could Play Key Role in Energy Storage**
https://www.miningnewswire.com/report-suggests-lithium-iron-phosphate-could-play-key-role-in-energy-storage

Jan 27, 2022: **Tesla Hints at Transition of All Energy Storage to LFP Batteries**
https://insideevs.com/news
Estimated Demand for LFP Cathode Active Material (EVs Alone)

First Phosphate is targeting 90,000 tonnes of LFP Cathode Active Material Production by 2032 in eventual partnership with leading providers of LFP CAM technology (10% Market Share of potential USD $22 Billion Industry)

1 Tonne LFP Cam = ~ USD $25,000
LFP Battery is a Versatile Technology

LFP is a lot more than just electric vehicles.

There will be no shortage of buyers for LFP cathode active material especially as raw material supplies in all battery chemistries become tighter and tighter.

One limitation will be the supply of purified phosphoric acid (PPA).
LFP Battery Segment by 2040

In China, the world’s largest EV market, LFP batteries have become the dominant chemistry over NMC batteries. LFP now accounts for 66% of total battery output in China as of the first half of 2023 (Fastmarkets: July 19, 2023: https://www.fastmarkets.com/insights/lfp-batteries-extend-dominance-over-ncm-batteries-china)

LFP Global Growth Forecast

The Global Lithium Iron Phosphate Battery Market is projected to grow from USD 10 billion in 2021 to USD 50 billion by 2028.

Source: https://www.fortunebusinessinsights.com/lithium-ion-li-ion-phosphate-batteries-market-102152

Source: Benchmark Mineral Intelligence 2022 | Q2 2022 Forecast
The First Phosphate Opportunity in North America

Global LFP Battery Market is Projected to Grow from USD $10 billion in 2021 to USD $50 billion by 2028

- LFP battery represents close to 50% of all EV Batteries
- Over 90% of LFP batteries are currently made in China
- US Inflation Reduction Act North American EV content: 40% in 2023. Increasing gradually to 80% in 2026

First Phosphate is the Building Block for a North American LFP Battery Ecosystem (Saguenay-Lac-St-Jean LFP Battery Valley)

- High purity phosphate extraction in Saguenay-Lac-St-Jean, Quebec, Canada (home to the world’s purest igneous phosphate)
- Value-added phosphate purification and LFP cathode active material production anticipated at Port of Saguenay, Quebec
- Function in full responsible manner and with low carbon footprint.

Serious North American Shortage of Battery Grade Phosphate

- North American phosphate is depleting
- Existing reserves at capacity for fertilizer
- Existing sedimentary mines cannot economically produce large amounts of purified phosphoric acid (PPA) in responsible manner as required for the battery industry

First Phosphate Key Advantages

- Major partners and proven providers
- Manageable mine size near infrastructure. CapEx aimed at value-add
- LFP battery related secondary recoveries (iron, iron sulphate, titanium)
- In situ management of most material inputs
- Rare opportunity to go from mine to LFP cathode active material in prudent partnership based fashion
Purified Phosphoric Acid is a Capacity-Constrained Specialty Product

Phosphate bearing rock is crushed and processed to obtain Concentrated Phosphate Rock (25%-41% purity level). Sedimentary Rock (25%-34%). Igneous Rock (38%-41%).

Concentrated Phosphate Rock is then processed into medium purity Merchant Grade Phosphoric Acid (MGA) for fertilizer and Animal feed.

Merchant Grade Phosphoric Acid (MGA) is then processed into Purified Phosphoric Acid (PPA)

Purified Phosphoric Acid (PPA) has a wide ranging number of food and industrial applications.

There are only 4 main suppliers of PPA in the Western World all of which are integrated into their own food or industrial production or which are almost all fully off-taken. There is little excess PPA left for LFP production.

Yet, we will require 2x-3x the amount of PPA currently available in North America by 2030 in order to accommodate LFP battery demand.
North American Phosphoric Acid Supply is in Decline

"What a shock - a closer look at the LFP supply chain indicates to us that there may very well be raw material supply chain issues to come for LFP."

Source: BMR Feb 2022

United States Phosphoric Acid Production (MGA & PPA)

Source: Statistica

PPA - Where North America Needs to Go to Meet EV Demand Alone

Source: DeauVision Srl
CRU Group reports conservatively that new LFP demand requires 95-120% increase in current supply of PPA by 2045

North American demand increase must be from domestic sources to meet supply chain integrity concerns and government funding direction.
# First Phosphate in the LFP Battery Ecosystem

<table>
<thead>
<tr>
<th>Upstream (own)</th>
<th>Midstream (in partnership)</th>
<th>Downstream (clients)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extraction</strong></td>
<td><strong>Advanced Refinement</strong></td>
<td><strong>Battery Cells and Packs</strong></td>
</tr>
<tr>
<td>Crush, separate, concentrate to obtain 3 recoveries:</td>
<td>Produce LFP grade purified phosphoric acid together with global partner</td>
<td>Homologate directly into battery cells and battery packs of partner producers</td>
</tr>
<tr>
<td>Concentrated phosphate rock</td>
<td>Recycle grade gypsum by-product</td>
<td>Listen to the needs of electric vehicle manufacturers and other LFP-based clients</td>
</tr>
<tr>
<td>Titanium oxide (iron sulphate)</td>
<td>Produce LFP cathode active material with global partners</td>
<td>Encourage end of life cycle recycling of battery materials</td>
</tr>
<tr>
<td>Iron oxide (iron powder)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Concentration</strong></td>
<td><strong>LFP Cathode Active Material</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Battery Recycling</strong></td>
<td><strong>EV Assembly</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## First Phosphate Vertically Integrated Production Plan

- **Open pit mining operation**
- **Concentrated phosphate rock**
- **Titanium oxide (iron sulphate)**
- **Iron oxide (iron powder)**

## External Downstream Producers

- **ARE**
- **SGS**
- **PORT SAGUENAY**

## Global Partners

- **PRAYON**
- **Hydro Québec**

---

CSE:PHOS | FSE: KD0 confidential
Optimally Located Flagship Property

Proximity to Saguenay City
- 6th largest city in Quebec
- Commercial and industrial area
- Skilled industrial workforce

Vicinity to Saguenay Airport
- Daily flights to Montreal
- Interconnection to the world

Access to Saguenay Deep Sea Port
- Large vessel access to the world
- Unimpeded by locks
- MoU in place with Port Saguenay
- Allocated area for all of our industrial development needs

Advanced Flagship Property
- 43-101 Resource Estimate, Metallurgy and PEA completed
- 89 holes drilled for a total of 8,776 m
- Main deposit estimated at 1500 m long by 250 m wide and up to 100 m thick
- Deposit starts at surface
- Average grade of 5.2% P₂O₅
- 140 km driving distance from port

Four Season, Heavy Haul Road Access
- Paved provincial highway for 65 km
- Heavy-haul gravel logging road for 80 km to base of property

Access to Clean Quebec Hydro
- Low carbon footprint
- Cost control
Metallurgical Testwork indicates an anticipated apatite grade of 40.2% P$_2$O$_5$ (phosphate) at 91.4% recovery.

The Lac à l’Orignal Deposit contains very low levels of potentially hazardous components, such as arsenic, heavy metals and radioactivity.

Annual average of 425,000 t of beneficiated phosphate concentrate at over 40% P$_2$O$_5$ content, 280,000 t of magnetite and 97,000 t of ilmenite over a 14.2 year mine life.

Pre-tax internal IRR of 21.7% and a pre-tax NPV of $795 Million at a 5% discount rate at 18 month trailing average phosphate price and long term consensus magnetite and ilmenite prices.

The Project would generate an after-tax cash flow of $567 Million in years 1-5, resulting in a 4.9-year payback period from start of production.

https://firstphosphate.com/projects/assets
1500+ km$^2$ of District-scale Phosphate-bearing Land Claims

- Free of all Net Smelter Royalties

**GM232 and MR3111**
- Discovered by Quebec government geologists
- 6.7% and 16.2 % P$_2$O$_5$

**Antoine-Perron**
- Antoine: 4 grab samples returned between 12.8% and 16.3% P$_2$O$_5$
- Perron: large apatite crystal, up to 13.8% P$_2$O$_5$ in nelsonite

**Alex**
- 915 m long x 350 m wide
- Massive to semi-massive oxides
- Numerous P$_2$O$_5$ values in oxides with 6.8% and 6.84% P$_2$O$_5$ in OAGN

**Brochet**
- 10 km long magnetic anomaly
- Grab sample up to 7% P$_2$O$_5$ in a favorable host rock (OAGN)

**Larouche**
- Many grab samples returned between 8.61 and 36.5% P$_2$O$_5$

**Fleury-Yves**
- 9 unworked phosphate showings
- Discovered by Quebec government geologists
- OAGN (Oxide-Apatite Gabbronorite)
- up to 7% P$_2$O$_5$

**Gouin-Catherine-Sault**
- Gouin: 1.5 x 4.5 km, up to 3.8% P$_2$O$_5$
- Catherine: 120 m x 1.25 km, up to 8.7% P$_2$O$_5$
- Sault: 97 x 820 m, 3.7% and 3.8% P$_2$O$_5$

**Bégin-Lamarche**
- Main feature is a 7 km long airborne magnetic linear anomaly that runs N200
- 4,200-m drill program completed
- 20 drill holes identified phosphate-rich layers over a 2,500 m length
- North sector: 4 phosphate layers between 50 and 80 m wide with greater than 7% P$_2$O$_5$
- South Sector: At least 2 phosphate layers between 100 to 160 m wide with 4.5-5% P$_2$O$_5$
First Phosphate Catalysts & Milestones for 2023

<table>
<thead>
<tr>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ Consolidation of over 1,500 km² of NSR free phosphate properties</td>
<td>✔ Listing of shares on the CSE, Canada</td>
</tr>
<tr>
<td>✔ MoU with Port of Saguenay for industrial lands and deep-sea access to global markets.</td>
<td>✔ MoU with Prayon Technologies including phosphate rock offtake agreement</td>
</tr>
<tr>
<td>✔ Completed advanced 43-101 Mineral Resource Estimate at Lac à l’Orignal.</td>
<td>✔ Local community partnerships (CMAX) and Major Project Status</td>
</tr>
<tr>
<td>✔ Queen’s University LFP suitability study completed</td>
<td>✔ Major new phosphate find confirmed at Bégin-Lamarche</td>
</tr>
<tr>
<td></td>
<td>✔ Metallurgical study - Lac à l’Orignal</td>
</tr>
<tr>
<td></td>
<td>✔ Phosphate concentration pilot plant</td>
</tr>
<tr>
<td></td>
<td>✔ MoU with Norfalco (Glencore) for sulfuric acid supply for PPA production</td>
</tr>
<tr>
<td></td>
<td>✔ Bluesky property advancement - Larouche phosphate discovery</td>
</tr>
<tr>
<td></td>
<td>✔ Complete PEA study for Lac à l’Orignal</td>
</tr>
<tr>
<td></td>
<td>✔ MoU with American Battery Factory</td>
</tr>
<tr>
<td></td>
<td>✔ LOI for USD $170 million of financing with EXIM Bank USA</td>
</tr>
<tr>
<td></td>
<td>✔ Purified phosphoric acid (PPA) pilot testing</td>
</tr>
</tbody>
</table>

- **Q1 2023**: Continue Drilling at Bégin-Lamarche
- **Q2 2023**: Send PPA samples to clients and partners to Initiate LFP cathode active material testing
- **Q3 2023**: Explore plans for PPA and LFP plant at Port Saguenay together with partners
- **Q4 2023**: Complete PEA study for Lac à l’Orignal
- **2024**: Purified phosphoric acid (PPA) pilot testing
First Phosphate Key Advantages

- Major North American and European partners and proven providers.

  - Assembled world class board, management, advisory team
  - Manageable mine size near infrastructure. CapEx aimed at value-add
  - Important LFP battery related secondary recoveries (iron, iron sulphate, titanium)
  - In situ management of most material inputs
  - Rare opportunity to go from mine to LFP cathode active material together with established partners
  - Bluesky land package – includes majority of known phosphate showings in the rare phosphate district

- Major Phosphate Rock Offtake
- PPA Processing & Technology Transfer
- LFP Cam Production

- On-shoring of 40,000t of LFP CAM
- provision of raw materials
- fully North American supply chain

- LOI for USD $170 million of financing
- Up to 10 year max repayment term
- May be eligible for CTEP program

- Secures supply of sulfuric acid to Port Saguenay
- Largest supplier in North America
- Key scarce ingredient in the production of PPA
First Phosphate commenced trading on February 23, 2023

Canadian Securities Exchange (CSE): PHOS
Frankfurt Stock Exchange (FSE): KD0

<table>
<thead>
<tr>
<th>Share Structure</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Price (as at Oct 6, 2023)</td>
<td>$0.395/sh</td>
</tr>
<tr>
<td>Market Capitalization (as at Aug 31, 2023)</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>Shares Outstanding</td>
<td>53,181,458</td>
</tr>
<tr>
<td>3 yr Warrants</td>
<td>8,089,880</td>
</tr>
<tr>
<td></td>
<td>(6,119,353 @ $0.50; 1,537,296 @ $1.25; 433,231 Broker)</td>
</tr>
<tr>
<td>Board/Management/Advisory Options, RSUs</td>
<td>8,464,886</td>
</tr>
<tr>
<td>Fully Diluted Shares Outstanding</td>
<td>69,736,224</td>
</tr>
</tbody>
</table>

Management, Insiders, Associates, Advisors, Friends & Family 70%
Select Investors 30%
Deeply invested management and board. Tight share structure
CEO and Director - John Passalacqua, Int’l MBA, is an international business strategist with over 35 years of extensive technology and capital markets experience. In 1998, John gained the title of a top 50 international business strategist on the early internet. He is involved in private and public market planning for companies in nascent, visionary industries. John has lived in Quebec and is fluently bilingual.

Chief Geologist - Gilles Laverdiere, P. Geo, is a geologist with more than 40 years of experience in mining exploration. Gilles has planned and supervised drilling projects in Quebec and elsewhere. He was President and CEO of HMZ Metals Inc. Gilles has served as a senior executive and board member of many public mining companies and is a member of the Ordre des Géologues du Québec.

Independent Director - Marc Branson is president of CapWest Investments. Throughout his career, Marc has founded and grown private and public companies in multiple sectors including mining, industrials, manufacturing, marketing, and consumer electronics. Marc currently serves on a number of public and private companies. He provides management and strategic guidance.

Chairman - Laurence W. Zeifman, CPA, is an audit partner of Zeifmans LLP, a mid-sized Toronto public accounting firm. Larry has four decades of experience in public accounting and serves as chair of Nexia Canada, the Canadian division of the eighth largest international accounting network. He is also former Director of the Ottawa Senators Hockey Club / former Alternate Governor of the National Hockey League.

CFO and Director - Bennett Kurtz is principal of Kurtz Financial Group. He has experience in financing public companies and taking private companies public. Bennett has multi-faceted business experience in finance, management, sales, marketing and administrative functions including business analysis, public business unit segmentation, internal and external analytics.

VP Business Development - Jérôme Cliche is experienced in the areas of corporate finance, strategic investment and corporate development. Mr. Cliche has been co-founder of Renmark Financial Communication, a Montreal based company offering a wide range of integrated services to small, medium, and large cap public companies trading on all major North American stock exchanges.
Senior Advisor - Peter Kent was an international broadcast journalist, reporter, producer (CTV, CBC, NBC, Monitor, Global) for four decades. Elected to Canadian Parliament in 2008, Peter served in the Department of Foreign Affairs as Minister of State for the Americas, as Environment Minister. He oversaw improvements to environmental assessment of resource projects & their responsible development.

Isobel Sheldon, OBE, is a 20 year veteran of the Lithium Ion battery industry. She was awarded an OBE from HM the Queen for long service to EV battery development. She was ranked 37th in OutAtWork top 50 LGBT executives in the UK. She has held senior strategy, technical, business and executive roles with Britishvolt, UK Battery Industrialisation Centre, Cummins Electrified Power and Johnson Matthey.

Yves Caprara is an international expert in purified purified phosphoric acid technology & applications with focus on sustainability. He was CEO of Prayon SA, Europe’s largest producer of food grade phosphoric acid. He operated in Europe, the United States, Canada, China, India, Brazil and Morocco. Board member of the International Fertilizer Association from 2015-2020.

Dr. Peir Pufahl, P. Geo, is professor of Earth Science at Queen’s University, Canada, co-director of the Queen’s Facility for Isotope Research. He is an international expert on the geology of phosphorites. Dr. Pufahl and team have developed state-of-the-art phosphorite exploration models/production strategies. Dr. Pufahl is a Fellow of the Society of Economic Geologists and the Geological Society of America.

Armand MacKenzie was raised in traditional Innu territory. He has practiced law for 15 years and was chief legal advisor on land rights for the Innu Nation. He was special advisor/negotiator on the drafting and adoption of the UN General Assembly Declaration on the Rights of Indigenous Peoples. He has negotiated numerous impact benefit agreements. He has been a mining executive for the last 15 years.

Paul Pitman, P. Geo, is a registered professional geologist who has over 50 years’ experience as exploration geologist, as corporate officer of mining companies and as geological consultant. He is a former director/officer of several junior resource companies that he founded including three fertilizer companies: Pueblo Potash Inc., Murdock Mt. (phosphate) and Boreal Agrominerals (mineral soils).
Advisory Board / Industry Partners

**David Dufour, B.Sc.A.** has over 30 years experience in the development, management of high-growth businesses in Saguenay, Quebec. He has worked as land surveyor, project manager and director of economic development. He also worked in economic development for the Government of Quebec. David specializes in the areas of eco-responsibility and local governance.

**Ford Nicholson** is managing partner of Kepis & Pobe Financial Group. Over 25 years, Ford has invested in and provided executive management to multiple international projects in the traditional energy and renewable energy sectors. Former deputy chairman of the board of InterOil Corporation before its sale to ExxonMobil. Ford is also a former member of the President's council of the International Crisis Group.

**SGS Canada - Dominique Lascelles.** SGS is a leading global technical service provider conducting precise and accurate testing across numerous industries. Dominique is focused on separation and recovery of titanium, phosphate and iron found within First Phosphate ores as well as implementation and management of the eventual First Phosphate concentration pilot plant.

**Bernard Lapointe** founded Arianne Phosphate in 1997 and was president of the company until 2013. Bernard holds a Ph.D. in mineral resources from the University of Quebec at Chicoutimi. Prior to Arianne Phosphate, he was director of the Saguenay-Lac-St-Jean Mining Fund. He currently sits on the Board of Directors of several public companies in the resource and fertilizer sectors.

**Karl Trudeau** is a senior corporate operations professional who has built several mining companies from the ground up. He is especially active in the battery metals space having contributed to the success of Imerys Graphite, Carbone Canada and Nouveau Monde Graphite. Mining companies have witnessed major increases in their market capitalization when Karl has taken over as acting COO.

**Queen’s University - Dr. Sandeep Banerjee** has 16+ years of global experience in the mineralogical and geochemical study of igneous, sedimentary, and metamorphic rocks, including phosphorites. Dr. Banerjee is an expert in applying advanced analytical techniques to understand rock record. Sandeep works with the SGS team on providing deep mineralogical data to inform their advanced extraction techniques.
Where is Phosphate Currently Produced?

Phosphate Reserves in Mt

- Sedimentary Rock
- Igneous Rock

Source: Global Status of Phosphorus, 2016

Peak Phosphorus Curve

Source: The Story of Phosphorus: Global Food Security and Food for Thought (2009)
Phosphate Pricing Follows Food and not the Battery Market

- Agricultural need for fertilizer
- Growing Global Population
- Conflicts, Trade Wars, Ethical Supply Concerns
- Supply Security and Sourcing
- Barriers to Entry on Mining and Refinement
- Responsibility, carbon and Environmental Considerations
- Clean supply issues with heavy metals & gypsum piles
- Small amount of clean igneous reserves
- Critical Mineral Lists (European Union, Ontario)

Source: Journal of Environmental Radioactivity: 2022


Source: https://ycharts.com/indicators/morocco_phosphate_rock_price

US Phosphate Rock Production

Over 90% of LFP Batteries Are Currently Made in China

Leading Global LFP Manufacturers:

- CATL (China)
- BYD (China)
- Panasonic (Japan)
- LGES (South Korea)
- SK Innovation (South Korea)

Sources:

Source: Benchmark Mineral Intelligence 2022 | October 2022 Cathode Assessment
Domestic North American LFP Supply Required Urgently

Jun 10, 2022: The West needs to build LFP Battery Capacity

“The low abundance of sulfide gangue minerals suggests that the environmental risks of acid mine drainage from tailings would be minimal. Such low concentrations of deleterious trace elements and sulfide minerals make the Lac à l'Original deposit an attractive and highly probable, responsibly compliant source of North American P for the LFP battery industry.”

“At least 85% of the world’s phosphate reserve base resides in North Africa and the Middle East. This phosphatic region is composed entirely of sedimentary phosphorite and is therefore not ideally suited for the LFP battery market. The First Phosphate deposit is a strategically located North American igneous occurrence that is not directly in competition with fertilizer companies for $P_2O_5$. Only ~5% of the global phosphate reserve base is hosted in igneous rocks, which are more desirable for the LFP market because they can contain fewer deleterious trace elements.”

Dr. Peir K. Pufahl, P.Geo.
Professor, Queen’s University
Co-Director, Queen’s Facility for Isotope Research
Member, First Phosphate Corp, Advisory Board
Method of Producing Purified Phosphoric Acid Matters

Thermal Process – Sedimentary Rock

- Phosphate Ore
- Coke
- Silica
- Air
- Water
- ELECTRIC ARC FURNACE
- Power
- Heat
- Cooling
- P2O5
- Large % of Purified Phosphoric Acid (PPA) for LFP Battery

Wet Process – Sedimentary Rock

- Phosphate Ore
- Sulphuric Acid
- Exothermic
- Dilute Phosphoric Acid
- Concentration
- Phosphoric Acid
- Large % of Merchant Grade Phosphoric Acid (MGA) for Fertilizer
- Small % of Purified Phosphoric Acid (PPA) for LFP Battery
- Gypsum

Wet Process – Igneous Rock

- Phosphate Ore
- Sulphuric Acid
- Exothermic
- Dilute Phosphoric Acid
- Concentration
- Phosphoric Acid
- Small % of Merchant Grade Phosphoric Acid (MGA) for Fertilizer
- Large % of Purified Phosphoric Acid (PPA) for LFP Battery
- Gypsum

Partial Source: Battery Metal Review 2022
Igneous Rock Phosphate Resolves Radioactive Gypsum Issue

**X** Sedimentary Rock Creates Gypsum Slag Piles

The current method of producing phosphoric acid creates large gypsum slag piles with remaining radioactivity. This is not consistent with responsibility requirements around LFP grade purified phosphoric acid. Such practice is, in fact, no longer supported in Europe.

Moreover, only a small percentage of sedimentary rock feedstock can be converted to LFP grade purified phosphoric acid at reasonable cost and without responsibility incompatible residual waste issues.

**✓** Igneous Rock Facilitates Circular Economy

Only Igneous Phosphate rock can meet full responsibility rigours of the LFP battery industry.

Gypsum produced is non-radioactive and it can be recycled into the circular economy into the agriculture, cement or construction industry.

Moreover, up to 90% of igneous rock feedstock can be converted to LFP grade purified phosphoric acid.

Agriculture

Cement

Plaster
How Much Phosphate in an LFP Battery?

LFP Inputs

- Purified Phosphoric Acid (H₃PO₄): 28%
- Iron Sulphate (FeSO₄): 62%
- Lithium Hydroxide (LiOH): 10%

LFP Powder (LiFePO₄)

- Phosphate (PO₄): 61%
- Iron (Fe): 35%
- Lithium (Li): 4%

LFP Battery

By 2030, the North American LFP Battery Industry will require over 35% more purified phosphoric acid to produce LFP batteries to satisfy EV industry needs alone.

Source: https://www.allaboutcircuits.com

Source: DeauVision Srl
LFP Cathode Active Material Production - Traditional Method

Purified Phosphoric Acid

H₃PO₄

LiOH or Li₂CO₃

Lithium Hydroxide or Carbonate

H₂O or CO₂

Lithium Phosphate

Li₃PO₄

Carbon Source

Li₃PO₄ + FePO₄ + Carbon Source

Lithium Iron Phosphate (LFP)

Milling

LiFePO₄

Calcination at 1000°C

Electric Furnace

Iron Sulfate

FeSO₄

Purified Phosphoric Acid

H₃PO₄

Purified Phosphoric Acid

H₃PO₄

Iron Phosphate

FePO₄

H₂O

SO₄⁻
LFP Cathode Active Material Production - Hydrothermal Method

1. **LiOH** (Lithium Hydroxide)
2. **FeSO₄** (Iron Sulfate)
3. **H₃PO₄** (Purified Phosphoric Acid)

**Reactant Vessel**

**LiFePO₄ Synthesis**

- **Wet Milling**
- **Drying**
- **Mixing**

**Carbon Source**

**Electric Furnace**

Calcination at 1000°C

**Electrical Consumption**

CSE:PHOS | FSE: KD0
# Phosphate Public Company Comparables

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Exchange</th>
<th>Name</th>
<th>Phosphate Deposit Location</th>
<th>High Purity Igneous</th>
<th>LFP Battery Focused</th>
<th>North American Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHOS</td>
<td>CSE</td>
<td>First Phosphate Corp.</td>
<td>Saguenay (Quebec)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>AEV</td>
<td>ASX</td>
<td>Avenira Ltd.</td>
<td>Wonarrah (Australia)</td>
<td>No</td>
<td>Partially</td>
<td>No</td>
</tr>
<tr>
<td>DAN</td>
<td>TSXV</td>
<td>Arianne Phosphate Inc.</td>
<td>Lac-a-Paul (Quebec)</td>
<td>Yes</td>
<td>Partially</td>
<td>Yes</td>
</tr>
<tr>
<td>FOX</td>
<td>CSE</td>
<td>Fox River Resources Corp</td>
<td>Martison (Ontario)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>ICL</td>
<td>NYSE</td>
<td>ICL Group Ltd</td>
<td>Israel</td>
<td>No</td>
<td>Partially</td>
<td>No</td>
</tr>
<tr>
<td>IFOS</td>
<td>TSXV</td>
<td>Itafos</td>
<td>Farim (Guinea), Santana (Brazil), Conda (Idaho)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>KRPZ</td>
<td>AIM</td>
<td>Kropz PLC</td>
<td>Elandsfontein (S. Africa), Hinda (R.Congo)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>LRA</td>
<td>TSXV</td>
<td>Lara Exploration Ltd.</td>
<td>Bhaia Inglesa (Chile)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>MNB</td>
<td>ASX</td>
<td>Minbos Resources Ltd.</td>
<td>Cabinda (Congo)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>MOS</td>
<td>NYSE</td>
<td>Mosaic</td>
<td>USA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>NTR</td>
<td>TSX</td>
<td>Nutrien Ag Solutions</td>
<td>USA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>YAR</td>
<td>OL</td>
<td>Yara International ASA</td>
<td>Siilinjärvi (Finland)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>NZP</td>
<td>TSXV</td>
<td>Chatham Rock Phosphate</td>
<td>Chatham Rise (New Zealand), Korella (Australia)</td>
<td>Partially</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>RVG</td>
<td>TSXV</td>
<td>Revival Gold Inc.</td>
<td>Diamond Mountain (Utah)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>FTZ</td>
<td>ASX</td>
<td>Fertoz</td>
<td>Fernie (Alberta), Wapiti (British Columbia)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>CSM</td>
<td>ASX</td>
<td>Centrex Ltd.</td>
<td>Ardmore (Australia)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Appendix I - Fully Covered Flagship Property Area

Lac à l’Orignal
- Focus of 43-101, Metallurgy, PEA
- Drilled grades up to 17.9%.
- Average grade of 5.2%
- 1500 m long by 250 m wide and up to 100 m thick
- 56 holes drilled for a total of 7110 m

Mirepoix
- Previously shallow drilled only
- Drill return of 4.1% P₂O₅ over 18.8 m
- Surface showing of 7.5% P₂O₅ over 2 m
- 27 holes drilled for a total of 910 m

Lac Vanel
- Drill return of 3.6% P₂O over 144 m
- 6 holes drilled for a total of 756 m

L’Étang & Area
- West of Lac à l’Orignal
- Oxide-rich rock similar to Lac à l’Orignal
- Host rock similar to Lac à l’Orignal

Willie
- Surface samples at 4.0% to 6.0% P₂O₅
- Complex 1600 m long by 25 m wide
- Oxide-rich rock
- Remains undrilled

La Hache-Est
- Environmentally protected
- No exploration permitted
- 20.3 million tonnes at 5.2% P₂O₅

Intrusive Rock Outskirts
- Staked extremities of large intrusive rock where oxide-rich rock found
- Magnetic signature similar to Lac à l’Orignal

CH-300
- Surface sample assayed at 5.0% P₂O₅
- 3 other showings within radius of 1 km
- Oxide-rich favorable rock unit

CH-396 (Lac Périgny Sud-Est)
- Surface sample returned 5.5% P₂O₅
- Massive oxides typical of other deposits
- Unworked since discovery in 2001

CH-387
- Oxide-rich rock similar to Lac à l’Orignal
- Similar rock type to Lac à l’Orignal
- Not assayed to date

CH-343
- Surface sample assayed at 7.4% P₂O₅
- Massive oxides unit a few meters wide
- Unworked since discovery in 2001

CH-300
- Surface sample assayed at 5.0% P₂O₅
- 3 other showings within radius of 1 km
- Oxide-rich favorable rock unit
Thank you.

John Passalacqua, CEO  john@firstphosphate.com

Bennett Kurtz, CFO  bennett@firstphosphate.com

www.FirstPhosphate.com
Securities legislation in certain of the provinces of Canada provides purchasers with rights of rescission or damages, or both, where an offering memorandum or any amendment to it contains a misrepresentation. A "misrepresentation" is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made.

These remedies must be commenced by the purchaser within the time limits prescribed and are subject to the defences contained in the applicable securities legislation. Each purchaser should refer to the provisions of the applicable securities laws for the particulars of these rights or consult with a legal advisor.

The following rights are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities laws and are subject to the defences contained therein. The following summaries are subject to the express provisions of the applicable securities statutes and instruments in the below-referenced provinces and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

**Ontario Investors**

Under Ontario securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages, or while still the owner of the securities, for rescission against the issuer or any selling security holder if the offering memorandum contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages is exercisable not later than 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or any selling security holder. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer and any selling security holder will have no liability. In the case of an action for damages, the issuer and any selling security holder will not be liable for all or any portion of the damages that are proven not to represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

These rights are not available for a purchaser that is (a) a Canadian financial institution or a Schedule III Bank (each as defined in National Instrument 45-106 – Prospectus Exemptions), (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Not all defences upon which an issuer, selling security holder or others may rely are described herein. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

**Alberta, British Columbia and Quebec**

By purchasing securities offered in connection with this presentation, purchasers in Alberta, British Columbia and Quebec are not entitled to the statutory rights described above. In consideration of their purchase of the securities offered in connection with this presentation and upon accepting a purchase confirmation in respect thereof, these purchasers are hereby granted a contractual right of action for damages or rescission that is substantially the same as the statutory right of action provided to residents of Ontario who purchase the securities offered in connection with this presentation.

**Manitoba Investors**

If an offering memorandum or any amendment thereto, sent or delivered to a purchaser contains a misrepresentation, the purchaser who purchases the security is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of the purchase and has a statutory right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum. Alternatively, the purchaser may elect to exercise a statutory right of rescission against the issuer, in which case the purchaser will have no right of action for damages against any of the aforementioned persons.

No action shall be commenced to enforce any of the foregoing rights more than: (a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or (b) in the case of an action for damages, the earlier of (i) 180 days after the purchase first had knowledge of the facts giving rise to the cause of action or (ii) four years after the date of the transaction that gave rise to the cause of action.

Securities legislation in Manitoba provides a number of limitations and defences to such actions, including:

1. in an action for rescission or damages, no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
2. in an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
3. in no case will the amount recoverable under the right of action described above exceed the price at which the securities were offered under the offering memorandum.
Saskatchewan Investors

Under Saskatchewan securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages against the issuer, every director and promoter of the issuer or any selling security holder as of the date of the offering memorandum, every person or company whose consent has been filed under the offering memorandum, every person or company that signed the offering memorandum or the amendment to the offering memorandum and every person or company who sells the securities on behalf of the issuer or selling security holder under the offering memorandum, or while still the owner of the securities, for rescission against the issuer or selling security holder if the offering memorandum contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages is exercisable not later than 180 days from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or the others listed above. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer and the others listed above will have no liability. In the case of an action for damages, the issuer and the others listed above will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

Other defences in Saskatchewan legislation include that if the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of an expert, unless the person or company (a) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (b) believed there had been a misrepresentation. No person or company, other than the issuer, is liable for any part of the offering memorandum or the amendment to the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert.

Similar rights of action for damages and rescission are provided in Saskatchewan legislation in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

If a purchaser receives an amended offering memorandum has the right to withdraw from the agreement to purchase the securities by delivering a notice to the issuer or selling security holder within two business days of receiving the amended offering memorandum. These rights are in addition to, and without derogation from, any other rights or remedies available at law to a Saskatchewan purchaser. The foregoing is a summary of the rights available to a Saskatchewan purchaser. Not all defences upon which an issuer or others may rely are described herein. Saskatchewan purchasers should refer to the complete text of the relevant statutory provisions.
Statutory Rights of Rescission

New Brunswick Investors

Under New Brunswick securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages, or while still the owner of the securities, for rescission against the issuer and any selling security holder in the event that the offering memorandum, or a document incorporated by reference in or deemed incorporated into the offering memorandum, contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages or rescission is exercisable not later than 120 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or any selling security holder. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer and any selling security holder will have no liability.

A person or company, other than the issuer, will not be liable if that person or company proves that (a) the offering memorandum or any amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to a New Brunswick purchaser. Not all defences upon which an issuer, selling security holder or others may rely are described herein. New Brunswick purchasers should refer to the complete text of the relevant statutory provisions.

Nova Scotia Investors

Under Nova Scotia securities legislation, certain purchasers who purchase securities offered by an offering memorandum during the period of distribution will have a statutory right of action for damages against the issuer and any selling security holder in the event that the offering memorandum, or while still the owner of the securities, for rescission against the issuer or other seller if the offering memorandum, or a document incorporated by reference in or deemed incorporated into the offering memorandum, contains a misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages or rescission is exercisable not later than 120 days from the date on which payment is made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer or other seller or others upon which the purchaser relied on the misrepresentation. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the issuer or other seller and the directors of the issuer will have no liability.

A person or company, other than the issuer, will not be liable if that person or company proves that (a) the offering memorandum or any amendment to the offering memorandum was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and (b) after delivery of the offering memorandum or any amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to the offering memorandum, the person or company withdrew the person’s or company’s consent to the offering memorandum or any amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it, or (c) with respect to any part of the offering memorandum or any amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the offering memorandum or any amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to a Nova Scotia purchaser. Not all defences upon which an issuer or other seller or others may rely are described herein. Nova Scotia purchasers should refer to the complete text of the relevant statutory provisions.
Statutory Rights of Rescission

Prince Edward Island Investors

If an offering memorandum, together with any amendment thereto, is delivered to a purchaser and the offering memorandum, or any amendment thereto, contains a misrepresentation, a purchaser has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (a) the issuer, (b) subject to certain additional defences, against every director of the issuer at the date of the offering memorandum and (c) every person or company who signed the offering memorandum, but may elect to exercise the right of rescission against the issuer (in which case the purchaser shall have no right of action for damages against the aforementioned persons or company).

No action shall be commenced to enforce the right of action discussed above more than: (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action for damages, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

Securities legislation in Prince Edward Island provides a number of limitations and defences to such actions, including:

1. no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
2. in an action for damages, the defendant is not liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
3. in no case shall the amount recoverable under the right of action described herein exceed the price at which the securities were offered under the offering memorandum, or any amendment thereto.

Newfoundland and Labrador Purchasers

If an offering memorandum, together with any amendment thereto, contains a misrepresentation, a purchaser has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages against (a) the issuer, (b) subject to certain additional defences, against every director of the issuer at the date of the offering memorandum and (c) every person who signed the offering memorandum, but may elect to exercise the right of rescission against the issuer (in which case the purchaser shall have no right of action for damages against the aforementioned persons).

No action shall be commenced to enforce the right of action discussed above more than: (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action for damages, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action. Securities legislation in Newfoundland and Labrador provides a number of limitations and defences to such actions, including:

1. no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
2. in an action for damages, the defendant is not liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
3. in no case shall the amount recoverable under the right of action described herein exceed the price at which the securities were offered under the offering memorandum, or any amendment thereto.