



CSE:PHOS | FSE:KD0 | OTC : FRSPF

Investor Presentation

April 16, 2024



Phosphate for the Lithium Iron Phosphate
(LFP) Battery Industry





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Importantly, the FOFI contained in this presentation are, or may be, based upon certain additional assumptions that management believes to be reasonable based on the information currently available to management, including, but not limited to, assumptions about: (i) the future costs associated with the project, (ii) the future pricing of phosphate and lithium iron phosphate, (ii) the future market demand and trends within the jurisdictions in 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.

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QUALIFIED PERSON

The scientific and technical disclosure for First Phosphate Corp. included in this Investor Presentation have been reviewed and approved by Gilles Laverdière, P.Geo. Mr. Laverdière is Geologist and a Qualified Person under National Instrument 43-101 Standards of Disclosure of Mineral Projects.



Phosphate For The LFP Battery Industry

First Phosphate (CSE: PHOS) (FSE: KDO) 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 The United Nations

Reasons to Own First Phosphate

1. Geographic Advantage

Flagship property with exploration upside
(>1500 km² 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

Why the LFP Battery?

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.



● **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](#)

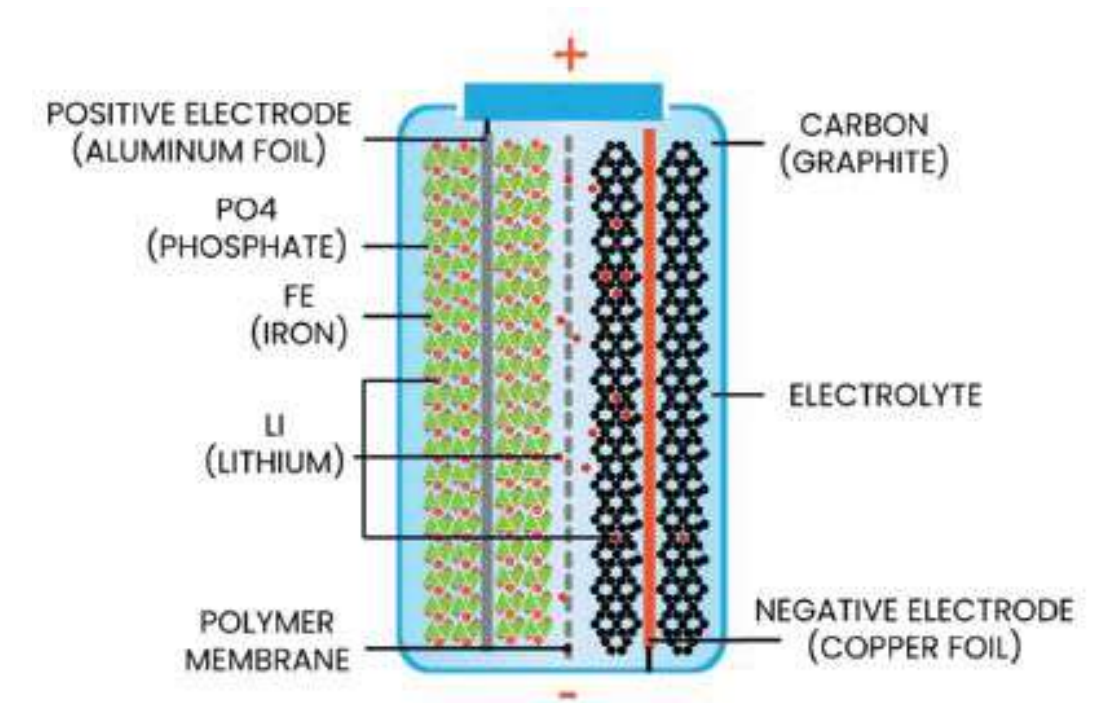


● **Oct 7, 2021** - [Hyundai Motor Developing EVs with LFP Battery for Global Market](#)



● **Aug 3, 2021** - [Ford, VW, Tesla Lean in to LFP Battery Technology for EVs](#)

LFP Battery



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

Source: <https://www.allaboutcircuits.com>

LFP is for Real !

- 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)
- "The US should work with Canada to build a regional supply chain for batteries and has "everything it needs" to build cheaper lithium iron phosphate (LFP) cells, Whittingham said." (Benchmark Source Quoting Nobel Laureate Stanley Whittingham)



InsideEVs: <https://insideevs.com/news/581261/tesla-lfp-battery-nearly-half-deliveries>

Reuters: <https://www.reuters.com/business/autos-transportation/tesla-use-iron-based-batteries-semi-electric-trucks-affordable-electric-car-2023-04-06>

IndustryWeek: <https://www.industryweek.com/leadership/companies-executives/article/21267022/fords-farley-ev-cost-parity-will-come-after-2030>

Benchmark Source: <https://source.benchmarkminerals.com/article/nobel-laureate-stanley-whittingham-on-the-future-of-lithium-ion-batteries>

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

Autoweek: <https://www.autoweek.com/news/green-cars/a43007746/ford-ev-lfp-battery-tech>

Reuters: <https://www.reuters.com/business/autos-transportation/tesla-use-iron-based-batteries-semi-electric-trucks-affordable-electric-car-2023-04-06>

electrek: <https://electrek.co/2022/04/22/tesla-using-cobalt-free-lfp-batteries-in-half-new-cars-produced>

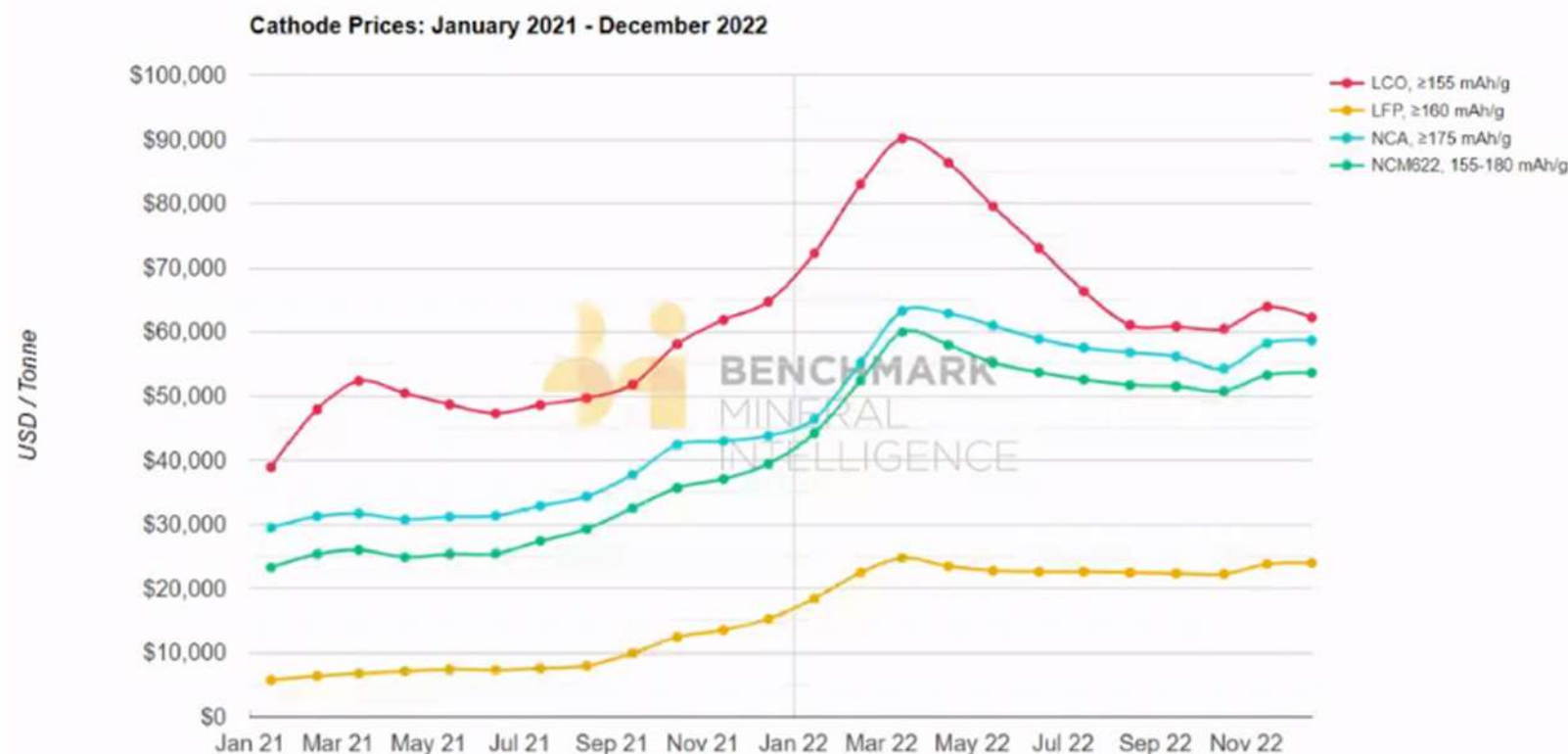
The Drive: <https://www.thedrive.com/news/rivian-battery-switch-could-increase-production-but-lower-range>

InsideEVs: <https://insideevs.com/news/684137/2024-mercedes-benz-esprinter-starts-74181-usd-113-kwh-battery>

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.torquenews.com/1/lfp-batteries-pros-and-cons-elon-shifts-some-teslas-lfp>

<https://www.allaboutcircuits.com/news/a-closer-look-at-lithium-iron-phosphate-batteries-teslas-new-choice-of-battery>

<https://www.ludabattery.com/advantages-and-disadvantages-of-lifepo4-battery>



Commercial Transportation

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

<https://insideevs.com/news/588650/catl-batteries-electric-buses-solaris>

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

<https://www.digitimes.com/news/a20220520PD202/auto-components-battery.html>



Large Scale Energy Storage

Mar 30, 2022: **Report Suggests Lithium Iron Phosphate could Play Key Role in Energy Storage**

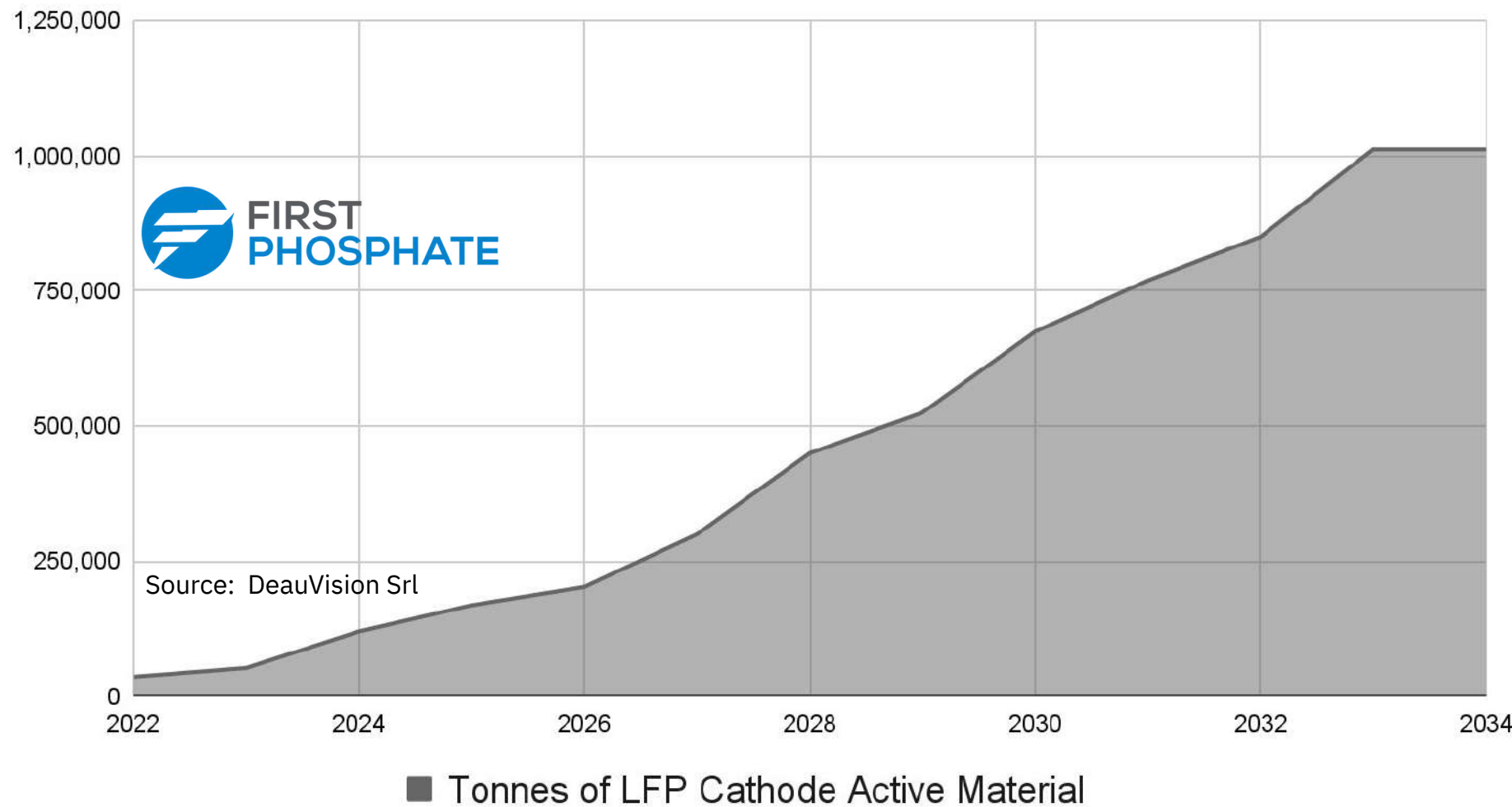
<https://www.miningnewswire.com/report-suggests-lithium-iron-phosphate-could-play-key-role-in-energy-storage>

Jan 27, 2022: **Tesla Hints at Transition of All Energy Storage to LFP Batteries**

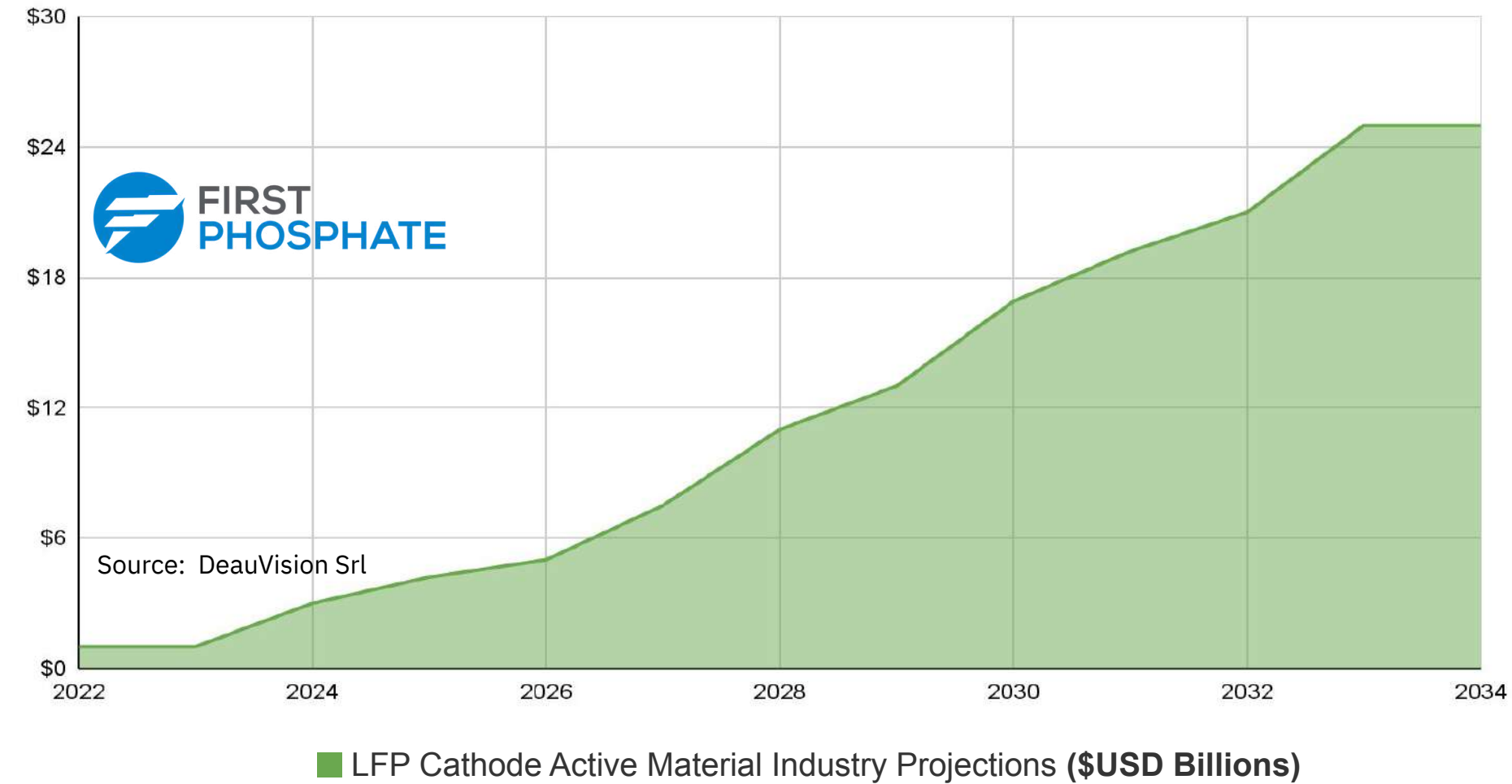
<https://insideevs.com/news>

Estimated Demand for LFP Cathode Active Material (EVs Alone)

LFP Cam Demand - North America



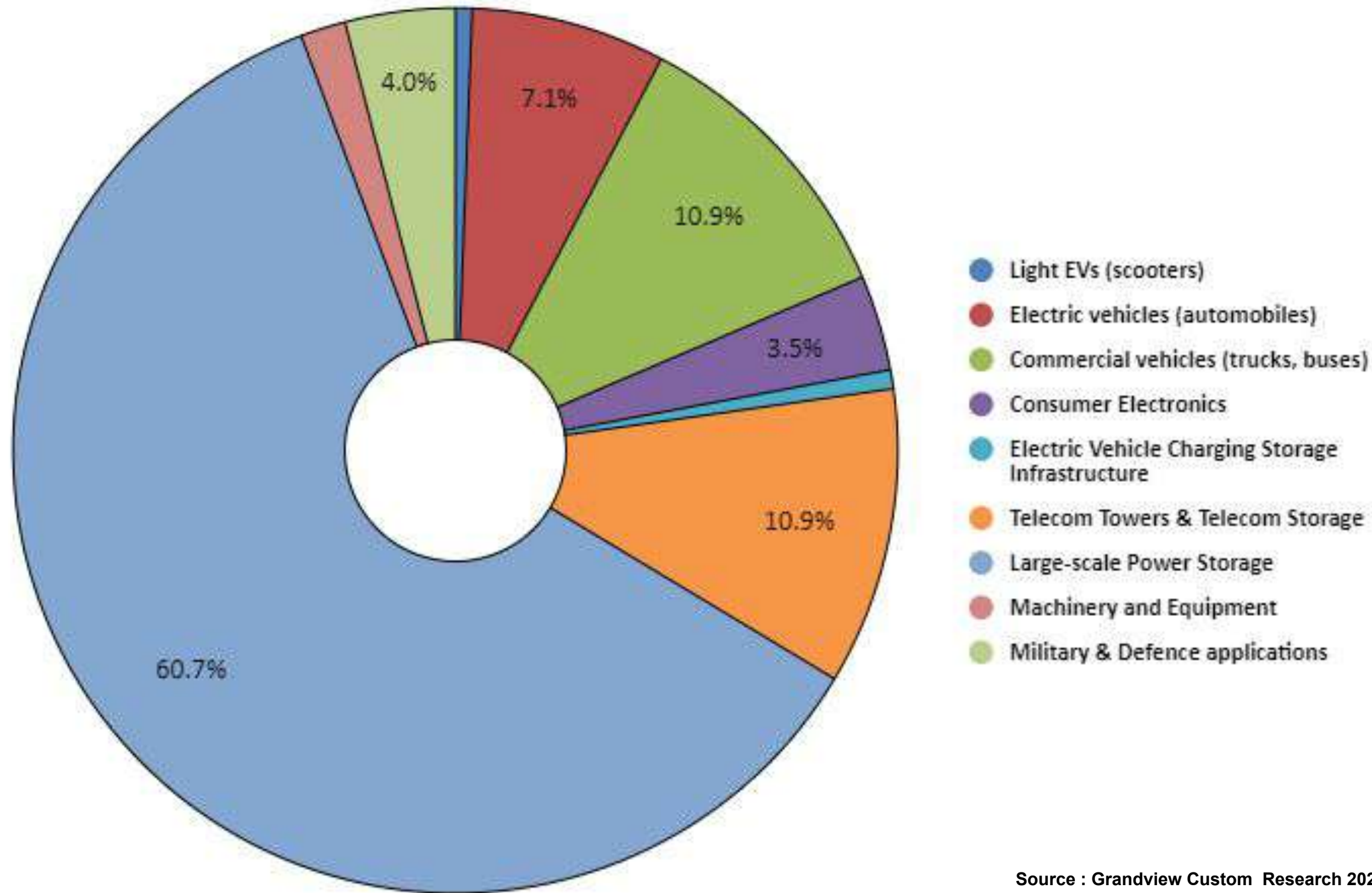
\$ LFP Cam Business - North America



1 Tonne LFP Cam = ~ USD \$25,000

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)

LFP Battery is a Versatile Technology



LFP is a lot more than just electric vehicles.

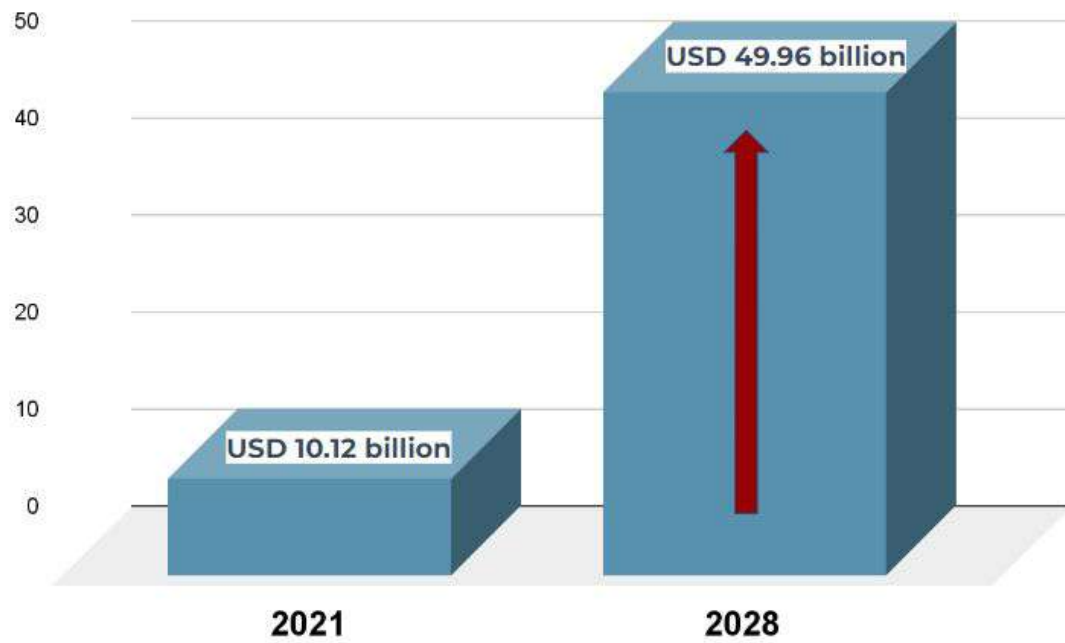
There will be no shortage of buyers for LFP cathode active material especially as raw material supplies in all battery chemistries become tighter and tighter.

One limitation will be the supply of purified phosphoric acid (PPA).

LFP Battery Segment by 2040

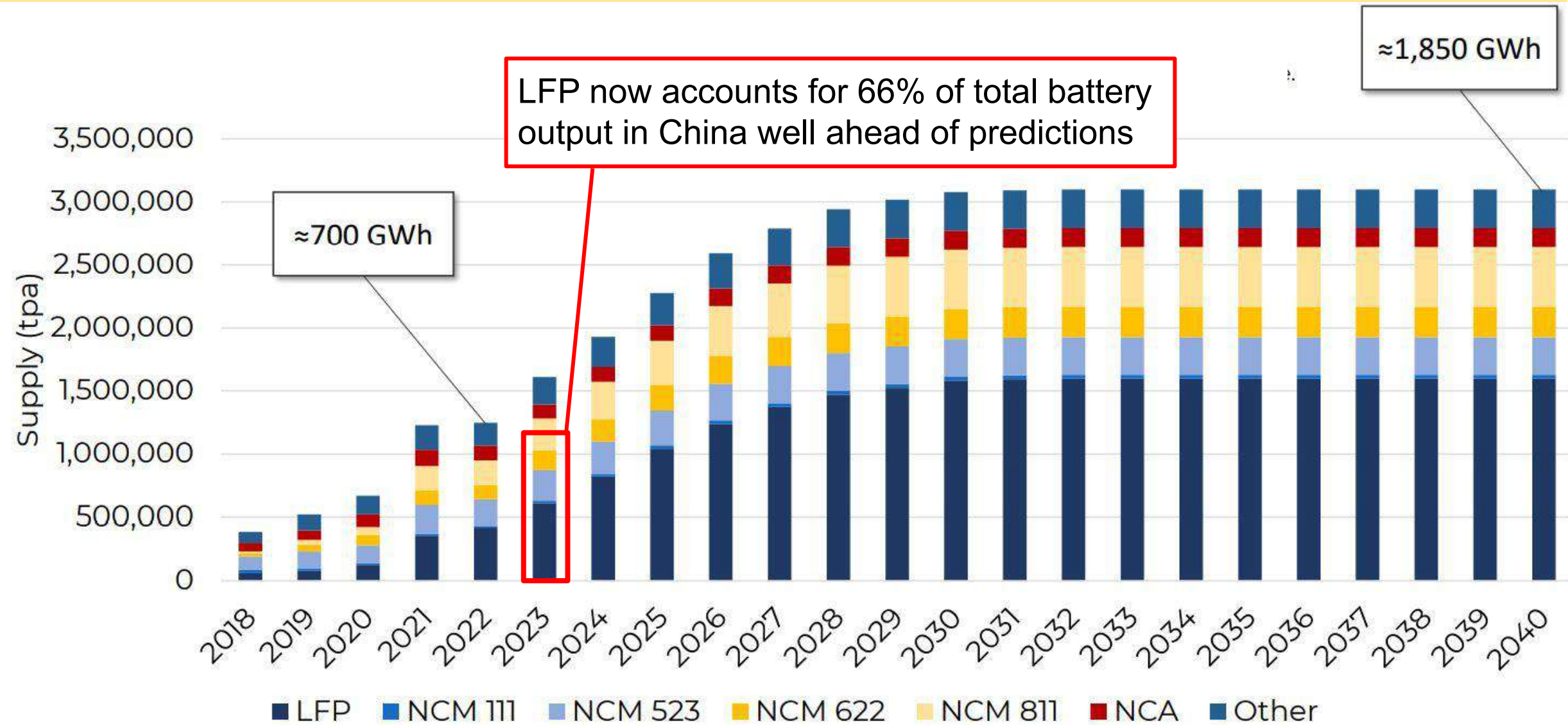
In China, the world's largest EV market, LFP batteries have become the dominant chemistry over NMC batteries. LFP now accounts for 66% of total battery output in China as of the first half of 2023. (Fastmarkets; July 19, 2023 : <https://www.fastmarkets.com/insights/lfp-batteries-extend-dominance-over-nmc-batteries-china>)

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

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



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 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.

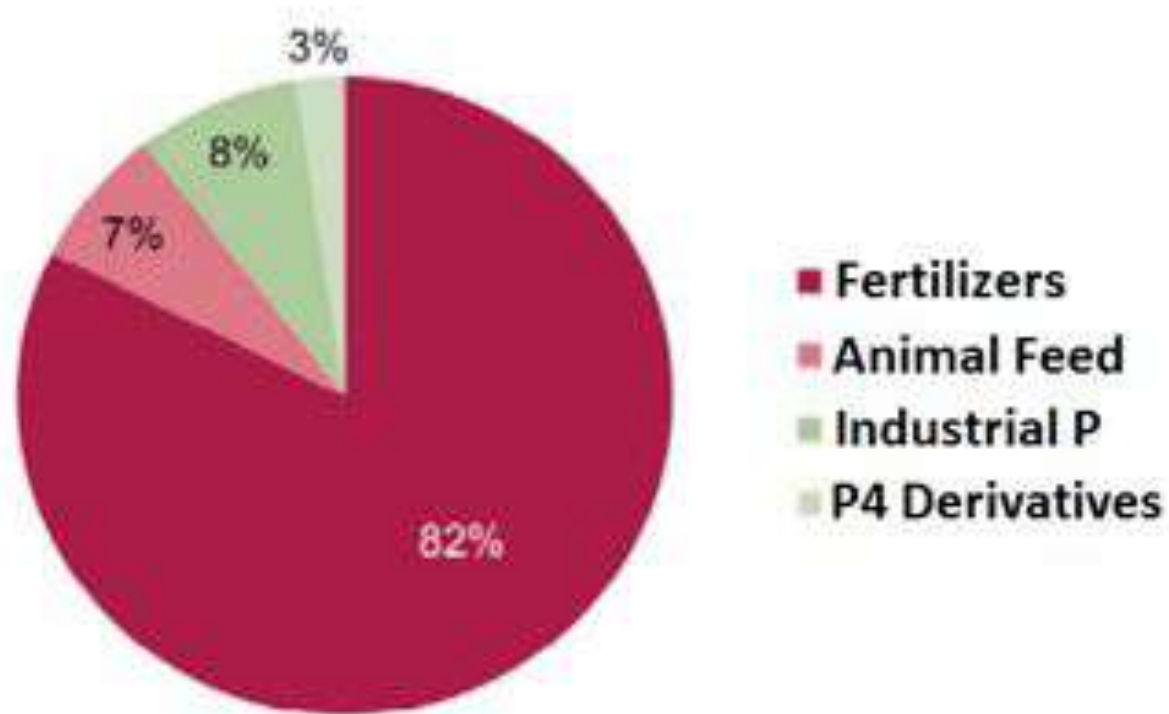


First Phosphate Key Advantages



- 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



Source: (Prud'Homme, 2010, from Schroder et. al., 2010)

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.

89%: Merchant Grade Acid (MGA)

8%: Purified Phosphoric Acid (PPA) Industrial Applications



Fertilizer



Animal Feeds



Food



Electronics



LFP Battery



Industrial



Pharma



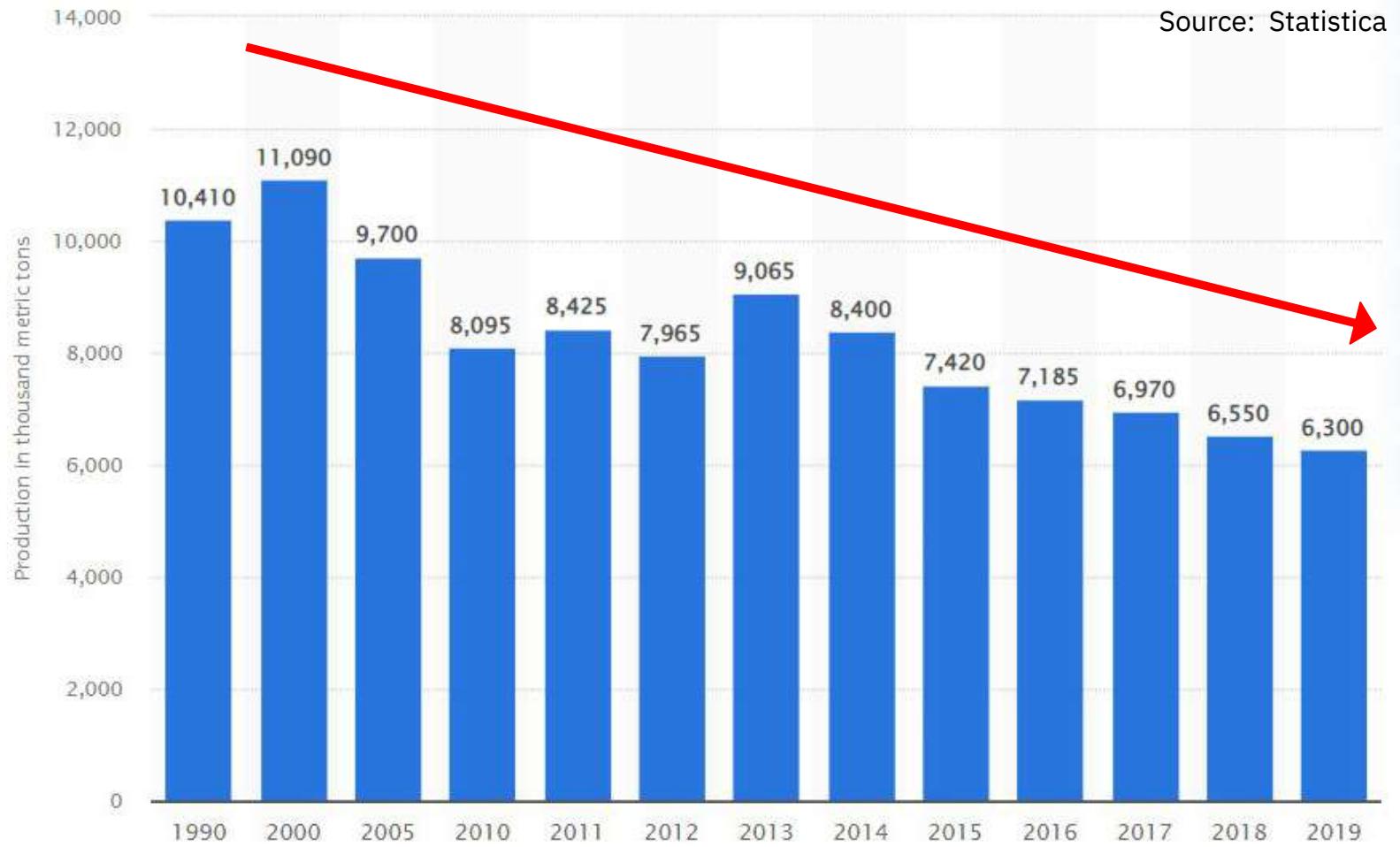
Water



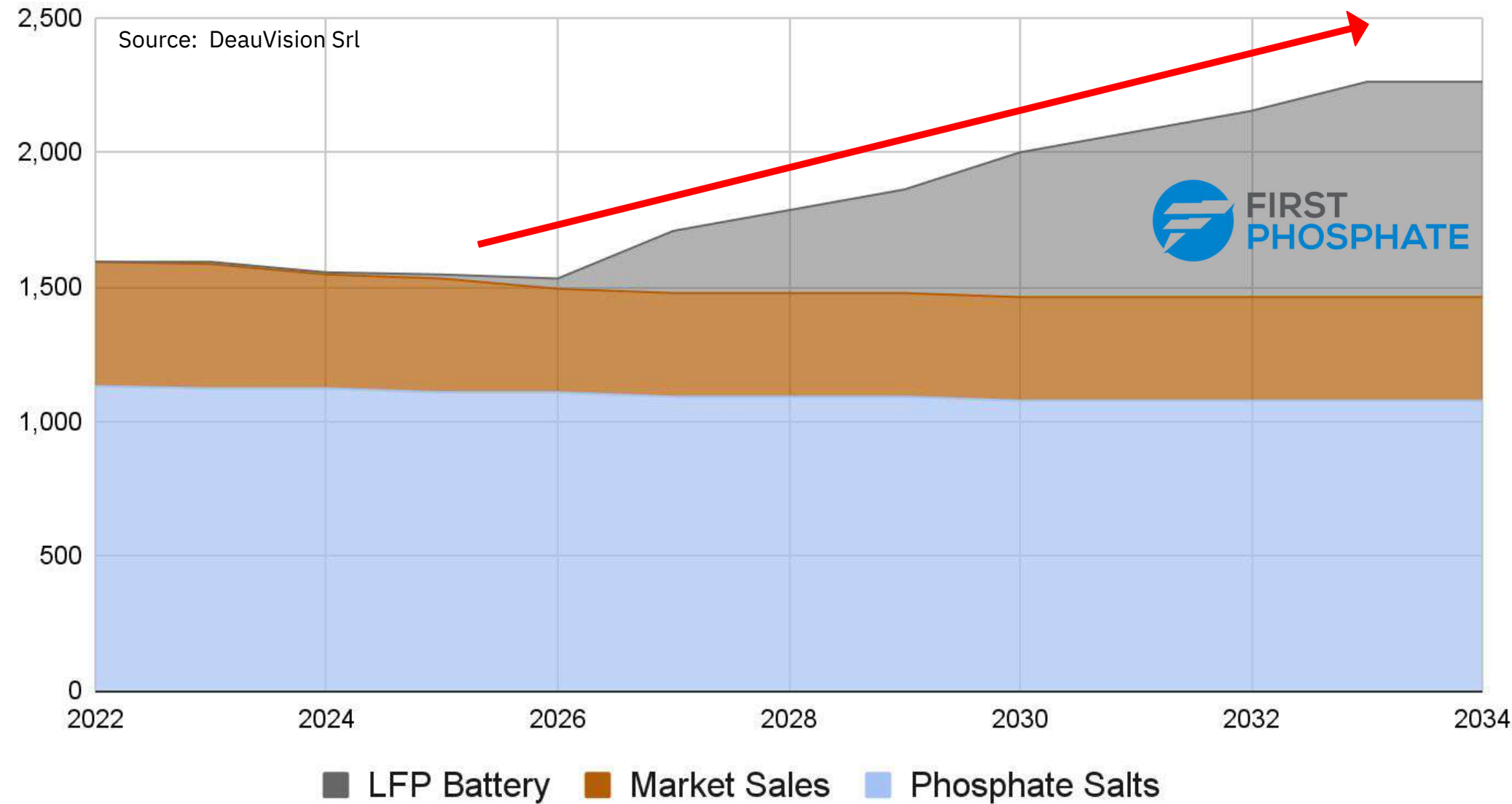
Fire Safety

North American Phosphoric Acid Supply is in Decline

United States Phosphoric Acid Production (MGA & PPA)



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



[“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

Global Purified Phosphoric Acid Supply is Going to be a Big Issue

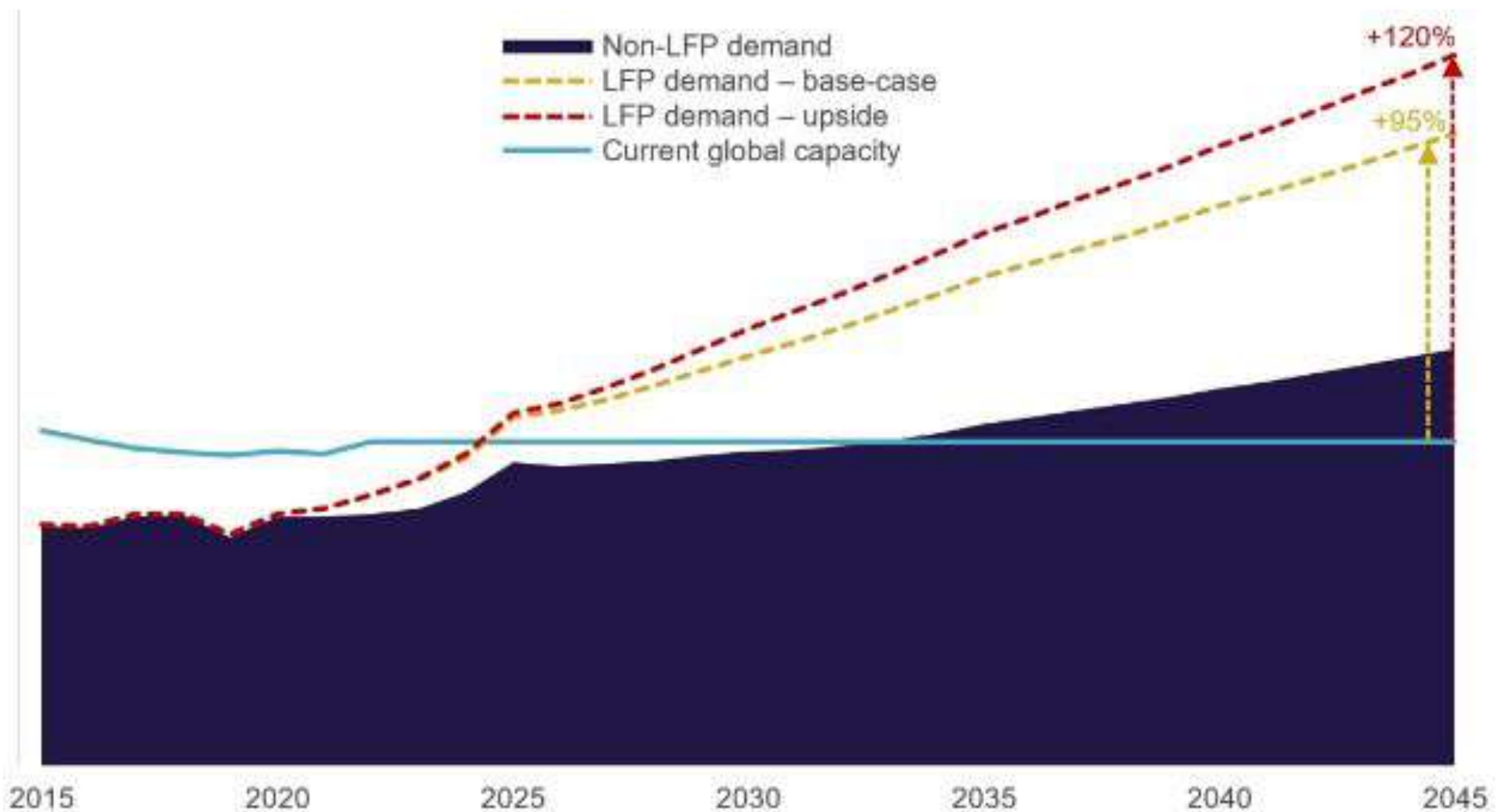
Current global capacity for purified phosphoric acid may need to double by 2045

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.

Global purified phosphoric acid demand/supply balance

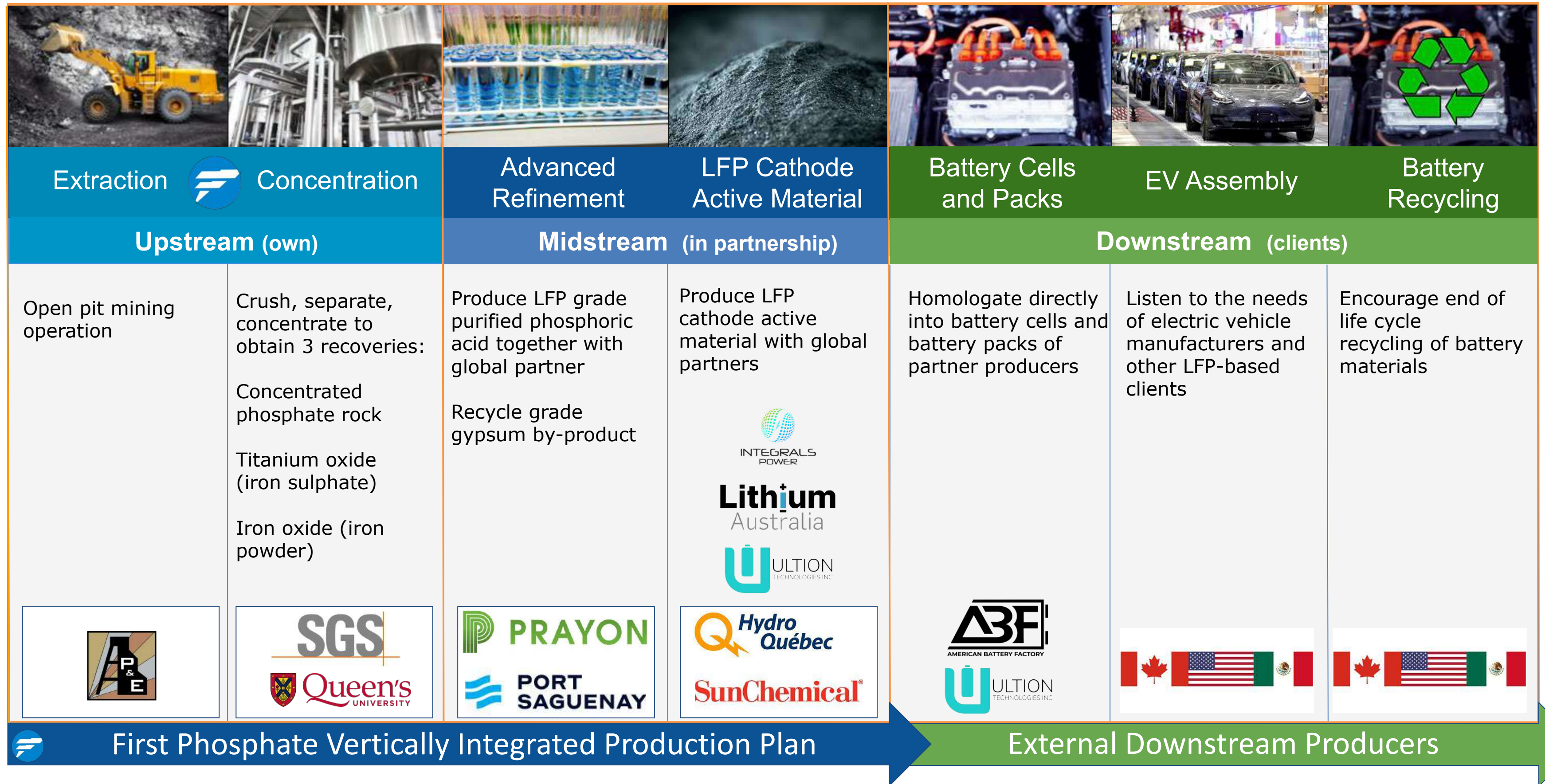
'000t P₂O₅



DATA: CRU

Note: Global capacity shown at 80% utilisation

First Phosphate in the LFP Battery Ecosystem



Optimally Located Properties

Proximity to Saguenay City

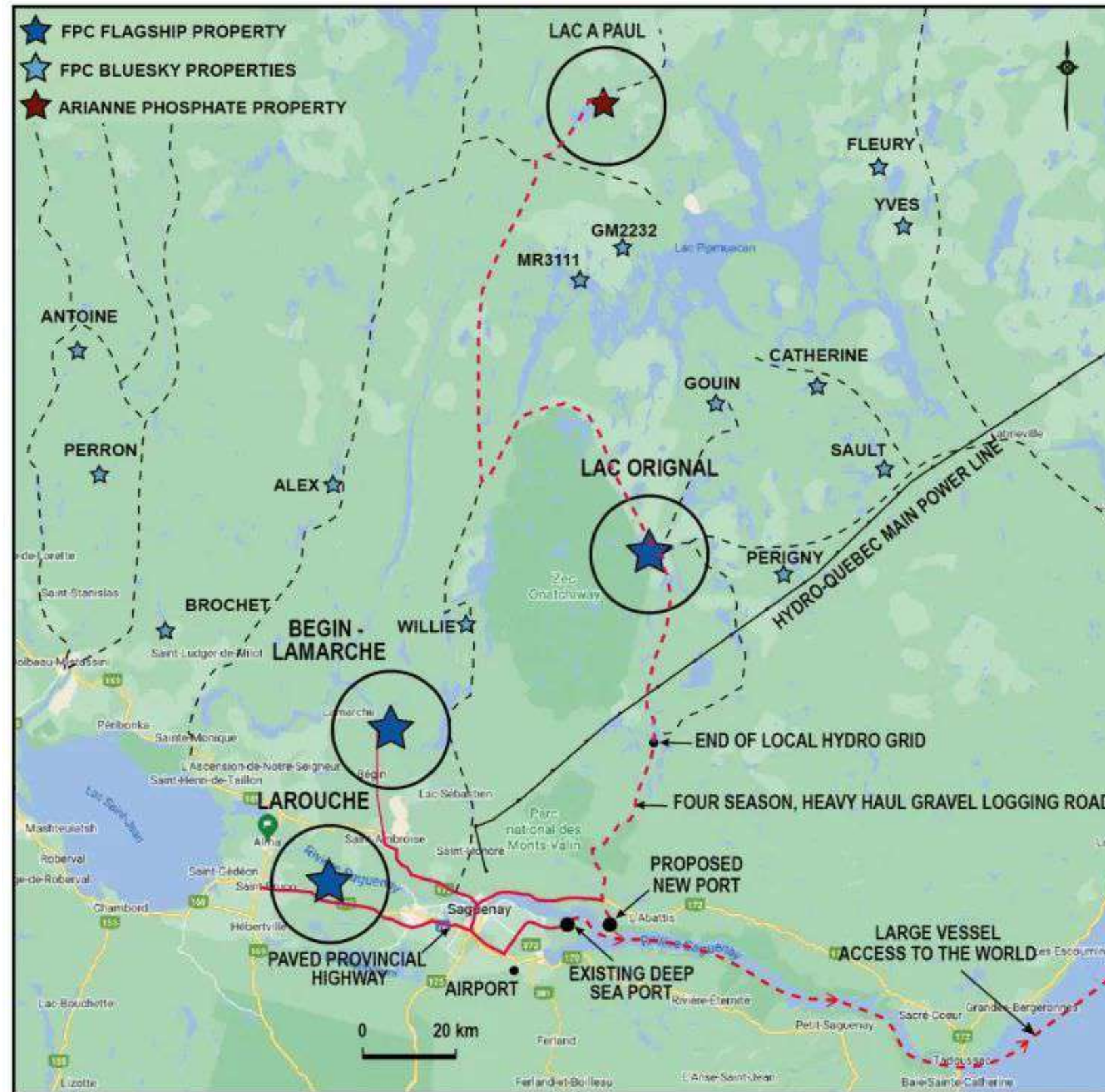
- 6th largest city in Quebec
- Commercial and industrial area
- Skilled industrial workforce

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

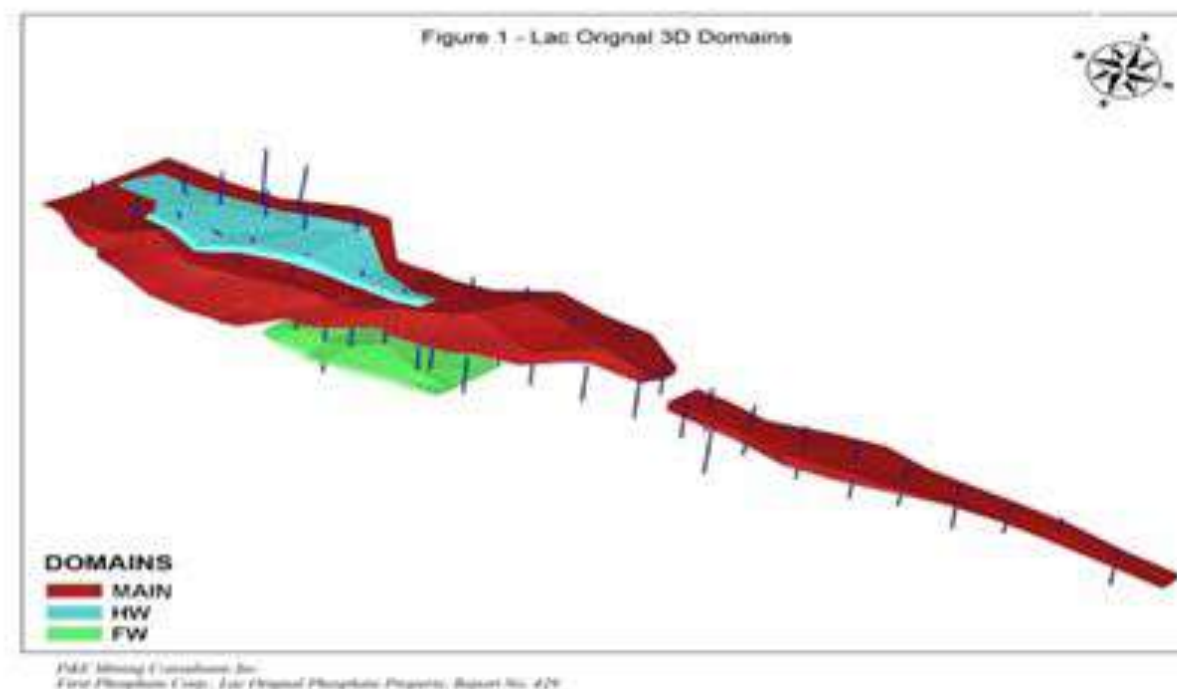
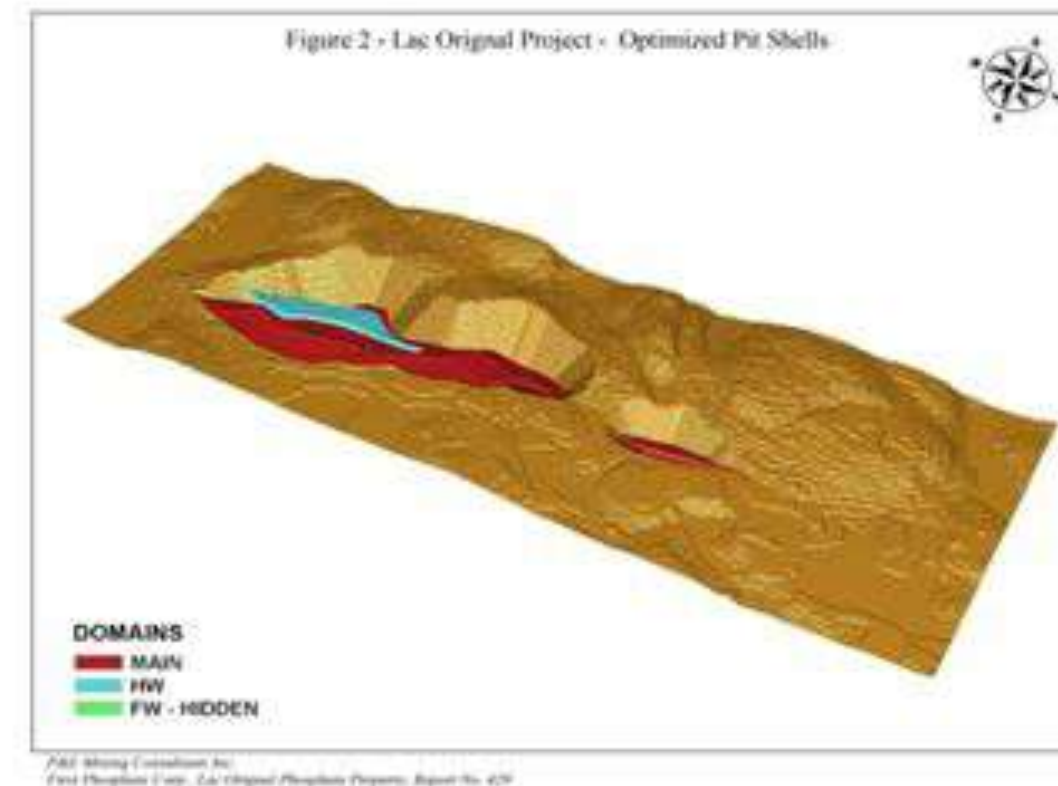


Lac à L'Original Resource Estimate and PEA Economics

PIT-CONSTRAINED MINERAL RESOURCE ESTIMATE AT 2.5% P₂O₅ CUT-OFF

Classification	Tonnes (M)	P ₂ O ₅ (%)	Contained P ₂ O ₅ (Mt)	Fe ₂ O ₃ (%)	Contained Fe ₂ O ₃ (Mt)	TiO ₂ (%)	Contained TiO ₂ (Mt)
Indicated	15.8	5.18	0.82	23.90	3.8	4.23	0.67
Inferred	33.2	5.06	1.68	22.55	7.5	4.16	1.38

- Metallurgical Testwork indicates an anticipated apatite grade of 40.2% P₂O₅ (phosphate) at 91.4% recovery.
- The Lac à l'Original 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% P₂O₅ 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.
- Phosphate Concentrate and PPA Pilot Facilities: <https://firstphosphate.com/projects/pilot-plant>



1500+ km² of District-scale Phosphate-bearing Land Claims

- Free of all Net Smelter Royalties

GM2232 and MR3111

- Discovered by Quebec government geologists
- 6.7% and 16.2 % P₂O₅

Antoine-Perron

- Antoine: 4 grab samples returned between 12.8% and 16.3% P₂O₅
- Perron: large apatite crystal, up to 13.8% P₂O₅ in nelsonite

Alex

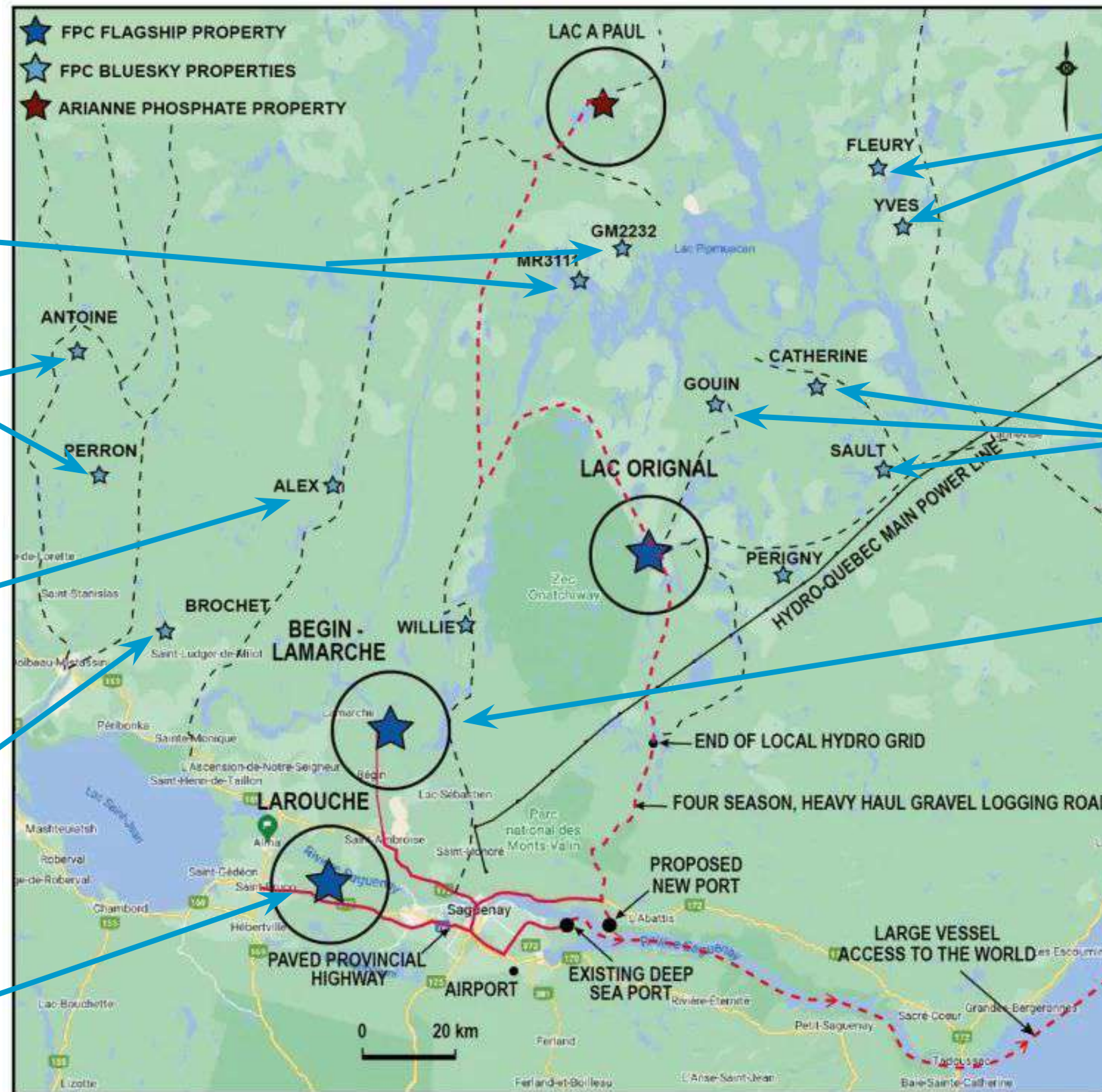
- 915 m long x 350 m wide
- Massive to semi-massive oxides
- Numerous P₂O₅ values in oxides with 6.8% and 6.84% P₂O₅ in OAGN

Brochet

- 10 km long magnetic anomaly
- Grab sample up to 7% P₂O₅ in a favorable host rock (OAGN)

Larouche

- Many grab samples returned between 8.61 and 36.5% P₂O₅



Fleury-Yves

- 9 unworked phosphate showings
- Discovered by Quebec government geologists
- OAGN (Oxide-Apatite Gabbro-norite)
- up to 7% P₂O₅

Gouin-Catherine-Sault

- Gouin: 1.5 x 4.5 km, up to 3.8% P₂O₅
- Catherine: 120 m x 1.25 km, up to 8.7% P₂O₅
- Sault: 97 x 820 m, 3.7% and 3.8% P₂O₅

Bégin-Lamarche

- Main feature is a 3 km long phosphate-bearing corridor identified by drilling
- 4,200-m drill program completed in 2023
- 25,000-m drill program in progress
- High Apatite content (30%+) intersected in Mountain and NW Zones
- Northern Zone: 4 phosphate layers between 50 and 80 m wide with greater than 7% P₂O₅
- Southern Zone: At least 2 phosphate layers between 100 to 160 m wide with 4.5-5% P₂O₅

Bégin-Lamarche - The New Frontier

- Main feature is a 3 km long phosphate-bearing corridor identified by drilling
- 4,500-m drill program completed
- 25,000-m drill program underway, aiming at a 43-101 resource estimate in Q3 2024
- Discovery of the Mountain Zone by sampling, 14/26 samples returned >10% P₂O₅

NORTHERN ZONE

- Identified at least 4- 5 phosphate layers with a thickness of up to 100m x 300m grading up to 10% phosphate.

MOUNTAIN ZONE

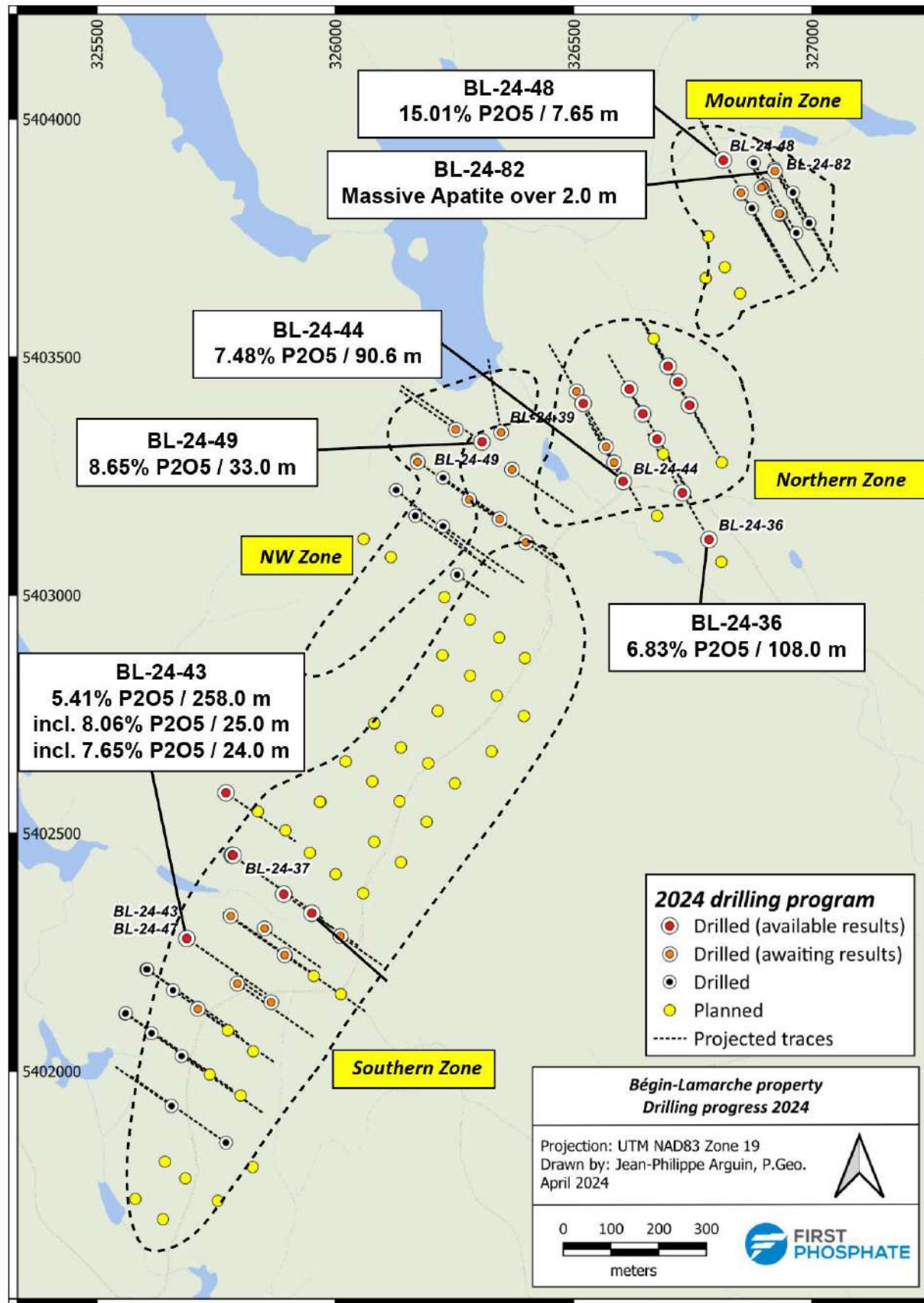
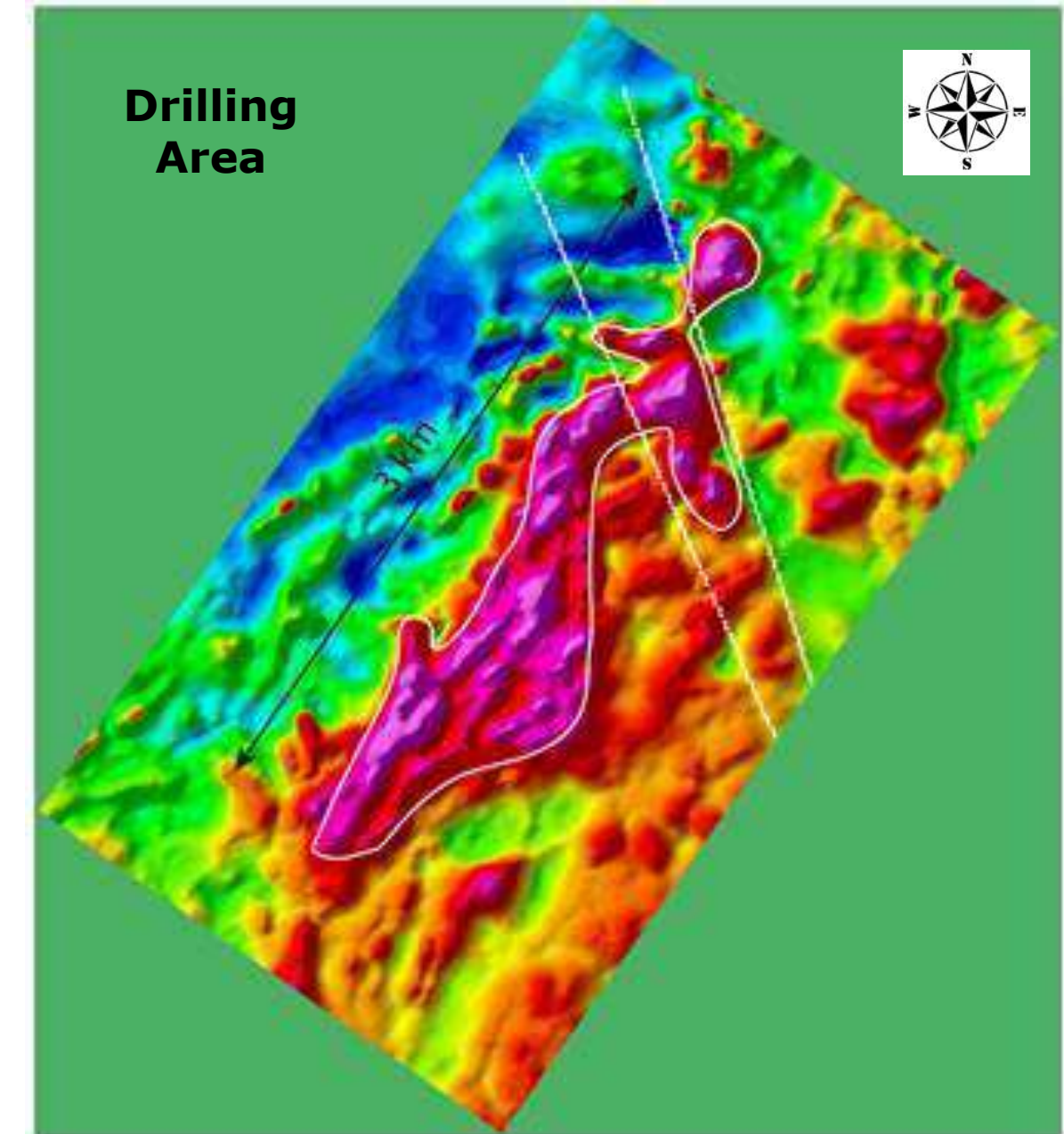
- Many layers with high Apatite content (30%+) up to 80 metres in thickness on surface. Preliminary results indicate grades over 10% phosphate

SOUTHERN ZONE

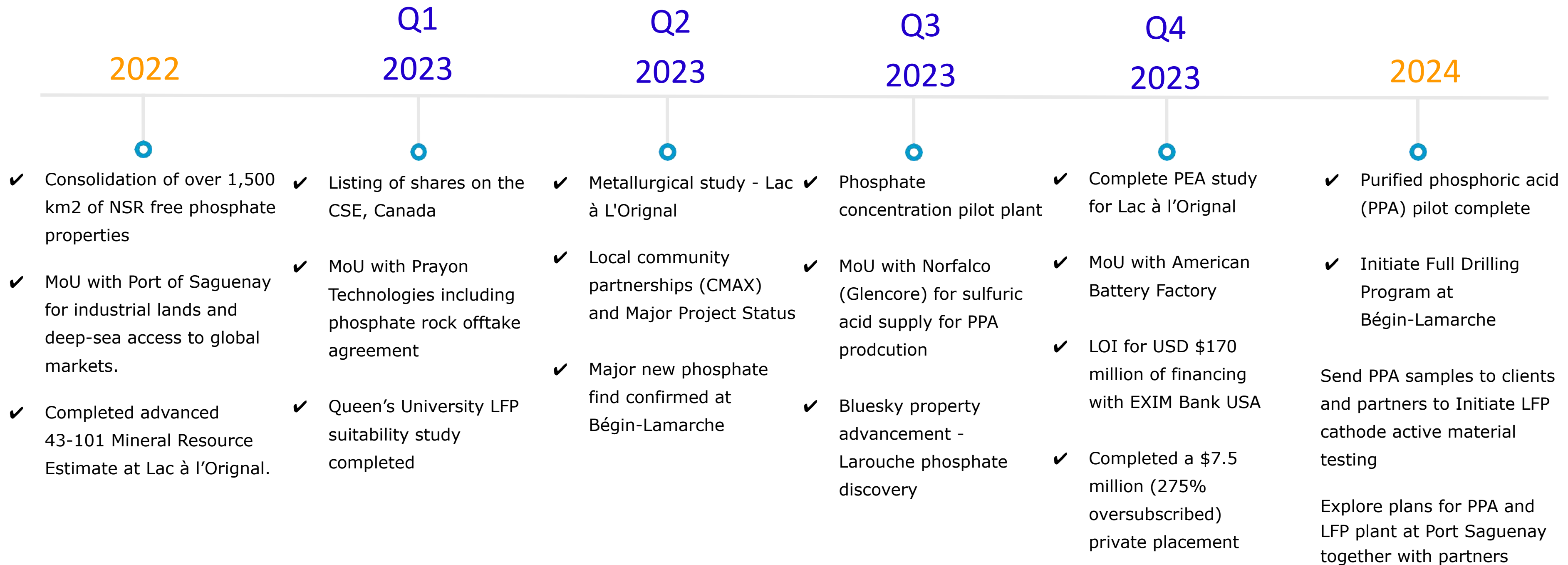
- Phosphate layer with 4.5-5.0% P₂O₅ in excess of 100 metres thick which could run for 1.5 km. Also contains thick layers of higher grade (7-9%) phosphate.

NW ZONE

- New layer discovered in 2023 containing high grade phosphate (8%) in a 30 m thick layer with an estimated length of 700 m



First Phosphate Catalysts & Milestones for 2023



First Phosphate Key Advantages

- Major North American and European partners and proven providers.



- ✓ 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



- ✓ Development of LFP CAM Manufacturing in North America
- ✓ Qualified existing manufacturing facilities, CAPEX reduction
- ✓ Complimentary processes, domain knowledge, equipment

- 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



Capital Markets Profile

Canadian Securities Exchange (CSE): PHOS
 Frankfurt Stock Exchange (FSE): KDO
 US OTC: FRSPF

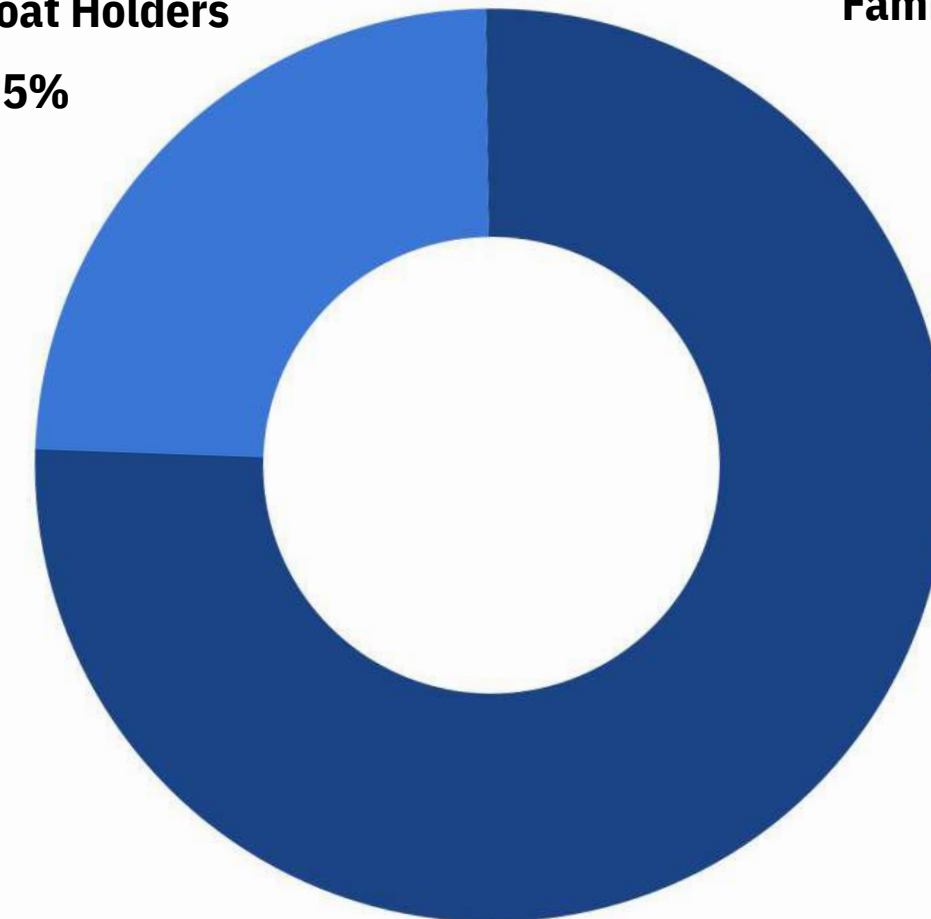
Debt free

Ownership

Share Structure	Data
Share Price (as at April 16, 2024)	\$0.30/sh
Market Capitalization (as at April 16, 2024)	\$22,000,000
Shares Outstanding	73,986,772
Warrants (5,250,000 @ \$0.40, 10,024,495 @ \$0.50; 1,607,789 @ \$1.25)	16 962 924
Board/Management/Advisory Options, RSUs	13,042,296
Fully Diluted Shares Outstanding	103 991 992

Total Invested Capital to date: \$17.5 million

Public Float Holders
35%



Management, Insiders,
 Associates, Friends &
 Family, High Net Worth,
 Institutions

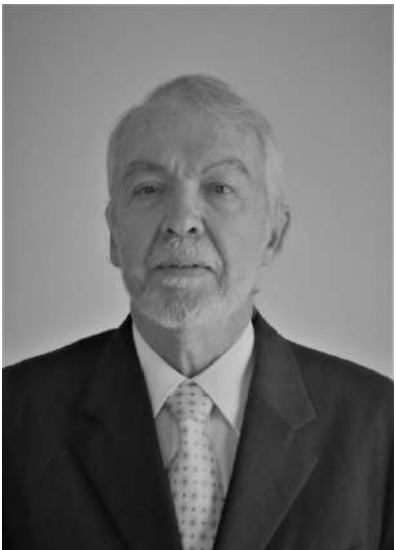
65%

Deeply invested management and board. Tight share structure

Board and Management



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.



Armand MacKenzie - VP, Government Relations 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.



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.



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.

Management & Advisory Board



Manager, Public Relations - David Dufour, B.Sc.A, has 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.



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 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.



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.



Gary Stanley is former Director of the Office of Critical Minerals and Metals at the U.S. Department of Commerce. He has 40+ years experience serving under every U.S. President from Ronald Reagan to Joe Biden. Mr. Stanley worked with both public and private sector stakeholders to strengthen American supply chains and U.S. global competitiveness in critical minerals. He was lead author of the 2019 US Federal Critical Minerals Strategy.



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.

Advisory Board / Industry Partners



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.



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.



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.



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.



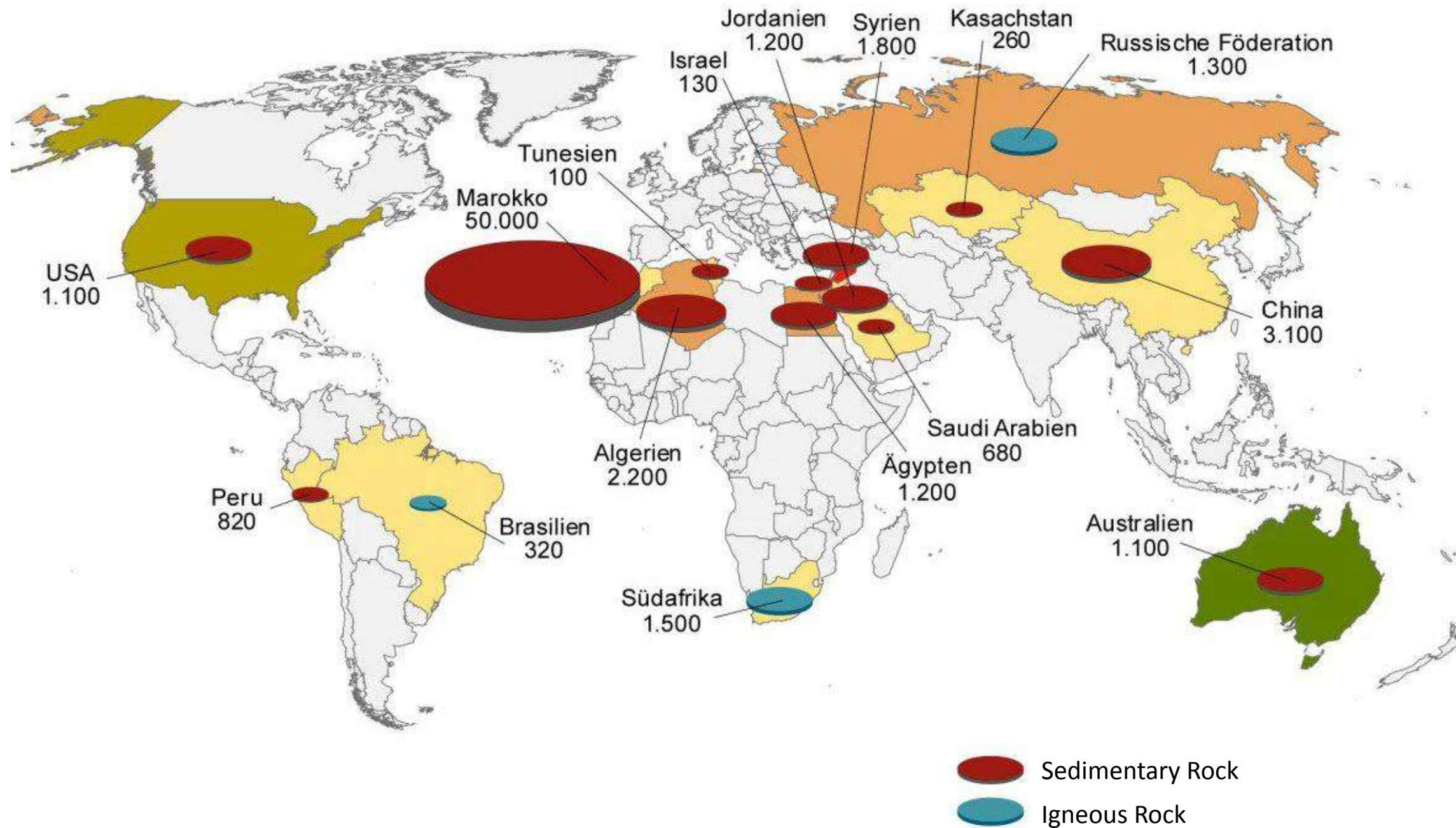
SGS Canada - Dominique Lascelles. SGS is a leading global technical service provider conducting precise and accurate testing across numerous industries. Dominique is focused on separation and recovery of titanium, phosphate and iron found within First Phosphate ores as well as implementation and management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



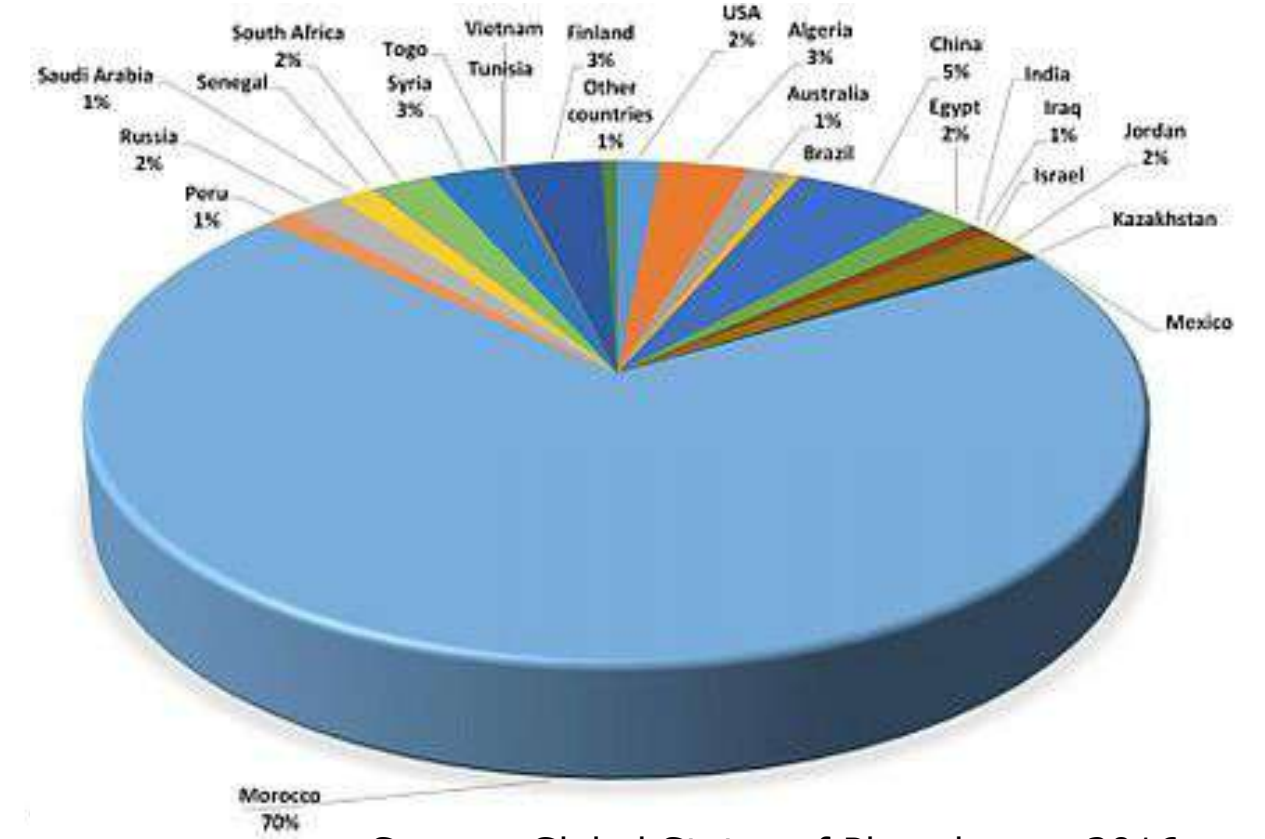
Paul Pitman, P. Geo, is a registered professional geologist who has over 50 years' experience as exploration geologist, as corporate officer of mining companies and as geological consultant. He is a former director/officer of several junior resource companies that he founded including three fertilizer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

Where is Phosphate Currently Produced?

Phosphate Reserves in Mt

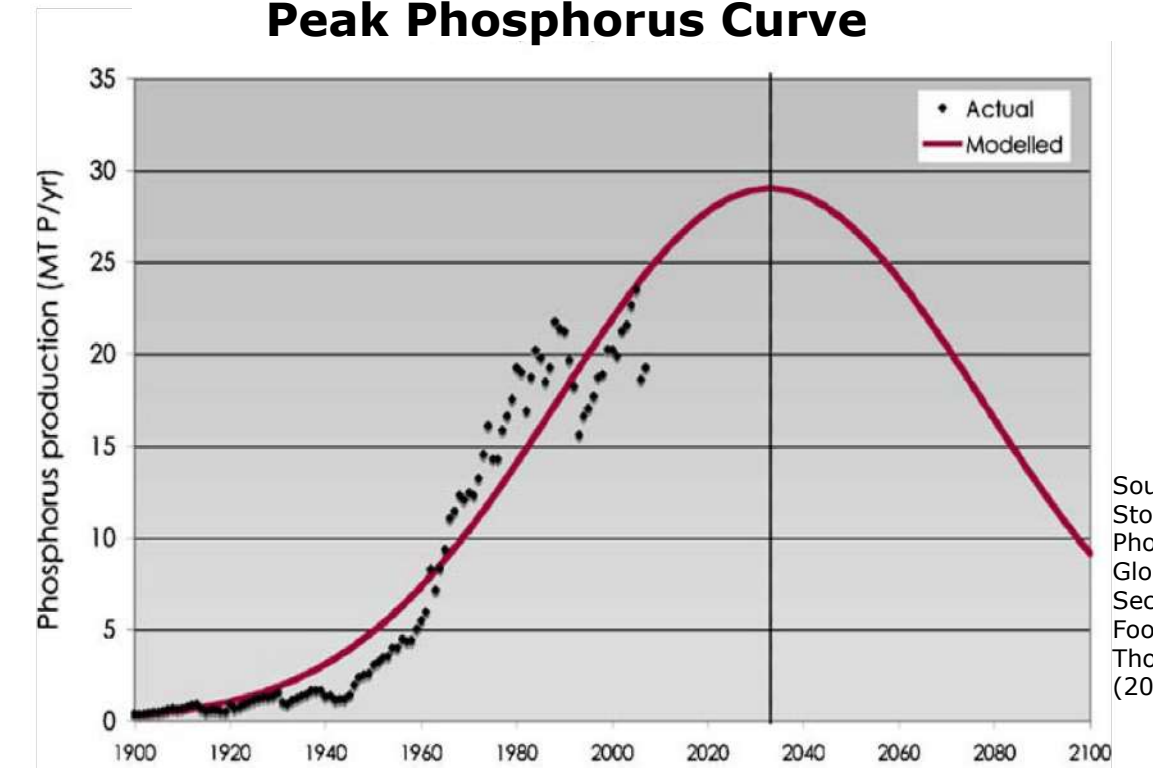


DERA Deutsche Rohstoffagentur
Bundesagentur für Gebergewerkschaften und Rohstoffe



Source: Global Status of Phosphorus, 2016

Peak Phosphorus Curve

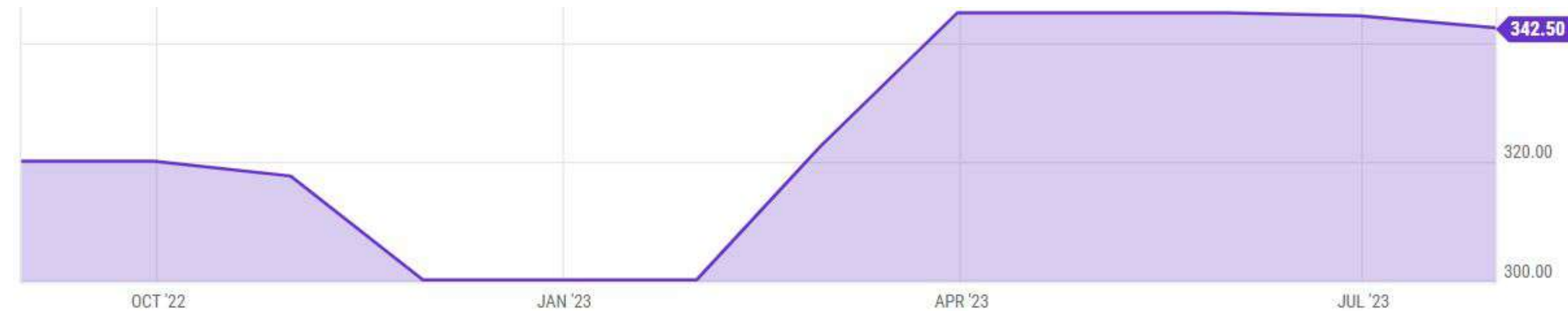


Source: The Story of Phosphorus: Global Food Security and Food for Thought (2009)

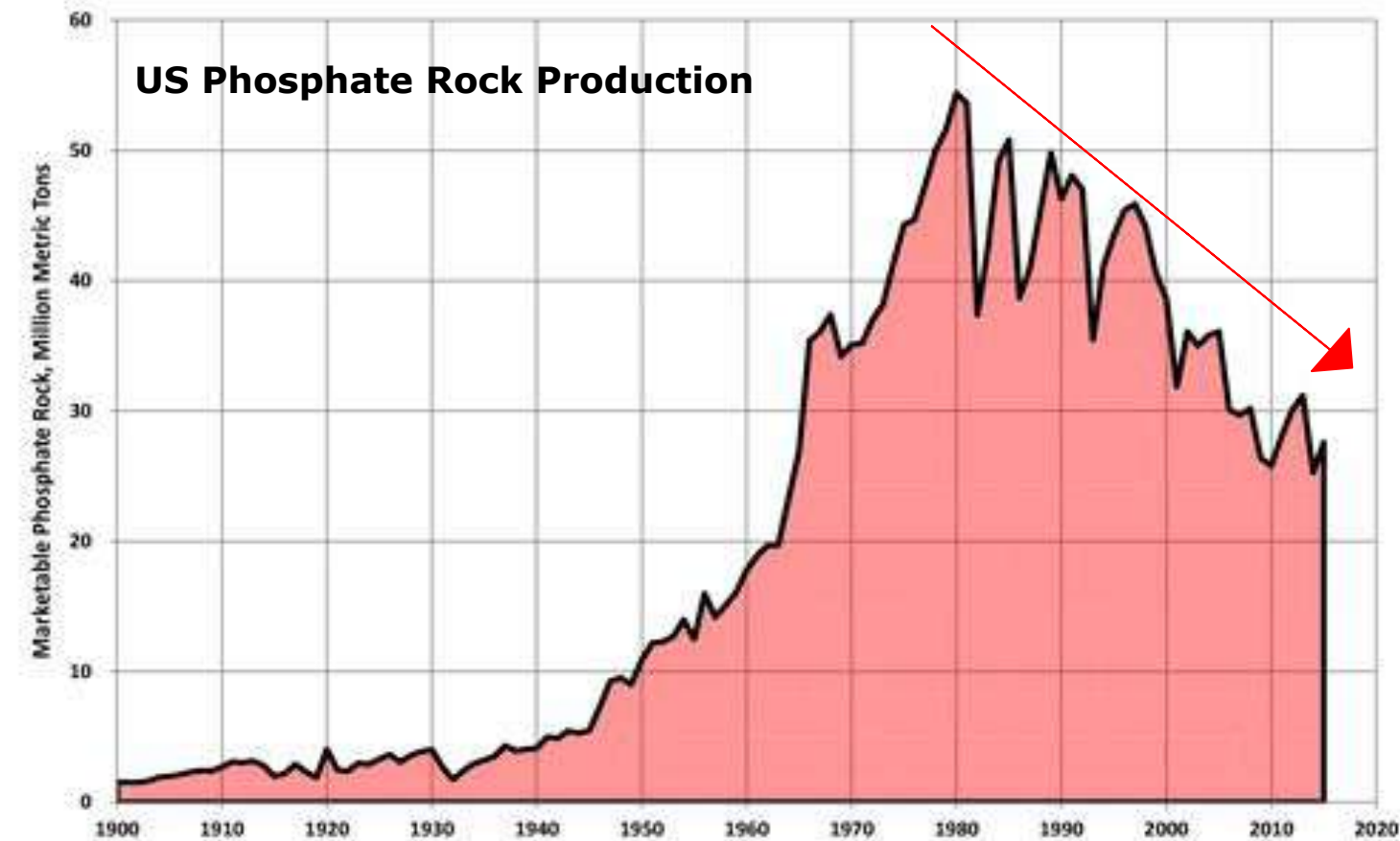
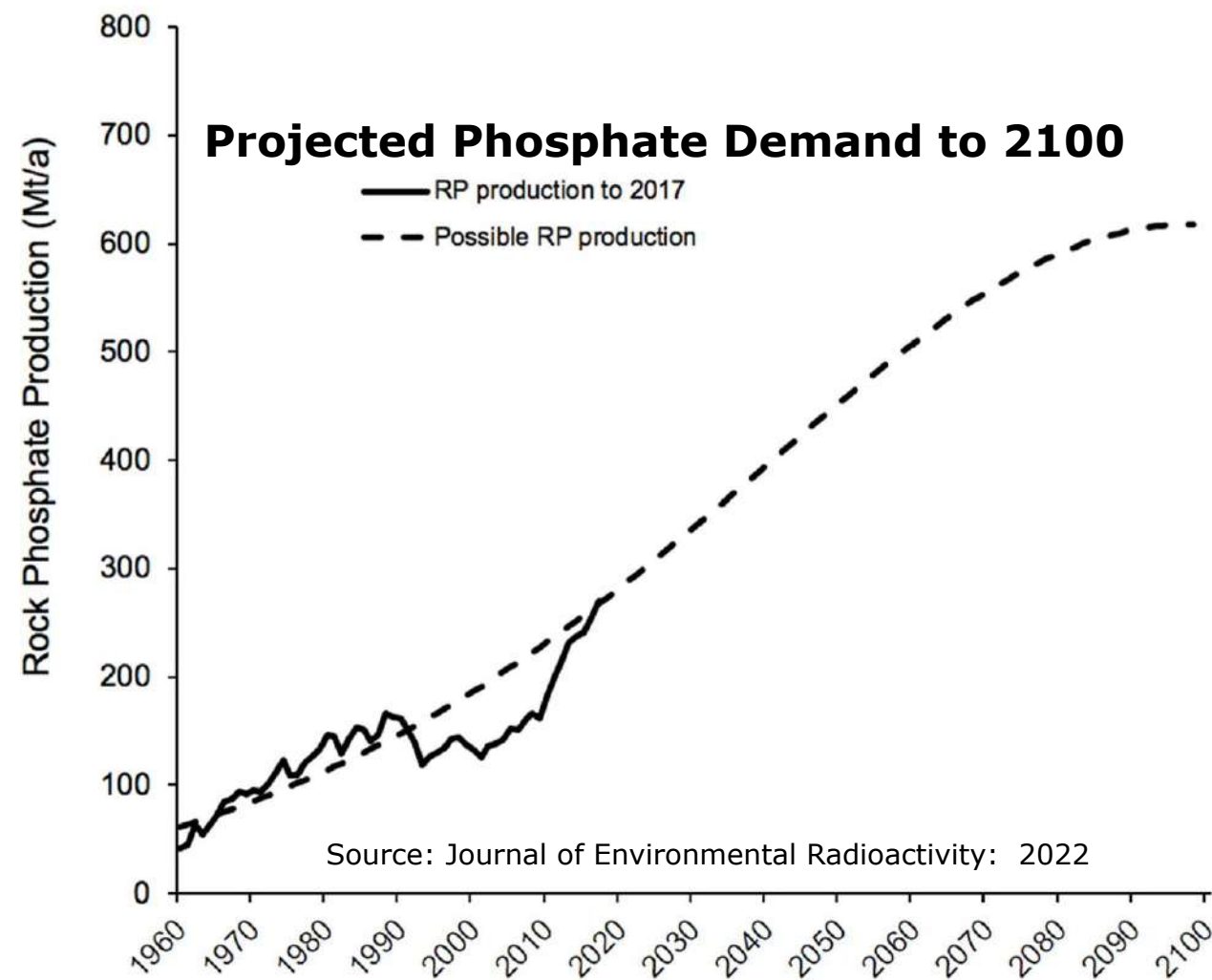
Phosphate Pricing Follows Food and not the Battery Market

- 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)

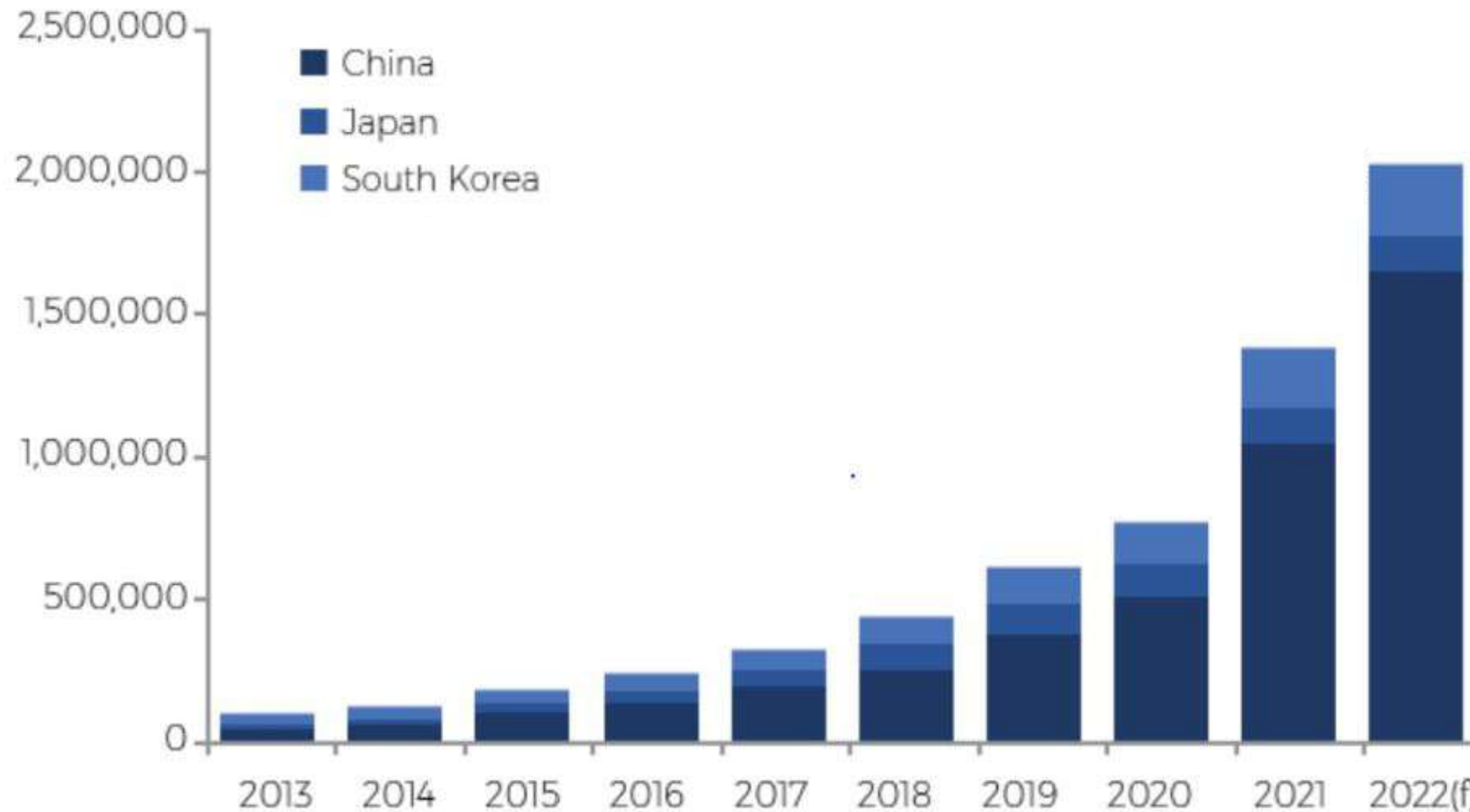
Morocco Phosphate Rock Price



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



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:

<https://www.saurenergy.com/ev-storage/the-top-5-ev-battery-manufacturers-in-the-world>
<https://insideevs.com/news/559579/west-needs-lfp-battery-capacity>

Source: Benchmark Mineral Intelligence 2022 | October 2022 Cathode Assessment

Domestic North American LFP Supply Required Urgently



US Inflation Reduction Act North American EV Battery Content Requirements:

40% in 2023. Increasing gradually to 80% in 2026.

“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.”

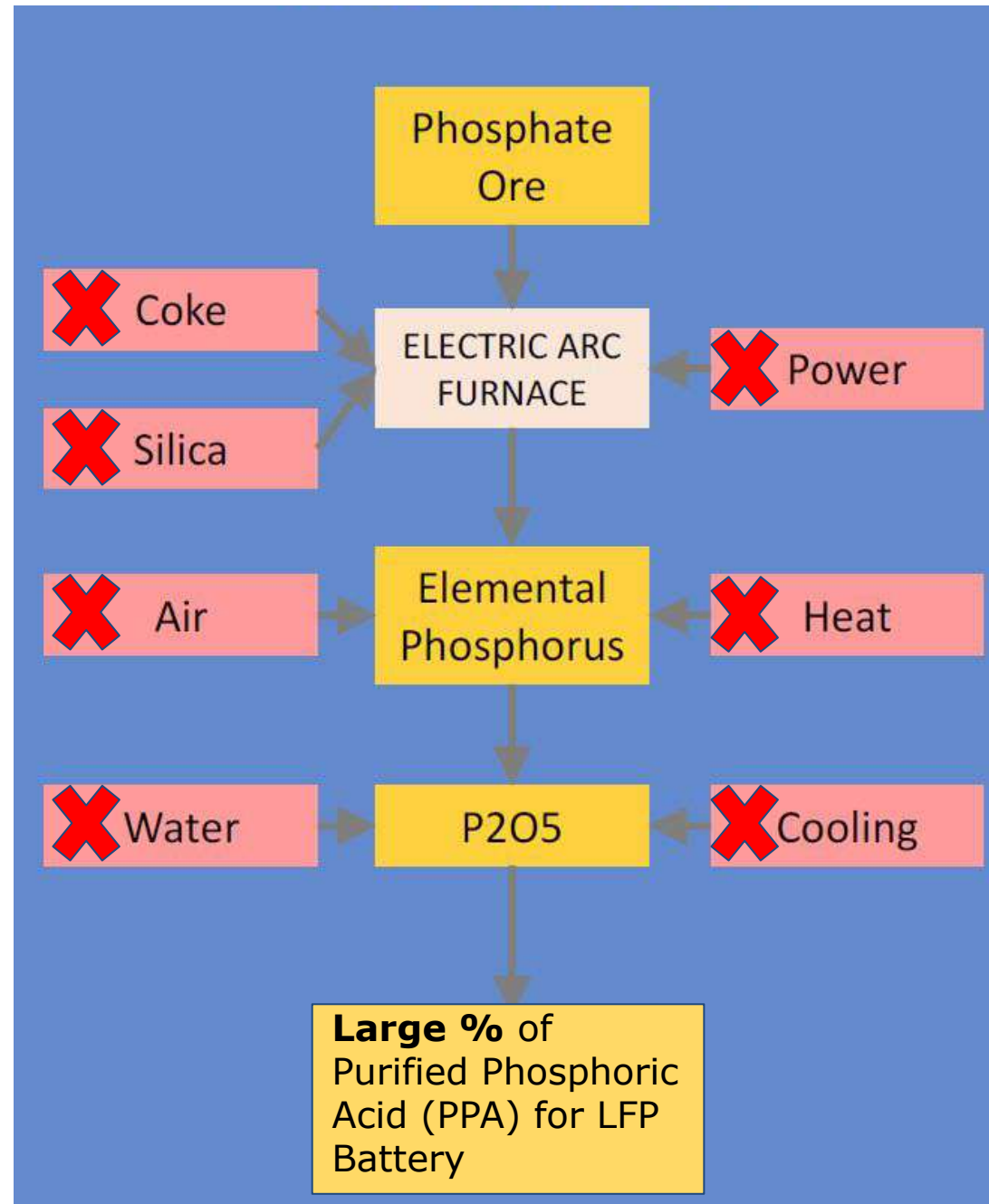


Dr. Peir K. Pufahl, P.Geo.
Professor, Queen's University
Co-Director, Queen's Facility for Isotope Research
Member, First Phosphate Corp, Advisory Board

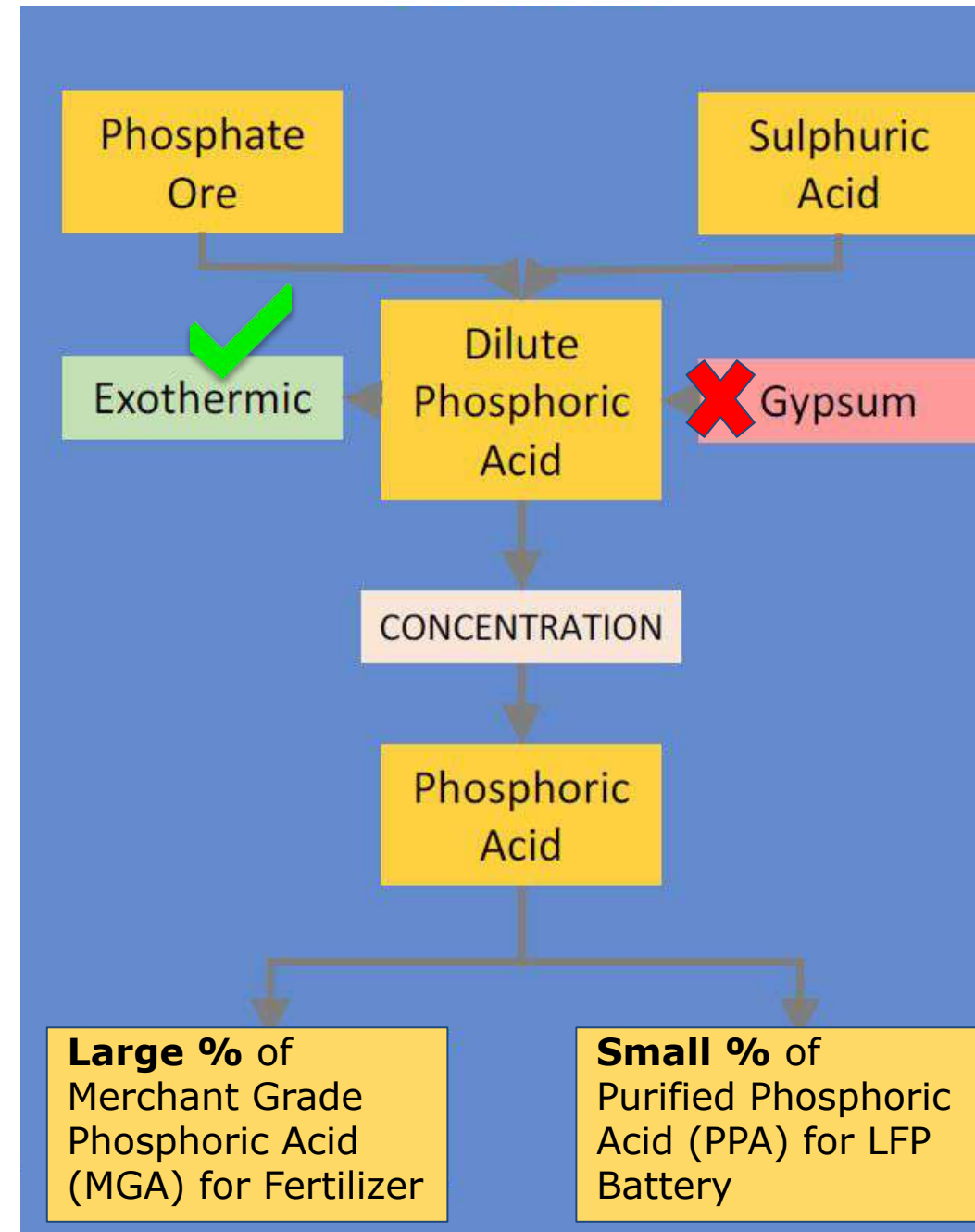
Method of Producing Purified Phosphoric Acid Matters



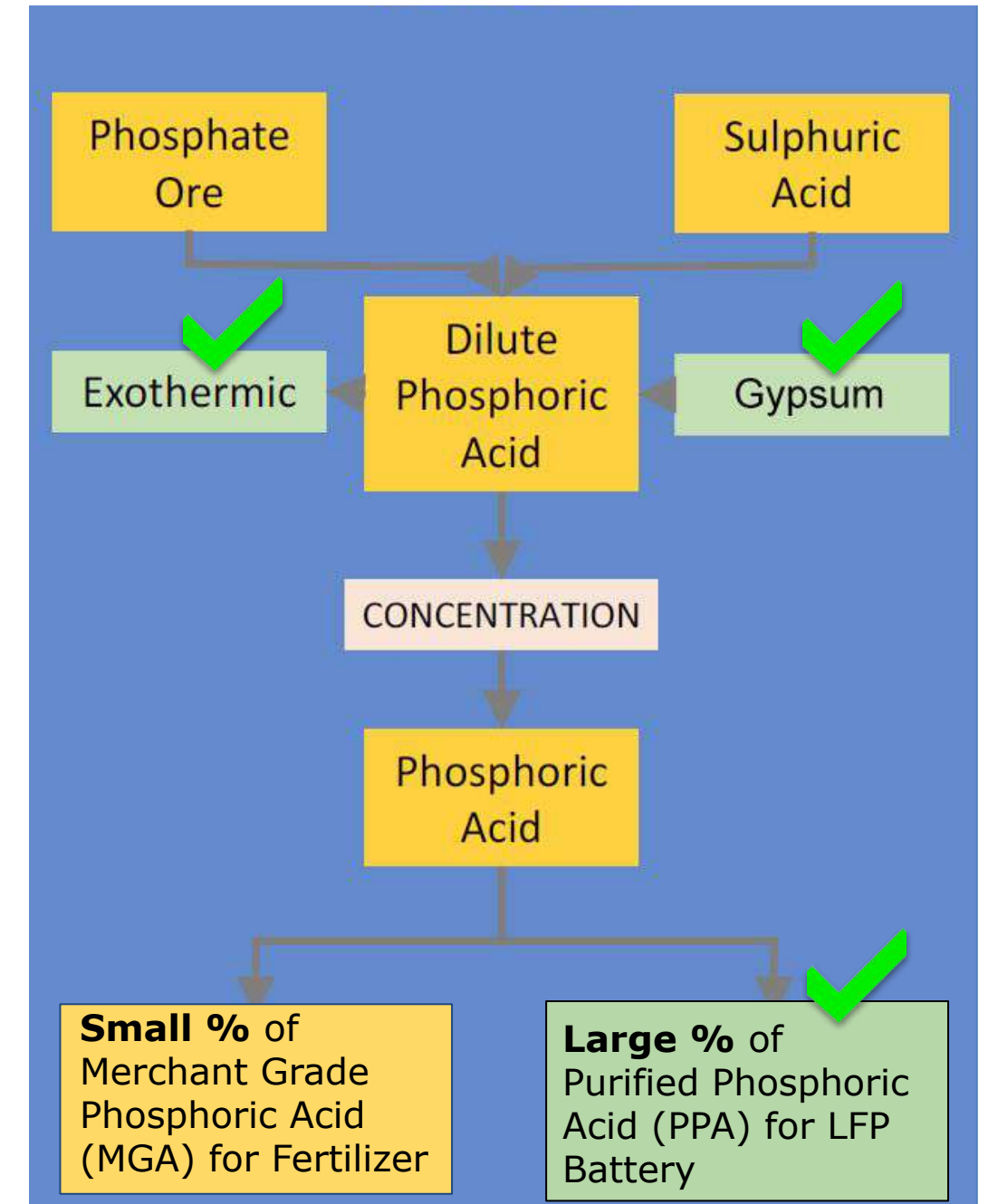
Thermal Process – Sedimentary Rock



Wet Process – Sedimentary Rock



Wet Process – Igneous Rock



Partial Source: Battery Metal Review 2022

Igneous Rock Phosphate Resolves Radioactive Gypsum Issue

✗ Sedimentary Rock Creates Gypsum Slag Piles

✓ Igneous Rock Facilitates Circular Economy



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.



Agriculture



Cement



Plaster

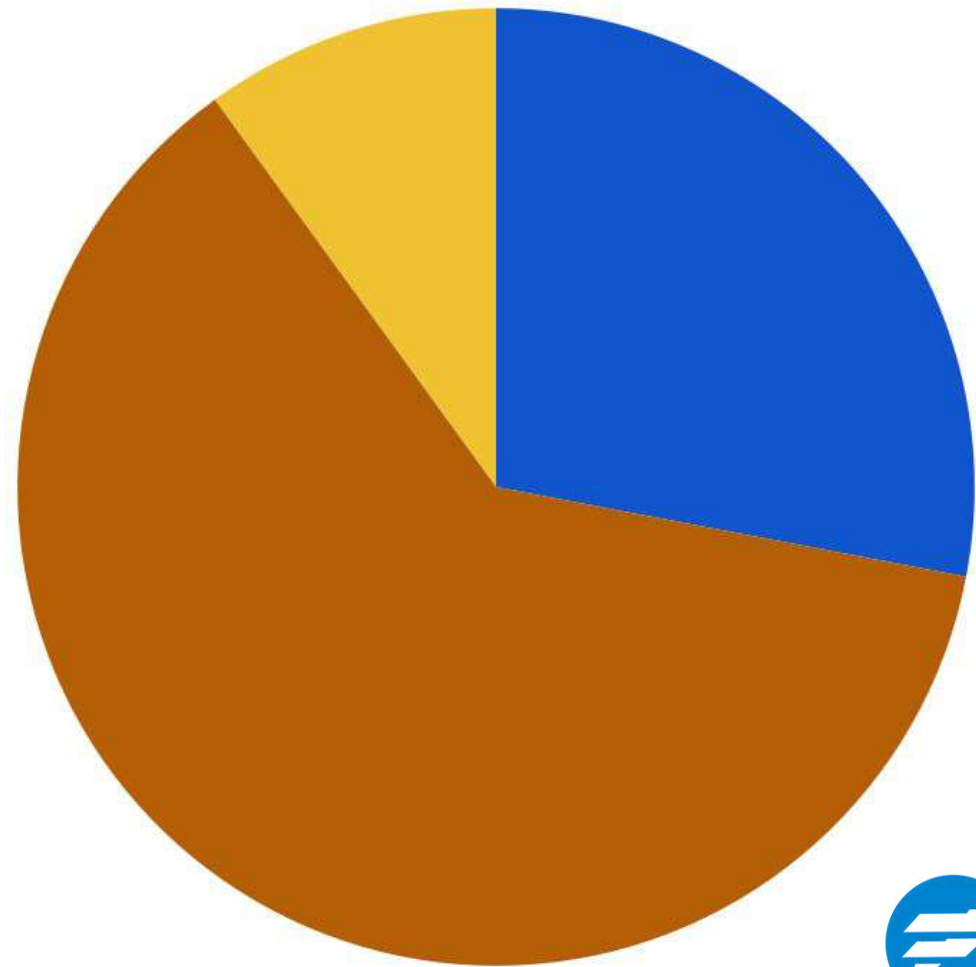
Only Igneous Phosphate rock can meet full responsibility rigours of the LFP battery industry.

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

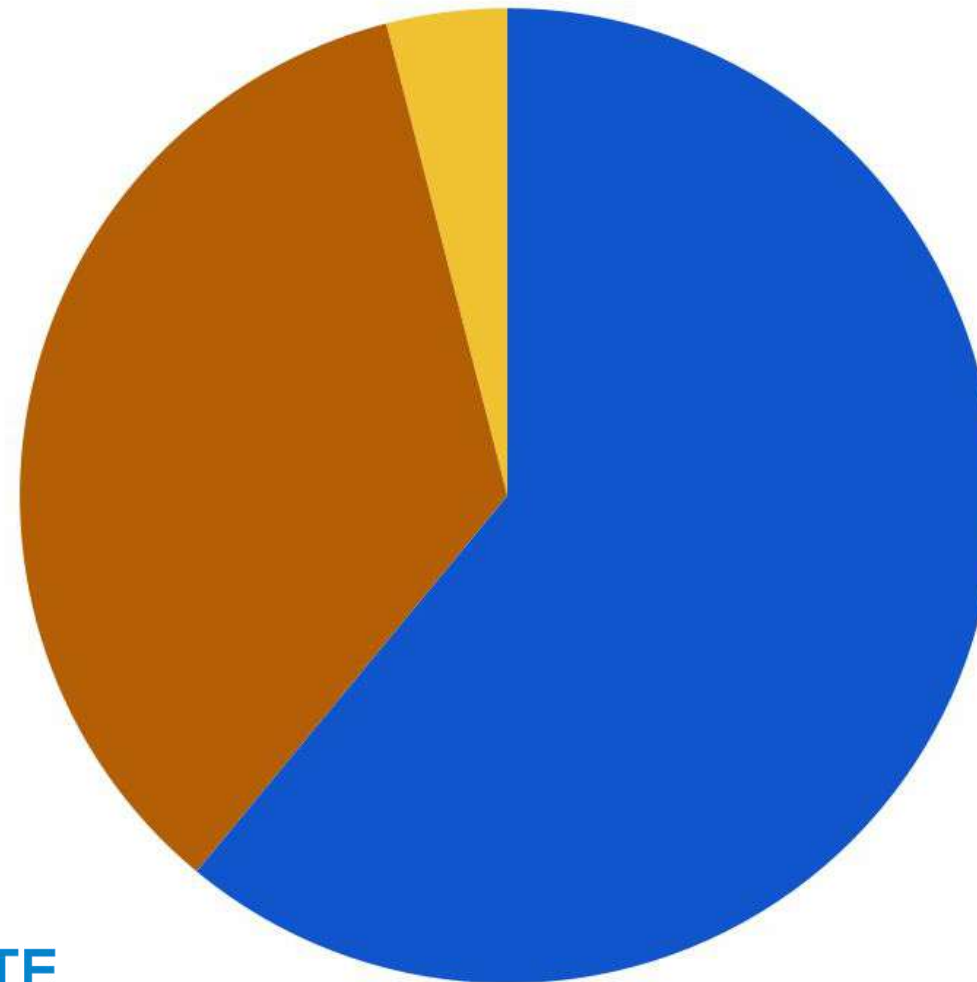
Moreover, up to 90% of igneous rock feedstock can be converted to LFP grade purified phosphoric acid.

How Much Phosphate in an LFP Battery?

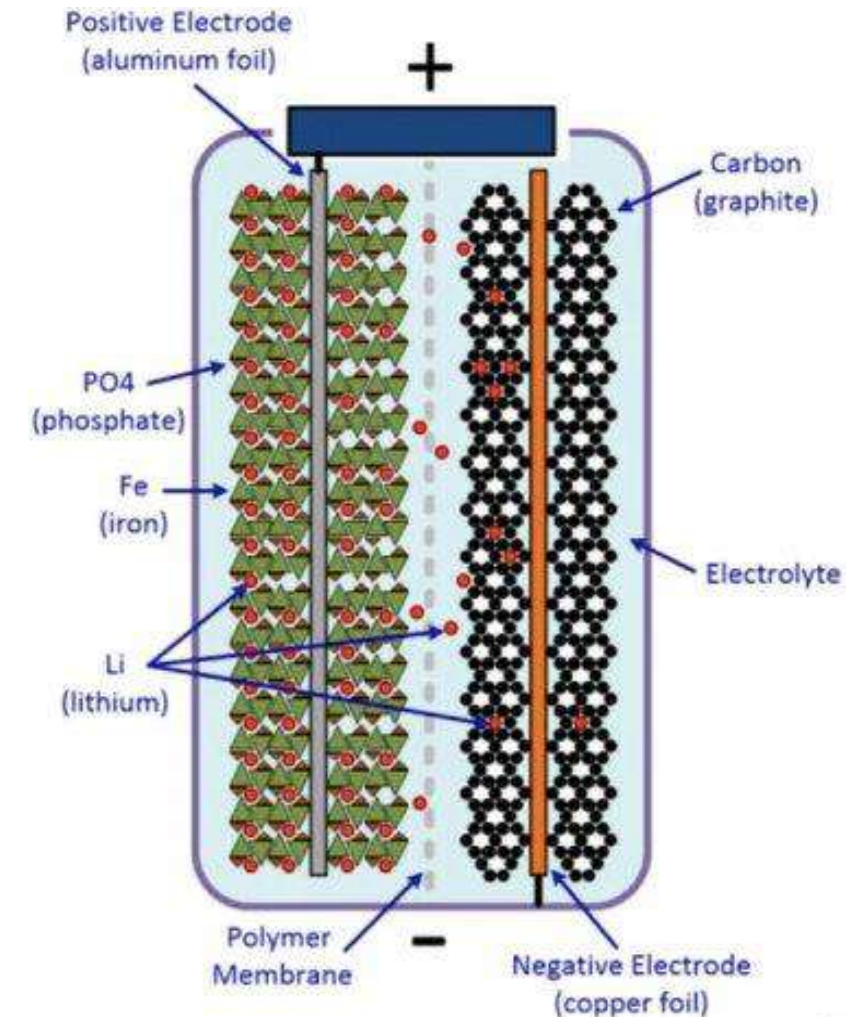
LFP Inputs



LFP Powder (LiFePO4)



LFP Battery



Source: <https://www.allaboutcircuits.com>

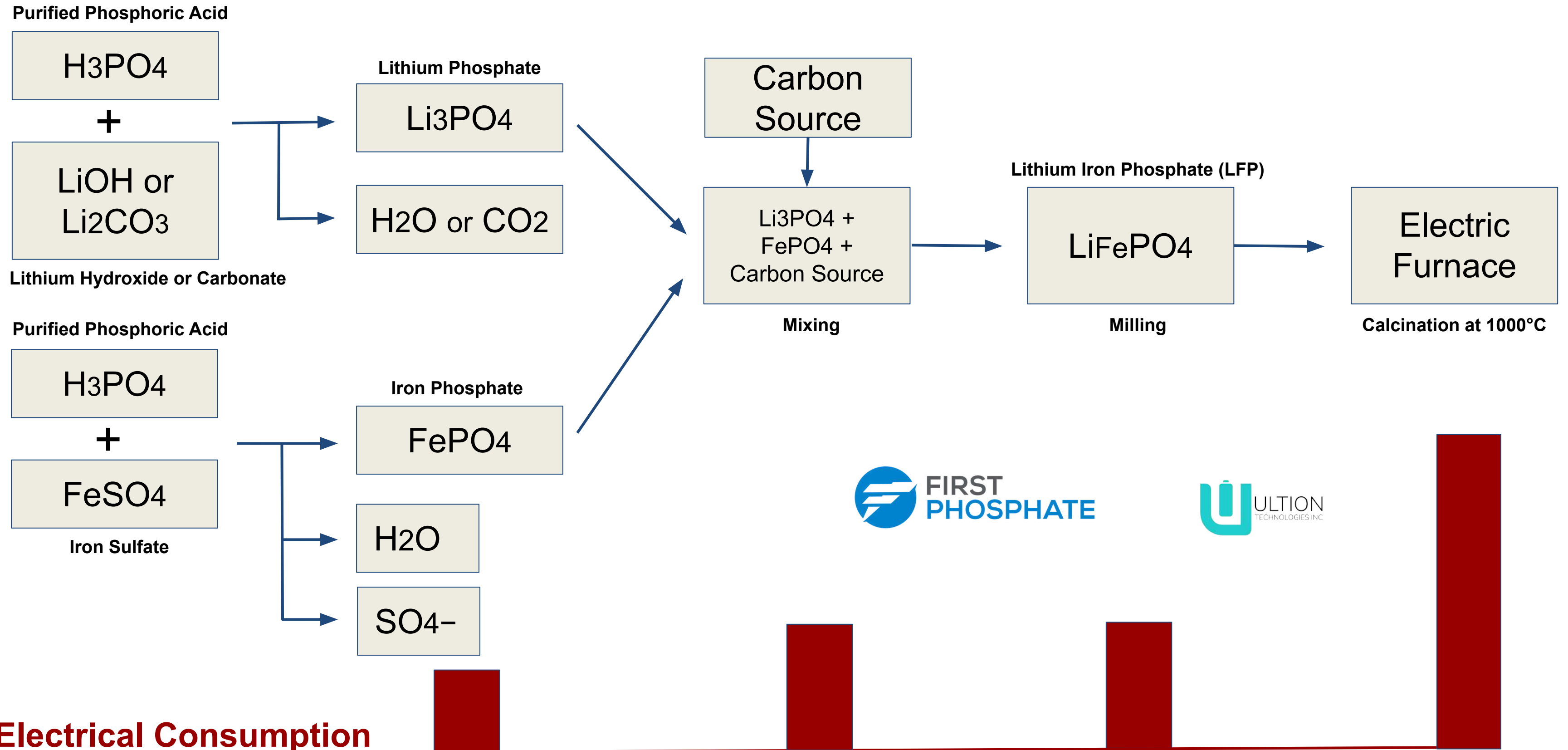
- Purified Phosphoric Acid (H3PO4): 28%
- Iron Sulphate (FeSO4): 62%
- Lithium Hydroxide (LiOH): 10%

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

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.

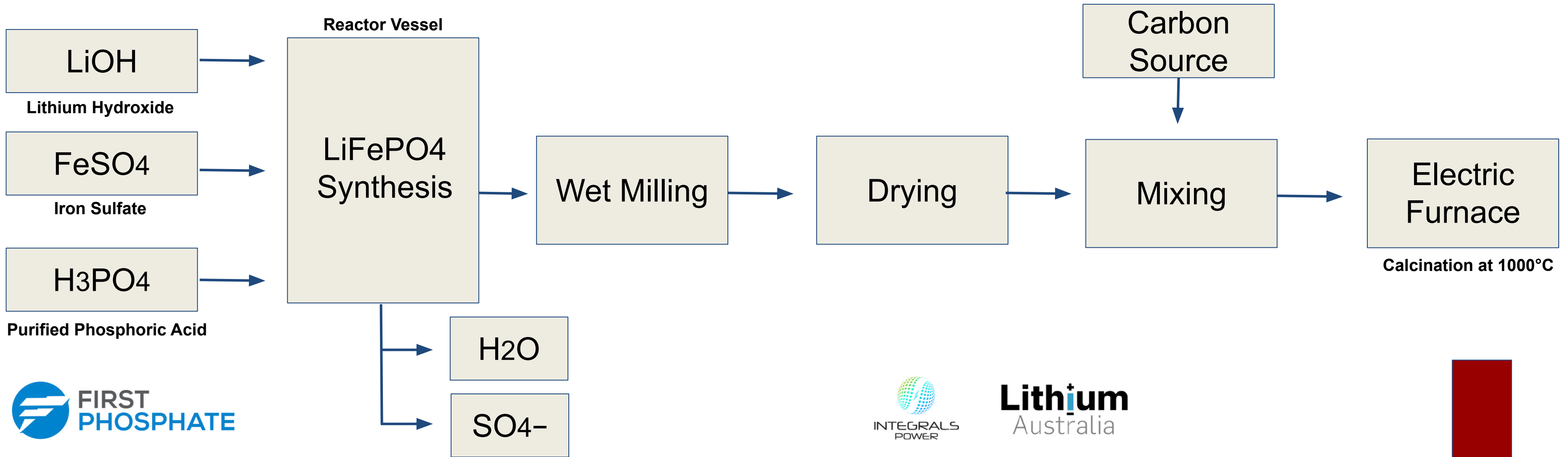
Source: DeauVision Srl

LFP Cathode Active Material Production - Traditional Method



Electrical Consumption

LFP Cathode Active Material Production - Newer Methods



Phosphate Public Company Comparables

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

Appendix I - Lac à l'Original Property Area

- Lac à l'Original**
- 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

- Free of all Net Smelter Royalties

- CH-300**
- Surface sample assayed at 5.0% P_2O_5
 - 3 other showings within radius of 1 km
 - Oxide-rich favorable rock unit

- CH-396 (Lac Périgny Sud-Est)**
- Surface sample returned 5.5% P_2O_5
 - Massive oxides typical of other deposits
 - Unworked since discovery in 2001

- CH-387**
- Oxide-rich rock similar to Lac à l'Original
 - Similar rock type to Lac à l'Original
 - Not assayed to date

- CH-343**
- Surface sample assayed at 7.4% P_2O_5
 - Massive oxides unit a few meters wide
 - Unworked since discovery in 2001

- Mirepoix**
- Previously shallow drilled only
 - Drill return of 4.1% P_2O_5 over 18.8 m
 - Surface showing of 7.5% P_2O_5 over 2 m
 - 27 holes drilled for a total of 910 m

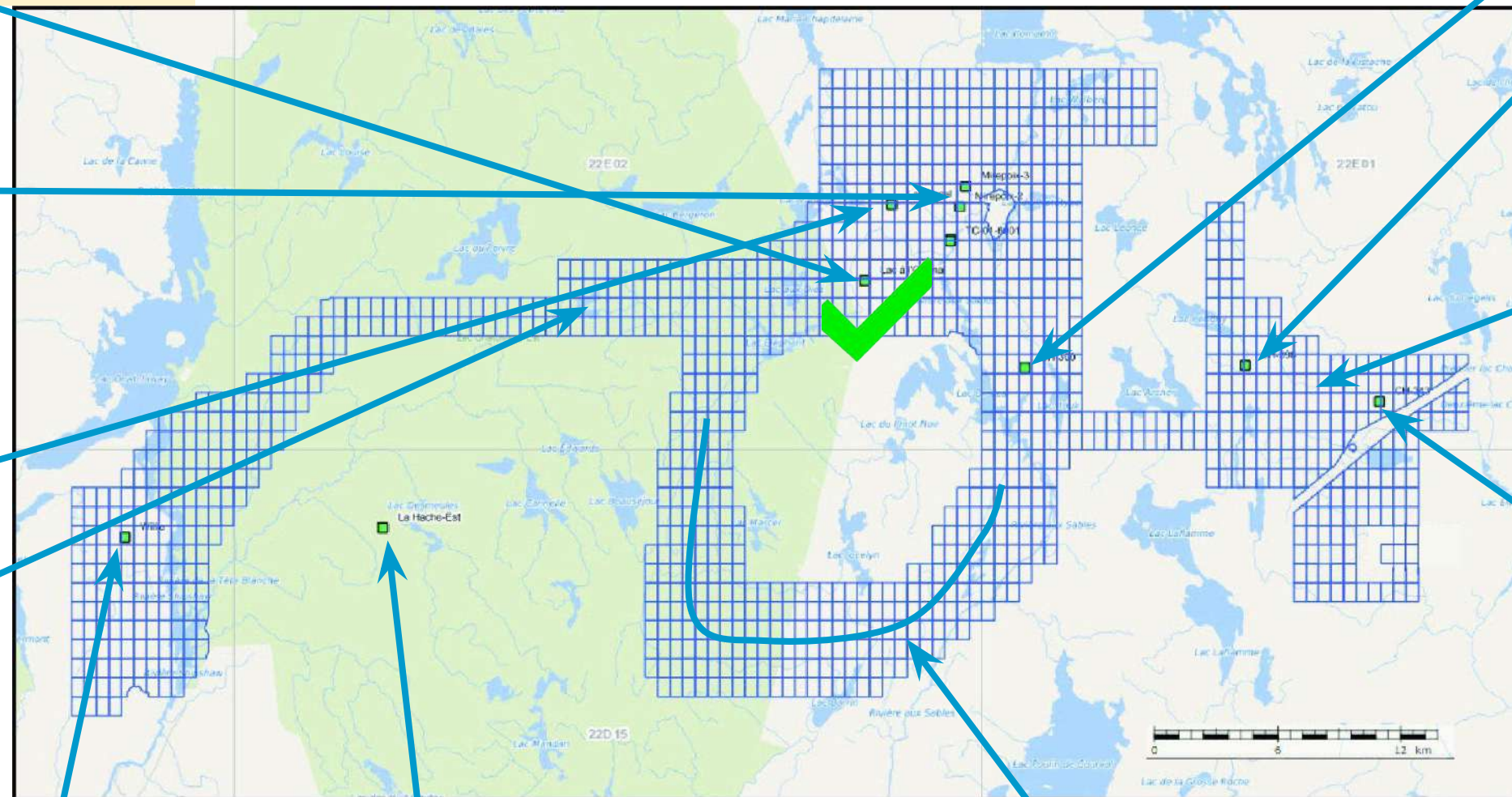
- Lac Vanel**
- Drill return of 3.6% P_2O_5 over 144 m
 - 6 holes drilled for a total of 756 m

- L'Étang & Area**
- West of Lac à l'Original
 - Oxide-rich rock similar to Lac à l'Original
 - Host rock similar to Lac à l'Original

- Willie**
- Surface samples at 4.0% to 6.0% P_2O_5
 - 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% P_2O_5

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





Thank you.

John Passalacqua, CEO john@firstphosphate.com

Armand Mackenzie, Vice President armand@firstphosphate.com

David Dufour, Public Relations david@firstphosphate.com

Bennett Kurtz, CFO bennett@firstphosphate.com

www.FirstPhosphate.com



Statutory Rights of Rescission

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 the earlier of 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 to not 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 purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) two 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.

Statutory Rights of Rescission

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 the earlier of one year from the date the purchaser first had knowledge of the facts giving rise to the cause of action and six 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 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 no person or company, other than the issuer, will be liable if the person or company proves that (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered, or (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or 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.

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, 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.

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.

Saskatchewan legislation also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

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, 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.

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In addition, Saskatchewan legislation provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold by a vendor who is trading in Saskatchewan in contravention of Saskatchewan securities legislation, regulations or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

The Saskatchewan legislation also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by the Saskatchewan legislation.

A purchaser who 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 is exercisable not later than the earlier of one year from the date the purchaser first had knowledge of the facts giving rise to the cause of action and six 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 to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.

These rights are in addition to, and without derogation from, any other rights or remedies available at law to a New Brunswick purchaser. The foregoing is a summary of the rights available 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 or other seller and the directors of the issuer as of the date 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 the directors of the issuer. 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. In the case of an action for damages, the issuer or other seller and the directors of the issuer 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.

In addition, a person or company, other than the issuer, is not liable with respect to any part of 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.

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 that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (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. The foregoing is a summary of the rights available 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.