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

September 2, 2026

Price (as of close Sept. 1, 2026)
C$2.25

12-Month Target Price
C$5.72

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About the Company

First Phosphate is a mineral development and cleantech company dedicated to building and onshoring a vertically integrated mine-to-market LFP battery supply chain for North America. Target markets include energy storage, data centers, robotics, mobility and national security. First Phosphate's flagship Bégin-Lamarche Property in Saguenay-Lac-Saint-Jean, Quebec is one of North America's rare igneous phosphate resources, yielding high-purity phosphate with minimal impurities.

52-Week Range	C$0.46 - C$2.78
Shares Outstanding	189.1 mil
Insider/Institutional	20.4% / 9.9%
Public Float	150.6 mil
Market Cap	C$479 mil
Total Debt	Nil
Debt/Equity	NA
ROE (LTM)	NA
Book Value/Share	C$0.12
Consolidated Daily Volume (90-day)	646,707
Fwd. Div. & Yield	--

EMERGING Growth Research

Lowering Discount Rates on Sustained De-Risking; Raising Target Price to C$5.72.

We are lowering the discount rates applied in our sum-of-the-parts (SOTP) net asset value for First Phosphate by 100 basis points - 10.5% for the mine (earlier 11.5%) and 12.5% for the phosphoric acid plant (earlier 13.5%). In our view, the adjustment reflects meaningful project de-risking over the past several months, including the Nasdaq ADR uplisting and broader access to U.S. capital, Filon's inclusion in Quebec's fast-track permitting framework, and the expanded definitive mineral resource estimate, which clears the path for advancement toward feasibility. Collectively, these milestones reduce financing, permitting, and resource definition risk and support a lower discount rate.

Improved Access to Capital and Sovereign Interest Lower the Cost of Capital Assumption. The recent Nasdaq ADR uplisting broadened First Phosphate's access to U.S. institutional capital, and management has pointed to growing engagement from sovereign and allied (G7) sources of project financing focused on securing a Western LFP phosphate supply chain. This engagement includes Denmark's state-backed Export and Investment Fund (EIFO), which has issued a letter of intent for a guarantee of up to C$275 million for the Begin-Lamarche mine. For the proposed Port Saguenay phosphoric acid plant, First Phosphate has received letters of intent from three Italian institutions - SACE, Cassa Depositi e Prestiti (CDP) and SIMEST- with support from engineering group MAIRE. In our view, greater access to strategically aligned, potentially lower cost, and longer duration capital reduces financing and project execution risk. A project more likely to be funded on favorable, long-term terms carries lower financing and completion risk. We therefore view a 100 bps reduction as consistent with the observed de-risking.

Greater Resource Definition Reduces Geological and Development Risk. The finalized mineral resource estimate materially increases the Indicated resource base and further demonstrates continuity and consistency across the deposit. In our view, the improved level of geological confidence reduces uncertainty around resource conversion, mine planning and project economics, while providing a clear path for the upcoming feasibility study. With the project now moving from resource definition toward feasibility, we believe a modest reduction in the project specific risk premium is warranted.

Valuation Impact: SOTP Target Increases to C$5.72. Our SOTP framework values the mine and phosphoric acid plant separately. Reducing the mine discount rate to 10.5% from 11.5% and the plant discount rate to 12.5% from 13.5%, with all operating, production, capex and commodity price assumptions unchanged, increases our target price to C$5.72 per share (from C$4.94). We view the upcoming feasibility study (early 2027) as the primary revaluation catalyst and may revisit both our cash flow inputs and our discount rates upon its completion.

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Buy, 30% or greater price appreciation in the next 12 months.
Buy-Extended, near-term EPS and/or revenue horizon is challenging with strong long-term appreciation possibility.
Buy-Emerging, initial stages with low revenue and the potential for large returns with higher risk and volatility.
Hold, perform similar to market.
Sell, 30% or more decline in the next 12 months.

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First Phosphate Corp
CSE: PHOS; OTC: FRSPF
Sum-of-the-parts / NAV model

C$'mn unless otherwise stated	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**
Mining																											
ROM mined, ktpa					**3,460**	**5,309**	**5,309**	**5,309**	**6,989**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**
Nameplate concentrate capacity (ktpa)					900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Recovery to concentrate					*10%*	*80%*	*85%*	*88%*	*89%*	*90%*	*90%*	*92%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*95%*	*93%*	*92%*	*92%*	*92%*	*90%*	*90%*
Apatite concentrate (kt, ~40% P_2O_5)					90	720	765	792	801	810	810	828	855	855	855	855	855	855	855	855	855	837	828	828	828	810	810
Realized apatite price, US$/t, adj for freight					325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325	325
Apatite revenue, US$'mn					29	234	249	257	260	263	263	269	278	278	278	278	278	278	278	278	278	272	269	269	269	263	263
Apatite revenue, C$'mn					**41**	**328**	**348**	**360**	**364**	**368**	**368**	**377**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**381**	**377**	**377**	**377**	**368**	**368**
opex (adj for magnetite credit)	(9)	(9)	(9)	(9)	(12)	(96)	(102)	(105)	(107)	(108)	(108)	(110)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(114)	(111)	(110)	(110)	(110)	(108)	(108)
Change in net working capital		-	-	-	2	11	1	0	0	0	-	0	0	-	-	-	-	-	-	-	-	(0)	(0)	-	-	(0)	-
Capex	(6)	(6)	(338)	(338)	(6)	(8)	(9)	(10)	(11)	(13)	(15)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(15)	(15)	(14)	(13)	(13)
FCF (pre-tax)	**(15)**	**(15)**	**(347)**	**(347)**	**25**	**236**	**238**	**245**	**247**	**248**	**246**	**251**	**260**	**259**	**259**	**259**	**259**	**259**	**259**	**259**	**259**	**253**	**251**	**252**	**253**	**247**	**248**
Effective tax rate					*10%*	*12%*	*15%*	*15%*	*15%*	*15%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Income tax					(3)	(28)	(36)	(37)	(37)	(37)	(62)	(63)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(63)	(63)	(63)	(63)	(62)	(62)
FCF (post-tax)	(15)	(15)	(347)	(347)	23	207	202	209	210	211	185	188	195	194	194	194	194	194	194	194	194	190	189	189	189	186	186
Discount factor (12% WACC)	1.00	0.95	0.86	0.78	0.70	0.64	0.58	0.52	0.47	0.43	0.39	0.35	0.32	0.29	0.26	0.23	0.21	0.19	0.17	0.16	0.14	0.13	0.12	0.11	0.10	0.09	0.08
Mine NAV (PV of FCF)	**(15)**	**(14)**	**(297)**	**(269)**	**16**	**132**	**116**	**109**	**99**	**90**	**71**	**66**	**62**	**56**	**50**	**46**	**41**	**37**	**34**	**31**	**28**	**24**	**22**	**20**	**18**	**16**	**15**

Mine NAV, C$'mn **617**

PPA plant	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Nameplate capacity (ktpa, P_2O_5 basis)					**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**
Utilization					*10%*	*70%*	*75%*	*80%*	*80%*	*85%*	*85%*	*90%*	*90%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*92%*	*90%*	*90%*	*88%*	*88%*
PPA sales volume (kt, P_2O_5 basis)					10	133	143	152	152	162	162	171	171	175	175	175	175	175	175	175	175	175	175	171	171	167	167
Realized PPA price, US$/t P_2O_5, FOB Saguenay					918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918	918
PPA revenue, US$ mn					9	122	131	139	139	148	148	157	157	160	160	160	160	160	160	160	160	160	160	157	157	153	153
By-product credits - gypsum/others US$mn					0	7	10	11	11	12	12	13	13	13	13	13	13	13	13	13	13	13	13	13	13	12	12
By-product credit as % of PPA revenue					*3%*	*6%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*	*8%*
Total PPA plant revenue, US$mn					9	129	141	151	151	160	160	169	169	173	173	173	173	173	173	173	173	173	173	169	169	166	166
Total PPA plant revenue, C$mn					**13**	**181**	**198**	**211**	**211**	**224**	**224**	**237**	**237**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**242**	**237**	**237**	**232**	**232**
Feedstock cost – apatite transfer					141	(146)	(166)	(178)	(182)	(187)	(187)	(195)	(207)	(207)	(207)	(207)	(207)	(207)	(207)	(207)	(207)	(199)	(195)	(195)	(195)	(187)	(187)
Cash opex, C$'mn					(3)	(47)	(50)	(53)	(53)	(57)	(57)	(60)	(60)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(61)	(60)	(60)	(59)	(59)
Change in net worrking capital		-	-	-	1	13	1	1	-	1	-	1	-	0	-	-	-	-	-	-	-	-	-	(0)	-	(0)	-
Capex			(122)	(122)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
FCF (post-tax)			**(122)**	**(122)**	**3**	**141**	**142**	**151**	**150**	**161**	**160**	**171**	**170**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**174**	**170**	**170**	**166**	**166**
Effective tax rate					*10%*	*12%*	*15%*	*15%*	*15%*	*15%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Tax charge					(0)	(17)	(21)	(23)	(23)	(24)	(40)	(43)	(42)	(44)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(42)	(42)	(41)	(42)
FCF (post-tax)			(122)	(122)	3	124	121	129	128	137	120	128	127	131	130	130	130	130	130	130	130	130	130	127	127	124	125
Discount factor (14% WACC)			*0.83*	*0.74*	*0.66*	*0.59*	*0.52*	*0.46*	*0.41*	*0.37*	*0.33*	*0.29*	*0.26*	*0.23*	*0.20*	*0.18*	*0.16*	*0.14*	*0.13*	*0.11*	*0.10*	*0.09*	*0.08*	*0.07*	*0.06*	*0.06*	*0.05*
PV of FCF			**(102)**	**(91)**	**2**	**73**	**63**	**60**	**53**	**50**	**39**	**37**	**33**	**30**	**26**	**24**	**21**	**19**	**17**	**15**	**13**	**12**	**10**	**9**	**8**	**7**	**6**

PPA NAV **431**

SotP Valuation

Mine NAV, C$mn	617
PPA plant NAV, C$mn	431
Cash, C$mn	35
Total NAV	**1,083**
Shares outstanding, mn	189.1
Est. NAV/share, C$	**5.72**
Share price, C$	1.88
Upside	*204%*
Price/NAV	*0.33x*

Key assumptions

Discount rate - mine	10.5%
Discount rate - plant	12.5%
Mine cash opex/ton (adj for credits), US$	95
PPA cash opex/ton, US$	250
US$/CAD	1.40
P_2O_5 conversion factor	0.73
Battery grade purity premium, US$/tonne	45

Reserves

Total mine resources, million tonnes (Mt)	150.55
Grade estimate	5.76% P_2O_5
Mine life	~24 years
Strip ratio	~1.5:1 (waste:ore)
Implied mass yield to concentrate	13.7% (20.7 Mt conc./150.55 Mt feed)
Implied P_2O_5 recovery:	90-95% (40% P_2O_5 concentrate)

Source: Fertiliser Association of India, Argus Media, P2O5.com

Price Target Sensitivity Analysis:

Mine discount rate	Apatite price (adjusted), US$/t				
	225	275	325	375	425
12%	2.45	3.70	4.94	6.19	7.44
13%	2.23	3.37	4.51	5.65	6.79
14%	2.05	3.09	4.13	5.17	6.21
15%	1.90	2.85	3.80	4.75	5.70
16%	1.76	2.63	3.51	4.38	5.26

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