

CP8 executes Letter of Intent with Novaphos to advance phosphate processing in Canada

HIGHLIGHTS

- Canadian Phosphate Ltd. (ASX: CP8) has executed a non-binding Letter of Intent (LOI) with Novaphos Inc. to collaborate on potential development of new technology for phosphoric acid production in Canada.
- Novaphos is a leading U.S.-based developer of advanced phosphate processing technology.
- Potential partnership aims to utilize Novaphos' proprietary phosphate processing technology to help CP8 create more value from its existing rock phosphate projects in the next stages of business development.
- Novaphos technology converts run-of-mine rock phosphate directly into high-grade phosphoric acid - suitable for both high value liquid fertilizers and lithium iron phosphate (LFP) battery materials.
- Novaphos' process avoids significant beneficiation and does not create phosphogypsum waste, instead producing a solid calcium silicate suitable for use in the construction industry as a commercial by-product.
- CP8's Wapiti and Fernie Projects in British Columbia offer strategic proximity to low-cost natural gas, hydroelectricity, infrastructure as well as access to the agricultural prairies of Western Canada and major cement production facilities.
- CP8 remains firmly committed to advancing its projects and supporting value chain development toward the production of high-grade phosphoric acid for the North American fertilizer and LFP battery industry.

Canadian Phosphate Ltd. (ASX: CP8) ("Canadian Phosphate" or "the Company") is pleased to announce it has signed a non-binding **Letter of Intent (LOI)** with **Novaphos Inc.**, a leading U.S.-based developer of **advanced phosphate processing technology**.

The LOI outlines both parties' intent to evaluate the application of **Novaphos' technology** to **CP8's high-grade sedimentary rock phosphate** from its **Wapiti and Fernie Projects** in British Columbia, Canada as CP8 looks to add value to its portfolio by expanding downstream and end-use options for its rock phosphate projects.

In addition to CP8's existing rock phosphate sales to growers and manufacturers, this collaboration with Novaphos aims to establish a **sustainable, domestic source of processed phosphate** to support both the **fertilizer** and **lithium iron phosphate (LFP) battery** markets in North America, helping to ensure future food security and a decarbonized energy sector.

Canadian Phosphate Managing Director Daniel Gleeson commented:

"In line with our intention to explore more value-added end uses and product offerings for our rock phosphate, we are very pleased to be taking the next step in this process by partnering with Novaphos,

whose innovative processing technology has the potential to transform how phosphates are produced.

“The ability to convert high-grade, sedimentary rock phosphate from our Wapiti and Fernie projects directly into high grade phosphoric acid – through scalable and sustainable capital investments, whilst avoiding the harmful production of mine tailings or phosphogypsum waste – aligns perfectly with CP8’s vision to establish a sustainable, vertically integrated phosphate industry that supports both agriculture and the growing LFP battery sector across North America.

“Given the reliance on 100% imported phosphate fertilizer into Canada today and the recent completion of Stellantis & LG’s C\$5 billion gigafactory focused on LFP technology and the expected completion in 2027 of Volkswagen’s C\$7 billion gigafactory, timing could not be better for a domestic source of phosphate¹.”

Through significant investment and research, Novaphos has developed a **proprietary process** to produce phosphates that deliver significant benefits over the traditional wet-acid process, a process responsible for the creation of waste mine tailings and phosphogypsum waste. These benefits include:

- Higher-quality phosphoric acid for liquid fertilizer and LFP batteries
- No difficult or large-scale waste disposal issues
- Scalable and modest footprint
- Lower operating costs
- Usable, sellable co-products
- Local/regional production enabled
- Ability to utilize lower grade rock phosphate
- Helping create high-value products that minimize environmental impacts.

In parallel to this technology, CP8’s Wapiti and Fernie rock phosphate projects provide significant benefits to the future potential success of this partnership. This includes its access to rail and road infrastructure, an abundance of cost-effective natural gas, hydroelectricity, and silica, as well as proximity to the end use markets of the Western Canadian Prairies for fertilizer use, North American LFP battery manufacturing industries and Canadian cement construction companies of Alberta. In addition, its high-grade rock phosphate ore avoids the need for beneficiation or waste stream piles in this process.

Strategic Rationale

The potential partnership represents a major step toward developing an **integrated phosphate value chain in Canada**, supporting:

- Development of **domestic production of high-grade phosphoric acid** for fertilizer and LFP battery manufacturing;
- **Reduction of Canada’s 100% import dependency** for critical phosphate-based materials from around the world;
- **Growth of North America’s LFP cathode active material (CAM) industry**; and

¹ [Construction has started on massive Volkswagen battery plant in St. Thomas, Ont. | CBC News](#) and [Windsor's NextStar plant to prioritize making batteries for power grid storage systems | CBC News](#)

- **Adoption of sustainable phosphate processing practices**, which includes the production of solid calcium silicate for the construction industry, whereby avoiding the creation of phosphogypsum waste piles associated with traditional processes.

Next Steps

Under the LOI, CP8 and Novaphos intend to:

- Conduct **technical and commercial evaluations** of the Novaphos process using CP8's phosphate ore;
- **Assess potential project locations** within British Columbia and Alberta; and
- **Develop a framework** for future definitive agreements covering engineering design, licensing, and project development.

The LOI is **non-binding** and there is no certainty that definitive agreements will be entered into. However, both parties have agreed to advance discussions and technical assessments in good faith.

CP8 Strategy

Canadian Phosphate's long-term strategy remains firmly focused on moving up the value chain toward the production of high-grade phosphoric acid for the North American fertilizer and LFP battery industry. Achieving this vision requires a strong and secure foundation of high-quality rock phosphate supply, and the Company remains firmly committed to advancing its Wapiti and Fernie projects in British Columbia as the core of that future success.

With provincial government employees at the Ministry of Mining and Critical Minerals now returned to work following recent strike action, the Company is working closely with the Ministry to progress the Wapiti Exploration Permit, targeting drilling in 2026 based on the program designed by Dahrouge Geological Consulting. This drilling is anticipated to support a maiden mineral resource estimate, enabling technical and economic advancement of the project.

In parallel, Canadian Phosphate continues to advance its Fernie bulk sampling initiatives that will both deepen geological understanding and support growing market demand for natural, regenerative fertilizer inputs. The Pump Station bulk sample permit for 10,000 tonnes remains a key near-term priority, with the Company aiming to commence extraction in 2026 alongside its already approved 10,000-tonne Barnes bulk sample program. These activities not only underpin resource confidence but also facilitate ongoing market evaluation and customer engagement across North America, ensuring strong alignment between project development and future value-added processing ambitions.

About Novaphos

Novaphos has worked for over a decade to develop its innovative technologies for sustainable production of the phosphates needed to feed humanity and make the energy transition.

- Increased phosphate availability and quality
- Minimal waste + better resource efficiency
- Lower costs/higher ROI vs. traditional process

- Proprietary process + robust IP protection
- Ready to scale and commercialize
- Traction with strategic partners.

Authorised by the board of Canadian Phosphate Limited.

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BOARD OF DIRECTORS

Stuart Richardson – Non-Executive Chairman
Daniel Gleeson – Managing Director
Malcolm Weber – Non-Executive Director

KEY PROJECTS

Wapiti – Ownership 100%
Fernie – Ownership 100%

Cautionary Statement

The Information in this report that relates to the Fernie Project is extracted from the Company's announcement titled Quarterly Report & 5B", dated 28th October 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement. The Company confirms that the form & context in which the findings are presented have not been materially modified.

Forward-Looking Statements

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