

**Form 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Arianne Phosphate Inc. (the “**Company**” or “**Arianne**”)  
901 Talbot Blvd, Suite 302  
Chicoutimi, QC G7H 6N7

**Item 2. Date of Material Change**

October 10, 2024

**Item 3. News Release**

A news release dated October 10, 2024 was disseminated through the facilities of CNW, and was subsequently filed on SEDAR+. A copy of the news release is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and on the Company’s website at <https://www.arianne-inc.com>.

**Item 4. Summary of Material Change**

On October 10, 2024, the Company announced that it received financing by way of an unsecured convertible debenture from a global mining company (the “**Strategic Investor**”). Under the terms of the investment, the Strategic Investor purchased a convertible debenture in the principal amount of approximately C\$3.8 million, that matures in three years and bears interest at 9.5% per annum.

**Item 5. Full Description of Material Change**

See the Company’s news release dated October 10, 2024, a copy of which is attached as Schedule “A” hereto.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item 7. Omitted Information**

Not Applicable.

**Item 8. Executive Officer**

Brian Ostroff  
President  
Telephone: 1-514-908-4202

**Item 9. Date of Report**

October 16, 2024

**SCHEDULE "A"**  
**News Release dated October 10, 2024**  
*[see attached]*

# ARIANNE PHOSPHATE RECEIVES STRATEGIC INVESTMENT FROM A GLOBAL MINING COMPANY

**DAN: TSX-V (Canada)**

**JE9N: FSE (Germany)**

**DRRSF: OTCQX (USA)**

SAGUENAY, QC, Oct. 10, 2024 /CNW/ - **Arianne Phosphate (the "Company" or "Arianne")** (TSXV: DAN) (OTCQX: DRRSF) (FRANKFURT: JE9N), a development-stage phosphate mining company, advancing the Lac à Paul project in Quebec's Saguenay-Lac-Saint-Jean region is pleased to announce that it has received financing by way of an unsecured convertible debenture from a global mining company (the "Strategic Investor"). Arianne owns the fully permitted Lac à Paul phosphate mining project and is currently advancing work on its proposed downstream phosphoric acid project. The proceeds received from the financing will be used to advance the Company's work on the downstream facility to better quantify the opportunity. The economic benefits of the downstream facility are driven by the conversion of regionally sourced igneous phosphate concentrate into a highly sought downstream product that requires additional supply, particularly originating outside of China.

"This is a significant step forward for the project and the Company," said Brian Ostroff, President of Arianne Phosphate. "This investment comes from a group that has the skill-set to help advance the project and provide us with a catalyst to aggressively move forward. In addition, demonstrating the ability to attract this investment can facilitate the project's advancement and help accelerate discussions with other parties that have expressed a strong interest in the project or shown interest in certain aspects of the project such as receiving product. This investment is a big plus for Arianne, its stakeholders, investors and the Saguenay region."

## Investment Terms

Under the terms of the investment, the Strategic Investor purchased a convertible debenture in the principal amount of approximately C\$3.8 million, that matures in three years and bears interest at 9.5% per annum. Interest payments are added to the principal amount of the convertible debenture, and as a result, no amounts are required to be repaid by Arianne until the maturity of the instrument. The Strategic Investor has the option, at any time and subject to customary adjustments, to convert (i) the principal amount of the convertible debenture at a price of C\$0.35 per common share, and (ii) the accrued interest thereon at a price per share equal to the greater of (a) C\$0.35 and (b) the market price at the time the accrued interest is converted, as determined in accordance with the rules of the TSX Venture Exchange. Upon the Strategic Investor reaching an ownership of at least 3.0% of the issued and outstanding common shares of Arianne (either through conversion, open market purchase or otherwise), the Company will enter into an investor rights agreement with the Strategic Investor that will provide customary participation and top-up rights and a board nomination right.

The investment remains subject to the final acceptance of the TSX Venture Exchange. The convertible debenture purchased by the Strategic Investor is subject to a four-month hold period under applicable Canadian securities laws ending on February 11, 2025.

## Downstream Production

The proceeds from the investment will be used to advance the Company's previously announced intention to build and operate a downstream purified phosphoric acid ("PPA") plant. As highlighted in

the preliminary study, Arianne is looking to construct a facility in the Saguenay region of Quebec, Canada that would convert regionally produced phosphate concentrate into PPA. The two grades of phosphoric acid that would be produced at the facility are a very high-purity PPA known as "white acid", used in the production of lithium-iron-phosphate (LFP) batteries and direct food additives and, a second-tier phosphoric acid used in the production of specialty fertilizers and animal feeds. The facility would look to produce 350,000 tonnes annually of high-purity PPA and 220,000 tonnes of the second-tier phosphoric acid, making it a substantial Western producer of battery and food-grade PPA. Some of the benefits associated with the proposed facility include: easy access to premium phosphate concentrate, pre-existing logistics, beneficial ESG characteristics and strong economics.

In closing, Raphael Gaudreault, Arianne's Chief Operating Officer added "this investment continues to demonstrate the interest and opportunity in critical minerals in general, and our project in particular. The West has come to understand the importance of diversifying away from China when it comes to supply chains and, involving global miners with both the skills and financial ability to assist with these projects will be instrumental if the West is going to be successful."

### **About Arianne Phosphate:**

Arianne Phosphate Inc. ([www.arianne-inc.com](http://www.arianne-inc.com)) is developing the Lac à Paul phosphate deposits located approximately 200 km north of the Saguenay/Lac St. Jean area of Quebec, Canada. These deposits will produce a high-quality igneous apatite concentrate grading 39% P<sub>2</sub>O<sub>5</sub> with little or no contaminants ("Feasibility Study to Produce 3Mtpy of High Purity Apatite Concentrate at the Lac a Paul Project, Québec, Canada" released on November 13, 2013). The Company has 202,890,210 shares outstanding.

### **Qualified Person**

Raphael Gaudreault, eng., Qualified Person by NI 43-101, has approved the technical disclosure in this release. Mr. Gaudreault is also the Company's Chief Operating Officer.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Follow Arianne on:**

Facebook: <https://www.facebook.com/ariannephosphate>

Twitter: [http://twitter.com/arianne\\_dan](http://twitter.com/arianne_dan)

YouTube: <http://www.youtube.com/user/ArianneResources>

Flickr: <http://www.flickr.com/photos/arianneresources>

Resource Investing News: <http://resourceinvestingnews.com/?s=Arianne>

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The security and the securities into which they are convertible have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons absent registration under, or an applicable exemption from the registration requirements of, the U.S. Securities Act and applicable state securities laws.

### **Cautionary Statements Regarding Forward Looking Information**

***This news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities regulations in Canada and the United States (collectively, "forward-looking information"). Forward-looking information includes, but is not limited to, information relating to the advancement and potential of the proposed downstream phosphoric acid project, including the construction, operation and production of the PPA plant, the acceleration of the discussions with other parties in connection with the project, and the anticipated results of the investment by the Strategic Investor for***

**Arianne, its stakeholders, investors and the Saguenay region. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", forecasts", "intends", "anticipates", or "believes", or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: volatile stock price; risks related to changes in commodity prices; sources and cost of power facilities; the estimation of initial and sustaining capital requirements; the estimation of labor and operating costs; the general global markets and economic conditions; the risk associated with exploration, development and operations of mineral deposits; the estimation of mineral reserves and resources; the risks associated with uninsurable risks arising during the course of exploration, development and production; risks associated with currency fluctuations; environmental risks; competition faced in securing experienced personnel; access to adequate infrastructure to support mining, processing, development and exploration activities; the risks associated with changes in the mining regulatory regime governing the Company; completion of the environmental assessment process; risks related to regulatory and permitting delays; risks related to potential conflicts of interest; the reliance on key personnel; financing, capitalization and liquidity risks including the risk that the financing necessary to fund continued exploration and development activities at Lac à Paul project may not be available on satisfactory terms, or at all; the risk of potential dilution through the issue of common shares; the risk of litigation. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in commodity prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approval, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.**

SOURCE Arianne Phosphate Inc.

View original content: <http://www.newswire.ca/en/releases/archive/October2024/10/c8931.html>

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CO: Arianne Phosphate Inc.

