The following discussion and analysis of the operations, results and financial position of First Tellurium Corp. (formerly Deer Horn Capital Inc.) (the “Company” or "First Tellurium") for the three months ended January 31, 2022 should be read in conjunction with the audited financial statements for the three months ended January 31, 2022, which can be found on SEDAR at www.sedar.com.

This Management Discussion and Analysis (“MD&A”) is dated April 4, 2022 and discloses specified information up to that date. The Company is classified as a “venture issuer” for the purposes of National Instrument 51-102. The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) in Canada. Unless otherwise cited, references to dollar amounts are in Canadian dollars.

The Company is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario. Its head office is located at 381 – 1440 Garden Place, Delta, BC, V4M 3Z2. Its registered records office is located at Suite 600, 890 West Pender Street, Vancouver, BC, V6C 1J9.

Forward-looking Information

Certain statements in this MD&A and the documents incorporated by reference contain forward-looking information, which includes forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements 20 are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, or “potential” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause the Company’s or the industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits the Company will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company; investments objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for products, business prospects and opportunities; costs and timing of developmental new projects; management’s assessment of future plans and operations; and requirements for additional capital.

Overview

First Tellurium is a publicly-traded, Vancouver-based issuer, whose primary focus on is on mineral exploration in North America. The Company has a 50% interest in the Deer Horn Property, located in British Columbia. The Company also has an option to acquire the Colorado Klondike Property, located in south-central Colorado, USA. Exploration focus on both properties is for tellurium, with a secondary focus on exploration of other base, critical and precious metals such as gold, silver, copper and tungsten.

Aside from its controlling interests in mineral exploration properties, the Issuer holds a 49% equity interest in Cheona Metals Inc., with its First Nations partner, who holds a 51% equity interest, with a mission of restoring placer mines in north western Canada in an environmentally sustainable manner.

The Issuer also holds a 49% equity interest in Cheona Health Inc., with its First Nations partner, who holds a 51% equity interest, formed to help Canada and Indigenous communities achieve better health and well-being.

The Company received a 5-year exploration permit on its Deer Horn Property on November 3, 2021, which will be used for drilling and other exploration to expand the Deer Horn property’s current NI 43-101 resource. In addition, the Company also plans further exploration of copper mineralization identified in past prospecting west of the gold-silver-tellurium resource.

The Company also has commenced exploration work on its Colorado Klondike property to include mapping and sampling of locally exposed bedrock in roadcuts, and geological follow-up of tellurium samples collected in from 2006 – 2011 with further surface exploration planned.

The Company engaged in a joint supply and sales agreement with Malami Consulting, LLC to partner for potential future off-take agreements for tellurium and other critical/rare earth metals.

The Company has also completed its listing on the Frankfurt exchange (“G 1 J.F”) and is currently in the process of pursing a listing on the OTCQB in the United States.

Strategy, Performance and Outlook

The global economic situation initiated by the COVID-19 global pandemic as well as conflict in Eastern Europe has generated significant volatility in the world economy affecting global markets, including the mining and energy industries. It is not possible for the Company to predict the duration or magnitude of the adverse consequences due of these events and its effects on the Company’s business or ability to raise funds.

Although market conditions and operational restrictions have hindered past efforts, the Company has been successful in its capital raising efforts and has planned exploration activity on its Deer Horn Property in summer 2022, which may include drilling on gold/silver/tellurium (“AU/AG/TE”) targets and tellurium areas of interest. Further exploration work is pending on the Colorado Klondike property, following receipt and analysis of recently-conducted sampling and assay results.

First Tellurium also initiated exploration activity on its Colorado Klondike property located in Colorado, USA, to reconfirm prior assays and provide data to plan and implement a 2022 drill program. As of the date of this MD&A, assays are pending.

The Company has been successful in its capital raising efforts, issuing 22,550,000 units for gross proceeds of $1,804,000, 400,000 flow-through units for gross proceeds of $140,000 and issuing xx common shares upon exercise of warrants during the period ended January 31, 2022.

The Company’s forward strategy is to explore its current properties to further enhance its current resources and identify new sources of strategic and base metals.

Deer Horn Property

The Company intends to resume its exploration efforts on its 50% interest in the Deer Horn Property to include both exploration of additional targets on new showings as well as further in-fill and step-out drilling with a view to revise and upgrade its Preliminary Economic Assessment (“PEA”) for the property. The amended and restated PEA, prepared in accordance with NI 43-101, is available in the Company’s disclosure record located on SEDAR (www.sedar.com). The PEA estimated that the project will carry a 9-year mine life with a 1.6-year payback period.

The PEA describes a 74,000 tonnes per year seasonal, open-pit mining operation and conventional flotation mill which would produce a combined gold/silver/tellurium concentrate. The Project may be permitted under the Mines Act of BC as a small mine, without the requirement for a provincial environmental assessment (EA) as the project mining tonnage does not exceed the legislated reviewable project threshold of 75,000 tonnes per year. Waste to ore cut-offs were determined using metal prices of US$1,300 per ounce gold, US$17 per ounce silver, US$100 per kilogram tellurium, US$3 per pound copper and $1 per pound zinc for net smelter return calculations. Net smelter return cut-off for the PEA pit delineated resource was assumed to be $29/tonne.

The initial capital cost of the Project is estimated to be $28.3 million. Average mine, process and G&A operating costs over the Project's life (including pre-stripping and waste handling) are estimated to be $94 per tonne milled. A base case economic evaluation was undertaken incorporating historical three-year trailing averages for metal prices as of May 31, 2018.

It should be noted that this PEA is preliminary in nature as it includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecast will be realized or that any of the resources will ever be upgraded to reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company also received approval for a five-year exploration permit in addition to its intended permit application for a 10,000 bulk sample. The permit will be used for drilling and other exploration to expand the property's current NI 43-101 resource of gold, silver and tellurium. In August 2020, the Company engaged environmental consultants to undertake preliminary environmental assessments relating to the bulk sampling and geological and engineering consultants to further the bulk sample permitting.

Colorado Klondike Property

The Company is currently in the planning phases for a follow-up work program on the Colorado Klondike Property to pending results of surface sampling, prospecting and mapping.

Cheona Metals Inc.

The Company entered into a partnership with a First Nation entrepreneur, forming a company, Cheona Metals Inc. ("Cheona Metals"), in which it holds a 49% equity interest. Cheona Metals will focus on exploration in highly prospective areas in northern British Columbia.

In July 2020, Cheona Metals undertook prospecting activity near the "Golden Horseshoe," or Golden Triangle region of northern British Columbia. The prospecting focused on ground that had seen little, if any, prior investigation by prospectors. The Company anticipates Cheona Metals will have results and follow-up exploration plans in early 2022. To date, Cheona Metals has staked two mineral claims totaling 2,403 hectares in the Dease River region of British Columbia and one mineral claim in the Atlin District of British Columbia totaling 490 hectares.

Cheona Health Inc.

The Company entered into a partnership Cheona Health Inc. ("Cheona Health"), in which it holds a 49% equity interest. Cheona Health's focus is to help Indigenous and other communities in Canada achieve better health and well-being.

Revenue and Expense Summary

Expenses – Three months ended January 31, 2022

General and administrative expenses totaled $748,351 for the period ended January 31, 2022 compared to $169,122 for the period ended October 31, 2020. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion increased by $529,761 to $531,265 from $1,504. The Company has recently invested in efforts to increase its visibility and marketing on the global stage on its properties, thereby increasing costs.

- Investor relations and shareholder information increased by $43,522 to $49,319 from $5,797. In conjunction with its increased advertising and promotional efforts, increased activity relating to shareholder information costs were incurred during the period, mainly outside of North America.
- Office and miscellaneous expenses increased by $9,226 to $13,906 from $4,680. Increased corporate activity and resulting administrative staffing requirements have caused the increase.
- Professional fees increased by $16,514 to $21,374 from $4,860 and is attributable to an increase in general corporate legal fees relating to private placements and other financing activities.
- Regulatory and filing fees increased by $21,309 to $27,179 from $5,870 and is due to increases costs incurred for private placements and foreign listing in Frankfurt as well as DTC eligibility in connection with a potential listing in the United States.

Interest expense remained consistent at $4,624 for the periods ended January 31, 2022 and 2021.

Exploration Expenses

The Company incurred no exploration expenses during the periods ended January 31, 2022 or 2021.

Expenses – Six months ended January 31, 2022

General and administrative expenses totaled $996,639 for the period ended January 31, 2022 compared to $275,153 for the period ended January 31, 2021. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion increased by $529,761 to $531,265 from $1,504. The Company has recently invested in efforts to increase its visibility and marketing on the global stage on its property assets, thereby increasing costs.
- Investor relations and shareholder information increased by $42,362 to $53,119 from $10,757. In conjunction with its increased advertising and promotional efforts, increased activity relating to shareholder information costs were incurred during the period, mainly outside of North America.
- Office and miscellaneous expenses increased by $8,980 to $19,171 from $10,191. Increased corporate activity and resulting administrative staffing requirements have resulted in the increase.
- Professional fees increased by $17,063 to $21,923 from $4,860 and is attributable to an increase in general corporate legal fees relating to private placements and other financing activities.
- Regulatory and filing fees increased by $41,546 to $51,234 from $9,688 and is due to increases costs incurred for private placements and foreign listing in Frankfurt as well as DTC eligibility in connection with a potential listing in the United States.

Interest expense increased slightly to $10,391 for the period ended January 31, 2022 compared to $9,249 for the same period 2021 due mainly to interest and finance charges relating to professional fees.

Share-based payments increased to $147,327 for the six months ended January 31, 2022 compared to $nil in the period ended January 31, 2021, resulting from stock options granted in the current fiscal year where no such activity was conducted in the prior fiscal year.

There was an equity loss of $7,401 for the period ended January 31, 2022 compared to $nil for the period ended January 31, 2021, relating to the Company's share of the equity loss from Cheona Metals Inc.

Exploration Expenses

The Company incurred exploration expenses of $2,857 during the period ended January 31, 2022 (2021 - $19,548).

Summary of Quarterly Results

Quarter Ended	2022 Jan. 31 Q2 $	2021 Oct. 31 Q1 $	2021 July 31 Q4 $	2021 Apr. 30 Q3 $	2021 Jan. 31 Q2 $	2020 Oct. 31 Q1 $	2020 July 31 Q4 $	2020 Apr. 30 Q3 $
G&A Expenses (recoveries)	748,351	98,104	136,689	70,777	169,122	88,862	102,557	134,904
Share-based payments	-	147,327	-	-	-	17,169	-	78,309
Loss and comprehensive loss	748,351	245,431	136,689	70,777	169,122	106,031	102,557	213,213
Net Loss								
per share	$0.01	$0.01	$0.005	-	0.005	-	$0.01	$0.01
per share (diluted)	-	-	-	-	-	-		-
Total Assets	1,669,008	992,815	219,267	247,373	224,689	237,147	293,245	224,512
Working Capital (Deficiency)	993,102	34,061	(701,632)	(562,348)	(288,896)	(450,265)	(304,998)	(389,742)
Share Capital:								
Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Outstanding	58,775,931	38,068,431	32,343,431	32,343,431	32,243,431	28,443,431	28,443,431	24,843,431
Warrants	37,000,000	22,057,500	16,232,500	16,232,500	16,232,500	12,432,500	12,673,500	10,673,500
Options	3,700,000	3,700,000	2,150,000	2,270,000	2,270,000	2,270,000	2,120,000	2,120,000

The variation in quarterly losses has been relatively stable throughout the prior quarters and quarterly increases are due mainly to period expenses incurred for share-based payments and losses recorded due to settlement of debt. It is anticipated that there will be an increase to quarterly losses as exploration and other corporate activity resumes until such time as the Company is able to generate revenues from its mineral property interests.

Liquidity and Capital Resources

First Tellurium is currently in the exploration stage and earns no revenue from operations. The Company invests its cash and cash equivalents with major Canadian financial institutions with investment grade credit ratings. First Tellurium has no outstanding bank debt as at October 31, 2021.

As at January 31, 2022, the Company has interest-bearing debenture loans in the principal amount of $182,000. The loans bear an annual interest rate of 10%, payable annually to the debenture holders and mature on March 2, 2021. The Company is currently negotiating repayment of the loans. The Company was previously not in compliance with the terms of the loan as it has not paid the annual interest to the debenture holders in accordance with the terms of the loan, resulting in the loans being due on demand. In fiscal 2018, the Company made the required interest payments under the loan agreements, however; the Company has not received a waiver of the previous breach of terms and, accordingly, the loans are presented as current. The Company is therefore currently in default for interest payments due for the two most previously-ended fiscal years.

At January 31, 2022, First Tellurium had $1,393,571 in cash and cash equivalents (July 31, 2021 - $2,504) and working capital of $993,102 (July 31, 2021 – working capital deficiency of $701,632). Additional debt or equity financing will be required to meet the Company's business objectives, to address its working capital deficiency and to service its debt.

First Tellurium assesses its financing requirements and its ability to access debt or equity markets on an ongoing basis. Given the current conditions of the financial markets, the company will seek to maintain financial flexibility and will monitor and assess its financing requirements as its activities progress. The Company's ability to access the equity or debt markets in the future may be affected by prolonged market instability. The inability to access the equity or debt markets for sufficient capital, at acceptable terms, and within required timeframes, could have a materially adverse effect on the Company`s financial condition, results of operations and prospects.

Future exploration and subsequent development of the Company's properties beyond currently planned expenditures will depend on the Company's ability to obtain additional financing. The Company has limited financial resources and there is no assurance that additional funding will be available which could result in the delay or indefinite postponement of further exploration.

The Company's financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and respond to changes in domestic and international political, social, and economic environments. In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These changes in events could materially affect the financial performance of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions - Key Management Compensation

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers, directors or close family members of those individuals as follows:

Name	Nature of transactions
Docherty Capital Corp. (Tyrone Docherty)	Management fees charged as CEO, expense allowances, share-based compensation
Saulnier Business Consulting LLC (Pamela Saulnier)	Management fees charged as CFO, expense allowances, , share-based compensation
Josef Fogarassy	Consulting fees charged by a director, expense allowances, share-based compensation
Allen Schwabe	Directors fees
Matt Wayrynen	Directors fees

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

For the period ended	Jan. 31, 2022	Jan. 31, 2021
Management fees CEO	$ 45,000	$ 45,000
Management fees CFO	15,000	15,000
Consulting fees	30,000	10,000
Rent (included in office and miscellaneous)	9,000	30,000
Share-based compensation	44,000	9,000
Total	$ 143,000	$ 109,000

The Company owes amounts to key management personnel and other related parties as follows:

Six months ended January 31,	2022	2021
Due to key management or companies controlled by key management personnel	$ 138,167	$ 214,044
Total	$ 138,167	$ 214,044

Balances owed to related parties are unsecured and non-interest bearing.

During fiscal 2021, the Company settled related party debt of $50,000 by way of issuance of units with a fair value of $124,277, resulting in a loss on settlement of debt of $74,277. The terms of the units and measurement of compensatory warrants are described in Note 13.

The Company has a long term loan receivable from an associated company that has been allocated to the investment.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value ("FV") hierarchy has the following levels:

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices); and

Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, loans payable and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation deposit and accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair value because of the short term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Interest rate risk

The Company has cash balances but no external debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue:

The following is a breakdown of the material costs incurred:

	Six months ended Jan. 31, 2022	Six months ended Jan. 31, 2021
General and Administration Expenses	**$ 996,639**	**$ 275,153**

Disclosure of Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

As at January 31, 2022 the Company had 58,775,931 issued and outstanding common shares and as at April 4, 2022 the Company had 67,925,931 issued and outstanding common shares.

The following is a summary of stock options outstanding as at January 31, 2022 and April 4, 2022

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (January 31, 2022)	Number of Shares Remaining Subject to Options (April 4, 2022)
April 5, 2028	$0.14	850,000	650,000
January 27, 2030	$0.05	100,000	100,000
March 6, 2030	$0.10	1,050,000	1,050,000
August 6, 2030	$0.10	150,000	150,000
October 4, 2030	$0.11	850,000	850,000
October 18, 2030	$0.11	700,000	700,000
Total		3,700,000	3,500,000

The following is a summary of warrants outstanding as at January 31, 2022 and April 4, 2022:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Warrants (January 31, 2022)	Number of Shares Remaining Subject to Warrants (April 4, 2022)
February 19, 2022	$0.10	1,600,000	-
February 19, 2022	$0.10	2,300,000	-
February 26, 2022	$0.10	1,300,000	-
March 13, 2022	$0.10	3,050,000	-
June 1, 2022	$0.10	2,000,000	1,000,000
November 6, 2022	$0.10	1,000,000	-
November 6, 2022	$0.10	1,600,000	1,600,000
December 11, 2022	$0.10	1,200,000	1,200,000
October 15, 2023	$0.12	5,825,000	5,825,000
November 2, 2023	$0.12	6,350,000	6,350,000
November 16, 2023	$0.12	3,000,000	3,000,000
November 26, 2023	$0.12	7,375,000	7,375,000
December 30, 2023	$0.45	400,000	400,000
Total		37,000,000	28,050,000

Management Responsibility for the Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.