

FORM 51-102F3

MATERIAL CHANGE REPORT

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

First Tellurium Corp.
381 – 1440 Garden Place
Delta, BC V4M 3Z2

2. **Date of Material Change:**

August 23, 2022

3. **Press Release:**

A News Release dated and issued on August 23, 2022 at Vancouver, BC, through Executive Business Services and SEDAR.

4. **Summary of Material Change:**

First Tellurium Mobilizes Crew for Copper Porphyry Exploration at Deer Horn Property; Grants Stock Options

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

See news release, a copy of which is attached hereto

6. **Reliance on Subsection 7.1(2) of the National Instrument 51-102 Continuous Disclosure Obligations:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Tyrone Docherty, President and CEO
Telephone: (604) 789-5653

9. **Date of Report:**

August 23, 2022

NEWS >>>

First Tellurium Mobilizes Crew for Copper Porphyry Exploration at Deer Horn Property; Grants Stock Options

Vancouver, BC, Canada, August 23, 2022 – First Tellurium Corp. (CSE: FTEL) (the “Company” or “First Tellurium”), reports that a work crew is mobilizing for further investigation of potential copper porphyry systems at the Deer Horn Project in west-central British Columbia. Deer Horn is located 36 kilometers south of Imperial Metals’ Huckleberry open pit copper mine and Surge Copper’s Ootsa-Berg project.

The program, expected to begin before Labor Day, is led by Dr. Lee Groat of the University of British Columbia. Dr. Groat is a Professor at UBC’s Dept. of Earth and Ocean Sciences and a former NATO Postdoctoral Fellow at Cambridge University.

“Dr. Groat’s team will follow up on three copper showings first discovered at Deer Horn in 2012,” said FTEL CEO Tyrone Docherty. “As reported in our latest PEA, the showings were indicative of a copper porphyry system hidden from previous explorers due to glaciation. With the glaciers receding, we now have extensive new ground to explore with untapped potential.”

The May 2018 PEA noted that bulk-tonnage, porphyry-style copper-silver mineralization and associated alteration was discovered north of the Deer Horn adit. Another new area of anomalous copper-gold mineralization was discovered along ridge crests northwest of Kenney Lake. The extent of both discoveries remains open and unknown at this time.

The copper showings are located about one kilometer west-northwest of the known Te-Ag-Au resource zone and also northeast of the resource. Prospecting of these showings will include use of portable spectrometer, which can greatly enhance identification and measurement of mineral systems.

“A copper porphyry system would add significant value to the Deer Horn Property’s mineral mix,” said Docherty. “While we’ve long focused on the tellurium-silver-gold zone, Dr. Groat has always championed the potential of other metals on the property. It’s important to remember that Deer Horn covers more than fifty-one square kilometers, most of it unexplored.”

The area around the Huckleberry Mine and Surge Copper’s Ootsa-Berg project is being recognized as one of the province’s most exciting emerging copper districts with significant untapped exploration potential. Recent discoveries by Surge Copper have added to interest in the region.

“Both copper and tellurium are critical for new battery technology,” said Docherty. “New advances in lithium-tellurium (Li-Te) batteries show great promise for efficiency, safety and battery life, while copper is essential for development of electric vehicles. We feel the Company is well positioned to capitalize on both trends.”

Stock Option Grant

The Company also announces that it has granted 100,000 incentive stock options to a consultant of the Company, exercisable at a price of \$0.19 per share for a period of 10 years.

About First Tellurium Corp.

First Tellurium's unique business model is to generate revenue and value through mineral discovery, project development, project generation and cooperative access to untapped mineral regions in Indigenous territory with sustainable exploration.

Our polymetallic (tellurium, gold, silver copper, tungsten) Deer Horn Project in British Columbia and Klondike tellurium-gold property in Colorado anchor a diversified search for metals, working in alliance with Indigenous peoples, NGOs, governments and leading metals buyers. This is the future of mineral exploration: generating revenue by exploring responsibly and leveraging diverse partnerships.

First Tellurium proudly adheres to and supports the principles and rights set out in the United Nations Declaration on the Rights of Indigenous Peoples and in particular the fundamental proposition of free, prior and informed consent.

On behalf of the board of directors of
First Tellurium Corp.

"Tyrone Docherty"

Tyrone Docherty
President and CEO

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Neither the Canadian Securities Exchange nor its regulations services accept responsibility for the adequacy or accuracy of this release.

Forward-looking information

All statements included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements involve numerous assumptions made by the Company based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will prove inaccurate, certain of which are beyond the Company's control. Readers should not place undue reliance on forward-looking statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date hereof or revise them to reflect the occurrence of future unanticipated event.