

NEWS >>>

First Tellurium Reports on Solar PV and Surging Demand for Silver and Tellurium

Precious metals/tellurium resource at First Tellurium's Deer Horn Project is the right mix for a strong green metals market.

Vancouver, BC, Canada, March 15, 2023 – First Tellurium Corp. (CSE: FTTEL, OTC: FSTTF) (the “Company” or “First Tellurium”), reports that recent forecasts by the International Energy Agency (IEA) point to rapid growth in solar photovoltaic (solar PV) deployment worldwide. The agency claims solar PV will [generate more power by 2027](#) than any other source, including coal, natural gas and hydro power. To meet this growth, consumption for both silver and tellurium, key components of solar panels, is expected to surge in coming years.

“This growth scenario aligns perfectly with our strategy for developing First Tellurium’s Deer Horn project,” said First Tellurium President and CEO Tyrone Docherty. “While Deer Horn is known best for its high-grade tellurium resource, the property’s current indicated silver grade, as per our latest Preliminary Economic Assessment (PEA), is estimated at 157 grams per tonne.* Factoring in the indicated gold grade of 5.12 grams per tonne,* we have a very attractive mix of precious and green metals, including copper porphyry mineralization, in a time of strong metals markets. Keep in mind that our PEA was based on a silver price of \$17 per ounce, gold at \$1,300 and copper at \$3 per pound—all well below current prices.”

The PEA resource was calculated on 450 meters of a 2.4-kilometer (1.5 miles) gold-silver-tellurium vein system. Sampling on outcropping quartz veins in 2022 identified a possible 1.1-kilometer (.7 miles) extension of the system, potentially extending it for total of 3.5 kilometers (2.2 miles).

“Drilling planned for 2023 will focus on confirming and enlarging the zone extension,” said Docherty. “We also plan to conduct infill drilling to expand the current indicated and inferred resources.

“Solar PV is now the [biggest industrial usage of silver](#),” said investment newsletter writer Chen Lin, who recently featured First Tellurium in presentations for the Metals Investor Forum. “In 2022, solar PV used about 12% of total silver demand, or about 120 million oz of silver. This number will rise dramatically in the coming years, and that should lead to silver deficits for decades to come.”

Chen added, “Solar is now the cheapest source of energy in many parts of the world. There are ample bullish predictions for solar PV deployment by the Silver Institute, the IEA, industry publications and investment houses. While the numbers differ, they all point to dramatic expansion of solar PV in the coming ten-to-twenty years. Even by conservative estimates, we will be at 300 gigawatts of solar PV output by 2027, up from the current level of about 200 gigawatts. PV Magazine predicts we will be at a massive output of 3,000 gigawatts by 2040.”

Nearly every silver forecast points to supply deficits, Chen noted. “The most conservative demand estimate I’m aware of, from Bloomberg and Changjiang Securities, puts solar PV deployment at about [1300 gigawatts by 2040](#). That’s still an uptake of 910,000,000 ounces of silver, or close to all the world’s current silver production.”

Chen added, “The gold-silver old price ratio is currently around ninety-to-one, where historically it has been much, much lower, even ten or twelve-to-one. The market will realign itself. And when it does, I believe silver prices will increase dramatically, especially when driven by surging demand.”

To manufacture today’s solar PV panels, Chen noted that every 100 gigawatts (GW) of PV power requires roughly 50 million ounces of silver. While manufacturers are slowly reducing the amount of silver used per panel, new and more efficient technologies will require higher silver content. Development of the 500GW expected by 2025 would require 200 million ounces of silver, or about 20% of current world production. PV Magazine’s 3,000 GW forecast for 2040 would require a billion ounces of silver—more than 100 percent of the world’s current total silver production.

“Solar panel innovation has reached an inflection point,” said Chen. “The ever-increasing efficiency of new technologies such as TOPCON and HJT will require a lot more silver, by some estimates as much as 150%.”

“Pretty much any scenario you believe in requires enormous increases in silver production,” said Docherty. “All that silver must come from new sources. And that equates to higher silver prices for decades to come.”

Docherty also pointed to U.S. President Biden’s ban on solar panels coming from regions of China using forced labor in their manufacturing. “There’s a lot of pressure now to source solar panel production from domestic suppliers,” said Docherty. “North America’s largest manufacturer by far is First Solar, and they build only thin-film, cadmium-telluride (CdTe) panels. We know from First Solar’s production forecasts that they expect to consume more tellurium than the world now produces. Our goal is to help meet that demand, both from our Deer Horn project in BC and our Klondike project in Colorado.”

A recent article by S&P Global Intelligence noted that First Solar’s plan to spend \$1.36 billion to increase module capacity to 16 GW by 2024 seems certain to strain the tellurium market. If First Solar achieves its goals, its annual demand for the mineral will exceed last year’s estimated global tellurium production by up to 70%, according to researchers at the Institute of Environmental Science and Technology at the Autonomous University of Barcelona.

Docherty noted that the Cadmium Telluride Photovoltaics Accelerator Consortium, a \$20 million initiative designed to make CdTe solar cells less expensive and more efficient, was launched in August 2022 by the U.S. Department of Energy. By 2030, the program aims to increase domestic CdTe PV material and module production, achieve cell efficiencies above 26%, and decrease module costs to below \$0.15/watt.

“Remember that four members of First Tellurium’s Advisory Board came from First Solar’s attempt years ago to mine its own tellurium,” said Docherty. “Two of the advisors bought Klondike, First Solar’s top tellurium prospect, and then brought it to us to develop. They know the market dynamics, and they know how valuable this high-grade tellurium will be.”

** Source: TECHNICAL REPORT ON THE PRELIMINARY ECONOMIC ASSESSMENT FOR THE DEER HORN GOLD-SILVER-TELLURIUM PROPERTY by Tracey Meintjes P.Eng., Bob Lane P.Geo., Gary Giroux P.Eng., Marc Schulte P.Eng, dated May 31, 2018. The resource estimate was completed using industry standard methods that conform with Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards on Mineral Resources and Mineral Reserves referred to in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

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 Klondike tellurium-gold property in Colorado and polymetallic Deer Horn Project in British Columbia 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. First Tellurium is listed on the Canadian Stock Exchange under the symbol "FTEL" and on the OTC under the symbol "FSTTF". Further information about FTEL and its projects can be found on www.firsttellurium.com.

On behalf of the board of directors of
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"Tyrone Docherty"

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