The following discussion and analysis of the operations, results and financial position of First Tellurium Corp. (the "Company" or "First Tellurium") for the nine months ended April 30, 2023 should be read in conjunction with the audited financial statements for the nine months ended April 30, 2023, which can be found on SEDAR at www.sedar.com.

This Management Discussion and Analysis ("MD&A") is dated June 28, 2023 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, diversified issuer. 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. The Company is refocusing its efforts on mineral exploration and intends to complete further equity financing in order to resume exploration and development on its mineral property interests while seeking additional opportunities in the junior mining sector to expand its property portfolio. The Company also has a 49% equity interest in Cheona Metals Inc., whose focus in on underexplored mineral lands in northern British Columbia. Additionally, the Company has a 49% equity interest in Cheona Health Inc., whose focus helping Indigenous and other communities in Canada achieve better health and well-being.

First Tellurium is a member of the Initiative for Responsible Mining Assurance (or "IRMA").

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, as well as 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, and volatile market conditions persist, the Company is moving forward with a summer drilling campaign on its Deer Horn property. The Company will initially undertake an induced polarization geophysical survey and property-wide mapping program to help identify targets for a summer drill campaign. Following the development of drill targets, the Company will undertake a diamond drill program to investigate and potentially expand the tellurium-silver gold mineralization as well as recently-confirmed copper porphyry mineralization, and may include tungsten areas of interest.

The Company has also engaged a consultant to manage the permitting process for a 10,000-tonne bulk sample program on the property and will provide essential economic and metallurgical information to guide next steps on the property's development.

The Company also completed a soil sampling program on the Klondike property in late 2022 and will utilize assay interpretation to map drill targets for a 2023 drill program. In June 2023, the Company reported it had engaged an external consulting to stake additional claims surrounding the existing property.

On November 15, 2022, the Company issued 2,600,000 flow-through shares for gross proceeds of $364,000 and 400,000 units for gross proceeds of $40,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable at a price of $0.15 for a period of two years.

On December 21, 2022, the Company issued 150,000 flow-through shares for gross proceeds of $21,000 and 9,656 units for gross proceeds of $965,600. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable at a price of $0.15 for a period of two years.

On January 3, 2023, the Company issued 1,250,000 units at a price of $0.10 per unit for total proceeds of $125,000. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.15 per share for a period of two years. No value was attributed to the warrant portion of the units.

On February 14, 2023, the Company issued 2,000,000 common shares at a deemed price of $0.235 per share in consideration for the acquisition of a diamond drill. The drill will be utilized exclusively for exploration on its Deer Horn Project.

On April 12, 2023, the Company established, and holds a controlling interest in, a thermoelectric technology-focused research, development and commercialization business 1406975 BC Ltd. This new entity aims to explore new uses of tellurium and develop improved thermoelectric generators that could be used in the renewable energy and automotive industries, allowing First Tellurium to focus on opportunities that directly engage in the usage of tellurium.

The Company successfully completed its uplisting to the OTCQB market on June 20, 2023, under the symbol "FSTTF".

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 upgrade and expand the existing resource and advance to prefeasibility status.

On June 6, 2018, the Company announced results of a revised and updated 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.

Colorado Klondike Property

The Company completed a soil sampling program on the Colorado Klondike property in fall of 2022. A total of 343 samples were collected and sent for assay. Assay results will be utilized to map targets for its planned drilling on the property in 2023.

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. During the financial year ended July 31, 2022, Cheona Metals allowed two mineral claims totaling 2,403 hectares to revert to the Crown. Cheona Metals has one mineral claim in the Atlin District of British Columbia totaling 457 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 April 30, 2023

General and administrative expenses totaled $360,955 for the period ended April 30, 2023 compared to $648,650 for the period ended April 30, 2022. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion increased by $32,173 to $125,396 from $95,223 and is due to an increase in advertising and promotional efforts in connection with its OTCQB listing.
- Consulting fees decreased by $18,433 to $63,001 from $81,434 and is due to a reduction in external consultants.
- Investor relations and shareholder information decreased by $248,958 to $31,579 from $280,537 and is due to decreased expenses for market-making and investor relations service contracts.
- Management fees increased by $3,000 to $92,000 from $89,000 and is due to updates to compensation for senior management and a management bonus payment.
- Office and miscellaneous fees decreased by $22,520 to $32,748 from $55,268, due to a seasonal reduction in general office expenses incurred during the quarter.
- Professional fees decreased by $33,329 to $(28,217) from $5,112, due to an accrual reversal for audit and accounting fees.
- Regulatory and filing fees decreased by $12,099 to $4,208 from $16,307 and is attributable to a reduction in regulatory and listing fees.
- Travel increased by $1,229 to $1,394 from $165, a result of higher attendance at conferences and trade shows.

Exploration Expenses

The Company incurred $17,725 in exploration and evaluation expenditures whereas $21,500 was recorded in the same period 2022, mainly attributable to the Colorado Klondike property.

Interest expense decreased slightly to $4,614 for the period ended April 30, 2023 compared to $4,623 for the same period 2022 due mainly to a reduction in interest and finance charges relating to professional fees.

Expenses – Nine months ended April 30, 2023

General and administrative expenses totaled $1,530,206 for the nine-month period ended April 30, 2023 compared to $1,645,289 for the same period ended April 30, 2022. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion decreased by $180,224 to $449,064 from $629,288 and is due to the Company's more targeted efforts for advertising and promotion.
- Consulting fees decreased by $6,704 to $158,890 from $165,594.
- Investor relations and shareholder information decreased by $157,650 to $183,407 from $341,057 and is due mainly to decreased expenses for market-making and investor relations services.

- Management fees increased by $87,000 to $236,000 from $139,000 and is due to updates to compensation for senior management as well as a management bonus payment.
- Office and miscellaneous expenses decreased by $25,196 to $49,243 from $74,439, a result of a seasonal decrease in office overhead costs.
- Professional fees decreased by $13,353 to $13,682 from $27,035, due to decreased legal fees.
- Regulatory and filing fees decreased by $48,615 to $18,926 from $67,541 and is attributable to a reduction in corporate filings to regulatory and listing bodies.

Exploration Expenses

The Company incurred $197,322 in exploration and evaluation expenditures whereas $24,357 was recorded in the same period 2022, for exploration evaluation work undertaken on both the Deer Horn and Colorado Klondike properties, largely in preparation for 2023 drilling programs.

In addition, the Company recorded $185,398 in share based compensation for options granted during the period as opposed to $341,057 in the period ended April 30, 2022.

Interest expense decreased to $13,842 for the period ended April 30, 2023 compared to $15,014 for the same period 2022 due mainly to a reduction in interest and finance charges relating to professional fees.

Summary of Quarterly Results

Quarter Ended	2023 Apr. 30 Q3 $	2023 Jan. 31 Q2 $	2022 Oct. 31 Q1 $	2022 July 31 Q4 $	2022 Apr. 30 Q3 $	2022 Jan. 31 Q2 $	2021 Oct. 31 Q1 $	2021 July 31 Q4 $
G&A Expenses (recoveries)	390,955	584,520	399,333	263,640	648,650	751,208	98,104	136,689
Share-based payments	-	164,976	20,422	8,906	-	-	147,327	-
Loss and comprehensive loss	390,955	749,496	419,755	272,546	648,650	751,208	245,431	136,689
Net Loss								
per share	$0.01	$0.01	$0.01	-	$0.01	$0.01	$0.01	$0.005
per share (diluted)	-	-	-	-	-	-	-	-
Total Assets	2,109,570	1,965,720	1,122,578	1,465,059	1,473,298	1,669,008	992,815	219,267
Working Capital (Deficiency)	898,647	1,278,972	390,632	730,806	911,143	993,102	34,061	(701,632)
Share Capital:								
Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Outstanding	86,640,231	83,366,831	69,650,931	69,650,931	68,050,931	58,775,931	38,068,431	32,343,431
Warrants	34,231,000	34,231,000	24,325,000	24,325,000	26,325,000	37,000,000	22,057,500	16,232,500
Options	4,600,000	4,600,000	3,400,000	3,300,000	3,300,000	3,700,000	3,700,000	2,150,000

increases are due mainly to period expenses incurred for exploration, share-based payments and losses recorded due to settlement of debt. Working capital has greatly improved due to financing activities and a reduction in current liabilities It is anticipated that there will be an increase to quarterly losses as exploration and other corporate activity increases during the spring and summer 2023 exploration seasons, and will continue 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 April 30, 2023.

As at April 30, 2023, 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 three most previously-ended fiscal years.

At April 30, 2023, First Tellurium had $858,546 in cash and cash equivalents (July 31, 2022 - $1,005,635) and working capital of $898,647 (July 31, 2022 – working capital of $730,806). 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

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		April 30, 2023		April 30, 2022
Management fees CEO	$	180,000	$	105,000
Management bonus		20,000		-
Management fees CFO		36,000		24,000
Consulting fees		45,000		45,000
Rent (included in office and miscellaneous)		13,500		13,500
Share-based compensation		50,000		44,000
Total	$	344,500	$	231,500

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

Nine months ended April 30		2023		2022
Due to key management or companies controlled by key management personnel	$	16,400	$	138,167
Total	$	16,400	$	328,786

Balances owed to related parties are unsecured and non-interest bearing. Included in prepaid expenses $57,431 (2022 - $nil) paid to key management.

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:

	Nine months ended April 30, 2023	Nine months ended April 30, 2022
General and Administration Expenses	**$ 360,955**	**$ 648,650**

Disclosure of Outstanding Share Data

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

As at June 28, 2023 and April 30, 2023 the Company had 86,320,331 issued and outstanding common shares.

The following is a summary of stock options outstanding as at June 28, 2023 and April 30, 2023:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (June 28, 2023)	Number of Shares Remaining Subject to Options (April 30, 2023)
April 5, 2028	$0.14	750,000	750,000
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	750,000	750,000
October 18, 2030	$0.11	600,000	600,000
August 23, 2032	$0.19	100,000	100,000
December 30, 2032	$0.14	1,200,000	1,200,000
Total		4,600,000	4,600,000

The following is a summary of warrants outstanding as at June 28, 2023 and April 30, 2023:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Warrants (June 28, 2023)	Number of Shares Remaining Subject to Warrants (April 30, 2023)
October 19, 2023	$0.12	5,825,000	5,531,500
November 2, 2023	$0.12	6,056,500	6,350,000
November 16, 2023	$0.12	3,000,000	3,000,000
November 26, 2023	$0.12	7,350,000	7,350,000
December 30, 2023	$0.45	400,000	400,000
November 16, 2024	$0.15	400,000	400,000
December 21, 2024	$0.15	9,656,000	9,656,000
January 3, 2025	$0.15	1,250,000	1,250,000
Total		34,231,000	34,231,000

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.