

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:**

December 6, 2023

3. **Press Release:**

A News Release dated and issued on December 6, 2023 at Vancouver, BC, through The Newswire and SEDAR.

4. **Summary of Material Change:**

First Tellurium Reports on Two Major Publications Highlighting Supply Issues for Tellurium and Other Critical Metals

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:**

December 6, 2023

NEWS >>>

First Tellurium Reports on Two Major Publications Highlighting Supply Issues for Tellurium and Other Critical Metals

Fraser Institute projects tellurium requirements could increase 800% by 2030.

Vancouver, BC, Canada, Dec 6, 2023 – First Tellurium Corp. (CSE: **FTEL**, OTC: **FSTTF**), reports that recent reports from *The Financial Times of London* and Canada’s Fraser Institute highlight rapidly-growing supply issues around critical metals, especially tellurium. The Fraser Institute, predicting “exponential growth” in demand for electric vehicle batteries, forecast that supply requirements for tellurium could increase by over 800% by 2030.

in a December 1, 2023 article, the *Financial Times* reported on the Biden administration’s new restrictions on Chinese-made battery components for electric vehicles. Beginning January 1, 2024, no US-manufactured EVs that include Chinese-made battery components will be eligible for the full subsidies offered under President Biden’s \$369-billion Inflation Reduction Act.

John Podesta, Biden’s top clean energy advisor, stated, “With this guidance and the clarity that it will provide, we’re ensuring that the US electric vehicle future will be made in America.”

The rules will force EV and battery manufacturers to source far more critical metals from domestic sources. China currently accounts for almost two-thirds of the world’s lithium processing capacity, 75% of its cobalt capacity, and [nearly 60% of its tellurium](#) processing capacity.

“The new rules open up significant opportunities for us,” said First Tellurium President and CEO Tyrone Docherty. “Revolutionary new EV batteries, using domestically sourced tellurium, could greatly increase the need to source tellurium from Canada and the U.S. Add this to the forty percent of global tellurium already used by the solar industry, a figure that’s expected to grow significantly [according to S&P Global](#), and you can see how the supply crunch is adding up.”

As reported by First Tellurium in [March 2023](#) and also in [2022](#), new solid state, lithium-tellurium (LiTe) batteries are under development by First Tellurium strategic partner [Fenix Advanced Materials](#) and the University of British Columbia Okanagan (UBCO). Fenix reports the batteries are significantly more efficient and safer than current lithium-ion batteries, offering far higher charging capacities, much smaller size and a life up to 400% that of lithium-ion batteries.

If widely adopted, LiTe batteries would put further strain on tellurium supplies, both foreign and domestic. A new report by the Fraser Institute, titled [Can Metal Mining Match the Speed of the Planned Electric Vehicle Transition?](#) stated: “Barring breakthrough developments in battery technology, this massive and rapid expansion of battery-electric vehicle production will require a correspondingly massive and rapid expansion of the mining and refining of the metals and rare earth elements critical to battery-electric vehicle technology.” As noted above, the institute projects required growth of over 800% in the supply of tellurium.

“Clearly, North America will need huge increases in domestic sources of critical metals, especially tellurium,” said Docherty. “Current domestic sources of tellurium, almost entirely from copper refining, will not come close to meeting that demand, especially with the growth of cadmium-tellurium solar panels.”

Docherty emphasized that First Tellurium, with its high-grade sources of tellurium in both British Columbia and Colorado, sits in a strong strategic position as the supply crunch unfolds. “Our strength comes not only from our tellurium resources, but from the fact that in both BC and Colorado, our tellurium lies within resources of high-grade precious metals. This makes the tellurium far more economic to produce. The [PEA from our Deer Horn](#) property in BC emphasizes this point.”

Added Docherty, “There are very few tellurium-specific properties in North America to begin with. But without the added benefit of other economic minerals, it’s highly unlikely they could produce tellurium economically on its own.”

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
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.