

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:**

June 20, 2024

3. **Press Release:**

A News Release dated and issued on June 20, 2024 at Vancouver, BC, through The News Wire and SEDAR.

4. **Summary of Material Change:**

First Tellurium Provides Details on Drone Applications for New Thermoelectric Generator

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:**

June 20, 2024

NEWS >>>

First Tellurium Provides Details on Drone Applications for New Thermoelectric Generator

Device being designed to fit seamlessly into existing commercial drone systems, without modification.

Vancouver, BC, Canada, June 20, 2024 – First Tellurium Corp. (CSE: **FTEL**, OTC: **FSTTF**), has provided additional information about potential drone applications for the new tellurium-based thermoelectric generator developed by [PyroDelta](#) Inc, in which First Tellurium is the majority owner. The thermoelectric device leverages temperature differentials to deliver clean power, and its light weight and compact size make it ideal for extending the range of drones for both industry and defense applications.

The drone version of the thermoelectric generator, now under development, exploits temperature differentials associated with propellor downwash. The planned power generation system contains no moving parts, ensuring silent operation and reducing detection risks. These are vital attributes for both industry and defense use.

“Our research and development is aimed at producing a thermoelectric device that fits seamlessly into existing commercial drone systems, without modification,” said First Tellurium President and CEO Tyrone Docherty. “We believe this feature offers a significant advantage for drone industry adoption and deployment.”

Docherty noted that the solid-state device is expected to generate significant power for its size, providing extended drone operation time and range. It would also provide minimal impact on drone payload.

Defense and Industry Applications

For defense applications, the device would enhance operational capabilities for longer missions without reliance on frequent power resupply. It would also provide advantages for environmental monitoring, with extended coverage for data collection in remote or hazardous locations.

“We also see a big market in drones for logistics and delivery,” said Docherty. “We can support longer delivery routes, optimizing supply chain efficiency.”

Global Drone Market Estimated at Over US\$63 Billion

According to Grand View Research, the global drone market size was estimated at US\$64.32 billion in 2023, and it is projected to grow at a CAGR of 14.5% from 2024 to 2030, owing to various factors including advances in technology, broadening application portfolio across various industries, and plummeting costs of drone technology.

Grand View estimated the US drone market alone at US\$22.3 billion in 2022, with a compound annual growth rate of over 13%.

Docherty noted: “Considering the size and projected growth of the drone market, we believe that a product offering significant advantages in range and efficiency should generate strong industry interest.”

Industrial and Automotive Applications

As reported in previous First Tellurium news releases, PyroDelta’s thermoelectric device converts thermal energy into electrical power using the Capillary Casting technology, for which patents have been filed. While its light weight makes it ideal for drone applications, the device’s ability to withstand temperature extremes makes it optimal for industrial and automotive applications. The device harnesses waste heat from internal combustion engines, offering an eco-friendly and more efficient alternative to traditional alternators.

As reported [June 5](#) and [May 30](#), 2024, First Tellurium and [RESOLVE Inc.](#) have formed a joint venture called Tellurium Electric to advance the thermoelectric generator, which is ready for manufacturing and sales, and bring it to various markets.

For more information about the thermoelectric generator, please visit www.pyrodelta.com, First Tellurium news release dated [October 23, 2023](#) and various [news releases](#) in 2024.

About First Tellurium Corp.

First Tellurium’s unique business model is to generate revenue and value through mineral discovery, project development, project generation and development of tellurium-based technologies.

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.