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, 2024 should be read in conjunction with the unaudited financial statements for the nine months ended April 30, 2024, which can be found on SEDAR at www.sedar.com.

This Management Discussion and Analysis (“MD&A”) is dated June 27, 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 1100 - 736 Granville Street, Vancouver, BC, V67 1G3.

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

Although market conditions and operational restrictions have hindered past efforts, and volatile market conditions persist, the Company is moving forward with plans to drill on both its Deer Horn and Colorado Klondike properties.

The Company completed an induced polarization ("IP) geophysical survey and property-wide mapping and sampling program on its Deer Horn property. The Company has contracted Campbell & Walker Geophysics to interpret data from IP survey in order to provide additional guidance for planned exploration on the property.

Results of the mapping and sampling programs indicate a large, connected mineralized system, expanding the mineralized zone to approximately 17.5 square kilometers with a growing copper porphyry and high-grade Au-Ag-Te. This work also confirmed a crucial structural connection between the property's Pond copper porphyry and gold-silver-tellurium systems. The Company intends to undertake a more extensive drill program when the 2024 season opens, potentially with a second drill added in addition to the Company's currently-owned drill, which remains on site. Permitting is also in place. The Company's efforts to undertake programs were delayed due to the wildfire conditions present in 2023.

Following a soil sampling program on the Klondike property, assay interpretations will be utilized to map drill targets for a diamond drill program on its Colorado Klondike property. Additional claims were staked surrounding areas of interest contiguous to the existing property holdings during fiscal 2023.

On October 30, 2023, the Company closed the first tranche of a private placement, issuing 1,690,000 flow-through shares at a price of $0.12 per flow-through share for gross proceeds of $202,800 and 1,890,000 units at a price of $0.10 per unit for gross proceeds of $189,000. Each unit comprises one common share and one share purchase warrant, with each whole warrant exercisable at a price of $0.15 for a period of two years.

On December 22, 2023, the Company closed the second and final tranche of the private placement, issuing 335,000 units at a price of $0.10 per unit for gross proceeds of $33,500. Each unit comprises one common share and one share purchase warrant, with each whole warrant exercisable at a price of $0.15 for a period of two years.

Deer Horn Property

The Company completed property-wide mapping and sampling program at Deer Horn to identified further copper-gold porphyry alteration and provide drill targets. Subsequent to year end, the Company also conducted an induced polarization ("IP") geophysical survey. Assay results from the sampling program and assessment from the IP survey are being utilized to delineate drill targets for the 2024 exploration season. Results from the 2023 exploration campaign suggest that the source of mineralization is due to porphyry. Information provided indicates a combined copper porphyry/gold-tellurium mineralized zone extending across approximately 17.5 km.

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.

Colorado Klondike Property

Assay results from sampling conducted on the property will be utilized to define drill targets for a 2024 drilling campaign. The Company plans future sampling on new claims staked in fiscal 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. 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. Cheona Health Inc. is inactive and valued at $nil.

Revenue and Expense Summary

Expenses – Three Months Ended April 30, 2024

General and administrative expenses totaled $502,973 for the three months ended April 30, 2024 compared to $360,955 for the three months ended April 30, 2023. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion decreased by $26,594 to $98,802 from $125,396 and is due to decreased advertising expenditures due to expiration of promotional contracts.
- Consulting fees decreased by $30,308 to $32,693 from $63,001, a result of decreased director consulting fees.
- Investor relations and shareholder information decreased by $9,105 to $22,474 from $31,579. The decrease is attributable to reduction in market-making and investor relations efforts in consideration of continued unfavourable market conditions.
- Management fees decreased by $20,000 to $72,000 from $92,000, a result of a management bones paid in the same period 2023 whereas bonus was paid during the most recently-ended quarter.
- Office and miscellaneous expenses decreased by $26,743 to $5,105 from $32,748, due to decreased participation in trade shows and general office expenses, including automobile expenses.
- Professional fees increased by $28,766 to $549 from $(28,217), the result of the difference in actual from accrued amounts incurred for audit and audit-related costs during the quarter ended April 30, 2023.
- Travel expenses decreased by $611 to $783 from $1,394, a result of fewer travel-related expenses for incurred during the period.

Interest expense decreased nominally to $4,307 for the three months ended April 30, 2024 compared to $4,614 for the same period 2023, mainly a result of reduced interest incurred on outstanding accounts payable.

Exploration Expenses

The Company incurred exploration expenses of $239,729 during the three months ended April 30, 2024 (2023 - $17,275), due to an increase in exploration expenditures incurred in connection with fall work programs on the Deer Horn property.

Expenses – Six months ended April 30, 2024

General and administrative expenses totaled $2,078,574 for the nine month period ended April 30, 2024 compared to $1,530,206 for the same period ended April 30, 2023. Details of the largest changes and significant general and administrative items are as follows:

- Advertising and promotion decreased by $176,992 to $272,072 from $449,064 and is due to the Company's more targeted efforts for advertising and promotion, as well as expiration of contracts that were not subsequently renewed.
- Consulting fees increased by $4,244 to $163,134 from $158,890, due to a slight increase in business development consultant costs.
- Investor relations and shareholder information decreased by $117,115 to $66,292 from $183,407 and is due mainly to more a reduction in market-making and investor relations services
- Office and miscellaneous expenses decreased by $31,539 to $17,637 from $49,176, a result of a seasonal decrease in office overhead and other general and administrative costs.
- Professional fees increased by $6,733 to $20,415 from $13,682, and is attributable to general corporate legal fees incurred for transaction review and advice.
- Regulatory and filing fees increased by $2,927 to $21,853 from $18,926, a result of a slight increase in recurring regulatory monthly filing fees.

In addition, the Company recorded $192,367 in share based compensation for options granted during the period as opposed to $185,398 in the period ended April 30, 2023.

Interest expense increased to $18,021 for the period ended April 30, 2024 compared to $13,842 for the same period 2023, mainly a result in compounding of interest on loans payable, however; there was also a nominal increase to interest incurred on outstanding accounts payable.

Exploration Expenses

The Company incurred $1,036,980 in exploration and evaluation expenditures during the nine months ended April 30, 2024 whereas $197,322 was recorded in the same period 2023, for exploration and evaluation work, including drilling and ground and IP surveys undertaken primarily on the Deer Horn property, with a nominal amount incurred in exploration on the Colorado Klondike properties. The expenditures incurred on the Deer Horn property related to fall exploration and drilling programs.

Summary of Quarterly Results

Quarter Ended	2024 Apr. 30 Q3 $	2024 Jan. 31 Q2 $	2023 Oct. 31 Q1 $	2023 July 31 Q4 $	2023 Apr. 30 Q3 $	2023 Jan. 31 Q2 $	2022 Oct. 31 Q1 $	2022 July 31 Q4 $
G&A Expenses (recoveries)	502,973	605,761	777,473	608,563	390,955	584,520	399,333	263,640
Share-based payments	-	192,367	-	-	-	164,976	20,422	8,906
Loss and comprehensive loss	502,973	798,128	777,473	453,165	390,955	749,496	419,755	272,546
Net Loss per share	$0.01	$0.01	$0.01	$0.02	$0.01	$0.01	$0.01	-
per share (diluted)	-	-	-	-	-	-	-	-
Total Assets	1,062,703	1,272,106	1,755,726	1,712,998	2,109,570	1,965,720	1,122,578	1,465,059
Working Capital (Deficiency)	(902,260)	(496,610)	(102,023)	317,278	898,647	1,278,972	390,632	730,806
Share Capital:								
Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Outstanding	91,760,331	91,135,331	90,235,331	86,320,331	86,320,231	83,366,831	69,650,931	69,650,931
Warrants	13,531,000	34,862,500	36,162,500	33,937,500	34,231,000	34,231,000	24,325,000	24,325,000
Options	6,750,000	6,750,000	4,600,000	4,600,000	4,600,000	4,600,000	3,400,000	3,300,000

The variation in quarterly losses has been relatively stable throughout the prior quarters and quarterly increases are due mainly to period expenses incurred for share-based payments in Q2 2023 and Q2 2024, and to exploration activities undertaken on its Deer Horn property in Q1, Q2 and Q3 2024. It is anticipated that the Company will experience seasonal decreases in exploration expenditures due to weather conditions impeding property access and will maintain its current expenditure levels for other G&A expenditures until such time as increased levels of activity in these areas are warranted for investor relations and promotion due to increased market activity.

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, 2024.

As at April 30, 2024, 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 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 two most previously-ended fiscal years.

At April 30, 2024, First Tellurium had $15,379 in cash and cash equivalents (July 31, 2023 - $193,839) and a working capital deficiency of $902,260 (July 31, 2023 – working capital of $317,275). Additional debt or equity financing will be required to meet the Company’s business objectives, to address its ongoing losses 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 former director, expense allowances, share-based compensation
Allen Schwabe	Directors fees, share-based compensation
Matt Wayrynen	Directors fees, share-based compensation
Frederick Jung	Directors fees, share-based compensation

***resigned subsequent to April 30, 2024*

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, 2024		April 30, 2023
Management fees CEO	$	180,000	$	180,000
Management fees CFO		36,000		36,000
Consulting fees		30,000		30,000
Rent (included in office and miscellaneous)		13,500		13,500
Share-based compensation		22,500		50,000
Total	$	282,000	$	309,500

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

Nine months ended April 30,		2024		2023
Due to key management or companies controlled by key management personnel	$	85,500	$	16,400
Total	$	85,500	$	16,400

Balances owed to related parties are unsecured and non-interest bearing. Included in prepaid expenses $57,431 (2023 - $57,431) 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, reclamation deposit, accounts payable and accrued liabilities, loans payable, lease liability 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, lease liability 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 Jan. 31, 2024	Nine months ended Jan. 31, 2023
General and Administration Expenses	**$ 2,078,574**	**$ 1,530,206**

Disclosure of Outstanding Share Data

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

As at April 30, 2024 and June 27, 2024 the Company had 91,760,331 issued and outstanding common shares.

The following is a summary of stock options outstanding as at June 27, 2024 and April 30, 2024:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (June 27, 2024)	Number of Shares Remaining Subject to Options (April 30, 2024)
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 31, 2032	$0.14	1,200,000	1,200,000
January 9, 2034	$0.10	2,150,000	2,150,000
Total		6,750,000	6,750,000

The following is a summary of warrants outstanding as at June 27, 2024 and April 30, 2024:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Warrants (June 27, 2024)	Number of Shares Remaining Subject to Warrants (April 30, 2024)
November 17, 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
October 30, 2025	$0.15	1,890,000	1,890,000
December 22, 2023	$0.15	335,000	335,000
Total		13,531,000	13,531,000

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.