

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:**

July 11, 2024

3. **Press Release:**

A News Release dated and issued on July 11, 2024 at Vancouver, BC, through The News Wire and SEDAR.

4. **Summary of Material Change:**

First Tellurium Announces Discussions with US Department of Defense

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:**

July 11, 2024

NEWS >>>

First Tellurium Announces Discussions with US Department of Defense

The DOD has directed First Tellurium to join the Defense Industrial Base Consortium to move forward.

Vancouver, BC, Canada, July 11, 2024 – First Tellurium Corp. (CSE: **FTEL**, OTC: **FSTTF**) reports it has had recent discussions with the U.S. Department of Defense (DOD) regarding various tellurium-related opportunities such as better batteries, solar energy output, combustion/electric vehicles and drones. Recognizing tellurium as a critical metal in need of domestic sources, the DOD has directed First Tellurium to join the Defense Industrial Base Consortium (DIBC) to move ahead with further discussions. The DIBC helps the Department of Defense access commercial solutions for defense requirements and innovations from industry, academia, and non-traditional contractors.

Better batteries are of particular concern to the DOD. As Deputy Secretary of Defense Dr. Kathleen H. Hicks noted in 2023, “A healthy battery supply chain is essential to the military...When it comes to batteries, America needs to lead the world.”

First Tellurium’s strategic partner Fenix Advanced Materials and the University of British Columbia are developing a [lithium-tellurium battery](#) that may last up to four times longer than conventional lithium-ion batteries, while generating more power. The battery is solid-state and will not catch fire, offering significant safety advantages.

“We had a very encouraging first meeting with the Department of Defense at this year’s Energy Metals Conference in Washington, DC,” said First Tellurium President and CEO Tyrone Docherty. “In subsequent meetings, they also expressed interest in our tellurium projects in Colorado and British Columbia and the [thermoelectric device](#) developed by our subsidiary PyroDelta Inc.”

Docherty added that, with the growing concern around domestic sources of critical metals, the Department of Defense is considering funding assistance for critical metals exploration projects and junior mining companies as well as for operating mines.

“They’re fully aware that grass roots funding for critical metals exploration is currently hard to access through conventional financing channels,” said Docherty.

Since first announcing completion of R&D on the PyroDelta thermoelectric device in 2023, numerous groups have approached First Tellurium and PyroDelta to learn more about its advantages.

“In addition to the DOD, we are very pleased with the growing interest from other parties,” said Docherty. “As we’ve reported over the past six months, the device offers many potential applications for generating clean, renewable energy, particularly for solar, as well as conventional and electric vehicles and a range of industrial uses. The Department of Defense, with its \$800 billion-plus annual budget, presents a very exciting prospect for us.”

Non-brokered Private Placement Financing

First Tellurium also announces a non-brokered private placement (the “Offering”) to raise up to \$1,400,000 through the sale of up to 10,000,000 flow-through shares (the “Flow-Through Shares”) and up to \$1,100,000 through the sale of up to 10,000,000 units (the “Units”). Each Unit will consist of one non-flow-through common share and one-half of one common share purchase warrant, each whole warrant exercisable at \$0.15 for a period of two years following the close of the offering.

“As we [announced](#) in late June, Campbell & Walker Geophysics are interpreting data from First Tellurium’s 2023 Induced Polarization geophysical survey at Deer Horn,” said Docherty. “The flow-through portion of the financing will contribute to the geophysical interpretation as well as planned drilling this season.”

The Company may pay a finder’s fee consisting of cash, shares and/or warrants to eligible finders as permitted under applicable securities laws and CSE policies. Proceeds arising from the sale of Flow-Through shares will be utilized for exploration expenditures on its Deerhorn Property. Proceeds arising from the sale of Units will be utilized for exploration on the Colorado Klondike Property and for unallocated working capital.

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

For further information please contact:

Tyrone Docherty
604.789.5653
tyrone@firsttellurium.com

X/Twitter:
<https://twitter.com/TelluriumCorp>

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.