FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: **First Energy Metals Limited** (the “Issuer”).

Trading Symbol: FE

Number of Outstanding Listed Securities: 58,041,792

Date: July 10, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*First Energy continues with its exploration plans on the Augustus property along with evaluating additional Lithium exploration targets in North and South America. Exploration result details provided below include both surface samples and drill results.*

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Provide a general overview and discussion of the activities of management.

**First Energy has received exploration results from its exploration program on the Augustus property in Quebec, results to date are summarized below.**

First Energy Metals Ltd. has released the results of drill hole NC21-16 at its Augustus lithium property in Quebec, Canada. The drill hole intersected a 19-metre-wide zone with 1.17 per cent lithium oxide (Li2O) at 126 m drilled depth. There are anomalous values of other rare metals as well, including average values of niobium (Nb) at 77.83 parts per million (ppm), rubidium (Rb) at 1,378.58 ppm, tantalum (Ta) at 96.79 ppm, beryllium (Be) at 181 ppm and cesium (Cs) at 67.45 ppm. The average value of iron (Fe) is 0.47 per cent.

Drill hole LC21-16 was drilled at location: 287095E and 5367711N (NAD (North American datum) 1983 UTM (Universal Transverse Mercator) zone 18N) with azimuth of 45 degrees and dip of 44.7 degrees with a total drilled depth of 288 m. All intersections reported are based on drilled width and have not been converted to true width.

Gurminder Sangha, chief executive officer of First Energy Metals, stated that: "We are pleased with the drilling results to date. This drill hole intersected larger drilled widths of lithium-bearing zones than the historically reported intersections in this area."

The drill program is based on the historical exploration data and the company's surface trenching and sampling program, which is currently under way. Several historical drill hole collars were also located on the property, which help in location and orientation of drill holes for the current drill program. The drill program commenced on April 5 at the property by Forage Hebert Inc. of Amos, Que., which is contracted for the drill program. A B-20 drill rig is deployed for this work, which has a capacity to drill up to 1,000-metre-deep holes. A core shack has been built near the property for drill core logging, sample preparation and storage. To date, a total of 19 drill holes with a cumulative core drilling of 3,200 m have been completed on the property. The drill core is being logged and sampled at the core shack using a rock saw. For quality control and quality assurance (QA/QC), field duplicates and blanks are being inserted at an industry-standard interval.

The samples were bagged and tagged using best practices and were delivered to Activation Laboratories (ActLabs), Ancaster, Ont., for sample preparation and analyses using laboratory code Ultratrace 7 and sodium peroxide fusion (Na2O2) as summarized below. ActLabs is an independent commercial, accredited International Organization for Standardization-certified laboratory.

Code Ultratrace 7 -- peroxide fusion -- ICP (inductively coupled plasma) and ICP/MS (inductively coupled plasma mass spectrometry)

Samples are fused with sodium peroxide in a zirconium crucible. The fused sample is acidified with concentrated nitric and hydrochloric acids. The resulting solutions are diluted and then measured by ICP-OES (inductively coupled plasma optical emission spectroscopy) and ICP-MS. All metals are solubilized.

ICP-MS

Fused samples are diluted and analyzed by Agilent 7900 ICP-MS. Calibration is performed using five synthetic calibration standards. A set of (10 to 20) fused certified reference materials is run with every batch of samples for calibration and quality control. Fused duplicates are run every 10 samples.

ICP-OES

Samples are analyzed with a minimum of 10 certified reference materials for the required analytes, all prepared by sodium peroxide fusion. Every 10th sample is prepared and analyzed in duplicate; a blank is prepared every 30 samples and analyzed. Samples are analyzed using a Varian 735ES ICP and internal standards are used as part of the standard operating procedure.

Afzaal Pirzada, PGeo, geological consultant of the company and a qualified person for the purposes of National Instrument 43-101 -- Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical information contained in this news release

**FIRST ENERGY METALS CLOSES PRIVATE PLACEMENT**

First Energy Metals Ltd. has closed a non-brokered private placement for aggregate gross proceeds of $1-million. The offering consisted of the sale of $771,299.76 flow-through units by way of issuing 2,003,376 shares at 38.5 cents per flow-through unit and the sale of $228,700.24 hard dollar units by way of issuing 682,687 shares at 33.5 cents per HD unit.

Each flow-through unit consists of one common share and one-half of one common share purchase warrant. Each whole flow-through warrant entitles the holder to purchase one common share at a price of 45 cents for a period of two years from the issue date. Each hard dollar unit consists of one common share and one common share purchase warrant. Each hard dollar warrant entitles the holder to purchase one common share at a price of 40 cents for a period of two years from the issue date.

Final closing of the transaction and private placement is subject to obtaining all required approvals, including from the Canadian Securities Exchange, and any other regulatory approval. All securities issued in connection with the offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. A finder's fee of 8 per cent will be paid in connection with the above-noted private placement consisting of $64,383.98 cash, 105,169 compensation shares and 105,169 finders' warrants.

First Energy intends to use the net proceeds from the offering to primarily finance exploration work on its Augustus lithium property, along with general working capital purposes.

**FIRST ENERGY METALS INCREASES SIZE OF AUGUSTUS PROJECT WITH THE MCNEELY LITHIUM PROPERTY ACQUISTION**

First Energy Metals Ltd. has entered into an agreement with Globex Mining Enterprises Inc. to acquire 100-per-cent interest into McNeely lithium property located in LaCorne, Landrienne and Figuery townships in Quebec, Canada. The newly acquired properties consist of 66 mining claims covering a total area of 2,276.49 hectares on map sheets 32C05 and 32D08. These claims are spread out in several claim blocks along the Quebec lithium mine horizon. Some of the claims are located adjacent to the Augustus lithium property claims where First Energy has been carrying out a drill program since April, 2021, and reported drill results in a series of recent news releases. These additional claims bring the total size of the property to 15,045.62 hectares.

There is one historical lithium showing, Martin-McNeely lithium, in a claim block of the new property where lithium pegmatite outcrop was discovered in 1955. Geologically, these mineralized pegmatite dikes intersect amphibolitized peridotite rocks north of the Preissac-Lacorne batholith. The dikes are mineralized in spodumene, lepidolite and molybdenite. The mineralization is confined to pegmatite dikes of unknown attitude. The pegmatite in drill hole M3 drilled on Lot 28 of the township of Landrienne intersected lithium mineralization.

Cautionary statement

Investors are cautioned that the above information is taken from the publicly available sources, specifically from the Quebec Ministry of Energy and Mines (MERN) database. The company has not been able to independently verify the information contained. The information is not necessarily indicative of the mineralization on the property, which is the subject of this news release. The company will need to conduct exploration to confirm historical mineralization reported on the property, and there is no guarantee that significant discovery will be made as a result of its exploration efforts.

Gurminder Sangha, chief executive officer of First Energy Metals, stated that: "We are very pleased to acquire these claims adjacent to the Augustus and Canadian lithium prospects on the property. The new acquisition will give more ground to expand our current drill program to the east, west and south if the mineralization extends in that direction. This acquisition is a result of successful exploration work of First Energy showing excellent lithium mineralization on surface and drill holes."

Transaction details

Pursuant to a property purchase agreement between Globex and the company, First Energy will acquire a 100-per-cent interest in the McNeely lithium property by making a cash payment of $250,000 and issuing two million common shares. The seller will retain a 3.0-per-cent gross metal royalty (GMR) on the property.

This above-noted agreement is with a non-related party, and there are no directors, officers or senior management in common. Closing of the transaction is subject to obtaining all required approvals, including the Canadian Securities Exchange and including any other regulatory approval.

Afzaal Pirzada, PGeo, who is a consultant of the company and a qualified person for the purposes of National Instrument 43-101 -- Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical information contained in this news release.

**FIRST ENERGY HIRES DIGITIAL MARKETING CONSULTANT AND DOUBLES DRILL PROGRAM AT AUGUSTUS LITHIUM PROPERTY**

First Energy Metals Ltd. has engaged Sidis holdings Ltd. and Maynard Communications Ltd. to provide corporate communications services to the company. The services provided by both Sidis and Maynard include, but are not limited to, SEO (search engine optimization), digital media campaigns for branding, media consulting, general business development, multimedia services and project management. A significant amount of time will also be devoted to product and services marketing/advertising. The comprehensive advertising program is designed to build brand familiarity, general recognition and awareness within on-line investor content platforms.

The term of the agreement extends from the effective date of June 14, 2021, until the digital media marketing campaign and related media buying concludes. The company will pay $300,000 to Sidis for a 30-month period for the above services. In addition, the company will pay $300,000 for a six-month period to Maynard. First Energy may elect to prepay the above-noted expenses with cash on hand.

Each of the above-noted parties is an arm's length consultant, having been retained to provide digital marketing, primarily using Google ads, digital media, corporate advisory, branding and strategic business services to the company. Neither First Energy nor any of its directors, officers or employees have any interest, directly or indirectly, in Sidis or Maynard, or their securities, or any right or intent to acquire such an interest.

In addition, the company is pleased to announce it is nearing a milestone of completing its initial 5,000-metre drill program at the Augustus lithium property. To date First Energy has drilled 23 holes on both the Augustus and Canada lithium prospect with a cumulative drilling of 4,063 metres. To date Augustus has had 12 holes drilled and Canada lithium prospect has had 11 holes drilled. Both the surface and drill exploration have yielded encouraging results to date, and, with that in mind, First Energy will be increasing the drill program by an additional 5,000 metres.

Lastly, the company would like to announce a non-brokered private placement financing of $1-million, the financing will consist of the issuance of up to 2,985,074 at 33.5 cents per unit. Each unit consist of one common share plus one fill warrant to purchase an additional common share at 40 cents for a 24-month period.

The proceeds will be used for exploration and development of company's mineral properties and general working capital. One or more existing insiders may be participating in the financing as approved by independent directors. The company is relying on an exemption from the related-party requirements of Multilateral Instrument 61-101.

Closing of the proposed private placement is subject to obtaining all required approvals, including from the Canadian Securities Exchange and any other regulatory approval. The securities will be subject to a four-month hold period plus one day under applicable securities laws.

**FIRST ENERGY METALS CUTS 1.44 PERCENT LITHIUM OXIDE OVER 8 METERS IN CHANNEL SAMPLES FROM AUGUSTUS LITHIUM PROPERTY**

First Energy Metals Ltd. has released more assay results from the channel sampling program at its Augustus lithium property in Quebec, Canada. The north extension of the channel 21-2E samples at the Beluga pegmatite of the Canadian lithium prospect cut an eight-metre-wide section with an average of 1.44 per cent lithium oxide (Li2O). Complete results for a total of 15 metres of channel cut on the north end of the channel 21-2E are presented in the associated table.

The ground exploration work has been continuous since February, 2021, and its purpose is to locate and confirm historical lithium pegmatite occurrences on various historical lithium prospects, to locate historical drill holes on the property completed in the 1950s, and to support the continuing drill program. The pegmatite outcrops are exposed using an excavator. The field exploration is continuous, and more channel sampling is being carried out on the exposed outcrops. The surface channel sampling will also help in resource estimation to tie up potential lithium pegmatite zones intercepted in drill holes to the surface.

Each channel sample from this work represents a one-metre-long, five-centimetre-wide and three-to-five-centimetre-deep cut in bedrock. The samples were bagged and tagged using best practices and were delivered to Activation Laboratories (ActLabs), Ancaster, Ont., for sample preparation and analyses using laboratory code Ultratrace 7 as summarized below. ActLabs is an independent commercial accredited International Organization for Standardization-certified laboratory.

Code Ultratrace 7 -- peroxide fusion -- inductively coupled plasma and inductively coupled plasma mass spectrometry

Samples are fused with sodium peroxide in a zirconium crucible. The fused sample is acidified with concentrated nitric and hydrochloric acids. The resulting solutions are diluted and then measured by ICP-OES (inductively coupled plasma optical emission spectroscopy) and ICP-MS. All metals are solubilized.

ICP-MS

Fused samples are diluted and analyzed by Agilent 7900 ICP-MS. Calibration is performed using five synthetic calibration standards. A set of (10 to 20) fused certified reference material is run with every batch of samples for calibration and quality control. Fused duplicates are run every 10 samples.

ICP-OES

Samples are analyzed with a minimum of 10 certified reference materials for the required analytes, all prepared by sodium peroxide fusion. Every 10th sample is prepared and analyzed in duplicate; a blank is prepared every 30 samples and analyzed. Samples are analyzed using a Varian 735ES ICP, and internal standards are used as part of the standard operating procedure.

Afzaal Pirzada, PGeo, geological consultant of the company and a qualified person for the purposes of National Instrument 43-101 -- Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical information contained in this news release.

*Further details with exploration result tables can be found under First Energy's SEDAR profile or on the Company website www.firstenergymetals.com*

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

First Energy will continue to focus its efforts on the most prospective properties held in its portfolio, subject to exploration success, particularly the Augustus Lithium Property and Titan Gold Property.

In addition, as noted above First Energy Metals Ltd. has entered into an agreement with Globex Mining Enterprises Inc. to acquire 100-per-cent interest into McNeely lithium property located in LaCorne, Landrienne and Figuery townships in Quebec, Canada. The newly acquired properties consist of 66 mining claims covering a total area of 2,276.49 hectares on map sheets 32C05 and 32D08. These claims are spread out in several claim blocks along the Quebec lithium mine horizon. Some of the claims are located adjacent to the Augustus lithium property claims where First Energy has been carrying out a drill program since April, 2021, and reported drill results in a series of recent news releases. These additional claims bring the total size of the property to 15,045.62 hectares.

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1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*N/A.*

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*N/A*

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*N/A.*

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
2. Describe the acquisition of new customers or loss of customers.

*N/A.*

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

*N/A.*

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
2. Report on any labour disputes and resolutions of those disputes if applicable.

*N/A.*

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

*N/A.*

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*The Issuer incurs trade payables in the normal course of its business. For further details, see the Issuer’s periodic financial statements and accompanying management discussion and analysis filed on SEDAR under the Issuer’s SEDAR profile at www.SEDAR.com.*

1. Provide details of any securities issued and options or warrants granted.

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| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds (1)** |
| Common Shares | 2,003,376 (flow-though)  682,687 (hard dollar) | Closing of Private Placement | *Augustus Exploration and General Working Capital* |
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1. *State aggregate proceeds and intended allocation of proceeds.*
2. *The Issuer intends to allocate the aggregate proceeds of $150,000 to allocate towards general working capital purposes\_.*
3. Provide details of any loans to or by Related Persons.

*N/A.*

1. Provide details of any changes in directors, officers or committee members.

*N/A.*

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

*The Issuer has not identified any trends which are likely to impact the Issuer.*

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the best of the undersigned’s knowledge and belief, as of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that, to the best of the undersigned’s knowledge and belief, the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. To the best of the undersigned’s knowledge and belief, all of the information in this Form 7 Monthly Progress Report is true.

Dated July 10th, 2021.

Gurminder Sangha   
Name of Director or Senior Officer

“*Gurminder Sangha*”   
Signature

President   
Official Capacity

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| ***Issuer Details***  Name of Issuer  First Energy Metals Limited | For Month End  June 30, 2021 | Date of Report  YY/MM/D  21/07/10 |
| Issuer Address  2421 – 1055 West Georgia Street | | |
| City/Province/Postal Code  Vancouver, BC V6E 3P3 | Issuer Fax No.  ( )N/A | Issuer Telephone No.  (604) 375-6005 |
| Contact Name  Gurminder Sangha | Contact Position  President & CEO | Contact Telephone No.  (604) 375-6005 |
| Contact Email Address  [gsangha@firstenergymetals.com](mailto:gsangha@firstenergymetals.com) | Web Site Address  <https://www.firstenergymetals.com> | |