FORM 7  
  
MONTHLY PROGRESS REPORT

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

Trading Symbol: FE

Number of Outstanding Listed Securities: 32,700,003

Date: September 1, 2020

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.

***Scramble Mine Property Update:***

*First Energy completed two round of exploration with the following results:*

First Energy Metals Ltd. has released assay results of exploration work from its recently optioned Scramble mine gold property, located in Northwestern Ontario, Canada. The work was carried out in June 2020 and included: prospecting to locate historical mineralization areas; channel and grab surface sampling; mapping historical gold mineralization veins and structures; and developing a detailed phase 2 exploration work plan.

Highlights (see an attached table for details):

* Intersected two metres of average 4.69 grams per tonne gold in channel samples (samples 294304 and 294305).
* A one-metre channel sample (No. 294304) assayed 3.24 grams per tonne gold and 5.93 grams per tonne silver, and a second one-metre channel sample (No. 294305) assayed 6.15 grams per tonne gold.
* The average of four-metre-thick channel sampling across quartz vein material is two grams per tonne gold.
* The channel samples were collected 320 m along strike from the historic shaft of the Scramble mine, indicating continuity of the mineralized veins and structures, as documented in historical reports and data.

The samples were prepared and assayed at Activation Laboratories in Thunder Bay, Ont., using code UT-4 for multielemental analysis, and gold analysis (method 1A3) by fire assay/gravimetric finish for overlimit gold values. Activation Laboratories is an independent group of laboratories accredited by the Standards Council of Canada to ISO/IEC 17025 guidelines for gold analysis.

Afzaal Pirzada, PGeo, geological consultant of the company, 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

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FIRST ENERGY METALS SELECTED GRAB SAMPLES ASSAYED 82.30 GRAMS PER TONNE GOLD FROM SCRAMBLE MINE GOLD PROPERTY

First Energy Metals Ltd. has released assay results of second round of prospecting and sampling work from its recently acquired Scramble mine gold property located in Northwestern Ontario, Canada. The work was carried out in August, 2020 to find historically reported mineralization areas near Scramble mine, mapping gold mineralization veins and structures, and developing a detailed phase 2 exploration work plan. A total of 10 grab surface samples were collected during this work and submitted to Activation Laboratories in Thunder Bay, Ont. The company wants to caution that grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

Highlights of assays:

* Average value of gold in all samples is 29.34 grams per tonne (1.03 ounces per tonne).
* Gold assays ranged from 5.03 grams per tonne (0.18 ounce per ton) to 82.30 (2.90 ounces per ton) with two samples assaying over two ounces per ton.
* All samples assayed over five grams per tonne gold.

The samples were prepared and assayed at Activation Laboratories in Thunder Bay, Ont., using code 1A3 -- four-acid digest -- total digestion for gold analysis by fire assay/gravimetric finish for overlimit gold values (methods FA-AA and 1A3-FA-GRA). Activation Laboratories is an independent group of laboratories accredited by the Standards Council of Canada to International Organization for Standardization/International Electrotechnical Commission 17025 guidelines for gold analysis.

Alex Pleson, 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.

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***KOKANEE/ INDEPENDENCE PROPERTIES***

FIRST ENERGY COMPLETES INITIAL EXPLORATION WORK AT BOTH KOKANEE CREEK & INDEPENDENCE GOLD PROPERTIES

First Energy Metals Ltd. has completed exploration work at its Kokanee Creek and Independence gold properties located in southeastern British Columbia, Canada. The work included prospecting to locate historical mineralization areas, carry out surface sampling, and mapping of historical gold mineralization veins and structures. A total of 45 grab rock/sediment samples were collected from various outcrops and mineralized areas mentioned in the historical exploration work reports. The samples are submitted to Acme Analytical Laboratories in Vancouver, B.C., and the results are expected in four to six weeks time.

During fieldwork at the Kokanee Creek property, a mineralization area with two- kilometre-by-500-metre dimensions was targeted where historical drilling in 1997 returned encouraging gold, silver, lead or zinc mineralization at shallow depths. The company has filed a drill permit application using the B.C. on-line mine permitting system, and timing of drilling work will depend upon permit approval.

Afzaal Pirzada, PGeo, geological consultant of the company, 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.

***BALD EAGLE SILVER PROPERTY ACQUISITION***

FIRST ENERGY METALS ACQUIRES BALD EAGLE SILVER EXPLORATION PROPERTY IN BRITISH COLUMBIA, CANADA

First Energy Metals Ltd. has entered into a purchase agreement with Geomap Exploration Inc., a private corporation registered in British Columbia, Canada, to acquire a silver gold exploration property located in the province of British Columbia, Canada. Pursuant to a property purchase agreement between the seller and the company, dated Aug. 10, 2020, First Energy will acquire a 100-per-cent interest in the Bald Eagle silver property consisting of three mining claims covering approximately 1,013.58 hectares area in the Alberni mining division, British Columbia, Canada, by way of issuing 550,000 common shares of First Energy. Geomap Exploration will retail a 2-per-cent net smelter royalty, of which First Energy may purchase half (1 per cent) of the NSR.

Property details:

* Bald Eagle property is located 30 kilometres to the northeast of Ucluelet and approximately 57 kilometres by road west of Port Alberni in the west coast of Vancouver Islands on NTS map 092F013. The Port Alberni-Tofino paved highway runs 800 metres east of the property. It has an ideal location for shipping potential mineral concentrates by ocean freight to any destination in the world.
* Geologically, the area is underlain by Karmutsen formation volcanics of the Upper Triassic Vancouver group, which have been intruded by the early to middle Jurassic Island intrusions consisting of granodiorite to quartz diorite. The quartz veins are a few centimetres to two metres in width with patches of pyrite, pyrrhotite and chalcopyrite. Tertiary silver- and gold-bearing quartz sulphide veins are found primarily along faults within the area.
* There are four mineral occurrences on the property as documented in the MTO database of B.C. Ministry of Mines records as Minfiles.
* Kristen occurrence: In 1987 to 1989, Golden Spinnaker Minerals optioned the property and completed programs of trenching, VLF (very low frequency)-EM (electromagnetic) surveys and diamond drilling. In 1988, bulk sampling and 14 diamond drill holes, totalling 819 metres, were completed on the Elite 1 vein and nearby Rachel vein. In 1991, Kancana Ventures optioned the property. From 1993 to 1995, the property was returned to and later prospected by K. Gourley. In 1993, chip sampling of the Kristen 1 vein assayed values up to 4.4 grams per tonne gold and 126.5 grams per tonne silver. In 1995, sampling of the vein assayed up to 9.8 grams per tonne gold and 31.5 grams per tonne silver (assessment report 25493). At the Elite 1 vein area, disseminated pyrite occurs in bleached and silicified rock with irregular quartz lenses and pods. Rock samples from here assay up to 0.508 ounce per ton gold across 110 centimetres (assessment report 18218).
* Bald Eagle occurrence: The area was part of the same work program in 1987 to 1989 by Golden Spinnaker Minerals. Mineralization is in 0.05- to 0.60-metre-wide quartz and/or calcite veins occurring in a quartz diorite rock and containing lenses of pyrite and pyrrhotite. In 1995, a 0.10-metre chip sample from this occurrence assayed 8.3 grams per tonne gold and 35.2 grams per tonne silver.
* Frog Creek occurrence: The area was part of the above-mentioned work program in 1987 to 1989. In 1995, a 0.20-metre chip sample returned values of 2.6 grams per tonne gold and 2.7 grams per tonne silver (JK-167; assessment report 25493).
* The Falcon occurrence: This is located on the northern slopes of Hidden Peak at approximately 950 metres. Locally, a mineralized zone, striking 300 degrees and dipping 40 degrees southwest within altered volcanics, contains disseminated pyrite, chalcopyrite, and minor galena and native copper. In 1984, Torhsen Energy Corp. completed a program of rock sampling and geological mapping on the area as the Falcon claim. A 30-centimetre channel sample of the zone assayed 0.37 per cent copper, 0.156 per cent zinc and 3.1 grams per tonne silver (assessment report 12769).

Cautionary statement: Investors are cautioned that the above information has been taken from publicly available sources mainly based on the B.C. government's database. The company has not verified the information, and the information is not necessarily indicative of the mineralization on the property. The company is in the process of developing an exploration work plan on the property by compiling geological and historical exploration work. The work plan will initially be focused on confirming historical sampling carried out on the property.

This 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 from the Canadian Securities Exchange, and including any other regulatory approval.

Technical data pertaining to this new release were reviewed and approved by Afzaal Pirzada, PGeo, who is also the property vendor and acting as First Energy's qualified person under National Instrument 43-101.

***FIRST ENERGY ENTERS NON -BINDING LETTER AGREEMENT TO ACQUIRE AUSTRALIAN PROPERTIES***

FIRST ENERGY METALS ENTERS INTO LETTER AGREEMENT TO ACQUIRE AUSTRALIAN GOLD PROJECTS AND ANNOUNCES PRIVATE PLACEMENT FOR GROSS PROCEEDS UP TO $2,000,000

First Energy Metals Ltd. has entered into a letter agreement dated Aug. 25, 2020, between the company and 1260945 B.C. Ltd., a private corporation incorporated in British Columbia (TargetCo), pursuant to which, subject to regulatory approval, the company will acquire 100 per cent of the issued and outstanding shares of TargetCo. Targetco owns a 100-per-cent interest (subject to a 2-per-cent net smelter return royalty) in three prospective gold projects in Australia, being the Dalmorton, Viserion and Rhaegal gold projects.

The gold projects:

* The Dalmorton gold project, which is located in northern New South Wales, is relatively advanced as a shallow inferred resource has already been modelled:
  + Further, previous work has verified an eight-kilometre gold strike with four high-grade exploration targets that deliver incremental exploration upside.
  + A high-level exploration plan has already been mapped out, which includes expedited field trips to refine targets for an inaugural drilling campaign.
* The two prospective contiguous Northern Territory projects -- Viserion and Rhaegal -- are located in the Tennant Creek region, which is known for gold occurrences in sedimentary units, breccia fill and multivein-style systems.
* All projects are located near supportive mining communities, excellent infrastructure and road/rail networks to nearby ports.
* Further, Australia is a well-regulated, stable jurisdiction for developing emerging gold mining projects.

The proposed transaction

Pursuant to the terms of the letter agreement, upon the date of closing of the proposed transaction, First Energy will acquire 100 per cent of the issued and outstanding securities of TargetCo in consideration for the issuance of an aggregate of 23.5 million common shares of the company at a deemed price of 20.5 cents per payment share. The company will be required to make cash payments in the aggregate of $1-million over a period of four years from the closing date ($200,000 on the closing date; $150,000 on or before eight months from the closing date; $150,000 on or before 12 months from the closing date; $150,000 on or before 24 months from the closing date; $150,000 on or before 36 months from the closing date; and $150,000 on or before 48 months from the closing date). In addition, the company may issue up to an additional 7.5 million common shares of the company upon the achievement of certain milestones.

In connection with the proposed transaction and subject to approval of the Canadian Securities Exchange, the company will issue 1.5 million common shares to an arm's-length third party finder in connection with the proposed transaction at a deemed price of 20.5 cents per finder share. The payment shares and performance shares, if any, will not be subject to any hold periods under applicable securities laws. The finder shares will be subject to a four-month-and-one-day hold period under applicable securities laws.

The proposed transaction remains subject to certain closing conditions, including, without limitation: (a) completion of due diligence to the satisfaction of the respective parties; (b) the negotiation and execution of a definitive agreement on or before Sept. 15, 2020; (c) the receipt by the company of all necessary corporate and regulatory approvals, including the approval of the CSE, as applicable; and (d) each party's representations and warranties in the definitive agreement being true and correct in all aspects as of the closing date and each party meeting its terms and conditions and completing its covenants and obligations as contained therein. There can be no guarantees that the proposed transaction will be completed as contemplated or at all.

The private placement

The company intends to complete a non-brokered private placement financing of up to 13,333,333 units of the company at a price of 15 cents per unit for gross proceeds of up to $2-million. Each unit comprises one common share and one-half of one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of 30 cents per share for a period of 12 months from closing.

In connection with the offering, the company may pay finders' fees on certain subscriptions in accordance with Canadian Securities Exchange policy. Proceeds of the offering will be used to continue further exploration work on its existing precious metal/base metal properties, along with expenses related to the completion of the proposed transaction and general working capital.

Completion of the offering is subject to standard closing conditions, including the approval of the CSE. All securities issued pursuant to the offering will be subject to a four-month-plus-one-day hold period from the closing date

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

Management of the Issuer continued with general and corporate operations and has been working on securing financing to pay for exploration and development of the Issuer’s mineral properties and for general working capital for its existing properties along with its recently acquired Bald Eagle Property*.*

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.

As outlined above First Energy has been able to complete its initial exploration on both the Scramble Mine property and Kokanee Creek/Independence property. In addition, First Energy has signed a letter agreement to complete its initial due diligence for a group of Australian properties.

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.

The Issuer acquired the Bald Eagle property from Geomap Consulting Inc, Geomap is not a Related Party. In addition, First Energy is currently completing its due diligence on Australian gold properties as referenced above.

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.

The Issuer entered into an agreement to acquire the Bald Eagle property from Geomap as referenced above. The Option Agreement is with a non-related party and there are no directors, officers or senior management in common. Closing of the above transaction is subject to obtaining all required approvals, including CSE approval, if required.

1. 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.

*N/A.*

1. 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* | *150,000* | *\*Phyllis Cobalt Option Agreement Issuance* |  |
| Common Shares | 1,250,000 | *Kokanee Creek/ Independence Option Agreement Issuance* |  |
| Common Shares | 400,000 | *Scramble Mine Option Agreement Issuance* |  |

1. *State aggregate proceeds and intended allocation of proceeds.*
2. *The Issuer intends to allocate the aggregate proceeds of $XX 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 September 7, 2020.

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  August 31, 2020 | Date of Report  YY/MM/D  20/09/07 |
| Issuer Address  1206 – 588 Broughton Street | | |
| City/Province/Postal Code  Vancouver, BC V6G 3E3 | 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 |
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