FORM 7  
  
MONTHLY PROGRESS REPORT

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

Trading Symbol: FE

Number of Outstanding Listed Securities: 30,900,003

Date: August 2, 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.

*The Issuer entered into an option agreement (the “Option Agreement”) with Alex Pleson dated June 1, 2020 pursuant to which it can a 100% interest in the Scramble Mine gold property in Northwestern Ontario, Canada. See Item 7 below for particulars.*

*Immediately upon signing of the Option Agreement the Issuer contracted Pleson Geoscience to commence surface field exploration work on the Scramble Mine gold property. The exploration work will include 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. The Issuer intends to take several bulk samples from the mine to understand the deposit mineralogy and to carry out metallurgical test work. A permitting application will be filed after completion of the fieldwork exploration.*

*On June 9, 2020 the Issuer announced a non-brokered private placement financing of $500,000, half of which will be comprised of 2,083,333 flow-through shares at a price of $0.12 per share. The other half will be comprised of 2,083,333 units at a price of $0.12 per unit, with each unit consisting of one common share and one-half of one fully transferable share purchase warrant entitling the holder to purchase one additional common share at a price of $0.20 for a period of 1 year.*

*The proceeds will be used for exploration and development of the Issuer’s mineral properties, in particular the recently optioned Scramble Mine gold property and general working capital. One or more existing insiders may be participating in the financing as approved by independent directors. The Issuer is relying on an exemption from the related party requirements of MI 61-101.*

*In connection to the above noted non-brokered private placement, finder’s fees may be paid to eligible finders in accordance with the policies of the CSE consisting of a cash commission equal to up to 10% of the gross proceeds raised under the offering. Closing of the proposed private placement is subject to obtaining all required approvals, including CSE approval, if required. The securities will be subject to a four-month hold period plus one day under applicable securities laws.*

*On June 11, 2020 the Issuer announced that it had commenced exploration work on the Scramble Mine gold property, and in an subsequent announcement dated July 02, 2020 the Company completed the initial round of exploration. See Item 3 below for particulars.*

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. The Issuer entered into a property option agreement to acquire a 100% interest in the Scramble Mine gold property, subject to a three (3) percent net smelter returns royalty in favour of the optionor, (see Item 1) and contracted Pleson Geoscience to commence exploration work on the Scramble Mine gold property (see Items 3 and 5).*

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.

*On July 2,2020 First Energy Metals Ltd. has completed the first round of exploratory fieldwork at the Scramble mine gold property located in Northwestern Ontario, Canada. The work included prospecting to locate historical mineralization areas, carrying out channel and grab surface sampling, mapping historical gold mineralization veins and structures, and developing a detailed phase 2 exploration work plan. The initial field observations confirmed the location of historical underground workings, mineralized quartz veins and the host rock in shear zone. A six-metre interval and five grab samples were collected to further understand the extent of gold mineralization along strike of the historic mining location. The company also completed a large georeferencing program of the past operator's diamond drill holes, mine shaft and surface trench locations. Ground truthing of the most recent geological map of the area was completed during this campaign as well.*

*In addition, the company is pleased to announce that, after successful completion of the fieldwork program, two separate permits with Ministry of Energy, Northern Development and Mines were filed for trenching, blasting, bulk sampling and diamond drilling. Subject to permitting, the company intends to take several bulk samples from the historical Scramble mine to understand the deposit mineralogy and to carry out metallurgical testwork. The metallurgical testwork will involve determining availability of free gold from a concentrate, as well as requirements for further processing methods, such as flotation, amalgamation and cyanidation, to improve recoveries of gold from other metals in the concentrate.*

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 contracted Pleson Geoscience to commence surface field exploration work on the Scramble Mine gold property. Pleson Geoscience is not a Related Party.*

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 option agreement (the “Option Agreement”) with Alex Pleson (the “Optionor”) dated June 1, 2020 (the “Effective Date”) pursuant to which it can a 100% interest in the Scramble Mine gold property (the “Property”) in Northwestern Ontario, Canada, subject to a three (3) percent net smelter returns royalty in favour of the Optionor, by making cash payments and issue shares to the Optionor and incurring exploration expenditures on the Property as follows:*

* *Issue 400,000 common shares in the capital of the Issuer within 7 days of the Effective Date and spend $30,000 in exploration on the Property within 90 days of the Effective Date;*
* *Issue an additional 300,000 common shares in the capital of the Issuer and spend a minimum of $70,000 in cumulative exploration expenditures on the Property within one (1) year of the Effective Date;*
* *Issue an additional 300,000 common shares in the capital of the Issuer s shares and spend a minimum of $150,000 in cumulative exploration expenditures on the Property within two (2) years of the Effective Date; and*
* *Make a cash payment of $100,000 and incur a minimum of $250,000 in cumulative exploration expenditures on the Property within three (3) years of the Effective Date.*

*Consideration payable by the Issuer for the acquisition of a 100% interest in the Property was determined by arm’s length negotiation between the Issuer and the Optionor.*

*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)** |
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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 August 2, 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  July 31, 2020 | Date of Report  YY/MM/D  20/08/02 |
| 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 |
| Contact Email Address  [gsangha@firstenergymetals.com](mailto:gsangha@firstenergymetals.com) | Web Site Address  <https://www.firstenergymetals.com> | |