



FIRST ENERGY METALS LIMITED

1206 – 588 Broughton Street
Vancouver, British Columbia
Canada, V6G 3E3
Email: gsangha@firstenergymetals.com

CANADIAN SECURITIES EXCHANGE: FE
U.S. 20-F Registration: 000-29870
OTC BULLETIN BOARD: ASKDF
FRANKFURT STOCK EXCHANGE: A2JC89

First Energy Metals To Acquire Augustus Lithium Property In Quebec, Canada

Vancouver, B.C. (January 21, 2021) – First Energy Metals Ltd. (CSE: FE) ("First Energy" or the "Company") is pleased to announce that it has entered into an option agreement to acquire a lithium exploration property located in Landrienne & Lacorne-Townships, Quebec, Canada. The property consists of three non-contiguous claim groups representing a total area of 627.35 hectares located approximately 40 kilometres northwest of the town of Val d'Or on map sheet 32C/05. The geology and the mineralization of the Augustus property are similar to the geology and mineralization of Quebec Lithium mine located approximately 6 kilometers to the southeast of the property.

Augustus Lithium Property Highlights

- The Property is a part of the Preissac – Lacorne pegmatite fields where spodumene bearing lithium pegmatites were discovered in 1940s'. It has excellent infrastructure support with road network, railway, electricity, water, and trained manpower available locally.
- Geologically the Preissac-Lacorne area lies within a belt of volcanic and sedimentary rocks intruded to the north by LaMotte batholiths and to the south by the Preissac batholiths and Moly Hill pluton.
- There are several historical and currently active lithium and molybdenum prospects/mines located approximately 3 km to 20 km from the Property. Some of the important prospects/mines are: Mine Quebec Lithium which was formerly owned by RB Energy, Authier Lithium owned by Sayona Mining of Australia, Valor Lithium, Duval Lithium, Lacorne Lithium, International Lithium, Vallee Lithium, and Moly Hill Mine. All these projects / prospects are at various stages of exploration and development, out of which Mine Quebec Lithium is the most advanced project followed by Authier lithium project. Total lithium resources for this region are over 50 million tonnes at 1% lithium oxide out of which Mine Quebec Lithium has 32 MT at 1.19%Li₂O Measured plus Indicated (M+I), Authier has 17.18 million tonnes at 1.01% Li₂O (M+I) are the most significant.
- There are two prominent lithium prospects prospect (Augustus and Canadian Lithium) and one silver on the property which have been explored intermittently since 1948. Highlights of the Augustus lithium prospect are discussed below. The Company is in the process of compiling data on the other two prospects and will release as soon as possible.

Augustus Lithium Prospect

- The Augustus pegmatite was explored in 1955 by trenching followed by diamond drilling. The pegmatite is oriented N30°W, extending more than 850 meters along strike with 7.6 meters in average width. Its depth extension is not fully known yet, however previous drilling has intersected high-grade lithium down to 682 feet (207 m). Lithium mineralization is confined to the pegmatite body with an average grade of 1.12% lithium oxide (Li₂O) (0.52% Li) across a width of 7.6. meters (Source: [Géologie Québec - Results of the query \(gouv.qc.ca\)](http://Géologie Québec - Results of the query (gouv.qc.ca))).

- The highlights of the previous drilling results include: 1.69% Li₂O over 9 feet (2.74m), 1.25% Li₂O over 27.5 feet (8.38m), 1.07% Li₂O over 20 feet (6.1m), 1.66% Li₂O over 12.5 feet (3.8m), and 1.41% Li₂O over 27 feet (8.23m) (see Table 1 below) (Source Report GM03952).
- Based on the 1955 drilling results, the continuity of lithium mineralization is established between all drill holes for over 850 meters strike length down to a depth of 207 m (682 feet) of the Augustus pegmatite body (see Table 1 below). If mineralization continuity can be proven by future drilling down to over 200 meters level as shown in historical drill hole results, a potential resource target of 4 million tonnes at 1% Li₂O can be achieved.

Cautionary Statement: Investors are cautioned that the potential quantity and grade mentioned above is conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. The potential target is based upon historical drilling results taken from report GM03952 (April 27, 1956) and other sources from MRNF Quebec.

Table 1: The 1955 highlights of the Augustus prospect diamond drilling (From Report # GM 03952)

Historical Hole ID	Core Sample width (Feet)	Li ₂ O %	Depth of intersection (feet)
CL-69	9	1.69	199'
CL-69	26.5	0.72	238'
CL-70	7.0	1.16	18'
CL-70	13.0	0.86	250.5
CL-70	21	1.01	304
CL-71	27.5	1.25	297.5'
CL-74	20	1.07	682'
CL-75	9.5	1.08	560'
CL-75	16.5	1.58	583.5
CL-80X	12.5	1.66	141.5'
CL-80X	27	1.41	294.3'

Note: Core length is not converted to actual width

Canadian Lithium Prospect

- The Canadian lithium prospect is a worked deposit located in Range 1 lot 25-26 in the Landrienne Township at G.P.S 284861 E - 5368288 N. The main outcrop was discovered in 1948 near the boundary line separating the Landrienne and Lacorne Townships. A group of parallel pegmatite dykes associated with Lacorne Batholith contains aggregates of spodumene, lepidolite, quartz and feldspar accompanied by traces of beryl, clevelandite, colombo-tantalite.
- Drilling at the prospect have shown low grade lithium bearing pegmatite intersections of extensive widths. A total of 11 historical drill holes are located on this prospect. The Company is in the process of compiling historical drilling data on this prospect and will release as soon as possible (Source Reports GM03952 and GM00744).

Cautionary Statement: Investors are cautioned that the above information and the information on the adjacent properties is taken from the publicly available sources. 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. The Company is in the process of compiling exploration and geological data available on the property and surrounding area to develop an exploration work plan.

Transaction Details:

Pursuant to a property purchase agreement between the Optionor (Mr. Fayz Yacoub) and the Company, dated January 18, 2021 (the “Effective Date”), First Energy holds an option to acquire a 100% interest in the Property by making cash payments, common shares issuances and exploration expenditures as follows:

- (a) the Optionee making the following cash payments to the Optionor:
 - (i) \$35,000 to be paid on the Effective Date;
 - (ii) \$40,000 to be paid upon the first anniversary of the Effective Date;
 - (iii) An additional \$45,000 on or before the second anniversary of the Effective Date;
 - (iv) An additional \$60,000 on or before the third anniversary of the Effective Date; and

- (b) The Optionee allotting and issuing the following common shares in its capital stock to the Optionor subject to the approval of the regulatory bodies as follows:
 - (i) 500,000 shares at deemed price of \$0.05, issued upon the Execution of the option Agreement
 - (ii) An additional 500,000 shares issued on or before the date of being one year from signing the agreement.
 - (iii) An additional 500,000 shares issued on or before the date of being two years from signing the agreement.
 - (iv) An additional 500,000 shares issued on or before the date of being three years from signing the agreement.

- (c) The Optionee incurring the following Expenditures on the Property
 - (i) \$50,000 on or before the first anniversary of the Effective Date;
 - (ii) An additional \$150,000 on or before the second anniversary of the Effective Date; and
 - (iii) An additional \$300,000 on or before the third anniversary of the Effective Date;

The Optionor will retain a 2.0 % NSR from any future production.

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 CSE and including any other regulatory approval.

Afzaal Pirzada, P.Geo., 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.

About First Energy Metals Limited.

First Energy Metals is a Canadian mineral exploration company with a primary focus of acquiring a multicommodity mineral property portfolio. Its goal is to identify, acquire and explore North American mineral prospects in the precious metal, base metal and industrial metals sector.

The company's strategy is to:

- Acquire and advance projects through prospecting and early-stage exploration;
- Source joint venture partners to finance future exploration and project development;
- Create shareholder value through exploration success.

First Energy will continue to add to its multicommodity portfolio through organic acquisitions of new projects and opportunities with the intention of adding value and projects over time.

ON BEHALF OF THE BOARD OF FIRST ENERGY METALS LTD.

"Gurminder Sangha"

Gurminder Sangha

President & Chief Executive Officer

For further information, please contact the Company at:(604) 375-6005 or gsangha@firstenergymetals.com

Neither the Canadian Securities Exchange (CSE) nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this news release and has neither approved nor disapproved the contents of this news release.

Forward-looking Information

Except for the statements of historical fact, this news release contains “forward-looking information” within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. “Forward-looking information” in this news release includes information about the Company’s proposed Transaction with Mr. Fayz Yacoub; and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms thereon.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, the Company’s proposed Transaction with Mr. Fayz Yacoub may not be completed on the terms and timing currently contemplated, or at all; and other risks as more fully set out in the Company’s continuous disclosure filings at www.sedar.com.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company’s ability to obtain required approvals and close the proposed Transaction with Mr. Fayz Yacoub. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.