

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the fiscal year ended March 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the transition period from _____ to _____.

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

Date of event requiring this shell company report _____

Commission file number 000-29870

FIRST ENERGY METALS LIMITED

(Exact name of Registrant as specified in its charter)

BRITISH COLUMBIA, CANADA

(Jurisdiction of incorporation or organization)

**#1206- 588 Broughton Street
Vancouver, British Columbia, Canada, V6G 3E3**

(Address of principal executive offices)

**Gurminder Sangha, President, CEO, and Director, (604) 375-6005, Suite 1206-588 Broughton Street,
Vancouver, British Columbia, Canada, V6G 3E3**

(Name, telephone, e-mail and/or facsimile number and address of Company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class

Name of each exchange on which registered

None

Not applicable

Securities registered or to be registered pursuant to Section 12(g) of the Act

Common Shares without Par Value

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Number of outstanding shares of First Energy's only class of issued capital stock as at March 31, 2019:

17,631,003 Common Shares Without Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes

No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes

No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

N/A

Yes

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or an emerging growth company..

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Emerging growth company

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If other has been checked in response to the previous question, indicate by check mark which financial statement item Registrant has elected to follow:

Item 17

Item 18

If this report is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the *Securities Exchange Act of 1934* subsequent to the distribution of securities under a plan confirmed by a court.

N/A Yes

No

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain statements in this Annual Report on Form 20-F (this “Annual Report”) under the captions “Item 3 - Risk Factors”, “Item 4 – “Business Overview”, Item 5 - “Operating and Financial Review and Prospects” and “Item 11 - Quantitative and Qualitative Disclosures about Market Risk” and elsewhere in this Annual Report and the documents incorporated herein by reference constitute “forward-looking statements” within the meaning of the U.S. Securities Litigation Reform Act of 1995 and “forward-looking information” under applicable Canadian securities legislation. Some forward-looking statements may be identified by such terms as “believes”, “anticipates”, “intends” or “expects” collectively “forward-looking statements”. Forward-looking information in this Annual Report include statements regarding the Company's plans for its projects, statements relating to mineral resources, as they are based on various assumptions that are inherently forward-looking, statements regarding the anticipated timing by which the Company will require additional funds. These forward-looking statements are based on the Company’s current expectations and projections about future events and financial trends affecting the financial condition of its business and the industry in which it operates. Such forward-looking statements are based on assumptions regarding future events and other matters and are subject to known and unknown risks, uncertainties and other factors including the factors set forth in other filings with the Canadian securities commissions and the United States Securities and Exchange Commission (the “Commission”), which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Assumptions on which forward-looking statements are based include the assumptions underlying mineral resource estimates and in the technical reports supporting such estimates, the assumption that the Company will continue as a going concern and will continue to be able to access the capital required to advance its projects and continue operations. Such risks and the assumptions that accompany them, uncertainties and other factors include, among others, the following: general economic and business conditions, which will, among other things, impact the demand for gold and silver and other precious metals explored for by the Company; industry capacity; the ability of the Company to raise the capital required to implement its business strategy; changes in, or the unintentional failure to comply with, government regulations (especially safety and environmental laws and regulations); changes in the uses of gold, silver and other precious metals; silver and gold price volatility; increased competition; risks of the mining industry; exploration programs not being successful; inability to obtain financing; inability to obtain, or cancellation of, government permits; changes to regulations and mining law; increased reclamation obligations; title defects with respect to properties; risks associated with international operations; and foreign exchange and currency fluctuations. There can be no assurance that forward-looking statements in this Annual Report will prove to be accurate and actual results and future events could vary materially from those implied by such statements. Consequently, all of the forward-looking statements made in this Annual Report are qualified by these cautionary statements. The Company disclaims any obligation to update or revise any written forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable laws.

Currency and Measurement

All currency amounts in this Annual Report on Form 20-F are stated in **Canadian dollars** unless otherwise indicated. Conversion of metric units into imperial equivalents is as follows:

<u>Metric Units</u>	<u>Multiply by</u>	<u>Imperial Units</u>
hectares	2.471	= acres
metres	3.281	= feet
kilometres (“km”)	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

CAUTIONARY NOTE TO U.S. INVESTORS

This Annual Report may use the terms “measured resources” and “indicated resources.” We advise U.S. investors that while such terms are recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.

This Annual Report may use the terms “inferred resources.” We advise U.S. investors that while such term is recognized and permitted under Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. “Inferred resources” have a great amount of uncertainty as to their existence, as well as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists or is economically or legally mineable.

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PART 1

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended and as such, there is no requirement to provide any information under this item.

B. Advisors

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended and as such, there is no requirement to provide any information under this item.

C. Auditor

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ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended and as such, there is no requirement to provide any information under this item.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected financial data of First Energy Metals Limited. (“First Energy” or the “Company” and formerly Agave Silver Corp.) for the years ended March 31, 2019, 2018 and 2017 was derived from the Company’s financial statements as audited by DeVisser Gray LLP, Chartered Professional Accountants, for the years ended March 31, 2019, March 31, 2018 and March 31, 2017, as indicated in the audit report included elsewhere in this Annual Report.

The Selected Financial Data should be read in conjunction with the financial statements and other financial information included elsewhere in this Annual Report.

The Company has not declared any dividends on its common shares since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and the expansion of its business.

The following table sets forth selected financial information with respect to the Company for the periods indicated and is extracted from the more detailed financial statements included herein. The following constitutes selected financial data for the Company for the last five fiscal years ended March 31, 2019, in Canadian dollars, presented in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) for the years 2019, 2018, 2017, 2016 and 2015. The following table should be read in conjunction with “Item 5: Operating and Financial Review and Prospects”, and the financial statements included in Item 18.

(Canadian Dollars in Thousands Except Per Share Amounts)

(Cdn\$)	As at March 31,				
	2019	2018	2017	2016	2015
Statement of Financial Position Data					
Total assets according to financial statements	\$ 327	\$ 413	\$ 602	\$ 48	\$ 94
Total liabilities	120	255	92	252	381
Share capital	35,713	35,189	34,723	33,974	33,755
Warrant reserve, share-based payment reserve, share subscriptions (Restated)	683	491	447	126	1,407
Deficit (IFRS) (Restated)	(36,189)	(35,522)	(34,660)	(34,303)	(35,448)

(Cdn\$)	As at March 31,				
	2019	2018	2017	2016	2015
Period End Balances (as at)					
Working capital (deficiency)	\$ 107	\$ 137	\$ (31)	\$ (237)	\$ (355)
Mineral property interests	83	-	514	-	-
Shareholders' equity	201	158	510	(204)	(286)
Number of outstanding shares	17,631,003	12,236,638	8,903,308	6,396,166	5,166,666

No cash or other dividends have been declared.

(Cdn\$)	As at March 31				
	2019	2018	2017	2016	2015
Statement of Operations Data					
Investment and other income	\$ -	\$ -	\$ -	\$ (129)	\$ -
General and administrative expenses (including Share-based payments)	521	307	350	243	405
Exploration costs (recoveries)	152	41	7	(2)	1
Net loss (income) from discontinued operations	-	-	-	-	(408)
Write-down of mineral property interests	-	514	-	-	-
Future income tax recovery	-	-	-	-	-
Net income (loss) according to financial statements (IFRS)	(673)	(862)	(357)	(112)	2

Note:

- (1) Under IFRS applicable to junior mining exploration companies, mineral exploration expenditures can be deferred on prospective properties until such time as it is determined that further exploration is not warranted, at which time the property costs are written off. During the year ended March 31, 2009, the Company retrospectively changed its accounting policy for exploration expenditures to more appropriately align itself with policies adopted by other exploration companies at a similar stage in the mining industry. Prior to the year ended March 31, 2009, the Company capitalized all such costs to mineral property interests held directly or through an investment, and only wrote down capitalized costs when the property was abandoned or if the capitalized costs were not considered to be economically recoverable.

Exploration expenditures are now charged to earnings as they are incurred until the mineral property interest reaches the development stage. Significant costs related to mineral property acquisitions, including allocations for undeveloped mineral property interests, are capitalized until the viability of the mineral property interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized.

The expensing of exploration costs as incurred is now consistent with US GAAP, whereby all exploration expenditures are expensed until an independent feasibility study has determined that the property is capable of economic commercial production.

The tables below include the quarterly results for the years ended March 31, 2019 and 2018.

(Canadian Dollars in Thousands Except Per Share Amounts)

(Cdn\$)	Year Ended March 31, 2019				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Investment and other income	\$ -	\$ -	\$ -	\$ -	\$ -
General and administrative expenses	206	69	77	170	522
Share-based payments	-	-	-	-	-
Write-down of mineral property interests	-	-	-	-	-
Exploration costs	74	-	2	75	151
Loss (gain) on sale of discontinued operations	-	-	-	-	-
Net loss (income) according to financial statements	280	69	79	245	673
Net loss from continuing operations per common share	0.02	0.00	0.01	0.05	0.05

(Cdn\$)	Year Ended March 31, 2018						
	Statement of Operations Data	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	
Investment and other income	\$	-	\$	-	\$	-	\$
General and administrative expenses		32	54	32	145	263	
Share-based payments		-	44	-	-	44	
Write-down of mineral property interests		-	-	-	514	514	
Exploration costs		1	7	-	33	41	
Loss (gain) on sale of discontinued operations		-	-	-	-	-	
Net loss (income) according to financial statements		33	105	32	692	862	
Net loss from continuing operations per common share		0.00	0.02	0.00	0.07	0.09	

B. Capitalization and Indebtedness

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

C. Reasons for the Offer and Use of Proceeds

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

D. Risk Factors

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry which may have a material impact on First Energy's financial performance.

Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of the Company's common stock.

Financial Risk Factors

First Energy has no source of operating cash flow, has a history of operating losses and has no assets of any significance with positive financial statement carrying values. In addition, all of the Company's projects have a financial statement value of zero. The Company has no revenues from operations and all of its mineral property interests are in the exploration stage. The Company will not receive revenues from operations at any time in the near future, and the Company has no prior years' history of earnings or cash flow. The Company has not paid dividends on its shares at any time since incorporation and does not anticipate doing so in the foreseeable future. The Company's financial statements have been prepared assuming it will continue on a going-concern basis. Should funding not be obtained, this assumption will change and the Company's assets may be written down to realizable values. The Company has incurred losses since inception (deficit at March 31, 2019, is \$36,195,065), which casts doubt on the ability of the Company to continue as a going concern. The Company has no revenue other than interest income. A mining project can typically require ten years or more between discovery, definition, development and construction and as a result, no production revenue is expected from any of the Company's exploration properties in the near future. All of the Company's short to medium-term operating and exploration expenses must be paid from its existing cash position or external financing. At March 31, 2019, the Company had working capital of \$107,333, compared to a working capital of \$136,728 at March 31, 2018. Working capital is defined as current assets less current liabilities.

First Energy may be unable to obtain the funds necessary to expand exploration. The Company's operations consist, almost exclusively, of cash consuming activities given that all of its mineral projects are in the early exploration stage. The Company will need to receive additional equity capital or other funding from the joint venture of one or more properties or the sale of one or more properties for the next year, and failing that, may cease to be economically viable. To date, the only sources of funds that have been available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further development thereof.

The Company does not have sufficient financial resources to fund operations for the balance of fiscal 2020. The Company has been successful in the past in obtaining financing through the sale of equity securities but as an exploration stage company, it is often difficult to obtain adequate financing when required, and it is not necessarily the case that the terms of such financings will be favourable. If the Company fails to obtain additional financing on a timely basis, the Company could forfeit its mineral property interests, dilute its interests in its properties, sell one or more properties and/or reduce or terminate operations.

The Company is continuously reviewing strategies for private placement equity financings as well as other forms of financing that would carry the Company through the next fiscal year. If a private equity financing were to be completed, it is expected that warrants may be included in the securities offered. Any such financings will result in dilution of existing shareholders.

Volatile metal prices and external market conditions can cause significant changes in the Company's share price because as the prices of metals increase or decrease, the economic viability of the mineral properties is affected. The Company has no history of mining or current source of revenue. The Company is exploring for metals and historically, the prices of the common shares of junior exploration companies are very volatile. This volatility may be partly attributed to the volatility of metal prices, and also to the success or failure of the Company's exploration programs. Market, financial and economic factors not directly related to mining activities can also affect the Company's ability to raise equity financing.

Fluctuations in financial markets can negatively impact the Company's ability to achieve sufficient funding.

Over the last decade there have been periods of significant volatility in world financial markets. The volatility can negatively impact the Company's ability to raise sufficient equity financing to sustain operations. Future financial market volatility is likely and it should not be assumed that adequate funding will be available to the Company in amounts or at times when it is required.

Risks Associated with Mineral Exploration

First Energy's exploration efforts may be unsuccessful in locating viable mineral resources. Resource exploration is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

There is no certainty that expenditures to be made by the Company on the exploration of its properties and prospects as described herein will result in discoveries of mineralized material in commercial quality and quantities.

Mineral Resource Estimates Are Only Estimates and May Not Reflect the Actual Deposits or the Economic Viability of Extraction. Although the Company carefully prepares its mineral resource figures, such figures are estimates only and no assurance can be given that the indicated tonnages and grade will be achieved. There is significant uncertainty in any mineral resource estimate. Estimates of inferred resources are the least certain of the resource categories and there is no assurance that such resources can or will be upgraded to another category of resource, or that further exploration will confirm or validate such estimates. Actual deposits encountered and the economic viability of, and returns from, a deposit (if mined) may differ materially from estimates disclosed by the Company or implied by estimates of mineral resources. The estimating of mineral resources is a subjective process and the accuracy of mineral resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting engineering and geological information. Mineral resource estimates are based on many things, including assumed commodity prices, continuity of mineralization, tonnage and grade of mineralization, metallurgy, estimated mineral recovery rates, cost of capital, mine development costs, operating costs and exchange rates. Changes in assumptions may result in a significant reduction in the reported mineral resources and thereby have a material adverse effect on the Company's results of operations and financial condition.

Estimated mineral resources may also require downward revisions based on changes in metal prices and further exploration or development activity. This could materially and adversely affect estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and reserve estimates. Any reduction in estimated mineral reserves or estimated resources as a result could require material write downs in investment in the affected mining property, which could have a material and adverse effect on the Company's results of operations and financial condition.

The Company has not established the presence of any proven and probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves on the

Company's properties. The failure to establish proven and probable reserves could severely restrict the Company's ability to successfully implement its strategies for long-term growth.

There is Uncertainty Relating to Mineral Resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty, which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to indicated and measured mineral resources as a result of continued exploration. If mineral resources are not upgraded to proven and probable mineral reserves, it could materially and adversely affect and/or restrict the Company's ability to successfully implement its strategies for long-term growth.

First Energy may not be able to market minerals if any are acquired or discovered by the Company due to factors beyond the control of the Company. The marketability of minerals that could in the future be acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulation, including regulation relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Environmental and Regulatory Risk Factors

Compliance with environmental regulations could affect future profitability and timeliness of operations. The current and anticipated future operations of the Company require permits from various federal, territorial and local governmental authorities. Companies engaged in the exploration and development of mines and related facilities must comply with applicable laws, regulations and permits.

The Company's exploration activities are subject to various laws governing land use, the protection of the environment, prospecting, development, commodity prices, exports, taxes, labour standards, occupational safety and health, waste disposal, toxic substances, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. The Company may be unable to obtain all permits required for exploration and development, and the costs of obtaining these permits may not be commercially reasonable. Existing laws and regulations may be modified, which could have an adverse effect on any exploration project that the Company might undertake.

Failure to comply with environmental and reclamation rules could result in penalties. The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities but also the possible effects of such activities upon the environment. Environmental legislation may change and make mining uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions and a breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. The Company has been involved in the exploration of mineral properties for many years. Currently, the operations of the Company have been limited to exploration, and no mining activity has yet been undertaken. The mining industry is heavily regulated in North America, where the Company has its operations, so that permitting is required before any work is undertaken where there is any form of land disturbance. To date, land disturbance has been minimal and all required reclamation has been completed.

Other Risk Factors

First Energy is dependent on its ability to recruit and retain key personnel. The success of the activities of the Company is dependent to a significant extent on the efforts and abilities of its management. Investors must be willing to rely to a significant extent on their discretion and judgment. The Company has relied on and will continue to rely on consultants and others for exploration, development and technical expertise. The ability of the Company to retain key personnel and its ability to continue to pay for services are dependent upon the ability of the Company to obtain adequate financing to continue operating as a going concern.

First Energy's title to mineral property interests may be challenged. Although the Company has done a review of titles to its mineral interests, it has not obtained title insurance with respect to its properties and there is no guarantee of title. The Company's mineral properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. The Company's Canadian mineral property interests consist of mineral claims, which have not been surveyed, and therefore the precise area and location of such claims or rights may be in doubt. As there are unresolved native land claim issues in British Columbia, the Company's properties and prospects in this jurisdiction may be affected in the future. The Company's mineral properties in British Columbia are early stage exploration and have no known mineral resources or reserves.

First Energy's directors and officers serve as directors and/or officers of other publicly traded junior resource companies. Some of the directors and officers of the Company serve as officers and/or directors of other resource exploration companies and are engaged and will continue to be engaged in the search for additional resource opportunities on their own behalf and on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with the Company. Such potential conflicts, if any, will be dealt with in accordance with the relevant provisions of British Columbia corporate and common law. In order to avoid the possible conflict of interest which may arise between the directors' and officers' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company expect that participation in exploration prospects offered to the directors or officers will be allocated among or between the various companies that they serve on the basis of prudent business judgement and the relative financial abilities and needs of the companies.

First Energy may not be able to insure certain risks which could negatively impact the Company's operating results. In the course of exploration, development and production of mineral properties, certain risks, and in particular unanticipated geological and operating conditions as well as fires, explosions, flooding, earthquakes, power outages, labour disruptions, and the inability to obtain suitable or adequate machinery, equipment or labour may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

U.S. investors may not be able to enforce their civil liabilities against the Company or its directors, controlling persons and officers. It may be difficult for U.S. investors to bring and enforce suits against the Company. The Company is a corporation incorporated in British Columbia under the Business Corporations Act (British Columbia) and, consequently, there is a risk that Canadian courts may not enforce judgements of U.S. courts or enforce, in an original action, liabilities directly predicated upon the U.S. federal securities laws. The Company's directors and officers are residents of Canada or other countries other than the United States and all of the Company's assets are located outside of the United States. Consequently, it may be difficult for United States investors to affect service of process upon those directors or officers who are not residents of the United States, or to realize in the United States upon judgements of United States courts predicated upon civil liabilities under United States securities laws. It is unlikely that an original action could be brought successfully in Canada against any of such persons or the Company predicated solely upon such civil liabilities under U.S. securities laws.

Risks Relating to an Investment in the Securities of the Company

First Energy could be deemed a Passive Foreign Investment Company which could have negative consequences for U.S. Holders. Potential investors who are U.S. Holders (defined below) should be aware that the Company expects to be a passive foreign investment company ("PFIC") for the current fiscal year, may have been a PFIC in prior fiscal years and may continue to be a PFIC in subsequent years. If the Company were to be treated as a PFIC, U.S. Holders of the Company's common shares would be subject to adverse U.S. federal income tax consequences, including a substantially increased U.S. income tax liability and an interest charge upon the sale or disposition of the Company's common shares and upon the receipt of distributions on the Company's common shares to the extent such distributions are treated as "excess distributions" under the U.S. federal income tax rules relating to PFICs. U.S. Holders could potentially mitigate such consequences by making certain elections with respect to the Company's common shares. U.S. Holders are urged to consult their tax advisors regarding the Company's PFIC classification, the consequences to

them if the Company is a PFIC, and the availability and the consequences of making certain elections to mitigate such consequences. (See Item 10 Taxation -United States Tax Consequences).

First Energy's stock price may limit its ability to raise additional capital by issuing common shares. The low price of the Company's common shares also limits the Company's ability to raise additional capital by issuing additional shares. There are several reasons for this effect. First, the internal policies of certain institutional investors prohibit the purchase of low-priced stocks. Second, many brokerage houses do not permit low-priced stocks to be used as collateral for margin accounts or to be purchased on margin. Third, some brokerage house policies and practices tend to discourage individual brokers from dealing in low-priced stocks. Finally, broker's commissions on low-priced stocks usually represent a higher percentage of the stock price than commissions on higher priced stocks. As a result, the Company's shareholders pay transaction costs that are a higher percentage of their total share value than if the Company's share price were substantially higher.

The liquidity of First Energy's shares in the United States markets may be limited or more difficult to effectuate because First Energy is a "Penny Stock" issuer. The Company's stock is subject to U.S. "Penny Stock" rules which make the stock more difficult for U.S. shareholders to trade on the open market. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in "penny" stocks. Penny stocks are equity securities with a price of less than US\$5.00 per share, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system provided that current prices and volume information with respect to transactions in such securities is provided by the exchange or system.

The Penny Stock Rules require a broker-dealer, prior to effecting a transaction in a penny stock not otherwise exempt from such rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market.

In addition, the Penny Stock Rules require that prior to a transaction in a penny stock not otherwise exempt from such rules the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. At the present market prices, the Company's common shares will (and in the foreseeable future are expected to continue to) fall within the definition of a penny stock. Accordingly, United States broker-dealers trading in First Energy's shares will be subject to the Penny Stock Rules. Rather than complying with those rules, some broker-dealers may refuse to attempt to sell penny stocks. As a result, shareholders and their broker-dealers in the United States may find it more difficult to sell their shares of the Company, if a market for the shares should develop in the United States.

The market for the Company's stock has been subject to volume and price volatility which could negatively affect a shareholder's ability to buy or sell the Company's shares. The market for the common shares of the Company may be highly volatile for reasons both related to the performance of the Company or events pertaining to the industry (e.g. mineral price fluctuation/high production costs/accidents) as well as factors unrelated to the Company or its industry. Market demand for products incorporating minerals in their manufacture fluctuates over time, resulting in a change of demand for the mineral and an attendant change in the price for the mineral. The Company's common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding the Company's business, and changes in estimates and evaluations by securities analysts or other events or factors. In the last decade, securities markets in the United States and Canada and internationally have experienced periods of high price and volume volatility, and the market prices of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, the Company's common shares can also be expected to be subject to volatility resulting from purely market forces over which the Company will have no control. Further, despite the existence of a market for trading the Company's common shares in Canada, shareholders of the Company may be unable to sell significant quantities of common shares in the public trading markets without a significant reduction in the price of the stock.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

The Company's executive office is located at:
Suite 1206- 588 Broughton Street
Vancouver, British Columbia, Canada, V6B 1N2
Telephone: (604) 375-6005
Email: info@firstenergymetals.com
Website: www.firstenergymetals.com

The mailing address of the Company is the Company’s executive office at the address noted above. The Company’s fiscal year end is March 31.

The Company’s common shares are listed on the Canadian Securities Exchange (“CSE” or the “Exchange”) under the symbol “FE”. Prior to March 1, 2019, the Company’s common shares were trading on the TSX Venture Exchange (“TSX-V”) under the symbol “FE” and prior to December 20, 2016 under the symbol “AGV”. The Company was quoted on the Over the Counter Bulletin Board in the United States under the symbol “CRMXF”, until July 26, 2012 at which time the Company’s shares began being exclusively quoted on the OTCQB, (also under the symbol “CRMXF”), an electronic trading platform operated by the OTC Markets Group Inc. On October 3, 2013 the symbol was changed to “ASKDF” and effective May 1, 2014 the Company was listed on OTC “Pink”. The Company’s common shares are also quoted on the Frankfurt market under the symbol “A2JC89”.

The Company was incorporated under the laws of the Province of British Columbia, Canada on October 12, 1966. Effective March 29, 2004, the *Company Act* (British Columbia) was replaced by the *Business Corporations Act* (British Columbia). The *Business Corporations Act* (British Columbia) does not require a company’s Notice of Articles to contain a numerical limit on the authorized capital with respect to each class of shares. Effective September 21, 2004, the Company altered the authorized capital of the Company from 50,000,000 shares without par value to an unlimited number of shares without par value. By Special Resolution effective June 23, 2011, shareholders approved the adoption of new articles for the Company. See Item 10B – Memorandum and Articles of Association.

Since its incorporation in 1966, the Company has been in the business of acquiring and exploring mineral properties. For most of the past three completed years, the Company has been principally attempting to locate deposits of precious metals in the Provinces of British Columbia, Ontario and Quebec, Canada and Nevada, USA.

Canada

Ontario

Phyllis Cobalt Property

On January 29, 2018, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims (the “Phyllis Property”) covering 1,750 hectares located in the Kenora Mining District in northwestern Ontario, Canada.

On January 29, 2019, and again on March 15, 2019, the Company entered into an amended option agreement (the “Phyllis Amendment Agreement”) which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Phyllis Cobalt Agreement, as noted below.

Under the terms of the Phyllis Amendment Agreement, the Company has the option to acquire a 100% interest in the Phyllis Property by completing the following option payments, common share issuances and exploration expenditures:

Due Dates	Option payments (\$)	Issuance of First Energy common shares	Minimum exploration expenditures (\$)	Cumulative exploration expenditure (\$)
On signing (paid and issued)	20,000	100,000	Nil	Nil
September 30, 2019	-	-	75,000	75,000
January 31, 2020	35,000	150,000	25,000	100,000
March 15, 2020	35,000	150,000	-	100,000
January 31, 2021	50,000	-	-	100,000
March 1, 2021	-	200,000	25,000	125,000

Under the Phyllis Amendment Agreement, the Phyllis Property is subject to a 3% Net Smelter Return (“NSR”) royalty upon commencement of commercial production. The Company will have the option to reduce the NSR to 2.0% by paying \$1,000,000.

During the year ended March 31, 2019, the Company issued 100,000 common shares and made the \$20,000 option payment due on signing.

Quebec

Russel Graphite Property

On May 3, 2018, the Company entered into an option agreement to acquire a 100% interest in the Russel Graphite Property which is comprised of 30 mineral tenures covering a contiguous block of 1,798 hectares of land located in the Gatineau area of Quebec, Canada.

On January 28, 2019, and again on March 15, 2019, the Company entered into an amended option agreement (the "Russel Amendment Agreement") which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Russel Option Agreement as noted below.

Under the terms of the Russel Amended Agreement, the Company has the right to acquire a 100% interest in Russel Graphite Property by completing the following option payment, common share issuances and exploration expenditures:

Due Dates	Option payments (\$)	Issuance of First Energy common shares	Minimum exploration expenditures (\$)	Cumulative exploration expenditure (\$)
September 1, 2019 (issued)	7,500	75,000	Nil	Nil
December 31, 2019	30,000	225,000	150,000	150,000

As at March 31, 2019, the Company had issued 75,000 common shares due on September 1, 2019.

British Columbia

The Kaslo Property

The 100% owned 4,000 Ha Kaslo Silver Property ("Kaslo"), a silver target, hosts eleven historic high-grade silver mineralized zones within 14 kilometres of favourable horizon. Nine high-grade silver-lead-zinc mines operated on Kaslo at various times from 1895 to 1966. The property is located 12 kilometres west of Kaslo in southern British Columbia. The Company has no plans to conduct exploration work at this time.

The Kootenay Lithium Project

On October 7, 2016, the Company entered into an agreement to purchase (the "Kootenay Agreement") a 100% interest in certain mineral claims (the "Kootenay Property") covering 4,050 hectares located in the Revelstoke and Nelson Mining Divisions of southeastern British Columbia, Canada.

Under the terms of the Kootenay Agreement, the Company has purchased a 100% interest in the Kootenay Property by issuing 1,200,000 common shares at a value of \$0.40 per share. The Kootenay Property is subject to a 2.0% NSR royalty and a 24% Gross Overriding Royalty ("GOR") on gemstones produced from the Kootenay Property. The Company will have the option to reduce the NSR to 1.0% by paying \$2,500,000 and to purchase one half (50%) of the GOR for \$2,000,000.

A vendor of certain claims within the Kootenay Property also reserves the exclusive right (the "Back In Right") to produce gemstones for its own account from those claims as mutually agreed upon, in return for a 24% GOR payable to the Company. The Company will have the option to purchase 100% of the Back In Right for \$1,000,000.

The Company also issued finder's fee totaling 84,000 common shares in connection with the transaction. This amount has also been capitalized as an acquisition cost.

During the year ended March 31, 2018, the Company wrote down the carrying value of Kootenay Lithium Property to \$Nil as the Company does not plan to complete further exploration on the property. As such, the Company let lapse the mineral property's claims by not paying the related annual mineral claim maintenance fees.

Under the Kootenay Agreement, the Company is required to keep the Kootenay Property claims in good standing. As the Company had allowed certain claims to lapse, it is in default of the Kootenay Agreement. The Company has since filed certain annual maintenance fees related to the Kootenay Property claims and intends to restore the remainder of the claims to good standing.

USA

Nevada,

Highway 95 Property

On June 20, 2018, the Company entered into an option agreement (the “Highway 95 Agreement”) to acquire a 100% interest in the Highway 95 Property by making certain option payments of cash and shares. The property is comprised of 2,400 acres located in Nye County Nevada, USA.

On November 9, 2018 the Company and the optionor mutually agreed to terminate the Highway 95 Agreement, with no option payments having been issued or owing.

B. Business Overview

General

(i) *Nature of Company:*

The Company has historically been a junior resource company engaged in the exploration and development of mineral properties. It currently maintains early stage exploration properties in Canada.

(ii) *Principal Markets:* Not Applicable.

(iii) *Seasonality:* Not Applicable.

(iv) *Raw Materials:* Not Applicable.

(v) *Marketing Channels:* Not Applicable.

(vi) *Dependence:* Not Applicable.

(vii) *Competitive Position:* Not Applicable.

(viii) *Material Effect of Government Regulation:* The Company’s exploration activities and its potential mining and processing operations are subject to various laws governing land use, the protection of the environment, prospecting, development, production, contractor availability, commodity prices, exports, taxes, labour standards, occupational safety and health, waste disposal, toxic substances, safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. There is no assurance that the Company will be able to obtain all permits required for exploration, any future development and construction of mining facilities and conduct of mining operations on reasonable terms or that new legislation or modifications to existing legislation, would not have an adverse effect on any exploration or mining project which the Company might undertake.

C. Organizational Structure

Not Applicable.

D. Property, Plant and Equipment

Data disclosed in this Annual Report on Form 20-F, including sampling, analytical and test data, have been reviewed and verified by the Company’s V.P. of Exploration, Dr. Muzaffer Sultan, Ph.D - Geology and Qualified Person as defined by National Instrument 43-101.

The Company’s mineral property interests in Canada are in good standing and all payments on the properties are up to date, except as noted above under Item 4 A.

None of the Company’s projects have known reserves, and exploration work is exploratory in nature.

Exploration Projects - British Columbia, Ontario and Quebec Properties

The Company has three early-stage exploration properties located in Canada. The Kaslo Property and Kootenay Lithium Project are located in British Columbia, the Phyllis Property is located in Ontario and the Russel Graphite Property is located in Quebec.

(1) Phyllis Cobalt Property, Ontario

Description

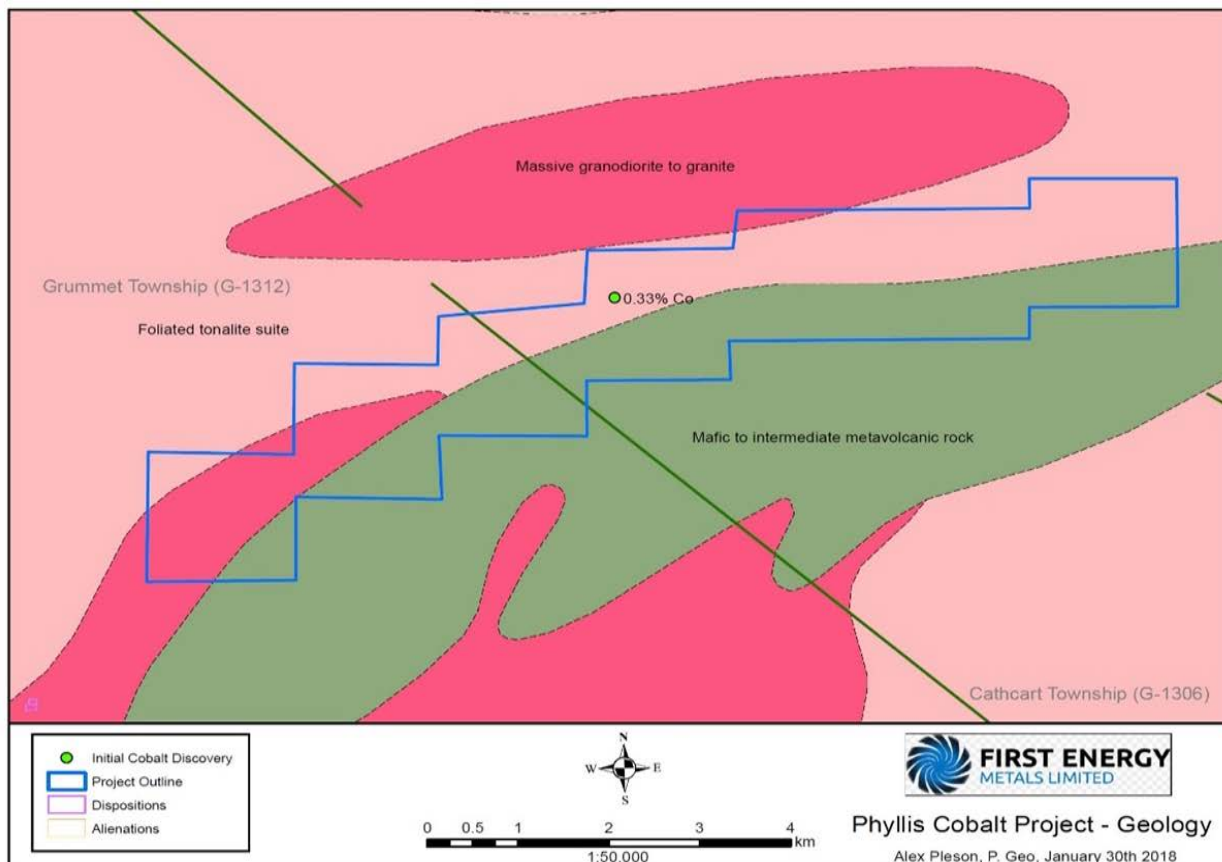
Located in the Kenora Mining District of Ontario, the property consists of 112 mineral claim units totalling 1,750 hectares in Grummett and Cathcart townships. The property has year-round access 192km northwest of Thunder Bay, ON via Hwy 17 and 9km south on a gravel forestry road.

Geology

The Phyllis Property claim block occupies the central portion of an ENE-WSW trending greenstone belt, consisting of Mesoarchean to Neoproterozoic age mafic to ultramafic rocks. These are bound by granite of varying composition - ranging from tonalite to biotite-granodiorite (Atikokan-Lakehead Sheet Map 2065) as shown in Figure 1. Recent mapping undertaken by the Ontario Geological Survey (Gulliver River Sheet, Map 3370), which includes a small portion of the Phyllis claims, suggests that there is a greater abundance of ultramafic metavolcanics than previously indicated. The regional foliation follows the general trend of the greenstone belt.

Mineralization

The initial cobalt discovery was made in 2010 by Don Dobransky, named the “Phyllis Central” occurrence. This discovery is characterized by an 80m x 60m outcrop and appears as a fairly structureless gabbro, with the exception of an array of narrow quartz veins and veinlets, which have sharp contacts with the country rock and trend roughly NE-SW, and appear to have been intruded relatively recently. The gabbro itself is fine-to medium grained and appears highly altered. The exposed outcrop follows the northern flank of a gentle hill. Earlier excavations focussed in the uppermost parts of the topographic profile. The sampling as seen in Figure 2. This worked confirmed the presence of economic grades of cobalt mineralization up to 0.33% Co (including 1.2% Cu and 0.39% Ni).



Assay results from recent drill program in March 2019 for two drill holes had the following results: Drill hole PC-19-02 intersected 12.1m with 0.10% Cobalt (Co), 0.79% Copper (Cu), and 0.08% Nickel (Ni); and the second drill hole PC-19-01 intersected 4.4m with 0.09% Co, 0.54% Cu, 0.16% Ni.

(2) Russel Graphite, Quebec

Description

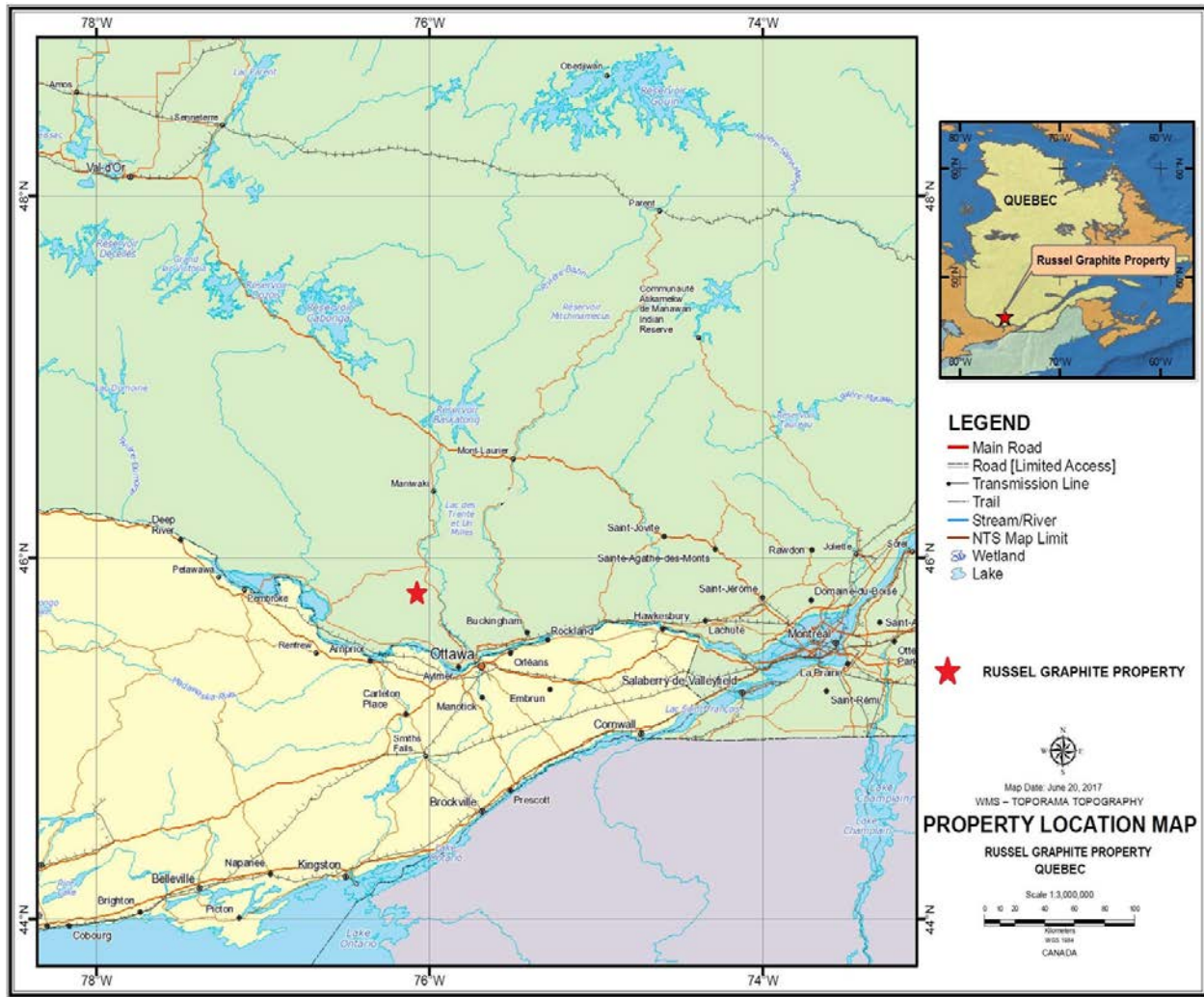
Consists of 30 mineral claims in one contiguous block totaling 1,798.06 hectares land on NTS map 31G13, located in Gatineau area of Quebec Province, approximately 50 kilometres to the north of Ottawa, Canada.

Historical

Historical geological work carried out by Gatineau Graphite Company, during 1916-1919 period, included prospecting and diamond drilling 30 short holes (reference report GM13866). Historical data from North Low showing indicate a bulk sample of 30 tons of rock produced 1,500 kilograms of high quality graphite at 38.18% graphitic carbon (Cg); 3,670 kilograms at 18.10% Cg; and 22,169 kilograms at 4.33% Cg. Mineralization is mostly associated with irregular bands of graphite along the contact of gabbro dikes in crystalline limestone. It is also found in small graphite veins within gabbroic rocks.

Location and Access

The Property has excellent infrastructure support, is road accessible via Provincial Highway 105 from Ottawa, located 150 kilometres from Montreal; water, power and manpower available locally. Village of North Low is a small community located one kilometers to the east of the Property. It is located in a very active graphite exploration and production area, about 50 kilometres to the southwest of TIMCAL's Lac des Iles graphite mine in Quebec which is a world class deposit with a production capacity of 25,000 tonnes of graphite annually. There are several other graphite showings and past producing mines in its vicinity.



Geology

The property is underlain by suitable geological environment for flake graphite type mineralization, consisting of

Metasedimentary Belt of the Grenville Province which includes quartzofeldspathic rocks, quartzite, biotite gneiss, limestone/marble, gabbro dikes, and plagioclase pyroxene. The graphite mineralization is in the form of bands and irregular veins along the contact of gabbro dikes in the crystalline limestone indicating a skarn type mineralization related to contact metamorphism and metasomatism. There are two main large flake graphite showings on the Property i.e., North Low and Russel showings.

At the Russel showing, the graphite mineralization is in the form of lenticular bands less than 1 metre thick mostly occurring as skarn type deposit at the contact of gabbro and crystalline limestone / dolomite. Historical drilling data indicates 15% Cg of 0.91 m thick (see survey in 28 paper MNR, GM- 13866). Several sections of drill holes completed for water resource down to 245 feet deep (105 feet of overburden) intersected graphite and phlogopite in marble.

Recent exploration work completed in June 2018, included 8 grab mineralized rock samples indicating graphite in the range of 2.73% Cg to 26.90% Cg, with an average 10.96% Cg.

(3) Kaslo Property, British Columbia

Introduction

The Kaslo property is without known mineral resources and reserves and previous exploration programs were exploratory in nature. In fiscal 2012, the Company wrote down the value of the property to \$nil.

Location and Access

The 4,000-hectare property is located 12 km west of the town of Kaslo in southern British Columbia. Access to the property is via Highway 31A for seven km west from Kaslo, then 4.5 km southwest along Keen Creek Road to the property boundary. The property lies along the Keen Creek Road for approximately 10 km. Logging roads and numerous old mining roads and trails, some of which are heavily overgrown, bisect the property. Power lines come to within 4 km of the property boundary, and water is abundant throughout.



Physiography

Kaslo is located in an area of rugged mountainous terrain. Topography on the property is steep with elevations ranging from 1,050 metres along the Keen Creek valley to 2,200 metres on the Gold Cure ridge.

The Keen Creek valley runs along the northwest boundary of the property, with numerous tributaries crossing the property and emptying into Keen Creek. The major tributaries, from northeast to southwest are Ben Hur, Briggs, Klawala, Kyawats and Desmond Creeks.

History

Kaslo includes nine former, small mines, which were originally discovered and worked for high-grade silver ores during the heyday of the Slocan Mining Camp at the end of the 19th century. Intermittent exploration, development and production have taken place at various locations on the property since that time, most notably in the 1920s and 1950s. The Cork-Provance Mine was consolidated in 1914 and was the longest-lived producer in the camp when it closed in 1966. Five former workings, the Silver Bear, Hartford, Gibson, Gold Cure, and Bismark are situated along the Gold Cure Shear zone, which has been traced northeast across the property for 7.1 km. Five additional workings, the Black Bear, Cork, Province, Dublin and Black Fox workings lie along the parallel 4.1 km long Cork Shear zone,

located in the Keen Creek valley approximately 1 km north of the Gold Cure Shear zone. Both shears are open along strike to the north and at depth.

Geophysics

Since the Company's acquisition, the Company has completed 51.7 km of VLF-EM geophysical coverage over the mineralized Cork and Gold Cure Shear zones. The geophysical surveys clearly define the location and extent of the controlling shears, as they are very conductive by nature.

In 1999, a gravity geophysical survey was conducted over the Cork North zone to define which of the several limestone beds have the best potential to host massive sulphide mineralization. Targets generated by the gravity survey have not been drill tested.

Geochemistry

Soil geochemical surveys have been completed over the length of the Cork and Gold Cure Shear zones. Linear trends of anomalous values for silver, lead and zinc in soil have been found running coincident with the shear zones. Occasionally gold, arsenic, cadmium and other elements occur with the silver, lead and zinc anomalies.

Amounts Expensed

Exploration expenses in the five fiscal years ended March 31:

Year	Nuevo Milenio	Kaslo Silver Property, British Columbia	Kootenay Lithium, British Columbia	Phyllis Cobalt, Ontario	General Exploration	Total
2019	\$ Nil	\$ Nil	\$ 5,038	\$ 119,813	\$ 5,995	\$ 151,846
2018	Nil	260	868	32,929	6,910	40,967
2017	Nil	260	6,892	Nil	Nil	7,152
2016	Nil	(1,890)	Nil	Nil	Nil	(1,890)
2015	275,778	1,465	Nil	Nil	Nil	277,243

The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Management's discussion and analysis is presented in relation to the consolidated financial statements of First Energy, which statements are prepared as a going concern in accordance with IFRS.

The Company is a mineral exploration company with no producing properties and consequently has no current operating income or cash flow. All of the Company's short to medium-term operating and exploration cash flow must be derived from external financing.

The consolidated financial statements referred to in this Annual Report have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in the consolidated financial statements are based on the IFRS issued and outstanding as at March 31, 2019.

A. Operating Results

Year ended March 31, 2019 compared to year ended March 31, 2018

The net loss for the year ended March 31, 2019 (the "Current Year") was \$673,097 compared to a net loss for the year ended March 31, 2018 (the "Comparative Year") of \$862,352. The decrease in net loss of \$189,255 was primarily due to the following:

- The Company had a \$513,600 exploration and evaluation write-down of its Kootenay Lithium Property in the Comparative Year, while the Current Year had \$Nil write-downs occurring;
- Share-based compensation was \$Nil for the Current Year while the Comparative Year had share-based compensation expense of \$44,193. The decrease in expense is due to the Company not issuing stock options in the Current Year;
- Salaries, fees and benefits decreased by \$40,136 to \$39,614 in the Current Year from \$79,750 in the Comparative Year. The decrease is due primarily to a decrease in salaries being paid to the CEO and CFO;
- General administrative decreased by \$12,196 from \$26,601 in the Comparative Year to \$14,405 in the Current Year.

The decreases in net loss noted above were offset by increases in other operating expenses which were consistent with the Company's activities. Notable increases were realized on the following expense items:

- Consulting fees increased by \$181,2609 from \$57,570 in the Comparative Year to \$239,839 in the Current Year. The increase was primarily due to consulting fees incurred with respect to corporate development and potential transactions and acquisitions;
- Exploration and evaluations expenditures increased by \$110,879 from \$40,967 in the Comparative Year to \$151,846 in the Current Year. The increase was primarily due to \$119,813 of exploration expenditures incurred as part of the Phyllis Cobalt property exploration program; and
- Shareholder communications increased by \$117,644 from \$47,734 in the Comparative Year to \$165,378 in the Current Year. The increase was primarily due to costs associated with moving to the Canadian Securities Exchange, the increase of the Company's online and digital media presence the updating the Company's website as well as exploring other shareholder communication initiatives.

Year ended March 31, 2018 compared to year ended March 31, 2017

The net loss for the year ended March 31, 2018 (the "Current Year") was \$862,352 compared to a net loss for the year ended March 31, 2017 (the "Comparative Year") of \$356,861. The increase in net loss of \$505,491 was primarily due to the following:

- Consulting fees increased by \$50,720 from \$6,850 in the Comparative Year to \$57,570 in the Current Year. The increase was primarily due to consulting fees incurred with respect to corporate development and potential transactions and acquisitions;
- Exploration and evaluations expenditures increased by \$33,815 from \$7,152 in the Comparative Year to \$40,967 in the Current Year. The increase was primarily due to \$32,929 of exploration expenditures incurred as part of the Phyllis Cobalt property exploration program;
- Salaries, fees and benefits increased by \$23,323 to \$80,750 in the Current Year from \$57,427 in the Comparative Year. The increase is due primarily to an increase in salaries being paid to the CEO and CFO;
- Shareholder communications increased by \$8,878 from \$38,856 in the Comparative Year to \$47,734 in the Current Year. The increase was primarily due to costs associated with the Company's completion of its share consolidation during the Current Year; and
- In the Current Year, the Company had a \$513,600 exploration and evaluation write-down of its Kootenay Lithium Property as the Company will not be completing further exploration work on the property and therefore will no longer maintain the property's mineral claims.

The increases noted above were offset by decreases in other operating expenses which were consistent with the Company's activities. Notable decreases were realized on the following expense items:

- General and administrative decreased by \$5,490 from \$32,091 in the Comparative Year to \$26,601 in the Current Year;
- Professional fees decreased by \$32,140 from \$83,108 in the Comparative Year to \$50,968 in the Current Year. The decrease was due primarily to a reduction in legal fees incurred for the Current Year as compared to the Comparative Year; and
- Share-based payments decreased by \$87,219 from \$131,412 in the Comparative Year to \$44,193 in the Current Year. The decrease in expense is due to both the Company issuing fewer stock options and the estimated fair value of the stock options granted being lower in the Current Year over the Comparative Year.

The Company's projects are at the exploration stage and have not yet generated any revenue from production to date.

Readers should refer to the notes to the consolidated financial statements for details regarding all the mineral leases and option to joint venture agreements for each of the Company's properties.

B. Liquidity and Capital Resources

Financial Conditions for the year ended March 31, 2019

The Company's major source of funding has been the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued common shares during each of the last several years, pursuant to private placement financings and the exercise of warrants and options.

There is no assurance that the Company will be continue to be successful with any financing ventures. Please refer to Item 3 – Key Information – section D - Risk Factors in this document.

At March 31, 2019, the Company had working capital of \$107,333 defined as current assets less current liabilities, compared with a working capital of \$136,728 at March 31, 2018.

First Energy began the year ended March 31, 2019, with \$376,375 in cash. During the year ended March 31, 2019, the Company expended \$726,601 on operating activities, net of working capital changes, had net expenditures of \$10,000 on investing activities, after recovery of a \$10,000 reclamation bond, and generated \$577,061 from financing activities which was attributable to \$628,752 as net proceeds from share issuances, \$24,950 share subscriptions received in advance and less \$76,641 in loan repayments, to end at March 31, 2019 with \$216,835 in cash.

The Company's financial statements were prepared using IFRS applicable to a going concern. Several adverse conditions cast substantial doubt on the validity of this assumption – see "Going Concern" disclosure below. The Company holds its cash in bank accounts that earn interest at variable interest rates.

Operations for the year ended March 31, 2019, have been funded primarily from loans and share subscriptions made by insiders, officers and directors and through the issuance of equity.

Capital Resources

As discussed above, at March 31, 2019, the Company's working capital was \$107,333 compared to a working capital deficit of \$136,728 at March 31, 2018. The Company's continued operations are dependent upon the Company's ability to obtain sufficient financing to carry on planned operations. The Company does not have sufficient working capital to meet its obligations in the ordinary course of business but is attempting to generate sufficient amounts of cash and cash equivalents in the short and long term, to maintain the Company's operations and meet obligations by reviewing all options including the sale of one or more properties, a joint venture of one or more properties, or an equity financing. The Company will select whichever funding options are available and are in the best interest of the shareholders.

The Company had 17,631,003 common shares issued and outstanding as at March 31, 2019 (March 31, 2018 – 12,236,638).

Share Capital

The Company's continued operations are dependent upon the Company's ability to obtain sufficient financing to carry on planned operations.

Fiscal 2019 and subsequent to July 30, 2019

On May 7, 2018, the Company issued 140,000 common shares pursuant to the exercise of stock options for total proceeds of \$35,000.

On May 30, 2018, the Company issued 100,000 common shares valued at \$36,000 pursuant to the Phyllis Agreement towards acquiring a 100% interest the Phyllis Cobalt Property.

On May 30, 2018, the Company issued 75,000 common shares valued at \$27,000 pursuant to the Russel Agreement towards acquiring a 100% interest the Russel Graphite Property.

On October 22, 2018, the Company completed a non-brokered private placement, consisting of 3,555,556 non flow-through units ("NFT Units") and 333,333 flow-through shares ("FT Share") for gross proceeds of \$350,000. Each

NFT Unit consists of one non flow-through common share and one transferable non flow-through common share purchase warrant ("Warrant") at a price of \$0.09 per NFT Unit. Each Warrant entitles the holder to purchase an additional non flow-through common share of the Company at a price of \$0.12 until October 22, 2020. The share purchase warrants were valued using the Black-Scholes pricing model with the following assumptions: weighted average risk-free interest rate of 2.29%, volatility factor of 201.5% and an expected life of two years. Each FT Share consists of one flow-through common share at a price of \$0.09 per FT Share.

On December 22, 2018, the Company completed a non-brokered private placement, consisting of 1,190,476 non flow-through common shares for gross proceeds of \$250,000. The Company also paid finder's fees totaling \$6,248 cash in connection with a portion of the Placement.

Fiscal 2018

On February 22, 2018, the Company completed a non-brokered private placement for gross proceeds of \$500,000 by way issuing 2,666,665 common shares at a price of \$0.15 per common share for gross proceeds of \$400,000 and issuing an additional 666,665 flow-through shares at a price of \$0.15 for gross proceeds \$100,000. The Company paid finder's fees of \$11,175 and incurred additional cash share issue costs \$22,844.

Fiscal 2017

On January 24, 2017, the Company closed the first and final tranche of its non-brokered private placement with the issuance of 1,189,142 units at a price of \$0.35 per unit for gross proceeds of \$416,200. Each unit is comprised of one common share of the Company and one non-transferable common share purchase warrant exercisable to purchase one additional common share of the Company at a price of \$0.40 for a period of two years expiring January 24, 2019.

On January 4, 2017, the Company issued 20,000 common shares as part of a debt settlement agreement with the Company's former CFO.

On October 28, 2016, the Company issued 1,200,000 common shares at a value of \$0.40 per share pursuant to the Kootenay Agreement as well as issuing finder's fee totaling 84,000 common shares in regards to the transaction, which amount has also been capitalized as an acquisition cost.

During the year end March 31, 2017, the Company issued 14,000 common shares pursuant the exercise of options at an exercise price of \$0.35 per common share for total proceeds of \$4,900.

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements.

Stock Options

During the year ended March 31, 2019, the Company did not issue any stock options.

During the year ended March 31, 2018, pursuant to the Company's stock option plan and TSX-V approval, the Company granted 180,000 stock options to directors and officers at an exercise price of \$0.25 per share, expiring on July 11, 2022.

During the year ended March 31, 2017, pursuant to the Company's stock option plan and TSX-V approval, the Company granted 250,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.55 per share, expiring on August 1, 2021.

Financing Activities

The Company estimates that it will require additional financing to carry out its exploration plans and operations through the next twelve months. This could involve joint venture, equity financing, or other forms of financing.

Going Concern

At March 31, 2019, the Company has working capital of \$107,333. Management estimates that these funds will not be sufficient to provide the Company with the financial resources to carry out currently planned exploration and operations through the next twelve months. Therefore, the Company will need to seek additional sources of financing to meet all exploration expenditures for its property commitments as well its ongoing operations. While the Company was successful in obtaining its most recent financing, there is no assurance that it will be able to obtain adequate

financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

Plans for Fiscal 2019

The Board of Directors has and will continue the review of all available strategic alternatives intended to maximize shareholder value.

It has not determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

As at July 30, 2019, the Company had the following common shares issued and outstanding

Authorized: an unlimited number of common shares without par value.	Common shares issued and outstanding	Warrants
Outstanding at July 30, 2019	17,631,003	3,555,556

C. Research and development, patents and licenses

As First Energy is a mineral exploration company with no producing properties, the information required by this item is inapplicable.

D. Trend information

As a mineral resource exploration company, the Company's activities are mainly in response to metal prices and the availability of equity financings. Further, we consider that our ability to raise additional funding in order to complete our exploration programs and the plan of operations for its mineral properties for the current fiscal year and beyond will be impacted by prevailing prices for metals. As a mineral resource exploration company, the interest in First Energy's stock, and our ability to raise financing and conduct work programs, has been cyclical as it is related to metal prices that, traditionally, have been cyclical in nature.

The Company is a mineral exploration company. At this time, any issues of seasonality or market fluctuations have no material impact other than our ability to raise additional equity capital on terms that are acceptable to the Company. The Company currently defers its mineral property acquisition costs. The Company expenses its exploration and project investigation and general and administration costs and these amounts are included in the net loss for each quarter.

The Company's Management and board of directors are not financial or commodity analysts and therefore cannot and should not forecast metal prices. Management and the directors do monitor the metals industry trends, specifically demand supply data and believe that the metals market may continue to experience positive fundamentals. As such the Company will continue to advance its properties, subject to available funds.

E. Off-statement of financial position arrangements

First Energy does not have any off-balance sheet arrangements.

F. Tabular disclosure of contractual obligations

The following table summarizes the Company's short-term and long-term obligations as at March 31, 2019:

	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	5 th and subsequent years ⁽¹⁾	Total
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mineral property option payments are made at the option of the Company, however non-payment of mineral property leases may result in forfeiture of First Energy's rights to a particular property.

G. Safe Harbour

Certain statements contained in the foregoing Operating Results and elsewhere in this Annual Report on Form 20-F constitutes forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of First Energy to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. Risk factors that could affect our future results include, but are not limited to, risks inherent in mineral exploration activities and other operating and development risks, no revenue from commercial operations, no assurance that any of our mineral properties possess commercially mineable bodies of ore, financial risk, shareholder dilution from additional equity financings, competition, environmental regulations, changes to reclamation requirements, volatility and sensitivity to market prices for precious and base metals, the impact of changes in foreign currencies' exchange rates, political risk, changes in government regulation and policies including trade laws and policies, demand for precious and base metals, and receipt of permits and approvals from governmental authorities.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table lists the directors and senior management of the Company as at March 31, 2019. The directors have served in their respective capacities since their election and/or appointment and will serve until the next AGM or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company.

Name and Position	Other Principal Directorships	Shares Beneficially Owned as at July 30, 2019	Principal Business Activities Outside the Company
Gurminder Sangha ⁽¹⁾ Director, President and Chief Executive Officer	Metron Capital Corp.	86,000	Businessman and consultant to companies in the junior resource sector
Jurgen Wolf ⁽²⁾ Director, Chief Financial Officer and Corporate Secretary	Metron Capital Corp. Medgold Resources Corp. Iconic Minerals Ltd. Petrichor Energy Inc. Arrowstar Resources Ltd. Altima Resources Ltd. Consolidated Odyssey Exploration Inc. American Biofuels Inc. Odyssey Petroleum Corporation	Nil	Consultant to companies in the junior resource sector
Dr. Muzaffer Sultan ⁽³⁾ Director, and VP of Exploration	None	Nil	Geological consultant to companies in the junior resource sector
Lyle McLennan	None	Nil	Financial consultant

(1) Gurminder was appointed to the Company's board of directors on December 22, 2017 and appointed President and Chief Executive Officer on March 26, 2018. Mr. Sangha is an independent business advisor to the resources industry and brings over twelve years of management and financing expertise in both public and private companies.

(2) Jurgen Wolf was appointed to the Company's board of directors on February 22, 2018 and appointed Chief Financial Officer and Corporate Secretary of the Company on February 28, 2018. Mr. Wolf has been involved in the oil and gas industry for more than 15 years, assisting public companies with investor relations and administration. Mr. Wolf was President and a director of former US Oil and Gas Resources Inc., which amalgamated to form Petrichor Energy Inc. in 2005. Mr. Wolf is a director of several public companies.

(3) Dr. Muzaffer Sultan was appointed VP Exploration and Director of the Company on March 26, 2018. Dr. Sultan brings extensive experience in mineral exploration, 3D modelling, surface and underground exploration of mineral properties. Dr. Sultan holds a Ph.D. in Geology and Masters of Science from the University of South Carolina.

- (4) Lyle McLennan was appointed to the Company's board of director on October 11, 2018. Mr. McLennan was a registered investment advisor with Richardson GMP Limited and its predecessor MacQuarie Private Wealth Inc. from September 28, 2009 until June 30, 2016 and has over 20 years of experience in the finance industry. Since July 2016, Mr. McLennan has been a self-employed financial consultant. Mr. McLennan holds a Bachelor of Arts in Economics from Concordia University.

Executive officers are appointed by the board of directors to serve until terminated by the board of directors or until their successors are appointed. Certain of the directors serve as directors of other reporting companies and if a conflict of interest arises at a meeting of the board of directors, any director in a conflict will declare his interest and abstain from voting on such matter. All directors have a term of office expiring at the next AGM.

Family Relationships

There are no family relationships among any of the persons named above.

Arrangements

There are no arrangements or understandings regarding the selection of any of the persons named above.

B. Compensation

Compensation of Executive Officers

"Named Executive Officer" ("NEO") means each of the following individuals:

- (a) A Chief Executive Officer ("CEO") or one who acted in a capacity similar to a CEO, for any part of the financial year ended March 31, 2019;
- (b) A Chief Financial Officer ("CFO") or one who acted in a capacity similar to a CFO, for any part of the financial year ended March 31, 2019;
- (c) Each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) Each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at the financial year ended March 31, 2019.

The Company had two NEOs during the year. The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended March 31, 2019.

Compensation of Directors and NEOs

The Company's Corporate Governance and Compensation Committee ("CGCC") has responsibility for reviewing compensation for the Company's directors and senior management. The independent directors are encouraged to meet at any time they consider necessary without any members of management including the non-independent directors being present. The Company's auditors, legal counsel and employees may be invited to attend. The independent directors exercise their responsibilities for independent oversight of management through a strong CGCC.

To determine compensation payable, the CGCC reviews compensation paid for directors and NEOs of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the CGCC annually reviews the performance of the NEOs in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives and financial resources.

The Company's compensation policies and its stock option plan are intended to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and of its subsidiaries and to closely align the personal interests of such directors, officers and employees with those of the shareholders by providing them with the opportunity, through stock options, to acquire shares in the capital of the Company.

Option-Based Awards

The board of directors of the Company adopted a stock option plan, as amended (the "Plan"), effective December 8, 2018, which has been most recently approved by the shareholders of the Company on February 19, 2019, at the Company's AGM on that date. The number of shares in respect of which options may be granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Company at the relevant grant date. In addition,

the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant.

In accordance with good corporate governance practices and as recommended by Canadian National Policy 51-201 *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that optionees are not prejudiced by the imposition of such black-out periods, the Plan includes a provision to the effect that any outstanding options with an expiry date that falls during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.

The Plan provides that if a change of control (as defined therein) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the optionees. The Board may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.

The Plan contains a provision that, if pursuant to the operation of the plan's adjustment provisions, in respect of options granted under the Plan (the "Subject Options"), an optionee receives options to purchase securities of another company (the "New Company"), such new options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "Termination Provisions"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that such new options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is one (1) year after the Optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

The Plan allows the board to impose vesting provisions and provides that, unless otherwise specified at the time of grant, all options shall vest and become exercisable in full immediately upon grant of such options. However, as required by the policies of the Exchange, options granted to optionees performing Investor Relations Activities must vest in stages over 12 months with no more than 1/4 of such options vesting in any three-month period.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and service providers, as an incentive for performance, and as an opportunity to participate in the success of First Energy. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options are exercisable over periods of up to ten years as determined by the board of directors of First Energy and are required to have an exercise price no less than the market price as defined in the Plan prevailing on the day that the option is granted. Pursuant to the Plan, the board of directors may from time to time authorize the issue of options to directors, officers and employees of and consultants to First Energy and its subsidiaries or employees of companies providing management services to First Energy or its subsidiaries.

At March 31, 2019, and at July 30, 2019, the maximum number of common shares which may be issued pursuant to stock options granted under the Plan is equal to 1,763,100 of the issued and outstanding common shares at the respective dates. There were no stock options outstanding at March 31, 2019 and July 30, 2019 respectively.

The board of directors generally grants options to corporate executives on the recommendation of the CGCC. As part of its annual work plan, the CGCC reviews, among other things, executive compensation and makes appropriate recommendations to the board regarding such compensation, including but not limited to the grant of options. Options may be granted at other times of the year to individuals commencing employment with the Company.

Summary Compensation Table

The compensation paid to the NEOs during the year ended March 31, 2019 is as set out below:

NEO Name and Principal Position	Year ⁽¹⁾	Salary/Fees (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$ ⁽³⁾)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Gurminder Sangha ⁽⁴⁾ President and CEO	2019	39,000	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Jurgen Wolf ⁽⁵⁾ CFO and Corporate Secretary	2019	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil

(1) Financial years ended March 31.

(2) The "grant date fair value" of options granted during the year is determined by using the Black-Scholes model, Please see the table under "Incentive Plan Awards" for the 'in-the-money' value of these options.

(3) Includes any health, dental, parking, group plan insurance benefits and professional fees paid by the Company on behalf of the NEO.

(4) Gurminder was appointed to the Company's board of directors on December 22, 2017 and appointed President and Chief Executive Officer on March 26, 2018.

(5) Jurgen Wolf was appointed to the Company's board of directors on February 22, 2018 and appointed Chief Financial Officer and Corporate Secretary of the Company on February 28, 2018.

As part of its annual work plan, the CGCC reviews, among other things, executive compensation and makes appropriate recommendations to the board regarding such compensation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There were no share-based awards and option-based awards outstanding as at the financial year ended March 31, 2019, for either NEO.

Name	Option-based Awards				Share-based Awards	
	Number of Securities Underlying Unexercised Options ⁽¹⁾	Option Exercise Price (\$)	Expiry Date	Value of Unexercised in-the money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Payments that have not Vested (\$)
Gurminder Sangha	Nil	N/A	N/A	N/A	N/A	N/A
Jurgen Wolf	Nil	N/A	N/A	N/A	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the shares underlying the options at the end of the most recently completed financial year.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the financial year ended March 31, 2019, for each NEO:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾ (\$)
Gurminder Sangha	Nil	N/A	N/A
Jurgen Wolf	Nil	N/A	N/A

(1) The aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.

(2) The Company does not have Incentive Plan Awards in place other than option-based awards.

Discussion

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based payments made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date the goods and services are received.

Warrants issued are recorded at estimated fair values determined on the grant date using the Black-Scholes model. If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

See “Option Based Awards” and “Securities Authorized for Issuance under Equity Compensation Plans” for further information on the Stock Option Plan.

The Company does not have Incentive Plan Awards, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company’s securities) was paid.

Pension Plan Benefits

Defined Benefit Plan or Defined Contribution Plan

The Company has no pension plans for NEOs that provide for payment or benefits at, following, or in connection with retirement.

Deferred Compensation Plans

The Company has no deferred compensation plan for NEOs.

Termination and Change in Control Benefits

The Company has no contract, agreement plan or arrangement that provides for payment to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a NEO’s responsibilities.

Director Compensation

The Company does not have a compensation plan for directors.

Director Compensation Table

The following table sets out all amounts of compensation provided to the directors who are not NEOs for the Company's most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Muzaffer Sultan	Nil	Nil	Nil	Nil	Nil	9,020	9,020
Lyle McLennan	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Taggar ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	2,500	2,500
Laurie Stephenson ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Mr. Taggar resigned as a director on June 15, 2018

⁽²⁾ Mr. Stephenson was appointed as director on June 15, 2018 and resigned as director on October 14, 2018.

Outstanding Share-based Awards and Option-based Awards

There were no option-based awards outstanding as at the financial year ended March 31, 2019 for the Company's directors, whose awards are not already provided in the disclosure for NEOs.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the financial year ended March 31, 2019, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based Awards – Value Vested During the Year ⁽¹⁾⁽²⁾⁽³⁾ (\$)	Share-based Awards – Value Vested During the Year ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year ⁽³⁾ (\$)
Muzaffer Sultan	Nil	N/A	N/A
Lyle McLennan	Nil	N/A	N/A
Paul Taggar ⁽³⁾	Nil	N/A	N/A
Laurie Stephenson ⁽⁴⁾	Nil	N/A	N/A

⁽¹⁾ The aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.

⁽²⁾ Under the terms of the Plan, all options vest upon the grant date.

⁽³⁾ The Company does not have incentive plan awards in place other than option-based awards.

⁽³⁾ Mr. Taggar resigned as a director on June 15, 2018

⁽⁴⁾ Mr. Stephenson was appointed as director on June 15, 2018 and resigned as director on October 14, 2018.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category ⁽¹⁾	(a)	(b)	(c)
Equity compensation plans approved by security holders ⁽²⁾	Nil	Nil	1,763,100
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	Nil	Nil	1,763,100

⁽¹⁾ The only "equity compensation plan" in place is the Company's stock option plan. See "Option Based Awards" above.

⁽²⁾ As at March 31, 2019.

Indebtedness of Directors and Executive Officers

None of the directors, executive officers, or associates of any such person, has been indebted to the Company at any time during the most recently completed financial year.

Aggregated Options Exercises during the Most Recently Completed Financial Year

None.

C. Board Practices

The Company has four directors as of July 30, 2019, namely: Gurminder Sangha, Jurgen Wolf, Muzaffer Sultan and Lyle McLennan. Mr. Sangha, Mr. Wolf, Dr. Sultan and Mr. McLennan were appointed on December 22, 2017, February 22, 2018, March 26, 2018 and October 14, 2018, respectively. All directors will serve for a term of office expiring at the next AGM of the Company. All officers have a term of office lasting until their removal or replacement by the board of directors.

An “independent” director under the CSE governance guidelines is a director who is independent from management and is free from any interest and any business or other relationship which could materially interfere with his or her ability to act in the best interest of the Company other than interests arising from shareholding. Where a company has a significant shareholder, in addition to a majority of “independent” directors, the Board should include a number of directors who do not have interest or relationships with either the Company or the significant shareholder. The Board currently consists of four directors, two of whom are independent based upon the tests for independence set forth in Canadian National Instrument 52-110. Mr. Sangha is not independent as he is the President and CEO of the Company, Mr. Wolf is not independent as he is the CFO of the Company. The Company is currently seeking to add an additional independent director.

Except as set out below, no director and/or executive officer has been the subject of any order, judgment, or decree of any governmental agency or administrator or of any court of competent jurisdiction, revoking or suspending for cause any license, permit or other authority of such person or of any corporation of which he is a director and/or executive officer, to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining or enjoining any such person or any corporation of which he is an officer or director from engaging in or continuing any conduct, practice or employment in connection with the purchase or sale of securities, or convicting such person of any felony, or misdemeanor involving a security or in any aspect of the securities business of theft.

There are no director’s services contracts with the Company providing for benefits upon termination of employment. The Company has no compensatory plan or arrangement in respect of compensation received or that may be received by the directors of the Company in its most recently completed or current financial year to compensate such directors in the event of termination as director (resignation, retirement) or in the event of a change in control. There are no arrangements or understandings with any two or more directors or executive officers pursuant to which he was selected as a director or executive officer. Other than as disclosed in related party transactions, fees payable to directors as disclosed above under "Director Compensation", and salaries for executive officers, there is no compensation paid to outside directors other than stock-based compensation.

Audit Committee

As of July 30, 2019, Gurminder Sangha, Muzaffer Sultan and Lyle McLennan are the members of the Company’s audit committee and with Mr. McLennan acting as Chair. Its primary function is to review the financial statements of the Company before they are submitted to the board for approval. The audit committee is also available to assist the board if required with matters relating to the appointment of the Company’s auditor and the overall scope and results of the audit, internal financial controls, and financial information for publication for various purposes.

Corporate Governance and Executive Compensation Committee

Members of the Corporate Governance and Executive Compensation Committee are Gurminder Sangha, Muzaffer Sultan and Lyle McLennan. The committee was formed to make recommendations to the board with respect to developments in the area of corporate governance, the practices of the board, finding appropriate candidates for nomination to the board and for evaluating the performance of the board, and senior executives and making recommendations as to their compensation.

D. Employees

At March 31, 2019, the Company did not have any employees.

E. Share Ownership

See Item 6A. – “Directors and Senior Management”.

As at March 31, 2019, there were no stock options or warrants held by the directors or members of senior management of the Company.

The following table sets forth, as of July 30, 2019, the number of First Energy’s common shares beneficially owned by the directors and members of senior management of First Energy, individually, and as a group, and the percentage of ownership of the outstanding common shares represented by such shares.

The shareholders listed below possess sole voting and investment power with respect to the shares shown.

Directors and Senior Management Share Ownership as at July 30, 2019

Name of Shareholder	Number of Shares held, directly and indirectly, at July 30, 2019 ⁽¹⁾	% of Issued and Outstanding Shares at July 30, 2019 ⁽¹⁾
Gurminder Sangha	86,000	0.49%
Jurgen Wolf	Nil	Nil
Lyle McLennan	Nil	Nil
Muzaffer Sultan	Nil	Nil

(1) Based on 17,631,003 common shares issued and outstanding, and no warrants and stock options were held by officers and directors as at July 30, 2019.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The Company is a publicly traded corporation, incorporated in the province of British Columbia, the registered shareholders of which include residents of the United States, residents of Canada and other foreign residents. To the extent known by the directors and executive officers of the Company, the Company is not directly or indirectly owned or controlled by another corporation.

To the knowledge of the directors and executive officers of the Company as at July 30, 2019, there are no holders of 5% or more of the common shares of First Energy.

The above information was obtained from SEDI and SEDAR.

All shareholders, including major and/or controlling shareholders have the same voting rights with respect to the issued common shares.

The Company’s securities are recorded on the books of its transfer agent in registered form, however, the majority of such shares are registered in the name of intermediaries such as brokerage houses and clearing houses on behalf of their respective brokerage clients, and First Energy does not have knowledge of or access to information about the beneficial owners thereof. To the best of its knowledge, First Energy is not directly or indirectly owned or controlled by a corporation or foreign government. As of July 30, 2019, the Company had authorized an unlimited number of common shares without par value of which 17,631,003 were issued and outstanding.

The Company is not aware of any arrangements between shareholders or other persons which may result in a change of control of the Company.

B. Related Party Transactions

During the years ended March 31, 2019, 2018, 2017, the Company:

- paid \$39,000 (2018 - \$79,750; 2017 - \$50,000) to non-independent director and officers of the Company;
- paid or accrued office rent of \$Nil (2018 - \$Nil; 2017 - \$18,000) to a private company controlled by the Company’s former president and CEO.
- paid fees to independent directors of \$21,020 (2018 - \$12,120; 2017 - \$Nil).

As at March 31, 2019, an amount of \$46,851 for fees and/or expenses owed to directors and officers are included in amounts due to related parties (March 31, 2018 - \$42,071; March 31, 2017 - \$56,629). These amounts were settled in the ordinary course of business.

Other than as disclosed above, there have been no transactions during the 2019 fiscal year which have materially affected or will materially affect First Energy in which any director, executive officer, or beneficial holder of more than 5% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest. Management believes the transactions referenced above were on terms at least as favorable to First Energy as First Energy could have obtained from unaffiliated parties.

C. Interests of Experts and Counsel

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and, as such, there is no requirement to provide any information under this sub-item.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Statements

The financial statements required as part of this Annual Report are filed under Item 18 of this Annual Report. The financial statements as required are found at Exhibit F-1 to this Annual Report. The audit report of DeVisser Gray LLP, Chartered Professional Accountants, is included immediately preceding the financial statements for the years ended March 31, 2019, 2018 and 2017.

Legal Proceedings

The Company is not involved in any litigation or legal proceedings and to the Company's knowledge no material legal or arbitration proceedings involving the Company is threatened.

Dividend Policy

First Energy has not paid any dividends on its outstanding common shares since its incorporation and does not anticipate that it will do so in the foreseeable future. All funds of First Energy are being retained for working capital and exploration of its projects.

B. Significant Changes

There are no significant changes have occurred since the date of First Energy's most recent audited financial statements, March 31, 2019, other than disclosed in this Annual Report on Form 20-F, items represented in Note 5 to the financial statements for the year ended March 31, 2019.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

First Energy's common shares trade on the CSE under the trading symbol "FE" and CUSIP # 32016U

Trading Markets

The tables below list the high and low prices for common shares of the Company for the five most recent full financial. The Company's common shares began trading on the Canadian Securities Exchange as of March 1, 2019 and prior to that date, the common shares were traded on the TSX Venture Exchange.

CSE/TSX-V: FE (formerly AGV) – Trading in Canadian Dollars		
	High	Low
	(\$)	(\$)
Annual		
March 2019	0.43	0.075
March 2018	0.35	0.15
March 2017	0.70	0.15
March 2016	0.20	0.10
March 2015	0.20	0.05

The following table lists the volume of trading and high, low and maximum closing sales prices for shares of First Energy's common stock for the last eight fiscal quarters and for the most recent six months. The Company's common shares began trading on the Canadian Securities Exchange as of March 1, 2019 and prior to that date, the common shares were traded on the TSX Venture Exchange.

CSE/TSX-V: FE (formerly AGV) – Trading in Canadian Dollars		
	High	Low
	(\$)	(\$)
Fiscal 2019		
Fourth Quarter	0.28	0.075
Third Quarter	0.28	0.175
Second Quarter	0.365	0.10
First Quarter	0.43	0.23
Fiscal 2018		
Fourth Quarter	0.31	0.17
Third Quarter	0.25	0.15
Second Quarter	0.28	0.20
First Quarter	0.35	0.20
Month ended		
June 30, 2019	0.20	0.07
May 30, 2019	0.195	0.15
April 30, 2019	0.16	0.15
March 31, 2019	0.195	0.075
February 28, 2019	0.205	0.15
January 31, 2019	0.28	0.195

The Company's common stock is issued in registered form.

B. Plan of Distribution

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

C. Markets

First Energy shares trade on the following stock exchanges and other regulated markets:

Stock Exchange or other regulated market	Company symbol
Canadian Securities Exchange	FE
Frankfurt Stock Exchange	A2JC89
OTC Bulletin Board	ASKDF

D. Selling Shareholders

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

E. Dilution

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

F. Expenses of the Issue

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

This Form 20-F is being filed as an annual report under the Securities Exchange Act 1934, and as such, there is no requirement to provide any information under this item.

B. Memorandum and articles of association

The Company's original corporate constituting documents comprising Articles of Association and Memorandum are registered with the British Columbia Registrar of Companies under Corporation No. 71412. A copy of the Articles of Association and Memorandum then in effect were filed as an exhibit with the Company's initial registration statement on Form 20-F. In 2004 the Company's existing Memorandum was replaced by a Notice of Articles. Subsequent amendments to the Company's Articles have been also filed as exhibits subsequent to the initial registration statement. On June 23, 2011, the Company adopted new Articles of Association, and these Articles are attached as an exhibit to this Annual Report.

Objects and Purposes

The Company's Articles of Incorporation do not specify objects or purposes. Under British Columbia law, a British Columbia corporation has all the legal powers of a natural person. British Columbia corporations may not undertake certain limited business activities such as operating as a trust company or railroad without alterations to its form of articles and specific government consent.

Directors – Powers and Limitations

The Company's articles do not specify a maximum number of directors (the minimum under British Columbia law for a public company is three). Shareholders at the annual shareholders meeting determine the number of directors annually and all directors are elected at that time. There are no staggered directorships. Under the British Columbia Business Corporations Act, ("BCA") directors are obligated to abstain from voting on matters in which they may be financially interested after fully disclosing such interest. Directors' compensation is not a matter on which they must abstain. Directors must be of the age of majority (18), and meet eligibility criteria including not being mentally infirm, an undischarged bankrupt, no fraud related convictions in the previous five years and a majority of directors must be ordinarily resident in Canada. There is no mandatory retirement age either under the Company's Articles or under the BCA.

Directors' borrowing powers are not generally restricted where the borrowing is in the Company's best interests. Directors need not own any shares of the Company in order to qualify as directors.

The Articles specify the number of directors shall be the number of directors fixed by shareholders annually, or the number that are actually elected at a general shareholders meeting. Shareholders at the annual shareholders' meeting determine the number of directors annually and all directors are elected at that time. Under the Articles the directors are entitled between successive AGMs to appoint one or more additional directors but not more than one-third of the number of directors fixed at a shareholders meeting or actually elected at the preceding annual shareholders' meeting. Directors automatically retire at the commencement of each annual meeting but may be re-elected thereat.

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, is required under the BCA to disclose the nature and extent of the conflict as required by the Business Corporations Act, and may be counted for the purpose of quorum requirements is required to abstain from voting on any directors' resolution to approve a contract or transaction in which he has a disclosable interest.

The new form of articles adopted by the Company in June 2011 ("Articles") update some of the terminology therein as well as incorporating some of the more flexible provisions of the BCA. The major changes from the existing Articles are: 1. certain changes to the Notice of Articles, Articles and share structure may be able to be made by directors' resolution or ordinary resolution of the Company's shareholders, in each case as determined by the directors. A more detailed description of this changes is provided below; 2. the directors may, by directors' resolution, approve a change of name of the Company without the necessity for shareholder approval; 3. shareholder meetings may be held by electronic means; 4. the quorum for shareholder meetings is changed from two shareholders or proxyholders present to one shareholder present in person or represented by proxy; 5. shareholder meetings may, if authorized by directors' resolution, be held in jurisdictions outside British Columbia; and 6. the Chairman of a directors' meeting does not have a casting vote, in the event of an equality of votes.

The Company is subject to the policies of the Canadian Securities Exchange and compliance with Exchange policy may supersede powers granted to the Board pursuant to the Articles.

Descriptions of rights, preferences and restrictions attaching to each class of shares

Common Shares

The Company has only one class of shares, common shares without par value of which an unlimited number are authorized and 17,631,003 are outstanding as of July 30, 2019. All common shares rank pari passu for the payment of dividends and distributions in the event of wind-up.

Some of the significant provisions under British Columbia law and the Company's Articles relating to the common shares may be summarized as follows:

Capital increases and Other Changes

The Company may alter its Notice of Articles, Articles and share structure in the following manner: 1. by directors' resolution or ordinary resolution of the shareholders of the Company, in each case as determined by the directors, (a) create one or more classes or series of shares and, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares and alter the identifying name of any of its shares; (b) establish, increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares; (c) if the Company is authorized to issue shares of a class of shares with par value, decrease the par value of those shares or, if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (d) change all or any of its unissued shares with par value into shares without par value or vice versa or change all or any of its fully paid issued shares with par value into shares without par value; (e) create, attach, vary or delete special rights or restrictions for the shares of any class or series of shares, if none of those shares have been issued; (f) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; (g) authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to the Articles are solely within the directors' powers, control or authority; and (h) alter the identifying name of any of its shares. 2. if the BCBCA does not specify the type of resolution and the Articles do not specify another type of resolution, by ordinary resolution of the shareholders otherwise alter its shares or authorized share structure and, if applicable, alter its Notice of Articles and, if applicable, alter its Articles accordingly.

Certain changes such as amalgamations, re-domiciling may also give rise to rights of dissent and appraisal (the right subject to meeting certain conditions, to be paid the "fair value" determined in accordance with the BCA for their shares in cash if the matter is proceeded with).

Shares Fully Paid

The Company's shares must, when issued be fully paid for in cash, property or services. The common shares, when validly issued are non-assessable and not subject to further calls for payment.

Redemption

The Company has no redeemable securities authorized or issued.

Pre-emptive Rights

There are no pre-emptive rights under the Articles of the Company which provide a right to existing shareholders to participate in offerings of the Company's securities.

Liquidation

All common shares of the Company are entitled to participate ratably in, if any, available for distribution assets in the event of a winding up or other liquidation of the Company.

No Limitation on Foreign Ownership

There are no limitations under the Company's Articles or in the BCA on persons who are not citizens of Canada holding or exercising their voting rights as holders of common shares (See also "Exchange Controls").

Dividends

Dividends may be declared by the Board out of available assets and are paid ratably to holders of common shares. No dividend may be paid if the Company is, or would thereby become, insolvent.

Voting Rights

Each of the Company's share is entitled to one vote on matters on which common shares ordinarily vote including the election of directors, appointment of auditors and approval of corporate changes. There are no cumulative voting rights applicable to the Company.

Shareholder Meetings

Shareholders' meetings are governed by the Articles of the Company but many important shareholder protections are also contained in the Securities Act (British Columbia) and the BCA. The Articles provide that the Company will hold an annual shareholders' meeting, will provide at least 21 days' notice and will provide for certain procedural matters and rules of order with respect to the conduct of the meeting. Under British Columbia securities legislation and policies, the Company is required to conduct advanced searches to facilitate delivery of meeting materials and proxy to beneficial shareholders. The form and content of information circulars and proxies and like matters are governed by the Securities Act (British Columbia) and the BCA. This legislation specifies the disclosure requirements for the proxy materials and various corporate actions, background information on the nominees for election for director, executive compensation paid in the previous year, unusual matters or related party transactions. The Company must hold determination general meeting of shareholders within 15 months of the previous annual shareholders' meeting. A quorum for a shareholders' meeting is one shareholder present in person or by proxy.

Change in Control

Other than as disclosed under Item 6.B "Termination and Change of Control Benefits", the Company does not have any agreements which are triggered by a take-over or other change of control, except that a takeover or change of control may result in the vesting of stock options previously granted. There are no provisions in its Articles triggered by or affected by a change in outstanding shares which gives rise to a change in control. There are no provisions in the Company's material agreements giving special rights to any person on a change of control.

Insider Share Ownership Reporting

The articles of the Company do not require disclosure of share ownership. Share ownership of director nominees must be reported annually in proxy materials sent to the Company's shareholders. There are no requirements under British Columbia corporate law to report ownership of shares of the Company but the Securities Act (British Columbia) requires disclosure of trading by insiders (generally officers, directors and holders of 10% of voting shares) within 5 days of the trade. Controlling shareholders (generally those in excess of 20% of outstanding shares) must provide 3 days advance notice of share sales.

Securities Act (British Columbia)

This statute applies to the Company and governs matters typically pertaining to public securities such as continuous disclosure, quarterly financial reporting, immediate disclosure of material changes, insider trade reporting, take-over protections to ensure fair and equal treatment of all shareholders, exemption and resale rules pertaining to non-prospectus securities issuances as well as civil liability for certain misrepresentations, disciplinary, appeal and discretionary ruling matters.

C. Material Contracts

The Company is not party to any contracts that are material to its operations, business or assets, other than those entered into in the ordinary course of business for the two years preceding the date of this document.

D. Exchange Controls

First Energy is a corporation incorporated pursuant to the laws of the Province of British Columbia, Canada. Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws in Canada or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of the Issuer's securities, except as discussed in "E. Taxation" below.

There are no limitations under the laws of Canada or in the organizing documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the Investment Canada Act may require review and approval by the Minister of Industry (Canada) of certain acquisitions of "control" of the Company by a "non-Canadian". The threshold for acquisitions of control is generally defined as being one-third or more of the voting shares of the Company. "Non-Canadian" generally means an individual who is not a Canadian citizen, or a corporation, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

E. Taxation

All prospective investors are advised to consult their own tax advisors with respect to the specific tax consequences of purchasing the common shares of the Company.

Canadian Federal Income Tax Consequences for United States Residents

The discussion under this heading summarizes the principal Canadian federal income tax consequences of acquiring, holding and disposing of shares of our common stock for a shareholder of ours who is not a resident of Canada but is a resident of the U.S. and who will acquire and hold our common shares as capital property for the purposes of the Income Tax Act (Canada) (the “Canadian Tax Act”). This summary does not apply to a shareholder who carries on business in Canada through a “permanent establishment” situated in Canada or performs independent personal services in Canada through a fixed base in Canada if the shareholder’s holding in First Energy Minerals Ltd. is effectively connected with such permanent establishment or fixed base. This summary is based on the provisions of the Canadian Tax Act and the regulations thereunder and on an understanding of the administrative practices of Canada Revenue Agency and takes into account all specific proposals to amend the Canadian Tax Act or regulations made by the Minister of Finance of Canada as of the date hereof. It has been assumed that there will be no other relevant amendment of any governing law although no assurance can be given in this respect. This discussion is general only and is not, nor is it intended to provide a detailed analysis of the income tax implications of any particular shareholder’s interest. Investors are advised to obtain independent advice from a shareholder’s own Canadian and U.S. tax advisors with respect to income tax implications pertinent to their particular circumstances. The provisions of the Canadian Tax Act are subject to income tax treaties to which Canada is a party, including the Canada-United States Income Tax Convention (1980), as amended (the “Convention”).

Dividends

Dividends paid or deemed to be paid to a U.S. Holder by The Company will be subject to Canadian withholding tax. Under the Treaty, the rate of withholding tax on dividends paid to a U.S. Holder is generally limited to 15% of the gross amount of the dividend (or 5% if the U.S. Holder is a corporation and beneficially owns at least 10% of The Company’s voting shares). The Company will be required to withhold the applicable withholding tax from any such dividend and remit it to the Canadian government for the U.S. Holder’s account.

Disposition

Under the Canadian Tax Act, a taxpayer’s capital gain or capital loss from a disposition of a share of our common stock is the amount, if any, by which his or her proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of his or her adjusted cost base of the share and reasonable expenses of disposition. The capital gain or loss must be computed in Canadian currency using a weighted average adjusted cost base for identical properties. The capital gains net of losses included in income are as follows: for gains net of losses realized after October 17, 2000, as to 50%. There are special transitional rules to apply capital losses against capital gains that arose in different periods. The amount by which a shareholder’s capital loss exceeds the capital gain in a year may be deducted from a capital gain realized by the shareholder in the three previous years or any subsequent year, subject to certain restrictions in the case of a corporate shareholder. Under the Canadian Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains, and may deduct allowable capital losses, realized on a disposition of “taxable Canadian property.” Shares of our common stock will constitute taxable Canadian property of a shareholder at a particular time if the shareholder used the shares in carrying on business in Canada, or if at any time in the five years immediately preceding the disposition 25% or more of the issued shares of any class or series in our capital stock belonged to one or more persons in a group comprising the shareholder and persons with whom the shareholder and persons with whom the shareholder did not deal at arm’s length and in certain other circumstances.

The Convention relieves U.S. residents from liability for Canadian tax on capital gains derived on a disposition of shares unless:

- (a) the value of the shares is derived principally from “real property” in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production;
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him when he or she ceased to be resident in Canada; or
- (c) the shares formed part of the business property of a “permanent establishment” that the holder has or had in Canada within the 12 months preceding the disposition.

United States Tax Consequences

United States Federal Income Tax Consequences

Certain United States Federal Income Tax Consequences

The following is a discussion of material U.S. federal income tax consequences generally applicable to a U.S. Holder (as hereinafter defined) of our common shares under current law. This discussion does not address all potentially relevant federal income tax matters and it does not address consequences peculiar to persons subject to special provisions of federal income tax law, such as those described below as excluded from the definition of a U.S. Holder. In addition, this discussion does not cover any state, local or foreign tax consequences. (see “Taxation – Canadian Federal Income Tax Consequences” above). Accordingly, holders and prospective holders of our common shares are urged to consult their own tax advisors about the specific federal, state, local, and foreign tax consequences to them of purchasing, owning and disposing of our common shares, based upon their individual circumstances. The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations, published Internal Revenue Service (“IRS”) rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time and which are subject to differing interpretations. This discussion does not consider the potential effects, both adverse and beneficial, of any proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time.

US Holders

As used in this annual report, a “U.S. Holder” means a holder of our common shares who is a citizen or individual resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or of any political subdivision thereof, an entity created or organized in or under the laws of the United States or of any political subdivision thereof which has elected to be treated as a corporation for U.S. federal income tax purposes (under Treasury Regulation Section 301.7701-3), an estate whose income is taxable in the U.S. irrespective of source or a trust subject to the primary supervision of a court within the U.S. and control of a U.S. fiduciary as described in Section 7701(a)(30) of the Code. This summary does not address the tax consequences to, and U.S. Holder does not include, persons subject to specific provisions of federal income tax law, such as tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a “functional currency” other than the U.S. dollar, shareholders subject to the alternative minimum tax, shareholders who hold common shares as part of a straddle, hedging or conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders who own common shares as capital assets, within the meaning of Section 1221 of the Code, and who own (directly and indirectly, pursuant to applicable rules of constructive ownership) no more than 5% of the value of our total outstanding stock. This summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares. In addition, this summary does not address special rules applicable to U.S. persons (as defined in Section 7701(a) (30) of the Code) holding common shares through a foreign partnership or to foreign persons holding common shares through a domestic partnership.

Distributions on Our Common Shares

In general, U.S. Holders receiving dividend distributions (including constructive dividends) with respect to our common shares are required to include in gross income for U.S. federal income tax purposes the gross amount of such distributions, equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that we have current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder’s federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder’s federal taxable income by those who itemize deductions (See more detailed discussion at “Foreign Tax Credit” below). Dividends received from us by a non-corporate U.S. Holder during taxable years beginning before January 1, 2011, generally, will be taxed at a maximum rate of 15% provided that such U.S. Holder has held to shares for more than 60 days during the 120-day period beginning 60 days before the ex-dividend date and that certain other conditions are met (“qualified dividend income”). For this purpose, dividends will include any distribution paid by us with respect to our common shares but only to the extent such distribution is not in excess of our current and accumulated earnings and profits, as determined under U.S. Federal income tax principles.

To the extent that distributions exceed our current or accumulated earnings and profits, they will be treated first as a return of capital up to the U.S. Holder’s adjusted basis in the common shares and thereafter as gain from the sale or

exchange of property. For this purpose, “qualified dividend income” generally includes dividends paid on stock in U.S. corporations as well as dividends paid on stock in certain non-U.S. corporations if, among other things, (i) the shares of the non-U.S. corporation (including ADRs backed by such shares) are readily tradable on an established securities market in the U.S., or (ii) the non-U.S. corporation is eligible with respect to substantially all of its income for the benefits of a comprehensive income tax treaty with the U.S. which contains an exchange of information program. We currently anticipate that if we were to pay any dividends with respect to our shares, they should constitute “qualified dividend income” for U.S. federal income tax purposes and that U.S. Holders who are individuals should be entitled to the reduced rates of tax, as applicable.

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally, any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars, will be ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. However, an individual whose realized gain does not exceed \$200 will not recognize that gain, provided that there are no expenses associated with the transaction that meet the requirements for deductibility as a trade or business expense (other than travel expenses in connection with a business trip) or as an expense for the production of income.

Dividends paid on our common shares will not generally be eligible for the dividends received deduction provided to corporations receiving dividends from certain United States corporations. A U.S. Holder that is a corporation may, under certain circumstances, be entitled to a 70% deduction of the United States source portion of dividends received from us (unless we qualify as a “foreign personal holding company” or a “passive foreign investment company”, as defined below) if such U.S. Holder owns shares representing at least 10% of our voting power and value, or to a 85% deduction if the U.S. Holder owns shares representing at least 20% of the voting power and value of the Company. The availability of this deduction is subject to several complex limitations that are beyond the scope of this discussion. Under current Treasury Regulations, dividends paid on our common shares, if any, generally will not be subject to information reporting and generally will not be subject to U.S. backup withholding tax. However, for dividends and the proceeds from a sale of our common shares paid in the U.S. through a U.S. or a U.S. related paying agent (including a broker) a U.S. Holder will be subject to U.S. information reporting requirements and may also be subject to the 28% (tax years beginning in 2006 and 2007) U.S. backup withholding tax, unless the paying agent is furnished with a duly completed and signed Form W-9. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability, provided the required information is furnished to the IRS.

Foreign Tax Credit

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of our common shares may be entitled, at the option of the U.S. Holder, to either receive a deduction or a tax credit for such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces U.S. federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer’s income subject to tax. This election is made on a year-by-year basis and generally applies to all foreign taxes paid by (or withheld from) the U.S. Holder during that year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder’s U.S. income tax liability that the U.S. Holder’s foreign source income bears to his or its worldwide taxable income. In the determination of the application of this limitation, various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific categories of income. For tax years beginning after December 31, 2006, the foreign tax credit is limited separately with respect to passive category income and general category income. Dividends distributed by us will generally constitute “passive income” or, in the case of certain U.S. Holders, “financial services income,” which for tax years beginning after December 31, 2006, is in certain cases treated as general category income. Additionally, the rules regarding U.S. foreign tax credits include limitations that apply to individuals receiving dividends eligible for the 15% maximum tax rate on dividends described above. For tax years beginning after December 31, 2004, U.S. Holders can reduce their alternative minimum tax (“AMT”) liability by an AMT foreign tax credit without the limitation. Under the pre-2006 Act Law, the AMT foreign tax credit was limited to 90% of AMT. The availability of the foreign tax credit and the application of the limitations on the credit are fact specific, and U.S. Holders of our common shares should consult their own tax advisors regarding their individual circumstances.

Disposition of Our Common Shares

In general, U.S. Holders will recognize gain or loss upon the sale of our common shares equal to the difference, if any, between (i) the amount of cash and the fair market value of any property received, and (ii) the shareholder’s tax basis

in our common shares. Preferential tax rates apply to long-term capital gains of U.S. Holders that are individuals, estates or trusts. In general, gain or loss on the sale of our common shares will be long-term capital gain or loss if our common shares are a capital asset in the hands of the U.S. Holder and are held for more than one year. Deductions for net capital losses are subject to significant limitations. For U.S. Holders that are not corporations, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted. For U.S. Holders that are corporations (other than corporations subject to Subchapter S of the Code), an unused net capital loss may be carried back three years preceding the loss year and carried forward five years following the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

Other Considerations

Set forth below are certain material exceptions to the above-described general rules describing the U.S. federal income tax consequences resulting from the holding and disposition of common shares:

Foreign Personal Holding Company

The Foreign Personal Holding Company (“FPHC”) rules have been repealed for tax years of foreign corporations beginning after December 31, 2004, and tax years of U.S. Holders whose tax year ends with or within the FPHC’s tax year. Prior to repeal, if at any time during a taxable year more than 50% of the total combined voting power or the total value of our outstanding shares was owned, directly or indirectly (pursuant to applicable rules of constructive ownership), by five or fewer individuals who were citizens or residents of the U.S. and 60% or more of our gross income for such year was derived from certain passive sources (e.g., from certain interest and dividends), we may have been a FPHC. In that event, U.S. Holders that hold common shares would have been required to include in gross income as a dividend for such year their allocable portions of such passive income to the extent we did not actually distribute such income. Each U.S. Holder should consult his own tax advisor about this change of law.

Foreign Investment Company

The rule relating to foreign investment companies have been repealed for tax years of foreign corporations beginning after December 31, 2004, and tax years of U.S. Holders whose tax year end with or within the corporation’s tax year. Prior to repeal, if 50% or more of the combined voting power or total value of our outstanding shares was held, directly or indirectly, by citizens or residents of the U.S., U.S. domestic partnerships or corporations, or estates or trusts other than foreign estates or trusts (as defined by Code Section 7701(a)(31)), and we were found to be engaged primarily in the business of investing, reinvesting, or trading in securities, commodities, or any interests therein, it is possible that we were a “foreign investment company” as defined in Section 1246 of the Code, causing all or part of any gain realized by a U.S. Holder selling or exchanging common shares to be treated as ordinary income rather than capital gain. Each U.S. Holder should consult his own tax advisor about this change of law.

Passive Foreign Investment Company

As a foreign corporation with U.S. Holders, the Company could potentially be treated as a passive foreign investment company (“PFIC”), as defined in Section 1296 of the Code, depending upon the percentage of the Company’s assets that are held for the purpose of producing passive income.

Certain United States income tax legislation contains rules governing PFICs, which can have significant tax effects on U.S. Shareholders of foreign corporations. These rules do not apply to non-U.S. shareholders. Section 1296 of the Code defines a PFIC as a corporation that is not formed in the United States and, for any taxable year, either (i) 75% or more of its gross income is “passive income”, which includes interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value or, if the Company is a controlled foreign corporation or makes an election, by adjusted tax basis, of its assets that produce or are held for the production of “passive income”, is 50% or more.

A U.S. shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to U.S. Federal income taxation under one of two alternative tax regimes at the election of each such U.S. shareholder. The following is a discussion of such two alternative tax regimes applied to such U.S. shareholders of the Company.

A U.S. shareholder who elects in a timely manner to treat the Company as a Qualified Electing Fund (“QEF”), as defined in the Code (an “Electing U.S. Shareholder”), will be subject, under Section 1293 of the Code, to current federal income tax for any taxable year in which the Company qualifies as a PFIC on his pro-rata share of the Company’s (i) “net capital gain” (the excess of net long-term capital gain over net short-term capital loss), which will be taxed as long-term capital gain to the Electing U.S. Shareholder and (ii) “ordinary earnings” (the excess of earnings

and profits over net capital gain), which will be taxed as ordinary income to the Electing U.S. Shareholder, in each case, for the shareholder's taxable year in which (or with which) the Company's taxable year ends, regardless of whether such amounts are actually distributed.

The effective QEF election also allows the Electing U.S. Shareholder to (i) generally treat any gain realized on the disposition of his Common Shares (or deemed to be realized on the pledge of his Common Shares) as capital, (ii) treat his share of the Company's net capital gain, if any, as long-term capital gain instead of ordinary income, and (iii) either avoid interest charges resulting from PFIC status altogether, or make an annual election, subject to certain limitations, to defer payment of current taxes on his share of the Company's annual realized net capital gain and ordinary earnings subject, however, to an interest charge on the deferred taxes. If the Electing U.S. Shareholder is not a corporation, such an interest charge would be treated generally as "personal interest" that can be deducted only when it is paid or accrued and is only 10% deductible in taxable years beginning in 1990 and not deductible at all in taxable years beginning after 1990.

The procedures a U.S. Shareholder must comply with in making an effective QEF election will depend on whether the year of the election is the first year in the U.S. Shareholder's holding period in which the Company is a PFIC. If the U.S. Shareholder makes a QEF election in such first year, i.e. a timely QEF election, then the U.S. Shareholder may make the QEF election by simply filing the appropriate documentation at the time the U.S. Shareholder files its tax return for such first year. If, however, the Company qualified as a PFIC in a prior year during such shareholder's holding period, then in addition to filing documents, the U.S. Shareholder must elect to recognize (i) (under the rules of Section 1291 discussed below), any gain that he would otherwise recognize if the U.S. Shareholder sold his stock on the application date or (ii) if the Company is a controlled foreign corporation, and such shareholder so elects, his/her allocable portion of the Company's post-1986 earnings and profits.

When a timely QEF election is made, if the Company no longer qualifies as a PFIC in a subsequent year, normal code rules will apply. It is unclear whether a new QEF election is necessary if the Company thereafter re-qualifies as a PFIC. U.S. Shareholders should seriously consider making a new QEF election under those circumstances.

If a U.S. Shareholder does not make a timely QEF election in the year in which it holds (or is deemed to have held) the shares in question and the Company is a PFIC (a "Non-resident U.S. shareholder"), then special taxation rules under Section 1291 of the Code will apply to (i) gains realized on disposition (or deemed to be realized by reason of a pledge) of his/her common shares and (ii) certain "excess contributions", as specially defined, by the Company.

Non-electing U.S. shareholders generally would be required to pro-rata all gains realized on the disposition of his/her common shares and all excess distributions over the entire holding period for the common shares. All gains or excess distributions allocated to prior years of the U.S. shareholder (other than years prior to the first taxable year of the Company during such U.S. Shareholder's holding period and beginning after January 1, 1987 for which it was a PFIC) would be taxed at the highest tax rate for each such prior year applicable to ordinary income. The Non-electing U.S. Shareholder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such tax liability had been due with respect to each such prior year. A Non-electing U.S. Shareholder that is not a corporation must treat this interest charge as "personal interest" which, as discussed above, is partially or wholly non-deductible. The balance of the gain or the excess distribution will be treated as ordinary income in the year of the disposition or distribution, and no interest charge will be incurred with respect to such balance.

If the Company is a PFIC for any taxable year during which a Non-electing U.S. Shareholder holds common shares, then the Company will continue to be treated as a PFIC with respect to such common shares, even if it is no longer, by definition, a PFIC. A Non-electing U.S. Shareholder may terminate this deemed PFIC status by electing to recognize a gain (which will be taxed under the rules discussed above for Non-electing U.S. Shareholders) as if such common shares had been sold on the last day of the last taxable year for which it was a PFIC.

Under Section 1291(f) of the Code, the Department of the Treasury has issued proposed regulations that would treat as taxable certain transfers of PFIC stock by Non-electing U.S. Shareholders that are generally not otherwise taxed, such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death.

Certain special, generally adverse, rules will apply with respect to the common shares while the Company is a PFIC whether or not it is treated as a QEF. For example, under Section 1297(b)(6) of the Code, a U.S. shareholder who uses PFIC stock as security for a loan (including a margin loan) will, except as may be provided in regulations, be treated as having made a taxable disposition of such stock.

The foregoing discussion is based on existing provisions of the Code, existing and proposed regulations thereunder, and current administrative ruling and court decisions, all of which are subject to change. Any such change could affect

the validity of this discussion. In addition, the implementation of certain aspects of the PFIC rules requires the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance any of these proposed regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. Accordingly, and due to the complexity of the PFIC rules, U.S. persons who are shareholders of the Company are strongly urged to consult their own tax advisors concerning the impact of these rules on their investment in the Company.

Controlled Foreign Corporation

If more than 50% of the total combined voting power of all classes of shares entitled to vote or the total value of our common shares is owned, actually or constructively, by citizens or residents of the United States, U.S. domestic partnerships or corporation, or estates or trusts other than foreign estates or trusts (as defined by Code Section 7701(a)(31)), each of which owns, actually or constructively, 10% or more of our total combined voting power of all classes of shares entitled to vote (“U.S. Shareholder”), we would be treated as a controlled foreign corporation (“CFC”) under Subpart F of the Code. This classification could affect many complex results, one of which is the inclusion by the U.S. shareholders of certain income of a CFC, which is subject to current U.S. tax. The United States generally taxes U.S. Shareholders of a CFC currently on their pro rata shares of the Subpart F income of the CFC. Such U.S. Shareholders are generally treated as having received a current distribution out of the CFC’s Subpart F income and are also subject to current U.S. tax on their pro rata shares of increases in the CFC’s earnings invested in U.S. property. The foreign tax credit described above may reduce the U.S. tax on these amounts. In addition, under Section 1248 of the Code, gain from the sale or exchange of shares of the CFC by a U.S. Holder which is or was a U.S. Shareholder at any time during the five year period ending on the date of the sale or exchange is treated as ordinary income to the extent of earnings and profits of the CFC attributable to the shares sold or exchanged. If a foreign corporation is both a PFIC and a CFC, the foreign corporation generally will not be treated as a PFIC with respect to U.S. Shareholders of the CFC. This rule generally is effective for taxable years of U.S. Shareholders beginning after 1997 and for taxable years of foreign corporations ending with or within such taxable years of U.S. Shareholders. Special rules apply to U.S. Shareholders who are subject to the special taxation rules under Section 1291 discussed above with respect to a PFIC. Because of the complexity of Subpart F, a more detailed review of these rules is outside of the scope of this discussion. We do not believe that we currently qualify as a CFC. However, there can be no assurance that we will not be considered a CFC for the current or any future taxable year.

F. Dividends and Paying Agents

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

G. Statement by Experts

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, and as such, there is no requirement to provide any information under this item.

H. Documents on Display

Exhibits attached to this Form 20-F are available for viewing at the head office of the Company, Suite 1206 – 588 Broughton Street, Vancouver, British Columbia V6G 3E3 during normal business hours. Copies of First Energy’s financial statements and other disclosure documents required under the British Columbia *Securities Act* are available for viewing at www.sedar.com.

I. Subsidiary Information

This information is not required for reports filed in the United States.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

First Energy is a “small business issuer”, and as such, does not need to provide the information required by Item 11.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this Form 20-F Annual Report for the fiscal year ended March 31, 2019, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the SEC under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

The management of First Energy is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detections of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2019. In making this assessment, they used the criteria set forth in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management concluded that, as of March 31, 2019, the Company's internal control over financial reporting was and is effective, based on those criteria.

The SEC has defined a material weakness as a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis

Attestation Report of registered public accounting firm

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

Changes in internal controls over financial reporting

No changes in the Company's internal control over financial reporting occurred during the year ended March 31, 2019, that materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16. [RESERVED]**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

The Board has determined that Lyle McLennan, a member of its audit committee, qualifies as an “audit committee financial expert” as defined in Item 16.A. of Form 20-F.

ITEM 16B. CODE OF ETHICS

The Company has adopted a code of ethics that applies to the Company’s CEO, the CFO and other members of senior management. The Company’s Code of Ethics is filed as an exhibit to this Form 20-F. There have been no amendments to the code of ethics and no waivers during the year ended March 31, 2019, and to the date of filing of this Form 20-F.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table discloses the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company’s audit firm for various services.

Services:	Years ended March 31,	
	2019 ⁽³⁾	2018
Audit fees	\$ 13,000	\$ 16,000
Audit-related fee ⁽¹⁾	1,000	1,000
Tax fees	900	900
All other fees ⁽²⁾	-	-
Total fees	\$ 14,900	\$17,900

(1) “Audit-Related Fee” includes services that are traditionally performed by the auditor. These audit-related services include review of SEC documentation and audit services not required by legislation or regulation.

(2) Canadian Public Accounting Board Fees.

(3) Estimated audit fees for the year ended March 31, 2019

From time to time, management of the Company recommends to and requests approval from the audit committee for non-audit services to be provided by the Company’s auditors. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such non-audit services by a resolution authorizing management to engage the Company’s auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered “prohibited services” as contemplated by the United States Securities and Exchange Commission and whether the services requested and the fees related to such services could impair the independence of the auditors. All of the non-audit related services provided by the Company’s audit firm were pre-approved by the audit committee.

During the year ended March 31, 2019, all of the services described above under “Principal Accountant Fees and Services” under the captions “Audit-Related Fees”, “Tax Fees”, and “All Other Fees” were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities by the issuer and affiliated purchasers.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Not applicable.

ITEM 16H MINE SAFETY DISCLOSURE

Not applicable

PART III**ITEM 17. FINANCIAL STATEMENTS**

First Energy is furnishing financial statements under Item 18.

ITEM 18 FINANCIAL STATEMENTS

The Company's financial statements are stated in Canadian dollars and are prepared in accordance with IFRS as issued by the IASB.

The financial statements and notes thereto as required under Item 18 are attached as Exhibit F-1 to this Annual Report and are incorporated by reference herein. The auditor's report of DeVisser Gray LLP, Chartered Professional Accountants, is included therein immediately preceding the financial statements and is also incorporated by reference herein.

This annual report on Form 20-F includes the following financial statements of First Energy:

- a) Auditors' Report on the Statements of Financial Position as at March 31, 2019 and 2018 and the Statements of Operations and Comprehensive Loss, Statement of Changes in Shareholder's Equity, and Statements of Cash Flows for years ended March 31, 2019, 2018 and 2017;
- b) Statements of Financial Position as at March 31, 2019 and 2018;
- c) Statements of Loss and Comprehensive Loss for the years ended March 31, 2019, 2018 and 2017;
- d) Statement of Changes in Shareholder's Equity for the years ended March 31, 2019, 2018 and 2017;
- e) Statements of Cash Flows for years ended March 31, 2019, 2018 and 2017; and
- f) Notes to Financial Statements for the years ended March 31, 2019, March 31, 2018, and March 31, 2017.

ITEM 19. EXHIBITS

The following exhibits are filed with this Annual Report on Form 20-F in respect of the current year:

Exhibit Number	Description
F-1	Financial Statements for the Years Ended March 31, 2019, 2018 and 2017, and Auditors' Report from DeVisser Gray LLP, Chartered Professional Accountants for the years ended March 31, 2019, 2018 and 2017.
1.1*	Certified Copies of Transition Application and Notice of Articles and Notice of Articles - post transition
2.1	2017 Stock Option Plan (10% Rolling), as approved by shareholders on February 19, 2019
6.1	Calculation of earnings per share – N/A
7.1	Explanation of calculation of ratios – N/A
11.1*	Code of ethics
12.1	Certification pursuant to Rule 13a-14(A)/15d-14(a) of Chief Executive Officer
12.2	Certification pursuant to Rule 13a-14(A)/15d-14(a) of Chief Financial Officer
13.1	Certification pursuant to 18 U.S.C. Section 1350 of Chief Executive Officer
13.2	Certification pursuant to 18 U.S.C. Section 1350 of Chief Financial Officer

*These exhibits were included as exhibits to, and are incorporated herein by reference to, the Company's Annual Report filed on Form 20-F with the Commission on September 30, 2005.

END OF EXHIBITS

Glossary of Geologic and Mining Terms

Adit - A horizontal passage from the surface into a mine, commonly called a tunnel.

Ag - Chemical symbol for the metallic element silver.

Au - Chemical symbol for the metallic element gold.

Alteration - Any change in the mineralogic composition of a rock that is brought about by physical or chemical means.

Banka drilling – A drilling method used in inhospitable and isolated areas in the world, primarily using human manpower. Developed by Conrad Banka, the drills are indispensable to prospect or explore alluvial deposits; mine tailings; clay, bauxite and lateritic iron ore; water bearing layers; deep geochemistry in water saturated soils and for geotechnical soil testing.

Bed - The smallest division of a stratified rock series, marked by a well-defined divisional plane from its neighbours above and below; an ore deposit, parallel to the stratification, constituting a regular member of the series of formations.

Bedding - Condition where planes divide sedimentary rocks of the same or different lithology.

Bedrock - Solid rock exposed at the surface of the earth or overlain by surficial deposits.

Biotite - A generally dark colored iron, magnesium and potassium rich mica.

Caldera - A large basin-shaped volcanic depression, more or less circular, the diameter of which is many times greater than that of the included vent or vents, irrespective of the steepness of the walls of the form of the floor.

Contact – The place or surface where two different kinds of rocks come together.

Cretaceous - A period of geological time extending from 135 million to 65 million years ago.

Crown grant - A mineral claim located on the ground, defined by two claim posts, the location of which is governed by a mineral title act enacted at an earlier date than the current act.

Diamond drill hole - A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.

Deposit – A natural occurrence of a useful mineral or ore in sufficient extent and degree of concentrating to invite exploitation.

Dip - The angle at which a stratum or drill hole is inclined from the horizontal.

Displacement - Relative movement of rock on opposite side of a fault; also known as dislocation.

Disseminated – Fine particles of mineral dispersed through the enclosing rock.

EM - Electromagnetic.

Fault - A fracture in a rock along which there has been relative movement either vertically or horizontally.

Feldspar - A group of common aluminosilicate minerals.

Feldspar porphyry - A rock consisting of feldspar crystals embedded in a compact dark red or purple groundmass.

Feasibility study - Engineering study to determine if a mineral property can be developed at a profit, and the methods to develop it.

Footwall - The mass of rock that lies beneath a fault, an ore body, or a mine working; the top of the rock stratum underlying a vein or bed of ore.

g/t - Grams per tonne.

Galena - Lead sulphide, PbS, the principal ore of lead.

Geochemical survey - A measure of the abundance of different elements in rock, soil, water, etc.

Geochemistry - Study of chemical elements in rocks or soil.

Geological mapping – Surveys defining the surface distribution of rock varieties, age relationships and structural features.

Grab sampling - A random sample of mineralized rock with no statistical validity, taken simply to check the type of mineralization.

Grade - The quality of an ore; in effect, the metal content.

Granite – An intrusive rock consisting essentially of feldspar and quartz.

Grid - A network of evenly spaced horizontal and vertical bars or lines, used generally to locate points in the field when placed over a map or chart.

Hanging wall - The rock mass above a fault plane, vein, lode, ore body, or other structure, the underside of the country rock overlying a vein or bed of ore.

Hectare - A square of 100 metres on each side.

Induced polarization survey – A survey to determine the conductivity and chargeability of rock units located along grid lines.

Intrusive - Said of an igneous rock, which invades older rocks.

Li₂O – An inorganic chemical compound called Lithium Oxide.

Lime - A white substance, calcium oxide (CaO), obtained by the action of heat on limestone, shells and other materials containing calcium carbonate.

Limestone - Rock consisting mainly of calcium carbonate, often composed of the organic remains of sea animals (mollusks, coral, etc.).

Lode - See vein.

Meta-intrusive - An intrusive rock that has been metamorphosed.

Metamorphosed/Metamorphic - A rock that has been altered by physical and chemical processes including heat, pressure and fluids.

Meta-sediment - A sedimentary rock that has been metamorphosed.

Mineralization - The concentration of metals and their chemical compounds within a body of rock.

Mining lease – A claim or number of claims to which the right to mine is assigned.

Modified grid mineral claim – A claim with north-south and east-west borders, located by using claim posts at each corner and at 500 metre intervals along each side. Each 500 metre x 500-metre interval is referred to as one unit and modified grid claims can total no more than 20 units in size.

Net smelter royalty - A royalty based on the actual metal sale price received less the cost of refining at an off-site refinery.

Ore - Rock containing mineral(s) or metals, which can be economically extracted.

Orebody - A solid and fairly continuous mass of ore.

Outcrop - An exposure of bedrock at the surface.

Pb - Chemical symbol for the metallic element lead.

Pod - An orebody of elongate, lenticular shape; also known as podiform orebody.

PPB - Part Per Billion.

PPM - Part Per Million.

Pyrite - Iron sulphide (FeS_2).

Quartz - A mineral composed of silicon dioxide.

Reconnaissance - A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey.

Replacement mineralization – Mineral deposit formed by replacement of previous rock.

Rhyolite - A siliceous volcanic rock with a high potassium in feldspar component.

Rock chip sample – A rock sample consisting of continuous chips collected over a specified width.

Rotary drilling – A drilling method where a hard-toothed bit rotates at the bottom of a drill pipe, grinding a hole into the rock. Lubrication is provided by continuously circulating drilling fluid, which brings the rock cuttings to the surface.

Sediment - Solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically participated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.

Sedimentary rock – Rock formed by lithification of sediments.

Shaft – A vertical excavation.

Shear - To move as to create a planar zone of deformed rock.

Showing - A rock outcrop revealing the presence of a certain mineral.

Siliceous - Said of a rock rich in silica.

Silt sample – A sample of fine sediment collected from a stream bed.

Soil sampling - Systematic collection of soil samples at a series of different locations in order to study the distribution of soil geochemical values.

Sphalerite - A zinc sulphide, ZnS , which may contain some iron and cadmium; the principal ore of zinc and cadmium.

Strike – The horizontal plane representing the direction of a structure or bed.

Sulphide - A group of minerals in which one or more metals are found in combination with sulphur.

Tonne - Metric unit of weight equivalent to volume multiplied by specific gravity, equivalent to 1.102 tons.

Trenching - The act of blasting or digging through overburden/outcrop to attend fresh bedrock for mapping and sampling.

Vein - A tabular or sheet-like body of minerals, which has been intruded into a joint fissure, or system of fissures, in rocks.

VLF - Very Low Frequency.

VLF EM survey – A survey to determine ground variations in the electromagnetic field along grid lines.

Workings - A part of a mine, quarry, etc., where work is or has been done.

Zn - Chemical symbol for the metallic element zinc.

SIGNATURES

First Energy Metals Limited certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

FIRST ENERGY METALS LIMITED

Per:

/s/ Gurminder Sangha

Gurminder Sangha, President

DATED: July 30, 2019



FIRST ENERGY METALS LIMITED

FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2019, 2018 AND 2017

(Expressed in Canadian dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of First Energy Metals Limited,

Opinion on the Financial Statements

We have audited the accompanying financial statements of First Energy Metals Limited (“the Company”), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018 and the statements of loss and comprehensive loss, changes in equity and cash flows for each of the years in the three year period ended March 31, 2019, and a summary of significant accounting policies and other explanatory information (collectively referred to as the “financial statements”).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018 and its financial performance and its cash flows for each of the years in the three year period ended March 31, 2019, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that there are material uncertainties that cast significant doubt about the going concern assumption. The Company has no current source of revenue, has incurred losses from inception and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement, whether due to fraud or error. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 29, 2019

We have served as the Company's auditor since 2017.

FIRST ENERGY METALS LIMITED

Statements of Financial Position

(Expressed in Canadian dollars)

	<i>Note</i>	March 31, 2019	March 31, 2018
ASSETS			
Current Assets			
Cash		\$ 216,835	\$ 376,375
Amounts receivable and prepaid expenses	4	16,024	15,816
Total Current Assets		232,859	392,191
Non-current Assets			
Reclamation deposits		11,000	21,000
Exploration and evaluation assets	5	83,000	-
Total Non-current Assets		94,000	21,000
Total Assets		\$ 326,859	\$ 413,191
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	6	\$ 78,675	\$ 136,751
Due to related parties, net	8	46,851	42,071
Loan payable	7	-	76,641
Total Liabilities		125,526	255,463
SHAREHOLDERS' EQUITY			
Share capital	9	35,713,325	35,188,833
Warrants reserve		446,899	245,266
Share subscriptions		24,950	-
Share-based payments reserve	9	211,227	245,600
Deficit		(36,195,068)	(35,521,971)
Total Shareholders' Equity		201,333	157,728
Total Liabilities and Shareholders' Equity		\$ 326,859	\$ 413,191

Going concern

1

Approved and authorized for issue on behalf of the board of directors on July 29, 2019 by:

/s/Gurminder Sangha
Director

/s/Jurgen Wolf
Director

The accompanying notes are an integral part of these financial statements.

FIRST ENERGY METALS LIMITED

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

		For the years ended March 31,		
	Note	2019	2018	2017
Expenses				
Consulting fees	8	\$ 239,839	\$ 58,570	\$ 6,850
Exploration and evaluation costs (recoveries)	5	151,846	40,967	7,152
General and administrative		14,405	26,601	32,091
Professional fees		62,183	50,968	83,108
Salaries, fees and benefits	8	39,614	79,750	57,427
Shareholder communications		165,378	47,734	38,856
Share-based payments	9	-	44,193	131,412
Loss Before Other Items		(673,265)	(348,783)	(356,896)
Other Items				
Interest income		168	31	35
Write-down of exploration and evaluation assets	5	-	(513,600)	-
Total Other Income		168	(513,569)	35
Net Loss and Comprehensive Loss for the Year		(673,097)	(862,352)	(356,861)
Loss per Common Share, Basic and Diluted		\$ (0.05)	\$ (0.09)	\$ (0.05)
Weighted Average Number of Shares				
Outstanding – Basic and Diluted		14,542,817	9,241,207	7,169,542

The accompanying notes are an integral part of these financial statements.

FIRST ENERGY METALS LIMITED
Statements of Changes in Shareholders' Equity
For the years ended March 31, 2019, 2018 and 2017
(Expressed in Canadian dollars)

	Note	Common Shares Without Par Value		Warrants Reserve	Share-based Payments Reserve		Deficit	Total Equity (Deficiency)
		Shares	Amount					
Balance, March 31, 2016		6,396,166	\$ 33,973,547	\$ 54,688	\$ 71,009	\$ (34,302,758)	\$ (203,514)	
Shares issued for exploration and evaluation assets		1,284,000	513,600	-	-	-	513,600	
Share-based payments		-	-	-	131,412	-	131,412	
Options exercised		14,000	5,914	-	(1,014)	-	4,900	
Shares issued for termination settlement		20,000	7,000	-	-	-	7,000	
Private placement		1,189,142	416,200	-	-	-	416,200	
Share issue costs		-	(2,831)	-	-	-	(2,831)	
Fair value of warrants from private placement		-	(190,578)	190,578	-	-	-	
Net loss for the year		-	-	-	-	(356,861)	(356,861)	
Balance, March 31, 2017		8,903,308	34,722,852	245,266	201,407	(34,659,619)	509,906	
Share-based payments		-	-	-	44,193	-	44,193	
Private placement		3,333,330	500,000	-	-	-	500,000	
Share issue costs		-	(34,019)	-	-	-	(34,019)	
Net loss for the year		-	-	-	-	(862,352)	(862,352)	
Balance, March 31, 2018		12,236,638	35,188,833	245,266	245,600	(35,521,971)	157,728	
Options exercised		140,000	69,373	-	(34,373)	-	35,000	
Shares issued for exploration and evaluation assets		175,000	63,000	-	-	-	63,000	
Private placement		5,079,365	600,000	-	-	-	600,000	
Fair value of warrants from private placement		-	(201,633)	201,633	-	-	-	
Share issue costs		-	(6,248)	-	-	-	(6,248)	
Net loss for the year		-	-	-	-	(673,097)	(673,097)	
Balance, March 31, 2019		17,631,003	\$ 35,713,325	\$ 446,899	\$ 211,227	\$ (36,195,068)	\$ 176,383	

The accompanying notes are an integral part of these financial statements.

FIRST ENERGY METALS LIMITED

Statements of Cash Flows

(Expressed in Canadian dollars)

	For the years ended March 31,		
	2019	2018	2017
Cash provided by (used in):			
Operations			
Net loss for the year	\$ (673,097)	\$ (862,352)	\$ (356,861)
Items not involving cash:			
Consulting fees - settlement with former CFO	-	-	7,000
Share-based payments	-	44,193	131,412
Write-down of exploration and evaluation assets	-	513,600	-
Changes in non-cash operating assets and liabilities:			
Amounts receivable and prepaid expenses	(208)	9,292	(11,219)
Deferred charge	-	9,375	6,250
Accounts payable and accrued liabilities	(58,076)	254,255	12,203
Due to related parties, net	4,780	(14,558)	(246,802)
Cash used in operating activities	(726,601)	(46,195)	(458,017)
Investing activities			
Acquisition of exploration & evaluation assets	(20,000)	-	-
Reclamation bonds	10,000	(3,000)	-
Cash used in investing activities	(10,000)	(3,000)	-
Financing activities			
Proceeds from financing	600,000	500,000	416,200
Share issue costs	(6,248)	(34,019)	(2,831)
Repayments of loans	(76,641)	(76,437)	-
Proceeds from exercise of stock options	35,000	-	4,900
Share subscriptions received in advance	24,950	-	-
Proceeds from loans from related party	-	-	75,000
Cash provided by financing activities	577,061	389,544	493,269
Increase (decrease) in cash during the year	(159,540)	340,349	35,252
Cash, beginning of the year	376,375	36,026	774
Cash, end of the year	\$ 216,835	\$ 376,375	\$ 36,026
Supplemental information:			
Shares issued for exploration and evaluation assets	\$ 63,000	\$ -	\$ 513,600
Fair value of warrants issued in connection with financing	\$ -	\$ -	\$ 190,578
Fair value of options exercised	\$ 34,373	\$ -	\$ 1,014

The accompanying notes are an integral part of these financial statements.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

First Energy Metals Limited (“First Energy” or the “Company”) was incorporated on October 12, 1966 in the Province of British Columbia under the Business Corporations Act of British Columbia, and its principal business activity is the exploration of mineral properties in Canada.

The Company’s head office and principal address is 1206 - 588 Broughton Street, Vancouver, BC V6G 3E3 Vancouver. The Company’s registered and records office is 25th Floor-700 West Georgia Street, Vancouver, B.C., Canada, V7Y 1B3.

On March 1, 2019, the Company's common shares commenced trading on the Canadian Securities Exchange (“CSE”), following the Company voluntarily delisting its common shares from the TSX Venture Exchange. The Company's trading symbol remains as ‘FE’.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption is not appropriate for these financial statements then adjustments would be necessary to the carrying amount of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

During the year ended March 31, 2019, the Company experienced operating losses and negative operating cash flows with the operations of the Company having been primarily funded by the issuance of share capital. The Company expects to incur further losses in the development of its business, and these matters are indicative of the existence of material uncertainty that casts significant doubt as to the Company’s ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company’s current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company’s performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. In addition to evaluating financing options, the Company implemented cost savings measures.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements (“IAS 1”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these financial statements are based on International Financial Reporting Standards (“IFRS”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) issued and outstanding as at July 29, 2019, the date the board of directors approved these consolidated financial statements for issue.

(b) Basis of Measurement and Presentation

These financial statements have been prepared using the historical cost convention using the accrual basis of accounting except for some financial instruments, which have been measured at fair value. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(c) Cash

Cash consists of cash held in bank accounts. For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

(d) Exploration and Evaluation Assets

Exploration and evaluation acquisition costs are considered assets and capitalized at cost. When shares are issued as consideration for exploration and evaluation asset costs, they are valued at the closing share price on the date of issuance. Payments relating to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the accounts upon payment. When the technical and commercial viability of a mineral interest has been demonstrated and a development decision has been made, accumulated expenses will be tested for impairment before they are reclassified to assets and amortized on a unit of production basis over the useful life of the ore body following commencement of commercial production.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed. Mineral property exploration and evaluation expenditures are expensed until the property reaches the development stage.

The recoverability of the amounts capitalized for exploration and evaluation assets is dependent upon the determination of economically recoverable mineral deposits, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof. If it is determined that exploration and evaluation assets are not recoverable, the property is abandoned, or management has determined an impairment in value, the property is written down to its estimated recoverable amount.

Refer to note 3(c).

(e) Financial Instruments and Risk Management

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company become party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, as appropriate.

The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVPL are measured at fair value with changes in fair value recognized in profit or loss.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to profit or loss. The election is available on an investment-by-investment basis.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(e) Financial Instruments and Risk Management (continued)

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, other receivables and certain other assets are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities and finance leases are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities and finance leases are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in profit or loss.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Impairment of financial assets

A loss allowance for expected credit losses is recognized in OCI for financial assets measured at amortized cost. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(e) Financial Instruments and Risk Management (continued)

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk and other price risk.

Liquidity risk on amounts due to creditors and amounts due to related parties were significant to the Company's statement of financial position. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is indirectly related to changing metal prices and the price of silver and gold in particular.

(f) Equipment

Equipment is recorded at cost and depreciated over its estimated useful life. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Depreciation is recognized using the straight-line basis over the estimated useful lives of the various classes of equipment, ranging from three to five years. Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

(g) Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that the assets may be impaired. If such indication exists, the recoverable amount of the identified asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(g) Impairment of Tangible and Intangible Assets (continued)

Where it is possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation properties is considered to be a cash-generating unit for which impairment testing is performed.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior reporting periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Management's estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. A mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavorable economic, legal regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are key factors considered as part of the ongoing assessment of the recoverability of the carrying amount of exploration and evaluation assets. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, the capitalized costs are written down to the estimated recoverable amount. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

(h) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill that is not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

(i) Foreign Currency Translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were made through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(j) Share-based Payments

The Company accounts for stock options issued to directors and employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based payments made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date the goods and services are received.

Share purchase warrants issued are recorded at estimated fair values determined on the grant date using the Black-Scholes model. If and when the stock options or share purchase warrants are ultimately exercised, the applicable amounts of their fair values in the reserve accounts are transferred to share capital. If and when the stock options or share purchase warrants are ultimately expired, the applicable amounts of their fair values in the reserve accounts are transferred to deficit.

(k) Share Capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of the units are allocated between common shares and share purchase warrants on a pro-rata basis based on the relative fair values as follows: the fair value of the common shares is based on the market closing price on the date the units are issued and fair value of the share purchase warrants is determined using the Black-Scholes option pricing model.

(l) Earnings (Loss) per Common Share

Basic earnings (loss) per common share is calculated by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share are the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and share purchase warrants are used to repurchase common shares at the average price during the period.

(m) Flow-through Shares

Share capital includes flow-through shares which is a unique Canadian tax incentive pursuant to certain provisions of the Canadian Income Tax Act. Proceeds from the issuance of flow-through shares are used to fund qualified Canadian exploration and evaluation projects and the related income tax deductions are renounced to the subscribers of the flow-through shares. The premium paid for flow-through shares in excess of the market value of the shares without flow-through features, at the time of issue, is credited to other liabilities and recognized in income at the time qualifying expenditures are incurred. The Company also recognizes a deferred tax liability with a corresponding charge in the statement of operations when the qualifying exploration and evaluation expenditures are renounced. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset and recovery of deferred income taxes through profit or loss in the reporting period.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(m) Flow-through Shares (continued)

The Company may also be subject to a Part XII.6 tax on flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(n) Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

(o) Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation

(p) New, Amended and Future IFRS Pronouncements

New accounting standards and amendments adopted

The following standards have been adopted as at April 1, 2018. The Company has determined the impact of the new requirements to not be material.

IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments (“IFRS 9”) replaces IAS 39, Financial Instruments – Recognition and Measurement (“IAS 39”) and some of the requirements of IFRS 7, Financial Instruments: Disclosures (“IFRS 7”).

The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaces IAS 11, Construction Contracts (“IAS 11”), IAS 18, Revenue (“IAS 18”) and some revenue-related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

Accounting standards and amendments issued but not yet adopted

IFRS 16 – Leases

On January 13, 2016, the IASB issued IFRS 16, according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. Respectively, rent expense is to be removed and replaced by the recording of depreciation and finance expense. The standard is effective for annual periods beginning on or after January 1, 2019.

There are no other IFRS that are not yet effective that would be expected to have a material impact on the Company.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

3. Critical Accounting Judgments and Estimates

The preparation of financial statements requires management to make judgments and estimates that affect the amounts reported in the financial statements and notes. By their nature, these judgments and estimates are subject to change and the effect on the financial statements of changes in such judgments and estimates in future periods could be material. These judgments and estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these judgments and estimates. The more significant areas are as follows:

(a) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 11.

(b) Going Concern

The assessment of the Company's ability to raise sufficient funds to finance its exploration and administrative expenses involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Intangible Exploration and Evaluation Assets

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 6 discloses the carrying value of such assets. The triggering events for the potential impairment of exploration and evaluation assets are defined in IFRS 6 *Exploration for and Evaluation of Mineral Properties* and are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In making the assessment, management is required to make judgments as to the status of each project and its future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and accordingly some assets are likely to become impaired in future periods.

(d) Deferred Tax Assets

Deferred income tax asset carrying amounts depend on estimates of future taxable income and the likelihood of reversal of timing differences. Where reversals are expected, estimates of future tax rates will be used in the calculation of deferred tax asset carrying amounts. Potential tax assets were deemed not to be recoverable at the current year end.

4. Amounts Receivable and Prepaid Expenses

		March 31, 2019		March 31, 2018
GST/HST	\$	13,977	\$	15,816
Prepayments and other receivable		2,047		-
Total	\$	16,024	\$	15,816

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets

Exploration and evaluation assets deferred to the statements of financial position at March 31, 2019 and 2018 are as follows:

		March 31, 2018		Additions		Write-off		March 31, 2019
Phyllis Cobalt	\$	-	\$	56,000	\$	-	\$	56,000
Russel Graphite		-		27,000		-		27,000
	\$	-	\$	83,000	\$	-	\$	83,000

		March 31, 2017		Additions		Write-off		March 31, 2018
Kootenay Lithium	\$	513,600	\$	-	\$	(513,600)	\$	-

(a) Phyllis Cobalt Property

On January 29, 2018, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims (the “Phyllis Property”) covering 1,750 hectares located in the Kenora Mining District in northwestern Ontario, Canada.

On January 29, 2019, and again on March 15, 2019, the Company entered into an amended option agreement (the “Phyllis Amendment Agreement”) which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Phyllis Cobalt Agreement, as noted below.

Under the terms of the Phyllis Amendment Agreement, the Company has the option to acquire a 100% interest in the Phyllis Property by completing the following option payments, common share issuances and exploration expenditures:

Due Dates	Option payments (\$)	Issuance of First Energy common shares	Minimum exploration expenditures (\$)	Cumulative exploration expenditure (\$)
On signing (paid and issued)	20,000	100,000	Nil	Nil
September 30, 2019	-	-	75,000	75,000
January 31, 2020	35,000	150,000	25,000	100,000
March 15, 2020	35,000	150,000	-	100,000
January 31, 2021	50,000	-	-	100,000
March 1, 2021	-	200,000	25,000	125,000

Under the Phyllis Amendment Agreement, the Phyllis Property is subject to a 3% Net Smelter Return (“NSR”) royalty upon commencement of commercial production. The Company will have the option to reduce the NSR to 2.0% by paying \$1,000,000.

(b) Russel Graphite Property

On May 3, 2018, the Company entered into an option agreement to acquire a 100% interest in the Russel Graphite Property which is comprised of 30 mineral tenures covering a contiguous block of 1,798 hectares of land located in the Gatineau area of Quebec, Canada.

On January 28, 2019, and again on March 15, 2019, the Company entered into an amended option agreement (the “Russel Amendment Agreement”) which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Russel Option Agreement as noted below.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

(b) Russel Graphite Property (continued)

Under the terms of the Russel Amended Agreement, the Company has the right to acquire a 100% interest in Russel Graphite Property by completing the following option payment, common share issuances and exploration expenditures:

Due Dates	Option payments (\$)	Issuance of First Energy common shares	Minimum exploration expenditures (\$)	Cumulative exploration expenditure (\$)
September 1, 2019 (issued)	7,500	75,000	Nil	Nil
December 31, 2019	30,000	225,000	150,000	150,000

The Russel Graphite Property is subject to a 3% NSR upon commencement of commercial production for which the Company will have the option to reduce the NSR by 2.0% by paying \$1,000,000 for each 1% of royalty.

(c) Highway 95

On June 20, 2018, the Company entered into an option agreement (the "Highway 95 Agreement") to acquire a 100% interest in the Highway 95 Property by making certain option payments of cash and shares. The property is comprised of 2,400 acres located in Nye County Nevada, USA.

On November 9, 2018 the Company and the optionor mutually agreed to terminate the Highway 95 Agreement, with no option payments having been issued or owing.

(d) Kootenay Lithium Property

On October 7, 2016, the Company entered into an agreement to purchase (the "Kootenay Agreement") a 100% interest in certain mineral claims (the "Kootenay Property") covering 4,050 hectares located in the Revelstoke and Nelson Mining Divisions of southeastern British Columbia, Canada.

Under the terms of the Kootenay Agreement, the Company has purchased a 100% interest in the Kootenay Property by issuing 1,200,000 common shares at a value of \$0.40 per share. The Kootenay Property is subject to a 2.0% NSR royalty and a 24% Gross Overriding Royalty ("GOR") on gemstones produced from the Kootenay Property. The Company will have the option to reduce the NSR to 1.0% by paying \$2,500,000 and to purchase one half (50%) of the GOR for \$2,000,000.

A vendor of certain claims within the Kootenay Property also reserves the exclusive right (the "Back In Right") to produce gemstones for its own account from those claims as mutually agreed upon, in return for a 24% GOR payable to the Company. The Company will have the option to purchase 100% of the Back In Right for \$1,000,000.

The Company also issued a finder's fee totaling 84,000 common shares in connection with the transaction. This amount has also been capitalized as an acquisition cost.

During the year ended March 31, 2018, the Company wrote down the carrying value of Kootenay Lithium Property to \$Nil as the Company does not plan to complete further exploration on the property. As such, the Company let lapse certain mineral property's claims by not paying the related annual mineral claim maintenance fees.

Under the Kootenay Agreement, the Company is required to keep the Kootenay Property claims in good standing. As the Company had allowed certain claims to lapse, it is in default of the Kootenay Agreement. The Company has since filed certain annual maintenance fees related to the Kootenay Property claims and intends to restore the remainder of the claims to good standing.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

Exploration and evaluation expenditures recorded in the statements of loss and comprehensive loss for the years ended March 31, 2019, 2018, and 2017 are as follows:

Year ended March 31, 2019	Kootenay Lithium, British Columbia	Russel Graphite, Quebec	Phyllis Cobalt, Ontario	General Exploration	Total March 31, 2019
Assay	\$ -	\$ -	\$ 1,641	\$ -	\$ 1,641
Drilling	-	-	41,849	-	41,849
Field expenditures	-	-	500	-	500
Geological and geophysical	-	21,000	70,953	5,995	97,948
Land claims and property taxes	5,038	-	-	-	5,038
Travel and accommodation	-	-	4,870	-	4,870
Total	\$ 5,038	\$ 21,000	\$ 119,813	\$ 5,995	\$ 151,846

Year ended March 31, 2018	Kootenay Lithium, British Columbia	Kaslo Silver Property, British Columbia	Phyllis Cobalt, Ontario	General Exploration	Total March 31, 2018
Geological and geophysical	\$ -	\$ -	\$ 10,000	\$ 6,910	\$ 16,910
Field expenditures	-	-	21,349	-	21,349
Land claims and property taxes	868	260	-	-	1,128
Travel and accommodation	-	-	1,580	-	1,580
Total	\$ 868	\$ 260	\$ 32,929	\$ 6,910	\$ 40,967

Year ended March 31, 2017	Kootenay Lithium, British Columbia	Kaslo Silver Property, British Columbia	Phyllis Cobalt, Ontario	General Exploration	Total March 31, 2017
Geological and geophysical	\$ 4,355	-	\$ -	\$ -	\$ 4,355
Land claims and property taxes	2,537	260	-	-	2,797
Total	\$ 6,892	\$ 260	\$ -	\$ -	\$ 7,152

6. Accounts Payable and Accrued Liabilities

	March 31, 2019	March 31, 2018
Trade and other payables	\$ 64,675	\$ 128,251
Accrued liabilities	14,000	8,500
Totals	\$ 78,675	\$ 136,751

7. Loan payable

On December 21, 2017, the Company entered into a loan agreement by which a total of \$153,079 of the Company's current liabilities comprising of accounts payable and amounts due to related parties were directly settled and assumed by unrelated parties (the "Loan"). The Company paid \$76,437 against the Loan in the 2018 fiscal year and the remaining balance of \$76,641 in the 2019 fiscal year.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

8. Related Party Transactions and Balances

Remuneration of directors and key management personnel of the Company were as follows for the years ended March 31, 2019, 2018 and 2017:

	For the years ended March 31,		
	2019	2018	2017
Consulting fees charged by directors of the Company	\$ 21,020	\$ 12,120	\$ -
Salaries, fees and benefits	39,000	79,750	50,000
Termination benefits	-	-	7,000
Share-based payments	-	44,193	26,282

Related party balances as at March 31, 2019 and 2018 were as follows:

	March 31,		March 31,	
	2019	2018	2019	2018
Amounts due to Directors and Officers of the Company	\$ 46,851	\$ 40,321		
Amounts due to former directors and officers and companies controlled by former directors and officers	-	-		1,750
Total	\$ 46,851	\$ 42,071		

The directors' and officers' balances include fees and expenses owing to directors and officers incurred in the normal course of business.

9. Share Capital

(a) **Authorized** - Unlimited number of common shares without par value.

On February 1, 2018, the Company completed a share consolidation of its share capital on the basis of five (5) existing common shares for one (1) new common share. All common shares, per common share amounts, stock options and share purchase warrants in these financial statements have been retroactively restated to reflect the share consolidation.

The Company had 17,631,003 common shares issued and outstanding as at March 31, 2019 (March 31, 2018 – 12,236,638).

(b) Share issuances

Fiscal 2019

On May 7, 2018, the Company issued 140,000 common shares pursuant to the exercise of stock options for total proceeds of \$35,000.

On May 30, 2018, the Company issued 100,000 common shares valued at \$36,000 pursuant to the Phyllis Agreement towards acquiring a 100% interest in the Phyllis Cobalt Property (see Note 5).

On May 30, 2018, the Company issued 75,000 common shares valued at \$27,000 pursuant to the Russel Agreement towards acquiring a 100% interest in the Russel Graphite Property (see Note 5).

On October 22, 2018, the Company completed a non-brokered private placement, consisting of 3,555,556 non flow-through units ("NFT Units") and 333,333 flow-through shares ("FT Share") for gross proceeds of \$350,000. Each NFT Unit consists of one non flow-through common share and one transferable non flow-through common share purchase warrant ("Warrant") at a price of \$0.09 per NFT Unit. Each Warrant entitles the holder to purchase an additional non flow-through common share of the Company at a price of \$0.12 until October 22, 2020. The share purchase warrants were valued using the Black-Scholes pricing model with the following assumptions: weighted average risk-free interest rate of 2.29%, volatility factor of 201.5% and an expected life of two years. Each FT Share consists of one flow-through common share at a price of \$0.09 per FT Share.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

9. Share Capital (continued)

(b) Share issuances (continued)

On December 22, 2018, the Company completed a non-brokered private placement, consisting of 1,190,476 non flow-through common shares for gross proceeds of \$250,000. The Company also paid finder's fees totaling \$6,248 cash in connection with a portion of the Placement.

Fiscal 2018

On February 22, 2018, the Company completed a non-brokered private placement, consisting of 2,666,667 non flow-through common shares and 666,667 flow-through common shares for gross proceeds of \$500,000. Each non flow-through common share was issued at a price of \$0.15 per non flow-through common share and each flow-through common share was issued at a price of \$0.15 per flow-through common share. The Company paid finder's fee of \$11,175 and incurred additional cash share issue costs \$22,844.

Fiscal 2017

On January 24, 2017, the Company completed a non-brokered private placement, consisting of 1,189,142 non flow-through units ("Units") at a price of \$0.35 per Unit for gross proceeds of \$416,200. Each Unit consists of one non flow-through common share and one non-transferable non flow-through common share purchase warrant. Each warrant entitles the holder to purchase an additional non flow-through common share of the Company at a price of \$0.08 until January 24, 2019. The share purchase warrants were valued using the Black-Scholes pricing model with the following assumptions: weighted average risk-free interest rate of 0.78%, volatility factor of 205% and an expected life of two years.

On January 4, 2017, the Company issued 20,000 common shares as part of a debt settlement agreement with the Company's former CFO.

(c) Stock options

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with the CSE's policies. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the discounted market price of the Company's stock at the date of grant. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not, within a twelve month period, exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed, within a twelve month period, two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

9. Share Capital (continued)

(c) Stock options (continued)

The continuity for stock options for the years ended March 31, 2019, 2018 and 2017 is as follows:

	Number of Shares	Weighted Average Exercise Price (\$)
Balance, fully vested and exercisable at March 31, 2016	298,000	0.55
Granted	250,000	0.55
Expired	(8,000)	8.00
Cancelled/forfeited	(196,000)	0.40
Exercised	(14,000)	0.35
Balance, fully vested and exercisable at March 31, 2017	330,000	0.47
Granted	180,000	0.25
Cancelled/forfeited	(370,000)	0.44
Balance, fully vested and exercisable at March 31, 2018	140,000	0.25
Exercised	(140,000)	0.25
Balance, fully vested and exercisable at March 31, 2019	-	-

As at March 31, 2019, the Company had no issued and outstanding stock options.

(d) Share Purchase Warrants

The continuity for share purchase warrants for the years ended March 31, 2019, 2018 and 2017 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, March 31, 2016	1,000,000	0.50
Issued	1,189,142	0.40
Balance, March 31, 2017	2,189,142	0.45
Expired	(1,000,000)	0.50
Balance, March 31, 2018	1,189,142	0.40
Expired	(1,189,142)	0.40
Issued	3,555,556	0.12
Balance, March 31, 2019	3,555,556	0.12

As at March 31, 2019, the following share purchase warrants issued in connection with private placements were outstanding:

Exercise Price	Expiry Date	Number Outstanding and Exercisable	Average Remaining Contractual Life
\$0.12	October 22, 2020	3,555,556	1.56

(e) Share-Based Payments

The fair value of each option granted to employees, officers, and directors was estimated on the date of grant using the Black-Scholes option-pricing model.

FIRST ENERGY METALS LIMITED

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9. Share Capital (continued)

(e) Share-Based Payments (continued)

Fiscal 2018

During the year ended March 31, 2018, the Company granted 180,000 incentive stock options to directors and officers and all of which vested at the date of grant. The options are exercisable at \$0.25 per share, expiring on July 11, 2022. The fair value of these options was \$44,193 and was calculated using the Black-Scholes pricing model, based on the following assumptions: weighted average risk-free interest rate of 1.45%, volatility factor of 201% and an expected life of five years.

Fiscal 2017

During the year ended March 31, 2017, the Company granted 250,000 stock options to directors, officers and consultants and all of which vested at the date of grant. The options are exercisable at \$0.55 per share, expiring on August 1, 2021. The fair value of the options granted was \$131,412 and was calculated using the Black-Scholes pricing model, based on the following assumptions: weighted average risk-free interest rate of 0.68%, volatility factor of 179% and an expected life of five years.

10. Segmented Information

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets and operates in one geographic segment being Canada. The total assets relate to exploration and evaluation assets and have been disclosed in Note 5.

11. Income Taxes

The income taxes shown in the statements of operations differ from the amounts obtained by applying statutory rates to net income/loss before income taxes due to the following:

	2019	2018	2017
Net loss (income) for the year	\$ 667,000	\$ 862,000	\$ 357,000
Statutory tax rate	27%	27%	26%
Expected income tax recovery	182,000	233,000	93,000
(Decrease) increase to income tax recovery due to:			
Non-deductible permanent differences	(39,000)	(160,000)	(36,000)
Change in tax assets not recognized	(142,000)	(82,000)	(57,000)
Tax rate change and other	-	9,000	-
Income tax recovery	\$ 1,000	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	March 31, 2019	March 31, 2018
Mineral property interests	\$ 2,082,000	\$ 2,065,000
Equipment	97,000	97,000
Operating losses carried forward	2,682,000	2,539,000
Capital losses and other	923,000	916,000
Total deferred tax assets	5,784,000	5,617,000
Deferred tax assets not recognized	(5,784,000)	(5,617,000)
	\$ -	\$ -

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian dollars)

11. Income Taxes (continued)

The Company's unrecognized deductible temporary differences and unused tax losses consist of the following:

	March 31, 2019	March 31, 2018
Mineral property interests	\$ 7,710,000	\$ 7,648,000
Equipment	360,000	360,000
Operating losses carried forward	9,934,000	9,404,000
Capital losses and other	3,417,000	3,393,000
Unrecognized deductible temporary differences	\$ 21,421,000	\$ 20,805,000

The realization of income tax benefits related to these deferred potential tax deductions is uncertain and cannot be viewed as more likely than not. Accordingly, no deferred income tax assets have been recognized for accounting purposes. The Company has Canadian non-capital losses carried forward of \$9,928,000 that may be available for tax purposes. The losses expire as follows:

Expiry date	\$
2027	618,000
2028	928,000
2029	908,000
2030	706,000
2031	1,704,000
2032	1,339,000
2033	1,092,000
2034	879,000
2035	530,000
2036	196,000
2037	233,000
2038	271,000
2039	530,000
Total	9,934,000

The Company has resource pools of approximately \$7,710,000 (2018 - \$7,648,000) to offset future taxable income. The tax benefit of these amounts is available to be carried forward indefinitely.

12. Financial Instruments and Risk Management

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

FIRST ENERGY METALS LIMITED

Notes to the Financial Statements

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12. Financial Instruments and Risk Management (continued)

The following provides the valuation method of the Company's financial instruments as at March 31, 2019 and 2018:

	Level		As at March 31,	
			2019	2018
Cash	1	\$	216,835	\$ 376,375
Reclamation deposits	1	\$	11,000	\$ 21,000
Financial liabilities	1	\$	125,526	\$ 255,463

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. As at March 31, 2019, the Company had cash of \$216,835 to settle current liabilities of \$119,726. Further information relating to liquidity risk is disclosed in Note 1.

Interest Rate Risk

The Company has no significant exposure at March 31, 2019 to interest rate risk through its financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investment, reclamation bonds and amounts receivable. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

Currency Risk

The Company has no significant exposure at March 31, 2019 to currency risk through its financial instruments.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in order to maintain liquidity while achieving a satisfactory return. Fluctuations in interest rates impact the amount of return the Company may realize but interest rate risk is not significant to the Company.

There were no transfers from levels or change in the fair value measurements of financial instruments for the years ended March 31, 2019 and 2018.

FIRST ENERGY METALS LIMITED

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13. Management of Capital

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it based on funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore and develop other precious metals, base metals and industrial mineral deposits;
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing if and when it is required.

The properties in which the Company currently holds an interest are in the exploration stage and the Company is dependent on external financing to explore and take the project to development. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company's management informs the Board of Directors as to the quantum of expenditures for review and approval prior to commencement of work. In addition, the Company may issue new equity, incur additional debt, enter into joint venture agreements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the year ended March 31, 2019 compared to the year ended to March 31, 2018. The Company is not subject to externally imposed capital requirements. Further information relating to management of capital is disclosed in Note 1.

FIRST ENERGY METALS LTD.

STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "2017 Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the option is granted less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means an "Associate" as defined in the TSX Policies.
- 2.2 "**Black-Out Period**" means a period of time during which, pursuant to the policies of the Company, trading in Shares or Options is prohibited or restricted.
- 2.3 "**Board**" means the Board of Directors of the Company as constituted from time to time.
- 2.4 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and its Joint Actors, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.
- 2.5 "**Company**" means First Energy Metals Ltd. and its successors.
- 2.6 "**Consultant**" means a "Consultant" as defined in the TSX Policies.
- 2.7 "**Consultant Company**" means a "Consultant Company" as defined in the TSX Policies.
- 2.8 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.9 "**Discounted Market Price**" means, in respect of Shares on a particular Grant Date, the Market Price less the maximum discount permitted by the Exchange.

- 2.10 "**Disinterested Shareholder Approval**" means approval by a majority of the votes attaching to shares voted at a meeting of shareholders of the Company, excluding the votes attaching to shares held by persons with an interest in the subject matter of the resolution, in accordance with TSX Policies.
- 2.11 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.12 "**Employee**" means an "Employee" as defined in the TSX Policies.
- 2.13 "**Entity**" means a "Company" as defined in the TSX Policies.
- 2.14 "**Exchange**" means the Canadian Securities Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.15 "**Exchange Hold Period**" has the meaning assigned to it from time to time in the TSX Policies which, as of the date of this Plan, define it to mean a four-month resale restriction imposed by the Exchange on:
- (i) Listed Shares and securities convertible, exercisable or exchangeable into Listed Shares (including Options) issued by a Company to:
 - (A) directors, officers and Promoters of the Company; or
 - (B) to Persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company;

except in the case of securities whose distribution was qualified by a Prospectus or were issued under a securities exchange take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure;
 - (ii) Listed Shares issued to any Person at a price or deemed price that is at a discount of more than 10% to the applicable Market Price except in the case of securities whose distribution was qualified by a Prospectus or were issued under a securities exchange take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure; and
 - (iii) Options granted by a Company to any Person with an exercise price that is less than the applicable Market Price;
- and capitalized terms used in this definition and not defined in this Option Plan have the meanings assigned to them in the TSX Policies.
- 2.16 "**Expiry Date**" means, in respect of an Option, the date set by the Board under paragraph 3.1 of the Plan as the last date on which such Option may be exercised, as may be extended in accordance with paragraph 4.5 of the Plan.
- 2.17 "**Expiry Time**" means, in respect of an Option, 4:00 p.m. Pacific Time on the Expiry Date of such Option.

- 2.18 "**Grant Date**" means, in respect of an Option, the date on which such Option is granted, as shall be specified in the Option Agreement for such Option.
- 2.19 "**Insider**" means an "Insider" as defined in the TSX Policies.
- 2.20 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSX Policies.
- 2.21 "**Joint Actor**" means a person "acting jointly or in concert" with another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.
- 2.22 "**Management Company Employee**" means a "Management Company Employee" as defined in the TSX Policies.
- 2.23 "**Market Price**" means, in respect of Shares on a particular Grant Date, the closing price per Share on the last day on which Shares were traded immediately prior to either: (a) the day on which the Company announces the grant of the Option; or (b) if the grant is not announced, on the Grant Date. If the Shares are not listed on any stock exchange, "**Market Price**" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.24 "**Option**" means an option to purchase Shares granted pursuant to, or otherwise subject to, this Plan.
- 2.25 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.26 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.27 "**Option Price**" means the exercise price of an Option, being the per Share price at which the Optionee may acquire Option Shares pursuant to the exercise of such Option, such price to be specified in the Option Agreement for such Option, as may adjusted from time to time in accordance with the provisions of section 5.
- 2.28 "**Option Shares**" means the Shares which an Optionee may purchase under an Option.
- 2.29 "**Person**" means a "Person" as defined in the TSX Policies.
- 2.30 "**Plan**" means this 2017 Stock Option Plan.
- 2.31 "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date, provided that, in the event of any adjustment pursuant to section 5, "**Shares**" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.32 "**Securities Act**" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.33 "**TSX Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "**TSX Policy**" means any one of them.
- 2.34 "**Unissued Option Shares**" means the number of Shares, at a particular time, which has been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.

2.35 "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

Pursuant to paragraph 6.3 of the Plan, the Board shall have the authority to issue Options and set the terms of Options in accordance with the terms of the Plan and applicable policies of the Exchange.

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price for each Option shall be not less than the Discounted Market Price on the Grant Date.

Options shall be subject to an Exchange Hold Period in circumstances prescribed by TSX Policies, and all Option Agreements relating to Options which are subject to an Exchange Hold Period, and certificates representing Option Shares issued pursuant to the exercise of such Options prior to the expiry of such Exchange Hold Period, shall bear the Exchange Hold Period legend as well as any legends required by applicable laws.

The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten (10) years after the Grant Date, subject to the operation of paragraph 4.5. Options shall not be assignable (or transferable) by the Optionee.

3.2 Previously Granted Options

In the event that on the date this Plan is implemented and effective (the "**Effective Date**") there are outstanding stock options (the "**Pre-Existing Options**") that were previously granted by the Company pursuant to any stock option plan in place prior to the Effective Date (a "**Pre-Existing Plan**"), all such Pre-Existing Options shall, effective as of the Effective Date, be governed by and subject to the terms of the Plan.

3.3 Limits on Shares Issuable on Exercise of Options

The maximum number of Option Shares which may be reserved for issuance pursuant to Options granted under this Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) shall not, in aggregate, exceed that number which is equal to 10% of the Shares which are issued and outstanding on the relevant Grant Date; and for greater certainty, Shares which were previously subject to Options which have expired or been terminated on the relevant Grant Date shall not be included in such percentage calculation;
- (b) to any Eligible Person within a 12-month period shall not exceed 5% of the Shares which are issued and outstanding on the relevant Grant Date unless the Company has obtained Disinterested Shareholder Approval;
- (c) to any one Consultant within a 12-month period shall not exceed 2% of the Shares which are issued and outstanding on the relevant Grant Date;
- (d) to Eligible Persons employed by the Company to carry out Investor Relations Activities shall not, in aggregate, exceed 2% of the Shares which are issued and outstanding on the relevant Grant Date;
- (e) to Insiders as a group shall not exceed 10% of the Shares which are issued and outstanding on the relevant Grant Date unless the Company has obtained Disinterested Shareholder Approval; and

- (f) to Insiders within a 12-month period shall not exceed 10% of the Shares which are issued and outstanding on the relevant Grant Date unless the Company has obtained Disinterested Shareholder Approval;

and Options granted to Consultants retained to carry out Investor Relations Activities must vest in stages over 12 months with no more than 25% of such Options becoming Vested in any three-month period.

3.4 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee.

In respect of Options granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary.

The execution of an Option Agreement by the Company shall constitute conclusive evidence that the Options issued thereunder have been awarded in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to paragraphs 4.3, 4.4 and 4.5, including, without limitation: (i) any restriction (including vesting requirements) on the number or percentage of Option Shares which may be purchased by the Optionee during any particular time period; (ii) any restriction on the exercise of Options pursuant to the requirements of a Black-Out Period or any regulatory authority having jurisdiction; and (iii) termination of the Option in accordance with the terms of the Plan, the unexercised portion of an Option may be exercised by the Optionee in whole or in part at any time after the Grant Date up to the Expiry Time and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company written notice specifying the number of Option Shares in respect of which the Option is being exercised together with payment in full of the Option Price for each such Option Share by way of certified cheque, bank draft, money order or cash. Upon receipt of such notice and payment by the Company, there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Upon an Optionee exercising an Option and paying the Company the aggregate purchase price for the Option Shares in respect of which the Option has been exercised, the Company shall as soon as practicable issue and deliver a certificate representing the Shares so purchased.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchange, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in paragraph 3.3 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing Investor Relations Activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirement on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

4.4 Ceasing to be an Eligible Person and Death

(a) Death or Disability

If an Optionee (or: (a) in the case of an Optionee that is not an individual, the person that controls such Optionee; or (b) in the case of an Optionee that is a Consultant Company, all of the individuals who provide services to the Company or its subsidiaries on behalf of such Consultant Company) shall die, any Option held by such Optionee at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period ending on the earlier of: (a) one year after the date of death of the Optionee; and (b) the Expiry Time in respect of the Option, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

If the Optionee ceases to be an Eligible Person, due to his or her Disability or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, any Option held by such Optionee at the date of Disability shall be exercisable in whole or in part for a period ending on the earlier of: (a) one year after the date of Disability of the Optionee; and (b) the Expiry Time in respect of the Option, and then only to the extent that such Optionee was entitled to exercise the Option at the date of Disability of such Optionee.

(b) Termination For Cause

If the Optionee ceases to be an Eligible Person as a result of "termination for cause" of such Optionee by the Company or its subsidiary (or in the case of an Optionee who is a Management Company Employee or Consultant, by the Optionee's employer), as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held by such

Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her voluntary resignation, or to his or her termination by the Company or its subsidiary other than for cause (or, in the case of an Optionee who is a Management Company Employee or a Consultant, the termination of the company providing management or consultant services to the Company or its subsidiary), any outstanding Option then held by such Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) the Expiry Time; and (ii) the date that is 90 days (or 30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-paragraph 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Time of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-paragraph 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-paragraphs 4.4(a), (b) or (c) hereof; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Interpretation

For purposes of this paragraph 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Extension of Expiry Date During Black-Out Period

If the Expiry Date in respect of any Option occurs during or within five (5) trading days following a Black-Out Period imposed by the Company, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) trading days following the end of such Black-Out Period (the "**Extension Period**"); provided that if an additional Black-Out Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Black-Out Period to enable the exercise of such Options within ten (10) trading days following the end of the last imposed Black-Out Period.

4.6 Effect of a Take-Over Bid

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchange) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.6, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.7 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer, provided that any accelerated vesting of Options granted to Consultants performing Investor Relations Activities shall be subject to the prior written approval of the Exchange. The Board shall give each Optionee as much notice as possible of the

acceleration of the Options under this paragraph, except that not less than 5 business days' and not more than 35 days' notice is required.

4.8 Compulsory Acquisition or Going Private Transaction

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

4.9 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchange, if necessary.

4.10 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company (including, in the case of a Management Company Employee or Consultant, termination of the company providing such management or consulting services to the Company or its subsidiary), the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.11 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and

- (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in clause (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in paragraphs 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to

purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchange and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

6.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested Shareholder Approval (as required by the Exchange) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchange and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in paragraph 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Withholding Taxes

The Company or any subsidiary of the Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company or any subsidiary of the Company is required

by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any Option or Option exercise including, without limiting the generality of the foregoing, the withholding and/or remitting of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option until such time as the Optionee has paid to the Company or any subsidiary of the Company (in addition to the exercise price payable for the exercise of Options) the amount which the Company or subsidiary of the Company reasonably determines is required to be withheld and/or remitted with respect to such taxes.

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, the Exchange or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

6.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

6.11 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

6.12 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

6.13 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.14 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

Approved by the Board of Directors on May 24, 2011

Approved by the Shareholders on June 23, 2011

Approved by the Shareholders on December 13, 2012

Approved, as amended, by the Board of Directors on August 28, 2013

Approved, as amended, by the Shareholders on September 27, 2013

Approved, as amended, by the Shareholders on December 8, 2017

Approved, as amended, by the Shareholders on February 19, 2019

SCHEDULE "A"

FIRST ENERGY METALS LTD.

STOCK OPTION PLAN - OPTION AGREEMENT

[The following legend is required in respect of Options with an Option Price based on the Discounted Market Price: Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until •, 20• [four months and one day after the date of grant].]

This Option Agreement is entered into between • (the "Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on •, 20• (the "**Grant Date**");
2. • (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase • Common Shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$• per share;
5. which shall be exercisable immediately commencing on the Grant Date [OR set forth applicable vesting schedule];
6. terminating on the •, 20• (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

The Optionee acknowledges that any Option Shares received by him upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him or to assist him in complying with any exemption from such registration if he should at a later date wish to dispose of the Option Shares.

The Optionee acknowledges that the Optionee has had adequate opportunity to obtain advice of independent tax counsel with respect to the tax treatment of the Option.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The Optionee hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and

(b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the • day of •, 20•.

Signature

FIRST ENERGY METALS LTD.

Print Name

Per: _____
Authorized Signatory

Address

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gurminder Sangha, certify that:

1. I have reviewed this Annual Report on Form 20-F of First Energy Metals Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

July 31, 2019

/s/ Gurminder Sangha
Gurminder Sangha
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jurgen Wolf, certify that:

1. I have reviewed this Annual Report on Form 20-F of First Energy Metals Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

July 31, 2019

/s/ Jurgen Wolf
Jurgen Wolf
Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to
18 U.S.C. Section 1350,
As Enacted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

First Energy Metals Limited (the “Company”) is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 20-F for the fiscal year ended March 31, 2019 (the “Report”).

I, Gurminder Sangha, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gurminder Sangha
Gurminder Sangha
Chief Executive Officer

July 31, 2019

**Certification of Chief Financial Officer
Pursuant to
18 U.S.C. Section 1350,
As Enacted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

First Energy Metals Limited (the “Company”) is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 20-F for the fiscal year ended March 31, 2019 (the “Report”).

I, Jurgen Wolf, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jurgen Wolf

Jurgen Wolf
Chief Financial Officer

July 31, 2019