

First Energy Metals Signs Option to Acquire Scramble Mine Gold Property in Northwestern Ontario, Canada

VANCOUVER, BC, June 2, 2020 /CNW/ - **First Energy Metals Ltd.** (CSE: FE) ("**First Energy**" or the "**Company**") is pleased to announce that it has entered into an option agreement to acquire Scramble Mine gold property located in Northwestern Ontario, Canada.

Scramble Mine Gold Property Highlights:

- The Scramble Mine gold property is comprised of six mining claims covering approximately 140 hectares land, located in Jaffray Township, Kenora Mining District, approximately 8 kilometres east of the town of Kenora in Northwestern Ontario.
- The mine was discovered in 1894 but after an initial exploration phase remained essentially dormant until 1984 when Boise Cascade Canada Ltd. commenced an evaluation of the property.
- Since 1984, approximately 5,200 metres of diamond drilling, 250 metres of surface stripping with sampling and 450 metres of underground development have taken place.
- The zone of mineralization, including pyrite-gold enriched biotite-rich schist felsic units and veins, extends on surface and in drill holes for about 550 metres.
- Size of the deposit is 915 meters (m) long along strike, 3.7 m wide and 366 m to 475 m deep.
- Historical resource at the Property is estimated at 150,000 tons at an average grade of 0.24 ounces per ton (opt) (6.8 grams/ton) (having grades of up to 9.15 opt (259 grams/ton)). The deposit is documented to have 70,000 ounces of contained gold using a cutoff grade of 0.05 opt (1.42 grams/ton).

Cautionary Statement: Investors are cautioned that the above information has been taken from Ontario Ministry of Energy, Northern Development and Mines (MNDM) online database. The reference for Scramble Mine information as documented in MNDM records is: "Parr, M. and Kuehnbaum, R. 1990. The Scramble Mine gold Deposit; Field Trip No.2, Canadian Institute Mining, Metallurgy and Petroleum, Exploration and Mining Geology, 14th Annual Meeting, pp. 41-65". The Company has not verified the information available. A qualified person from the Company has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and the Company is not treating the historical estimate as current mineral resources or mineral reserves. The Company believes that the historic estimate is relevant to an appraisal of the merits of the property and forms a reliable basis upon which to develop future exploration programs. The Company will need to conduct further exploration which will include drill testing the project, and there is no guarantee that the results obtained will reflect the historical estimate.

Exploration Work Plan:

The Company is also pleased to announce that immediate upon signing this agreement it has contracted Pleson Geoscience to commence surface field exploration work on the Property. The exploration work will include prospecting to locate historical mineralization areas, channel and grab surface sampling, mapping historical gold mineralization veins and structures, and developing a detailed Phase 2 exploration work plan. The Company intends to take several bulk samples from the mine to understand the deposit mineralogy and to carry out metallurgical test work. A permitting application will be filed after completion of the fieldwork exploration.

Transaction Details:

Pursuant to a property purchase between the Optionor (Alex Pleson) and the Company, dated June

01, 2020 (the "Effective Date"), First Energy holds an option to acquire a 100% interest in the Scramble Mine Gold Property Ontario, Canada by making cash payments, common shares issuances and exploration expenditures as follows:

- Issuance of 400,000 First Energy common shares within 7 days of the Effective Date and spend \$30,000 in exploration on the Property within 90 days of the Effective Date;
- 300,000 of Purchaser's shares and spend a minimum of \$70,000 of cumulative exploration of the Optionor's property within one (1) year of the Effective Date;
- 300,000 of Purchaser's shares and spend a minimum of \$150,000 of cumulative exploration of the Optionor's property within two (2) year of the Effective Date; and
- \$100,000 in cash and incurring a minimum of \$250,000 of cumulative exploration expenditures on the Optionor's property within three (3) years of the Effective Date.

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

Afzaal Pirzada, P.Geo., Geological Consultant of the Company, and a "Qualified Person" for the purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, has reviewed and approved the scientific and technical information contained in this news release.

About First Energy Metals Limited.

First Energy Metals Limited is a junior resource company engaged in the exploration and development of precious and energy metals such as lithium, cobalt, and gold within its property portfolio in North America. The Company's goal is to acquire prospective technology and precious metals properties and develop them. The Company currently holds an option to acquire 100% interest in Phyllis Cobalt property in Ontario. The Company has recently acquired two gold exploration properties (Kokanee Creek and Independence Gold properties) located in the Province of British Columbia, Canada. First Energy Metals Limited (formerly "Agave Silver ") was incorporated on October 12, 1966 in the Province of British Columbia. The Company's common shares trade on the Canadian Securities Exchange (CSE) under the symbol FE and are also listed on the US OTC Markets (Pink) as ASKDF and on the Frankfurt Stock Exchange as A2JC89.

ON BEHALF OF THE BOARD OF
FIRST ENERGY METALS LTD.

"Gurminder Sangha"

Gurminder Sangha
President & Chief Executive Officer

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

Forward-looking Information

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

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

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

SOURCE First Energy Metals Limited

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