FIRST ENERGY METALS LIMITED

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED MARCH 31, 2022

1.0 INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the financial and operational results of First Energy Metals Limited. ("First Energy" or the "Company") for the year ended March 31, 2021 and up to the date of the MD&A and should be read in conjunction with the annual audited financial statements of the Company for the years ended March 31, 2022, 2021 and 2020 and the related notes thereto, (the "Financial Report"). All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

First Energy was incorporated on October 12, 1966 pursuant to the Business Corporations Act of British Columbia. The Company maintains its corporate office at Suite 2421 – 1055 West Georgia Street, Vancouver, BC, V6E 3P3. First Energy's registered office is 25th Floor-700 West Georgia Street, Vancouver, BC, V7Y 1B3.

The Company's common shares trade on the Canadian Securities Exchange (FE), the OTCBB Exchange (FEMFF) and the Frankfurt Exchange (A2JC89).

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

First Energy is a junior resource company engaged in the exploration and development of mineral properties. It currently maintains early-stage exploration properties in Canada

This MD&A contains information to July 27, 2022.

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website www.firstenergymetals.com.

1.1 FISCAL 2022 HIGHLIGHT SUMMARY

The Company's significant events and highlights for the year ended March 31, 2022 and to the date of this MD&A are as follows:

- On June 3, 2021, closed a non-brokered private placement for aggregate gross proceeds of $1,000,000;
- On June 09, 2021, entered into an option agreement to acquire McNeely Lithium Property located in LaCorne, Landrienne and Figuery Townships, Province of Quebec, Canada;
- On November 26, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of $2,200,000 through the issuance of 8,800,00 units ("Units") at $0.25 per Unit. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.50 for a period of one year from the issue date;
- On September 8, 2021., the Company announced the completion of Phase 1 of its exploration drill program at the Augustus Project, having completed 32 drill holes for a total 5,847 metres of cumulative drilling;
- On December 6, 2021, the Company initiated its Phase II exploration drill program of the following three lithium prospects: Augustus Lithium Prospect, Canadian Lithium Prospect and Valor Lithium prospect. As of January 10, 2022, the Company had completed four drill holes with cumulative drilling of 907 metres;

- On January 6, 2022, the Company has approved a 10-per-cent rolling restricted share unit plan whereby the company may issue up to 10 per cent of its issued capital as restricted share units to eligible directors, officers, employees and consultants. The restricted share unit plan was adopted by the company to provide incentives to its executives and service providers and to better align interests with shareholders while preserving the company's cash for furthering its exploration efforts;
- On January 8, 2022, the Company acquired a 100% interest in the Kokanee Creek Property as well as in the 100% interest in the Red Lake Property;
- On January 12, 2022, the Company entered into an option agreement to acquire the Falcon Lake Lithium Property, a lithium exploration property consisting of 48 mining claims covering approximately 960 hectares of land located in the Thunder Bay Mining Division Northwestern Ontario, Canada;
- On March 21, 2022, entered into an purchase agreement to acquire the Electron Lithium Property, a lithium exploration property consisting of 417 mining claims covering approximately 12,769 hectares land located near its flagship Augustus Lithium Property in Quebec, Canada;
- On May 2, 2022, closed a non-brokered private placement for aggregate gross proceeds of $1,394,899.90 (the "Offering "). The Offering consisted of the sale of $844,899.90 flow-through units ("FT Units ") by way of issuing 3,448,571 shares at $0.245 per FT Unit and the sale of $550,000 hard dollar units ("HD Units ") by way of issuing 2,750,000 shares at $0.20 per HD Unit. Each flow-through unit consists of one common share and one-half of one common share purchase warrant. Each whole flow through warrant entitles the holder to purchase one common share at a price of $0.45 for a period of two years from the issue date. Each hard-dollar unit consists of one common share and one common share purchase warrant. Each hard-dollar warrant entitles the holder to purchase one common share at a price of $0.50 for a period of one year from the issue date; and
- On June 14, 2022, announced it had entered into a property purchase agreement to acquire a 100% interest in the North Spirit Lithium Property, covering approximately 2,480 hectares in Ontario, by issuing 4 million common shares issuances and completing $500,000 exploration expenditures over a period of three years.

1.2 OVERVIEW OF PROJECTS

1.2.1 Kokanee Creek Gold Property, British Columbia

The Kokanee Creek Gold Property consists of three mineral claims covering approximately 1,590 hectares area in the Nelson Mining Division, British Columbia, Canada. It is located 18 km to the east of Nelson. The property is part of a very active mining area with several historical and current gold, silver and base metals deposits located in the region. Nelson is a historical mining town dating back to the discovery of Toad Mountain Silver deposit in 1886. The Blue Bell Mine, located near the town of Riondel approximately 20 km NE of the Kokanee Creek Claims, is a manteau-type base metal deposit hosted by the Badshot limestones of the Lardeau Group. Closer to the Kokanee Claims are historical past producers the Molly Gibson and the Alpine.

In March 2020, the Company entered in an option agreement which was amended on February 28, 2021 and again on August 13, 2021, to acquire 100% interest in the Kokanee Creek Gold Property by making certain cash payments, share issuances and exploration expenditure requirements. During fiscal 2022, the Company completed the obligations under the amended option agreement to acquire 100% interest in the Kokanee Creek Gold Property. The property is subject to a 3.0% Net Smelter Return ("NSR") royalty.

The Company completed exploration work in July 2020 at its Kokanee Creek Gold Property. The exploration work included prospecting to locate historical mineralization areas, carry out surface sampling, and mapping of veins and geological structures. A total of 27 grab rock samples were collected from various outcrops and mineralized areas mentioned in the historical exploration work reports. The results indicate anomalous values of silver, cobalt, tungsten, and zinc. The Company wants to caution that grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

Exploration Highlights:

- Silver (Ag) values are in the range of 0.19 grams per tonne (g/t) to 43.69 g/t with average of 27 samples is 7.95 g/t, while seven samples are over 10 g/t, and two samples are 43.69 g/t;
- Gold (Au) values are 0.006 g/t to 0.211 g/t with average 0.054 g/t;
- Zinc is from 29.3 parts per million (ppm) to over 10,000 ppm (>1% Zn), where three samples are over the laboratory's method detection limits of 10,000 ppm;
- Cobalt (Co) is from one ppm to over 2,000 ppm (>0.2%) where one sample is over the laboratory's method detection limits of 2,000 ppm;
- Tungsten (W) is from less than 0.1 ppm to over 100 ppm (>100ppm) where one sample is over the laboratory's method detection limits of 100 ppm.

1.2.2 Scramble Mine Gold Property, Ontario

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.

In June, 2020, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims (the "Scramble Mine Gold Property") located in the Kenora Mining District in northwestern Ontario, Canada.

Under the terms of the Scramble Mine Option Agreement, the Company has the option to acquire 100% interest in the Scramble Mine Gold Property by completing the following: issuing $100,000 in cash option payments, the issuance of 1,000,000 common shares of the Company as well completing $250,000 in cumulative exploration expenditures on the property by June 2023. The property is also subject to a 3.0% NSR.

The Company is currently in default of certain share issuances and exploration expenditure commitments under the Scramble Mine Gold Property Agreement and as result has wrote-off all deferred costs incurred to date, while the Company negotiates an amended agreement with the Optionor.

Exploration Highlights of Phase 1 and 2 programs:

- Phase 1 exploration intersected 2 meters of average 4.69 grams per ton (g/t) gold (Au) in channel samples, with one-meter channel sample assayed 3.24 g/t gold and 5.93 g/t silver, and second one-meter channel sample assayed 6.15 g/t gold;
- Phase 1 average of four-meter-thick channel sampling across quartz vein material is 2 g/t gold;
- Phase 1 channel samples were collected 320m along strike from the historic shaft of the Scramble mine indicating continuity reports and data;
- Phase 2 average value of gold in grab samples was 29.34 grams per tonne (1.03 ounces per tonne); and
- Phase 2 gold assays ranged from 5.03 grams per tonne (0.18 oz/t) to 82.30 (2.90 oz /t) with two samples assaying over 2 oz/t, with all samples assaying over 5 grams per tonne gold.

The Company wants to caution that grab samples from the Phase 2 work are selected samples and are not necessarily representative of the mineralization hosted on the property.

1.2.3 Phyllis Cobalt Property, Ontario

The Phyllis Cobalt Property (the "Phyllis Property") is located in the Kenora Mining District of Ontario, Canada. The property consists of 112 mineral claim units totalling 1,792 hectares in Grummett and Cathcart townships. The property has year-round access 192km northwest of Thunder Bay, Ontario via Hwy 17 and 9km south on a gravel forestry road.

The Phyllis Property claim block occupies the central portion of an ENE-WSW trending greenstone belt, consisting of Mesoarchean to Neoarchean age mafic to ultramafic rocks. These are bound by granite of varying composition - ranging from tonalite to biotite-granodiorite (Atikokan-Lakehead Sheet Map 2065). 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.

The Company entered into the Phyllis Cobalt Option Agreement to acquire a 100% interest in the Phyllis Property on January 29, 2018, which was amended on January 29, 2019, March 15, 2019 and again on December 31, 2019.

Under the terms of the Phyllis Amended Option Agreement, the Company has the option to acquire a 100% interest in the Phyllis Property by completing the following: issuing $140,000 in option payments, issuance of 600,000 common shares of the Company and completing $125,000 in exploration expenditures by March 2021. The Phyllis Property is subject to a royalty equal to 3% 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.

The Company is currently in default of certain cash payments and share issuances under the Phyllis Amended Option Agreement and as result wrote-off all deferred costs incurred to date, while the Company and the Optionor continues negotiations for an amended agreement.

1.2.4 Bald Eagle Silver Property, British Columbia

The Bald Eagle Silver Property consists of three mining claims covering approximately a 1,014-hectare area in Alberni Mining Division, British Columbia, Canada is located 30 km to the northeast of Ucluelet and approximately 57km by road west of Port Alberni on the west coast of Vancouver Island.

The Company entered into a Bald Eagle Silver purchase agreement to acquire a 100% in the Bald Eagle Property on August 10, 2020 which was amended on February 28, 2021. Under the terms of the amended purchase agreement, the Company acquired a 100% interest in the Bald Eagle Silver Property, by way of issuing 550,000 common shares of the Company on April 20, 2021. The optionor will retain a 2% NSR of which the Company will have the option to reduce the NSR to 1.0% by paying $500,000.

During the year ended March 31, 2022, the Bald Eagle claims were allowed to lapse and as a result the Company has written-off all deferred costs incurred to date as it works to re-stake the claims.

1.2.5 Titan Gold Property, Quebec

The Titan Gold property is comprised of 80 mining claims covering approximately 11,000 acres land in the "municipalité régionale de comté" "regional county municipal" ("MRC") of Jamesie in Quebec.

On October 2, 2020, the Company has entered into an option agreement to acquire the Titan Gold exploration property located near Detour Lake Mine in the Abitibi Greenstone Belt, Quebec. Pursuant to a property purchase between the Optionor and the Company, the Company holds an option to acquire a 100% interest in the Titan Gold Property by paying cash payments of $98,500 and the issuance of 600,000 common shares over a 3-year period.

The Titan Gold property is subject to a 1.5% NSR royalty. The Company will have the option to reduce the NSR by 0.5% to 1.0% by paying $500,000.

1.2.6 Shaw Gold Property, Ontario

The Shaw Gold Property gold property is comprised of 18 single or multi-cell claims covering approximately 693 hectares located in Shaw, Eldorado, and Whitney Townships, near Timmins Ontario. The property is located just 7km southeast of Newmont's Dome Open pit and 5km south of the Destor-Porcupine Deformation Zone.

On September 18, 2020, the Company entered into an option agreement to acquire Shaw Gold Property located in Timmins Area Ontario, Canada. Pursuant to the option agreement, the Company holds an option to acquire a 100% interest in the Shaw Property by paying cash payments of $96,000 and the issuance of 600,000 common shares over a 3-year period.

During the year ended March 31, 2022, the Company decided it would not be pursuing any further exploration work on the Shaw Gold property and as a result has written-off all deferred costs incurred to date.

1.2.7 Red Lake Gold Property, Ontario

The Red Lake Gold Property is located in the Red Lake Mining District, Northwestern Ontario, Canada. The Red Lake property is comprised of 94 mining cell claims covering approximately 1,880 hectares land in Ball and Todd townships. Geologically, the area is underlain by the Red Lake greenstone belt of Ontario, an accumulation of Archean-age metavolcanic, metasedimentary, and intrusive rocks comprising a portion of the Uchi Sub-province of the Superior Province of the Canadian Shield.

The Red Lake Gold Property is located in the prolific Red Lake gold mining camp which is one of the largest gold camps in North America with a 457 square kilometres land package famous for its high-grade gold deposits with historical production exceeding 30 million ounces of gold, mostly from the iconic Campbell and Red Lake gold mines and ten smaller mines.

Pursuant to the September 14, 2020, Red Lake Property Option Agreement, which was amended on February 28, 2021, and again on August 13, 2021, the Company acquired 100% interest in the Red Lake Property by issuing 2,775,000 common shares during fiscal 2022.

The Red Lake property is subject to a 2.5% NSR royalty, with the Company having the option to reduce the NSR by 1% to 1.5% by paying $1,000,000.

1.2.8 Augustus Lithium Property, Quebec

The Augustus Lithium Property is located in Landrienne & Lacorne-Townships, Quebec, Canada. The Augustus Lithium property is comprised of 21 mineral claims covering over 937 hectares located in the Abitibi area of western Quebec.

The Augustus Property is a part of the Preissac–Lacorne pegmatite fields where spodumene bearing lithium pegmatites were discovered in 1940s'. The geology and the mineralization of the Augustus property are similar to the geology and mineralization of the Quebec Lithium Mine located approximately 6 kilometers to the southeast of the property. It has excellent infrastructure support with road network, railway, electricity, water, and trained manpower available locally. Geologically the Preissac-Lacorne area lies within a belt of volcanic and sedimentary rocks intruded to the north by LaMotte batholiths and to the south by the Preissac batholiths and Moly Hill pluton.

There are several historical and currently active lithium and molybdenum prospects/mines located approximately 3 km to 20 km from the property. Some of the important prospects/mines are: Mine Quebec Lithium which was formerly owned by RB Energy, Authier Lithium owned by Sayona Mining of Australia, Valor Lithium, Duval Lithium, Lacorne Lithium, International Lithium, Vallee Lithium, and Moly Hill Mine. All these projects / prospects are at various stages of exploration and development, out of which Mine Quebec Lithium is the most advanced project followed by Authier lithium project.

Exploration Highlights - Fiscal 2022:

- Completed Phase 1 drill program of 5,847.15 meters consisting of 32 drill holes;
- On December 6, 2021, the Company commenced Phase 2 drill program; with the following drill hole results:
    - Drill hole LC21-09 intersected a 39 meters spodumene pegmatite in which a 7-meter-wide zone assayed 1.12 percent (%) lithium oxide (Li2O) at 11 metres (m) drilled depth;
    - Drill hole LC21-18 intersected several spodumene bearing lithium pegmatite intercepts from 58.2 m to 160 m drilled depth; of which the most promising intercept grading 1.56 % Li2O over 6 m at 114 m drilled depth, and a second 19 m wide intercept grading 0.48% Li2O at 141 m drilled depth;
    - Drill hole LC21-17 intersected two spodumene bearing lithium pegmatite intercepts, of which the first is 5.2 m wide zone grading 0.93 % Li2O at 214 m drilled depth, and a second 4.0 m wide intercept grading 0.30% Li2O at 292 m drilled depth; and
    - Drill hole LC21-19 intersected 1.26 % Li2O or 5,849 parts ppm lithium over 2.7 m at 61 m drilled depth.

The Company entered into an option agreement to acquire a 100% interest in the Augustus Lithium property on January 18, 2021. Pursuant the option agreement, the Company holds the option to acquire a 100% interest in the property by completing the following: make $180,000 in cash option payments, the issuance of 2,000,000 common shares of the Company and the completion of $550,000 in cumulative exploration expenditures on the property by January 2024. The property is also subject to a 2.0% NSR.

1.2.9 Canadian Lithium Property, Quebec

The Canadian Lithium property is comprised of 12 mineral claims covering over 671 hectares located in the Landrienne and La Corne Township areas approximately 40 kilometres northwest of the town of Val d'Or, Quebec.

The Canadian Lithium Property is a worked deposit located in Range 1 lot 25-26 in the Landrienne Township at G.P.S 284861 E - 5368288 N. The main outcrop was discovered in 1948 near the boundary line separating the Landrienne and La Corne Townships. A group of parallel pegmatite dykes associated with Lacorne Batholith contains aggregates of spodumene, lepidolite, quartz and feldspar accompanied by traces of beryl, clevelandite, colombo-tantalite. Historical drilling in 1955 on claim CDC-2196058 documented on the Quebec Ministry of Energy and Natural Resources (MERN) database indicate a total of

12 drill holes with a cumulative drilling 1,454 metres indicating extension of Canadian Lithium deposit to the west on this newly acquired claim.

Exploration Highlights – Fiscal 2022:

- April 27, 2021 announced assay results of channel samples at the Beluga Pegmatite of the Canadian Lithium Prospect cut a 32-meter-wide section with an average of 0.74% Li2O which includes 14 meters of spodumene pegmatite with 1.61 percent lithium oxide;
- May 4, 2021 announced assay results of the "Channel 21-2E" samples at the Beluga Pegmatite of the Canadian Lithium Prospect cut a 31-meter-wide section with an average of 0.37% Li2O which includes 4 meters of spodumene pegmatite at 1.20 percent Li2O;
- June 15, 2021 announced assay results of the north extension of the "Channel 21-2E" samples at the Beluga Pegmatite of the Canadian Lithium Prospect cut an 8-meter-wide section with an average of 1.44% Li2O;
- Drill hole LC21-003 intersected a six-meter-wide zone with 0.62 % Li2O at 45 m depth including a two metres wide intersection with 1.35% Li2O at 48 m depth. A second two-meter-wide pegmatite intersection assayed 0.63% Li2O at 73 m depth.

The Company entered into an option agreement to acquire a 100% interest in the Canadian Lithium Property on February 3, 2021. Pursuant the option agreement, the Company holds the option to acquire a 100% interest in the property by completing the following: make $60,000 in cash option payments, the issuance of 875,000 common shares of the Company by February 2023. The property is also subject to a 2.0% NSR.

1.2.10 Abitibi Lithium Property, Quebec

The Abitibi Lithium property is comprised of 242 mineral claims covering over 12,779 hectares located in the Abitibi area of western Quebec, approximately 40 kilometres northwest of the town of Val d'Or, Quebec. The Abitibi Lithium Property claims are spread in several claim blocks of which some of the claims are located adjacent to the Augustus Lithium Property claims.

The Company entered into a purchase agreement to acquire a 100% interest in the Abitibi Lithium Property on March 12, 2021. Under the terms of the Abitibi Agreement, the Company will acquire a 100% interest in the Abitibi Lithium Property by way of issuing 4,100,000 common shares of the Company and by paying $250,000, which were issued and paid as of April 30, 2021. The Abitibi Lithium Property is subject to a 3% NSR, which the Company will have the option to reduce the NSR to 2% by paying $1,000,000.

1.2.11 McNeely Lithium Property, Quebec

The McNeely Lithium Property is comprised of 66 mining claims covering a total area of 2,276.49 hectares located in LaCorne, Landrienne and Figuery Townships, Province of Quebec, Canada. These claims are spread out in several claim blocks along the Quebec Lithium Mine horizon. Some of the claims are located adjacent to the Augustus Lithium Property claims.

Pursuant to the McNeely Lithium Property purchase agreement entered on June 7, 2021, the Company acquired a 100% interest in the McNeely Lithium Property, located in Quebec, by issuing 2,000,000 common shares and paying $250,000. The McNeely Lithium Property is subject to a 3.0% Gross Metal Royalty ("GMR"). Certain of the claims are subject to a pre-existing 1.0% NSR. The Company will have the option to purchase the NSR by paying $200,000 to the NSR holder.

1.2.12 Falcon Lake Property

The Falcon Lake property is comprised of 48 mineral claims covering approximately 987 hectares located in the Thunder Bay Mining Division, Ontario.

On January 3, 2022, the Company entered into an option agreement to acquire a 100% interest in the Falcon Lake property ("Falcon Lake Agreement"). Under the terms of the Falcon Lake Agreement, the Company has the option to acquire a 100% interest in the property by way of issuing 600,000 common shares, paying $85,000 in cash option payments and the completion of $450,000.

1.2.13 Electron Lithium Property

The Electron Lithium property is comprised of 435 mineral claims covering approximately 20,357 hectares of prospective land around the Augustus Lithium Property in western Quebec.

On March 2, 2022, the Company entered into a purchase agreement to acquire a 100% interest in the Electron Lithium property ("Electron Agreement"). Under the terms of the Electron Lithium Agreement, the Company has the right to acquire 100% interest in the Electron Lithium property by issuing an aggregate 3,750,000 common shares of the Company and by paying an aggregate $300,000.

1.2.14 North Spirit Lithium Project

The North Spirit Lithium Project is comprised two properties covering approximately 2,480 hectares approximately 175 kilometers north of Red Lake, Ontario. The Project contains two prospective claim groups located directly adjacent to Frontier Lithium's Electric Avenue projects that include the PAK and SPARK lithium pegmatite deposits, a premium lithium jurisdiction.

On June 13, 2022, the Company entered into a purchase agreement to acquire a 100% interest in the North Spirit Lithium project ("North Spirit Lithium Agreement"). Under the terms of the North Spirit Lithium Agreement, the Company has the right to acquire 100% interest in the project by issuing an aggregate 4,000,000 common shares of the Company and by paying an aggregate $500,000. The North Spirit Lithium Project is subject to a 1% NSR royalty.

Qualified Person

Technical data pertaining to the properties above was reviewed and approved by Afzaal Pirzada, P.Geo., who is First Energy's qualified person under National Instrument 43-101.

1.3 SELECTED ANNUAL FINANCIAL INFORMATION

The following table presents audited selected financial information for the last three audited fiscal years:

	Year ended March 31, 2022 $	Year ended March 31, 2021 $	Year ended March 31, 2020 $
Revenue	-	-	-
Net loss	(4,691,322)	(2,459,6611)	(447,629)
Net loss per share	(0.07)	(0.07)	(0.03)
Total assets	6,903,814	3,179,695	372,279
Long term liabilities	-	-	-
Dividends	-	-	-

1.4 DISCUSSION OF OPERATIONS

Year ended March 31, 2022 compared to year ended March 31, 2021

The net loss and comprehensive loss for the year ended March 31, 2022 (the "Current Year") was $4,691,322, a $2,231,661 increase over the net loss of $2,459,661 for the year ended March 31, 2021 (the "Comparative Year"). The significant variances for the Current Year and Comparative Year are as follows:

- Consulting fees were $127,833 in the Current Year, a decrease of $225,918 over $353,751 for the Comparative Year. Consulting fees consist primarily of corporate advisory and development fees;
- Exploration and evaluation expenditures were $1,609,121 in the Current Year, an increase of $1,363,020 over $246,101 for the Comparative Year. The increase is due primarily to exploration drill programs on its Quebec lithium prospects carried out during the Current Year;
- Investor relations were $988,025 in the Current Year, an increase of $790,013 over $198,012 for the Comparative Year. Investor relations consist on North American and European Investor Marketing programs;
- Professional fees were $87,168 in the Current Year, an increase of $26,798 over the Comparative Year. The increase in professional fees corresponded with the increase in the Company's activities during the Current Year;
- Salaries, fees and benefits were $188,021 in the Current Year, an increase of $41,521 over the Comparative Year. The increase in compensation is due primarily to the increase in the Company's operating activities;
- Shareholder communications was $763,095 for the Current Year, an increase of $474,071 over $289,024 for the Comparative Year. The increase is primarily due to multiple shareholder and investor programs initiated during the Current Year. In Fiscal 2022, the Company initiated additional shareholder communication programs focused on increasing market and investor awareness of the Company by engaging several groups to assist in growing the Company's online and digital media presence throughout North America and European markets. The normal course of business expenses such as transfer agent fees, exchange listing fees, website maintenance and news release costs were also higher due to the increase in the Company's activities in the Current Year;
- Share-based compensation was $632,450 in the Current Year, while the Comparative Year was $990,321 expense. Share-based compensation expense is the estimated fair value of the stock options granted and vested to directors, officers and consultants during the year;
- Recovery of flow-through premium liability was $200,691 in the Current Year (2021 - $Nil) due to the flow through recovery during the current year; and
- Write-down of exploration and evaluation assets was $480,250 for the Current Year (Comparative Year - $163,375) was due to the Company's write down of the deferred costs on certain properties for which the Company is either negotiating amendment agreements, re-staking claims or has decided not to continue with further exploration work on the property.

Three months ended March 31, 2022 compared to three months ended March 31, 2021

The net loss and comprehensive loss for the three months ended March 31, 2022, was $671,146 as compared to the net loss and comprehensive loss for the three months ended March 31, 2021, of $1,647,495. The decrease in net loss of $976,349 for the current period over the comparative period was primarily due to the comparative period incurring an increase in share-based compensation expense of $803,305 and offset by an increase in exploration expenditures in the current period of $302,687 with the remaining differences similar to the same factors mentioned in the Current Year and Comparative Year discussion above.

1.5 SUMMARY OF QUARTERLY RESULTS

The financial results for each of the eight most recently completed quarters are summarized below:

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Net revenues	$ -	$ -	$ -	$ -
Net loss	($969,538)	($977,223)	($1,008,208)	($1,736,353)
Per share	($0.01)	($0.01)	($0.02)	($0.03)
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Net revenues	$ -	$ -	$ -	$ -
Net loss	($1,647,495)	($306,601)	($312,483)	($193,082)
Per share	($0.04)	($0.01)	($0.01)	($0.01)

Significant variations in the net loss between periods are primarily due to the write-down of exploration and evaluation assets, and share-based compensation as well as fluctuations in general administrative and shareholder communications expenses.

1.6 LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company's capital resources have been primarily limited to proceeds raised from equity financings. The Company's liquidity depends primarily on its ability to obtain external financing to meet the Company's future operating expenditures.

The Company is not exposed to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

First Energy began the year ended March 31, 2022, with $2,158,688 in cash. During the year ended March 31, 2022, the Company expended $4,503,760 on operating activities, net of working capital changes, expended $675,000 on investing activities through the issuance of purchase and option payments for exploration and evaluation assets and generated $3,131,558 from financing activities which was attributable to proceeds from share issuances, net of share issue costs, to end at March 31, 2022 with $111,486 in cash.

During the year ended March 31, 2022, 232,000 share purchase warrants were exercised, at an average exercise price of $0.21, for the issuance of 232,000 common shares for aggregate proceeds of $49,200. Fair value of the warrants exercised was $11,150.

On June 3, 2021, the Company closed a non-brokered private placement for aggregate gross proceeds of $1,000,000 through the issuance of 2,003,376 flow-through units ("FT Units") at $0.385 per FT Unit for proceeds of $771,300 and through the issuance of 682,687 non-flow through units ("NFT Units") at $0.335 per NFT Unit for gross proceeds of $228,700. Each FT Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.45 for a period of two years from the issue date. Each NFT Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.40 for a period of two years from the issue date. The Company recognized a liability for flow-through shares of $100,169. Share issue costs were $67,727, which include a finder's fee of $64,384 in cash and the issuance of 105,169 finder's units fair valued at $35,232.

On November 26, 2021, the Company closed a non-brokered private placement for aggregate proceeds of $2,200,000 from the sale 8,800,000 units at a price of $0.25 cents per unit (the "Unit"). Each Unit consists of one common share and one fully transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase an additional common share for a price of $0.50 per share for a period of one year from the closing date of the private placement. The share purchase warrants were valued using the Black-Scholes pricing model with the following assumptions: weighted average risk-free interest rate of 0.90%, volatility factor of 132.01% and an expected life of one year. Share issue costs were $14,715, which included a finder's fee of $13,750 in cash and $965 in other share issue costs;

At March 31, 2022, First Energy had working capital of $459,010 compared to working capital of $1,578,243 at March 31, 2021. As at March 31, 2022, the amount of flow-through proceeds remaining in cash to be expended is approximately $775,247 (March 31, 2021 - $1,300,000).

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.

Outstanding Share Data as at the date of this MD&A

Authorized: an unlimited number of common shares without par value.	Common shares issued and outstanding	Share purchase warrants	Stock options
Outstanding at March 31, 2022	78,238,894	20,453,206	6,680,000
Common shares and share purchase warrants issued pursuant to private placement	6,325,321	4,474,286	-
Outstanding at the date of this MD&A	84,564,215	24,927,492	6,680,000

1.7 OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At March 31, 2022, the Company had no off-balance sheet arrangement such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.8 TRANSACTIONS WITH RELATED PARTIES

Remuneration of directors and key management personnel of the Company was as follows for the year ended March 31, 2022, 2021, and 2020:

	For the years ended March 31,		
	2022	**2021**	**2020**
Consulting fees charged by directors of the Company	$ 52,000	$ 13,500	$ 1,000
Exploration consulting fees charged by directors	12,000	-	-
Salaries, fees and benefits	188,021	148,000	70,000
Share-based payments	-	292,472	-

Related party balances as at March 31, 2022 and 2021 were as follows:

		March 31, 2022		March 31, 2021
Amounts due to Directors and Officers of the Company	$	5,723	$	71,665
Amounts due to former directors and officers and companies controlled by former directors and officers		31,200		18,700
Totals	$	36,923	$	90,365

1.9 FOURTH QUARTER

First Energy began the fourth quarter ended March 31, 2022, with $1,207,394 in cash. During the three months ended March 31, 2022, the Company expended $920,464 on operating activities, net of working capital changes, expended $175,000 investing activities through option payments for exploration and evaluation assets and expended $444 on financing activities which was attributable to share issue costs, to end at March 31, 2022 with $111,486 in cash.

1.10 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There have been no significant changes to the Company's critical accounting estimates for the year ended March 31, 2021 from those disclosed in Note 3 of the Financial Report.

1.11 CHANGES IN ACCOUNTING POLICIES

The Company prepares its financial statements using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies and methods of application applied by the Company in these financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended March 31, 2022, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective April 1, 2022.

<u>New, Amended and Future IFRS Pronouncements</u>
More detail on these new, amended and future IFRS pronouncements are provided in Note 2 of the Company's Financial Report.

1.12 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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).
The following provides the valuation method of the Company's financial instruments as at March 31, 2022 and 2021:

					As at March 31,
	Level		**2022**		**2021**
Cash	1	$	111,486	$	2,158,688
Reclamation deposits	1	$	11,000	$	11,000
Financial liabilities	1	$	299,721	$	474,327

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, 2022, the Company had cash of $111,486 to settle current liabilities of $299,721. Further information relating to liquidity risk is disclosed in Note 1 of the Company's Financial Report.

Interest Rate Risk
The Company has no significant exposure at March 31, 2022 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, 2022 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, 2022 and 2021.

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 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, 2021, compared to the year ended to March 31, 2020. The Company is not subject to externally imposed capital requirements. Further information relating to management of capital is disclosed in Note 1 of the Financial Report.

1.13 RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

The Company's financial condition, results of operations and businesses are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Property risk

None of the Company's Canadian projects have reserves or demonstrated economic viability and there is no assurance that an economic or minable deposit will be found. If the Company acquires additional mineral properties, any material adverse development affecting the new mineral properties could also have a material adverse effect on the financial condition and results of operations.

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, as it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are brought to production. Unusual or unexpected geological formations, formation pressures, structural weaknesses, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and will continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling. There can be no assurance that the funds required will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many of which are outside the control of the Company, including the cost of operations, variations in the grade recovered, price fluctuations in the metal markets, costs of processing and other equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Commodity Price Volatility

The price of various commodities that the Company is exploring for can fluctuate significantly and is beyond the Company's control. The Company is specifically concerned with the prices of precious and base metals. While the Company would benefit from an increase in the value of precious and base metals, a decrease in the value of precious and base metals and other minerals could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to explore, develop and mine that property, perhaps without compensation for its prior expenditures relating to the property.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, formation weaknesses, hydrogeological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares.

Environmental Regulation and Liability

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.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

1.14 OTHER MD&A INFORMATION

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of exploration costs are described in Note 5 of the Financial Report.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

There was no change in the Company's internal controls over financial reporting ("ICFR") that occurred during the year ended March 31, 2022, and which materially affected, or is reasonably likely to materially affect, the Company's ICFR.

APPROVAL

The Board of Directors of First Energy has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A, other than statements of historical fact, constitute "forward-looking information" within the meaning of Canadian securities legislation, and the United States Private Securities Litigation Reform Act of 1995. "Forward-looking information" includes, but is not limited to, statements with respect to potential mineralization and geological merits of the Company's exploration projects the Company's future plans, exploration and drilling programs, objectives, business strategy, budgets, projected costs, financial results, expected cash runway and liquidity, and requirements for additional capital. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "contemplates", "budget", "possible", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on assumptions regarding future events and other matters and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Assumptions on which forward-looking information in this MD&A is based include the assumption that strategic alternatives are available to the Company, the assumption 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. Risks and uncertainties include, among others: inherent risks involved in the exploration and development of mineral properties; uncertainties involved in interpreting drill results and other exploration data; potential for delays in exploration activities; geology, grade and continuity of mineral deposits; possibility that future exploration results may not be consistent with the Company's current expectations; reduction in future prices of precious metals; currency fluctuations; accidents, labor disputes and other risks associated with the mining industry; delays in obtaining governmental approvals; uncertainties relating to the availability and costs of financing required in the future; events adversely affecting the cash resources and estimated cash availability; and competition and loss of key employees. Other risks and uncertainties are discussed throughout this MD&A and, in particular, in the section below entitled "Risks and Uncertainties".

In making the statements in this MD&A containing forward-looking information, the Company has applied several material assumptions, including but not limited to, assumptions regarding the ability of the Company to obtain, on reasonable terms, the necessary financing to complete the exploration and development of its property interests, as well as the future profitable production or proceeds from the disposition of the Company's exploration and evaluation assets.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

The Company disclaims any intention or obligation to update or revise the forward-looking information in this MD&A, whether as a result of new information, events or otherwise, except as required by applicable securities legislation. Accordingly, readers are cautioned not to put undue reliance on forward-looking information.