

FIRST ENERGY METALS LIMITED
FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

FIRST ENERGY METALS LIMITED (the "Company")
2421 - 1055 West Georgia Street
Vancouver, BC V6E 3P3

Item 2: Date of Material Change

October 27, 2022

Item 3: News Release

The News Release was disseminated by Canada Newswire on October 25, 2022 and a copy filed on SEDAR.

Item 4: Summary of Material Change

First Energy Metals Ltd. ("First Energy" or the "Company") (CSE: FE) is pleased to announce that it intends to complete a plan of arrangement under the British Columbia Business Corporations Act, pursuant to which First Energy would spin off assets related to its current exploration properties located in Quebec and Ontario (the "Spin-Out Transaction") into a separate wholly owned subsidiary of First Energy ("Spinco").

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

Vancouver, British Columbia - October 25, 2022 – First Energy Metals Ltd. ("First Energy" or the "Company") (CSE: FE) is pleased to announce that it intends to complete a plan of arrangement under the British Columbia Business Corporations Act, pursuant to which First Energy would spin off assets related to its current exploration properties located in Quebec and Ontario (the "Spin-Out Transaction") into a separate wholly owned subsidiary of First Energy ("Spinco").

Prior to the completion of the Spin-Out Transaction, First Energy intends to consolidate its common shares ("Share Consolidation") on the basis of 3.80 existing common shares for 1 post-consolidation common share (the "Post-Consolidation Shares"). As of the date of this news release, the Company has a total of 85,064,215 common shares issued and outstanding and once the Share Consolidation becomes effective, the Company will have a total of approximately 22,385,320 Post-Consolidation Shares issued and outstanding. As part of the Share Consolidation, the Company will also change its name to FE Battery Metals Corp. The Share Consolidation is anticipated to become effective on or before October 27, 2022 at which time, the Company's Post-Consolidation Shares will commence trading on the CSE under the same trading symbol FE. The Company also intends, prior to the completion of the Spin-Out Transaction and post Share Consolidation, to complete a non-brokered private placement for gross proceeds of up to \$1,500,000 by issuing up to 6,666,667 Post-Consolidation Shares at a price of \$0.225 per Post-Consolidation Share (the "Private Placement"). The Share Consolidation and Private Placement are subject to the approval of the Canadian Securities Exchange.

It is anticipated that under the Spin-Out Transaction, each First Energy shareholder will receive 1 common share of Spinco for every 1 Post-Consolidation Share of the First Energy held. First energy intends to seek a subsequent listing on the Canadian Securities Exchange of Spinco. Further details of the Spin-Out Transaction will be announced in future news releases.

The Spin-Out Transaction will be subject to various customary closing conditions, including among others, the approval of the British Columbia Supreme Court, the shareholders of the Company, and the Canadian Securities Exchange. There can be no assurance that such approvals will be obtained, or that the Spin-Out Transaction, Share Consolidation or Private Placement will be completed.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7: Omitted Information

Not applicable

Item 8: Executive Officer

Gurminder Sangha, CEO – Telephone: (604) 375-6005

Item 9: Date of Report

October 25, 2022