



CIPHER

April 1, 2024

**FE Battery Metals Corp.****Price**      **\$ 0.17****Target Price**    **\$ 0.75**

Symbol TSX:V	FE
Symbol OTC	FEMFF
Symbol Frankfurt	A2JC89

52-week High/Low.....	0.95/0.16
Issued and Outstanding.....	45 M
Warrants/Options.....	7 M
Fully Diluted.....	52 M
Market Cap .....	\$17.5 M
Cash (C\$ MM) .....	\$1.5 M
Enterprise Value .....	<7 M

**Value Upside:**

4.2X (based on Augustus project only)

**Valuation:** Excellent entry point,  
MC C\$8.5M, Working Capital \$1.5M

**Liquidity:** Very good liquidity Average  
10X the TSX.V median over last 2.25 yrs

**Structure:** 45.13M shares @ \$0.20

**Main Projects:**High quality lithium in  
emerging Li districts in QC and ON

## Massive Expansion Potential in a Prolific Region

We are initiating coverage of FE Battery Metals Corp. with a **Speculative Buy** rating and a C\$ 0.75 share target price. FE Battery Metals is an exploration company that is advancing its Augustus flagship project in Quebec. We think that FE Battery Metals Corp. represents a relatively low-risk-return investment opportunity for exposure to Battery Metals with the potential to significantly grow the value of the company.

### Value Proposition

This report is focused on the Company's flagship property, the Augustus Project in Quebec. The company has well defined targets (ore grade drill hole intercepts in sub-parallel pegmatite dykes). We highlight the exploration potential of the Company's other projects and their value as targets for more exploration and development but do not examine them in detail in this report. Similar geology and proximity to the producing NAL mine owned by Sayona also offers additional potential.

### Project

- Very good infrastructure near Val d'Or in Quebec/Canada
- Quebec voted rank 6 for worldwide mining by Frasier Institute
- Well defined targets and proven with drill results
- Excellent recent drill results will add to size and grade
- Well defined Exits

### Capital

- Financiability - over \$2 Mi cash - with ~500k debt
- Structure - 50 Mi shares issued, Management own 3.8%
- Liquidity - Excellent liquidity >\$1 Mi/mo (88th percentile)
- Valuation - Good Value (current EV <7.0 Mi)

### People

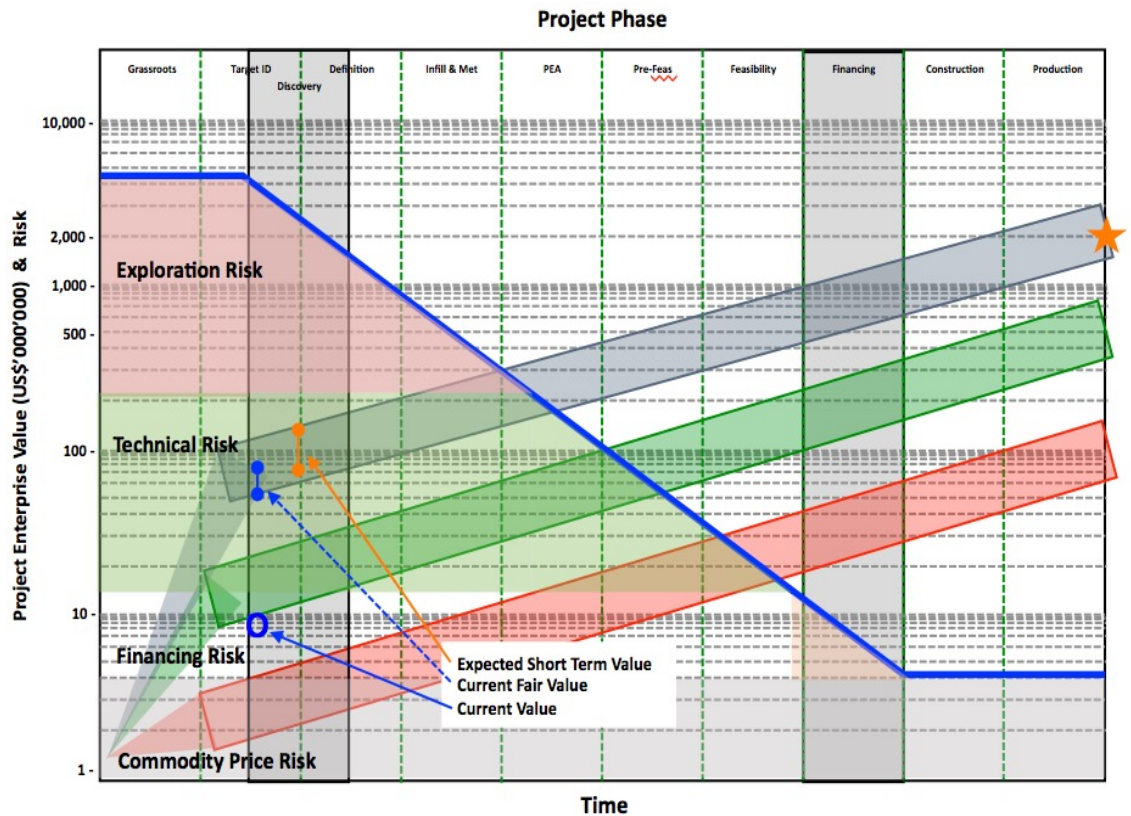
- Led by a group with strong capital market and technical expertise
- Company has clear vision for its flagship Augustus Lithium project

The chart below illustrates our view of the Company's current value and our estimates of intrinsic value and expected growth based on current and projected stage of target development.

**The chart reflects our view that FE is positioned for a significant re-rating.**

### Cipher's Value Curve

- Logarithmic plots
- Importance of ultimate target size in Value curves



As the Cipher Value chart illustrates, FE Battery Metals has an ultimate target that has significant enough size to be worth over \$1 billion if the project is proven and can find its way into production. Many other projects are being explored and will never have a chance to attain this critical size. In order to have a large-scale target like FE Battery Metals a property must possess several critical ingredients including: deposit type within the right geology, dimensions and grade to host enough mineralization; located close enough to surface to be economic to mine and it must either be rich enough to build its own infrastructure or close enough to existing infrastructure.

FE Battery Metals has demonstrated all of these criteria through surface sampling and drilling.

## PROJECTS

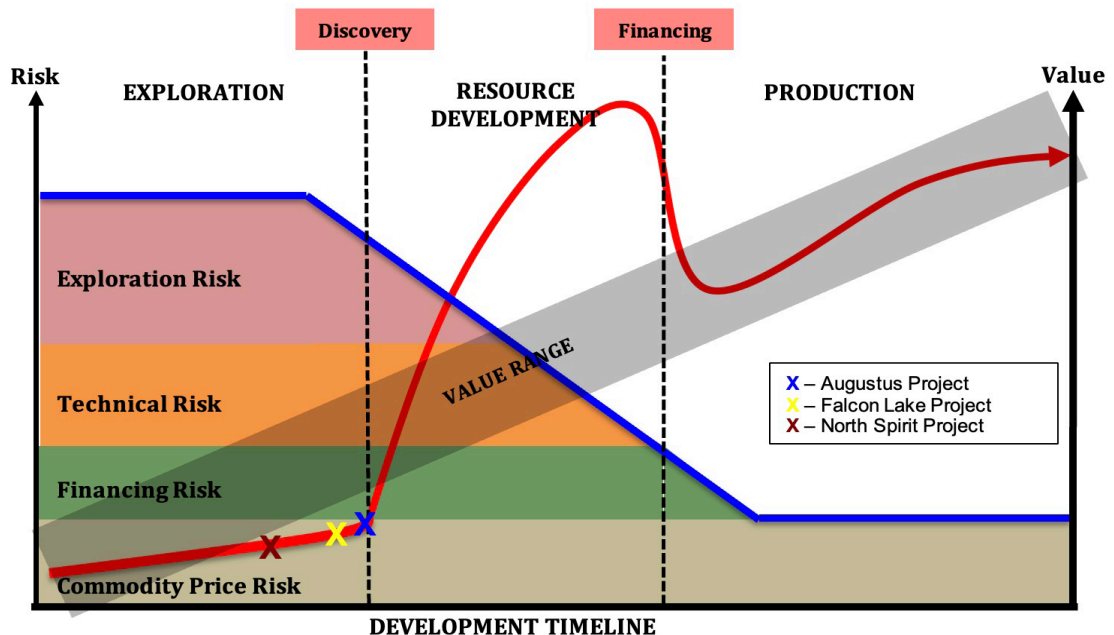
**Augustus Lithium Project:** a pegmatite hosted lithium target in a growing lithium region in Quebec. The Company is exploring for open pit and underground mineable pegmatite ores that will produce spodumene concentrate similar to that produced at the NAL mine immediately east of the Augustus prospect. The project is in an attractive geological environment with several comparable deposits in the region to support its target. Drill and trench results confirm the presence to ore grade lithium and more recent prospecting and geophysical work has produced additional highly prospective targets.

**Falcon Lake Lithium Project:** comprising of 48 mining claims covering approximately 960 hectares land located in the Thunder Bay Mining Division Northwestern Ontario, Canada. It is located approximately 325 km North-northeast of Thunder Bay, Ontario. Spodumene bearing egmatite dykes have been sampled and drilled historically with results up to 11.0 m @ 1.09% Li.

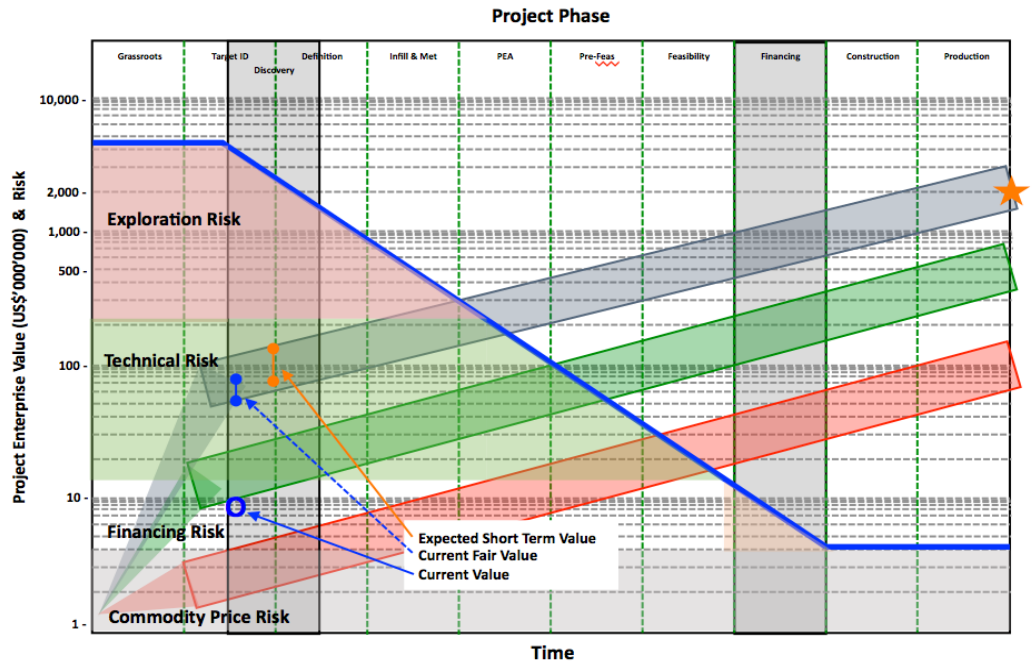
**North Spirit Lithium Project:** Located about 175 kilometres to the north of Red Lake, Ontario, the property consists of 124 mining claims covering approximately 2,480 hectares area in two claim blocks and is situated adjacent to the PAK Lithium project of Frontier Lithium. The area is underexplored due to lack of infrastructure; however Frontier Lithium has made significant discoveries in this area with consistent exploration work.

Overall the Company has several excellent exploration targets but at this stage the Augustus project warrants their focus as it has the ability to deliver significant value in a relatively short period of time.

The following diagram illustrates these stages and indicates where the projects held by FE Battery Metals fall on the development path. The first is a typical Stage to Value curve that is often utilized in some form throughout the industry.

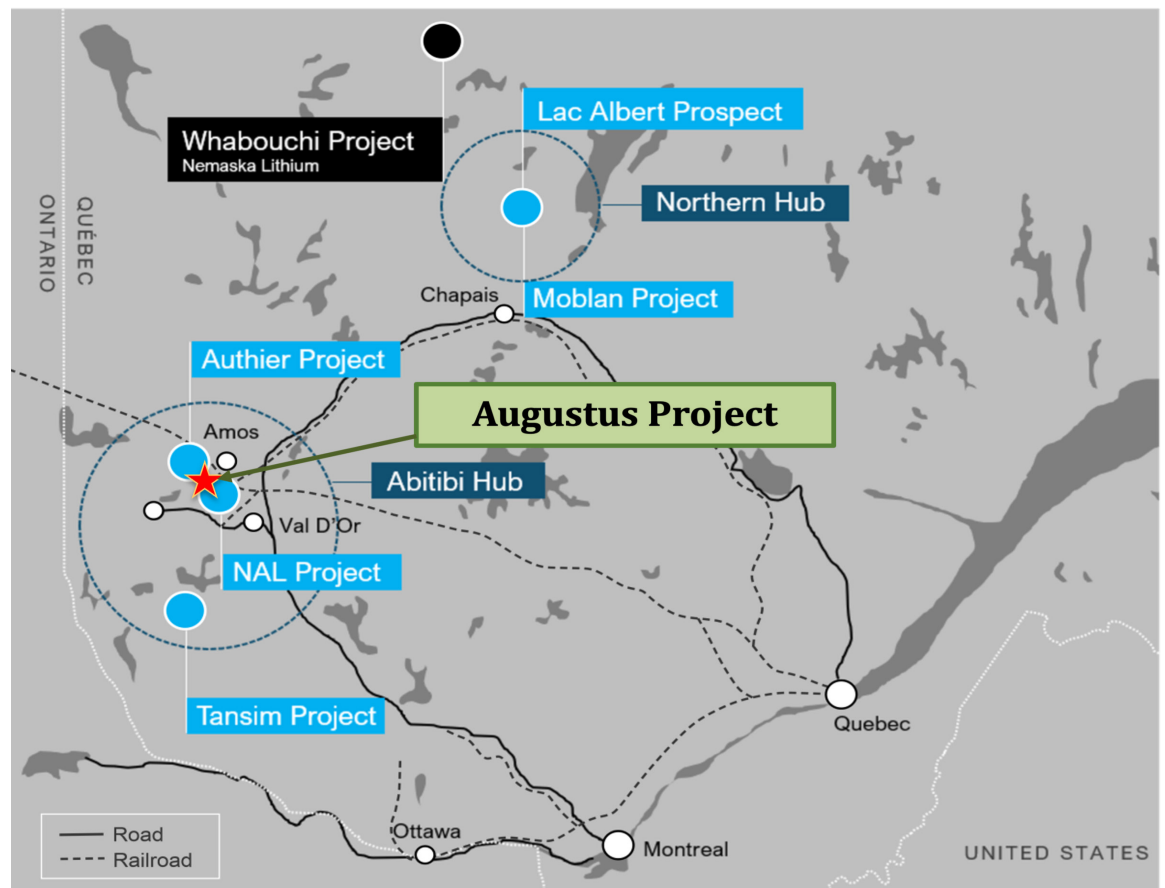


This chart can be plotted on a Log Scale graph to show the various “value paths” for companies from inception through production depending on the ultimate size of their deposit.



### Location & Infrastructure

The Company’s flagship project is located near Val d’Or Quebec, in the emerging Abitibi Lithium Hub, host to several significant Lithium deposits and the NAL mine, North America’s only major hard-rock lithium producer. (see Figure 2 below).



## **Interest in Quebec for Lithium Is Heating Up... But This Is Only The Beginning:**

The team of FE Battery Metals is most certainly in the right place, at the right time. Le belle province is emerging as the most supportive jurisdiction in the world for lithium miners.

Canadian lithium is in Quebec and the Quebec government plans to become a leader in the critical strategic minerals mining sector and a leader in the electric vehicle battery-manufacturing sector for the North American automotive industry.

In its plan for the development of critical and strategic minerals 2020-25, the province outlines the initiatives set in motion on the road of making Quebec a highly attractive investment destination for lithium production with its supportive resource development sector, access to skilled labour, and its proximity to high-growth electric vehicle markets in North America and Europe.

North American Lithium (NAL) Mine is currently the only active producer of lithium concentrate in Canada jointly owned by Sayona Mining (75%), and Piedmont Lithium (25%) who restarted commercial spodumene concentrate production in 2022..

A few junior mining companies are continuing to make progress and early positioning in them has already paid off.

### **Lithium Market Overview**

Lithium is a critical mineral and a key component of the clean energy transition enabling the widespread adoption of renewable energy and electric vehicles.

### **Lithium Demand**

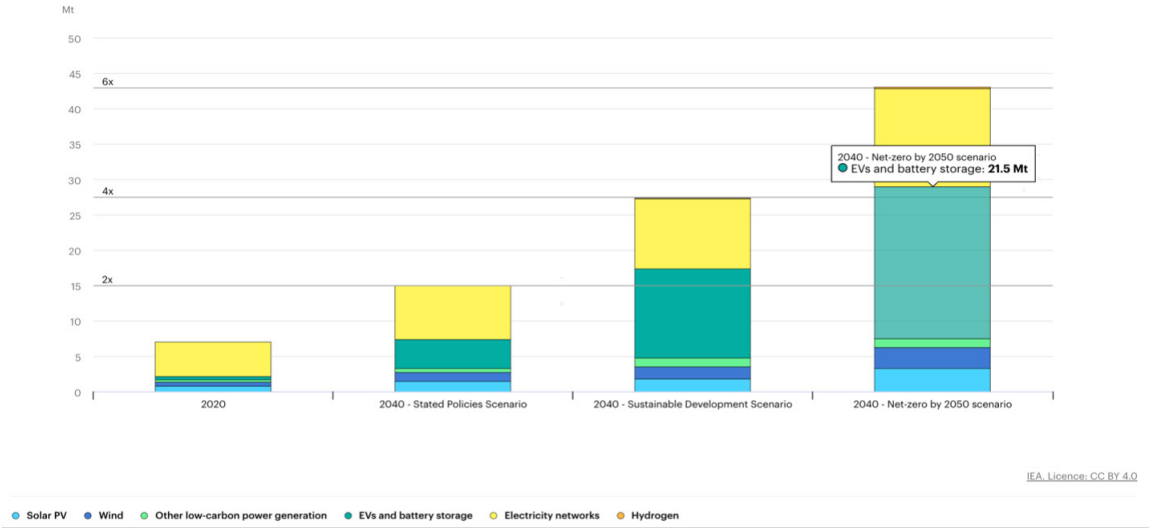
The energy sector is emerging as a major force in the demand for critical minerals markets as the global shift to clean energy systems is set to drive a huge increase in the requirements for these minerals.

According to the International Energy Association (IEA), demand for clean energy technologies would quadruple by 2040 if the goals of the Paris Agreement (climate stabilization at “well below 2°C global temperature rise”, as in the Sustainable Development Scenario ) are to be met.

## To hit net-zero globally by 2050, would require six times more mineral inputs in 2040 than today.

Total mineral demand for clean energy technologies by scenario, 2020 compared to 2040

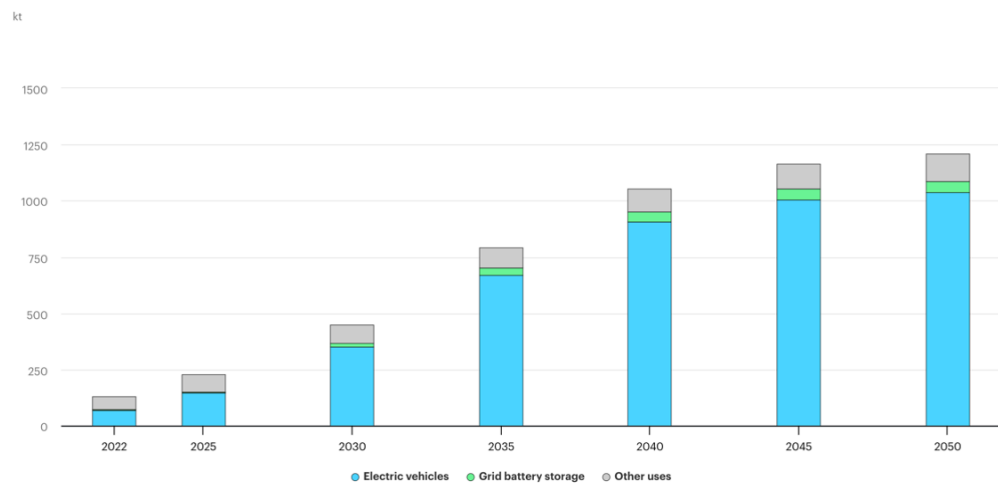
Open



Source: IEA, <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>

Mineral demand for use in EVs and battery storage is a major force, growing at least thirty times to 2040. Demand for Lithium, a key component of lithium ion batteries used in electric vehicles is expected to grow by over 40 times in the Sustainable Development Scenario by 2040.

Total demand for lithium in the Announced Pledges Scenario



Source: IEA, Critical Minerals Data Explorer - <https://www.iea.org/data-and-statistics/data-tools/critical-minerals-data-explorer>

## Lithium Supply

Lithium is not a commodity like gold, it's a specialty chemical, which makes processing a marketable product from the extracted resource a little more complicated.

Commercial lithium arises from two major sources: underground brine deposits and mineral ore deposits. Mineralogy is diverse and methods of lithium extraction and processing vary depending upon the source material.

Lithium resources are primarily measured in lithium carbonate (LCE), which is then processed into lithium hydroxide (LH2) for use in batteries.

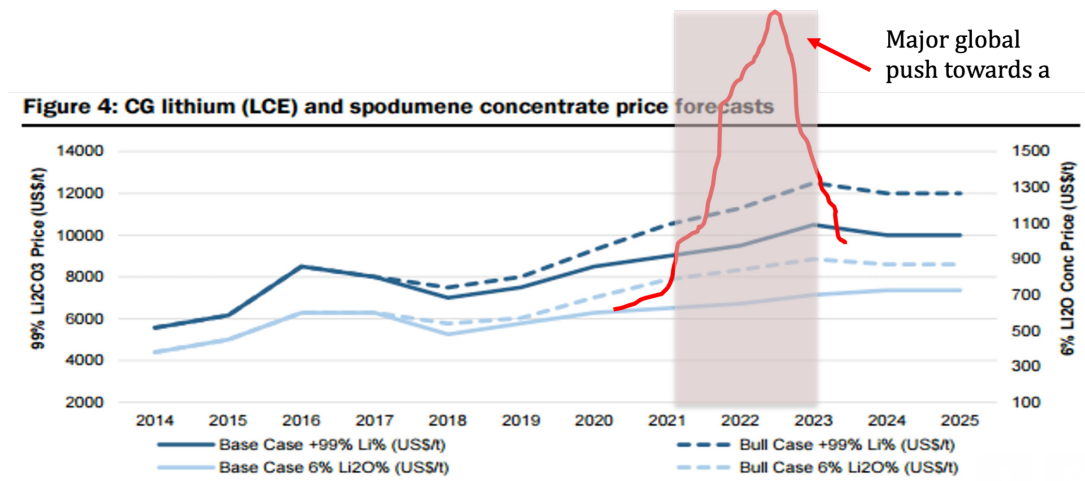
Below is a high level summary of lithium sources, methods of extraction and processing and critical factors to be considered in evaluating commercial sources of lithium:

	<b>Largest producer</b>	<b>Commercial extraction and processing</b>	<b>Lithium recovery from processing</b>	<b>Cost to process and mine</b>	<b>Environmental Impact</b>	<b>Critical factors to consider in valuation</b>
<b>Hard Rock: Spodumene</b>	Australia	Proven - conventional mining and processing	High	Moderate	Moderate	High grade, large resource
<b>Hard Rock: Lepidolite (micas)</b>	Australia	Rare (processing only in China)	Low (very chemical inputs intensive)	High	High	Strategic location, massive deposit (grades are typically much lower than spodumene's)
<b>Lithium Brine: Evaporation Pond</b>	Lithium Triangle in South America	Proven but slow processing (lithium rich brines extracted and stored in large ponds to evaporate)	High	Moderate	Moderate	High grade brine, dry conditions Evaporation rate Presence of contaminants Ability of brine to flow (porosity)
<b>Lithium Brine: Direct Lithium Extraction (DLE)</b>	Lithium Triangle in South America  DLE technology (North America)	Unproven- also extracts lithium from lithium brines, but "skips" the evaporation pond process.  DLE technologies include: Absorption Ion-Exchange Solvent Extraction Membranes	Unproven	Low?	Low?	Unproven technology; Recovery rates from small scale pilot plants  DLE is more of a technology play than an exploration play

Lithium is traded in three primary forms: mineral concentrates, mineral compounds (from brines), and refined metal (electrolysis from lithium chloride).

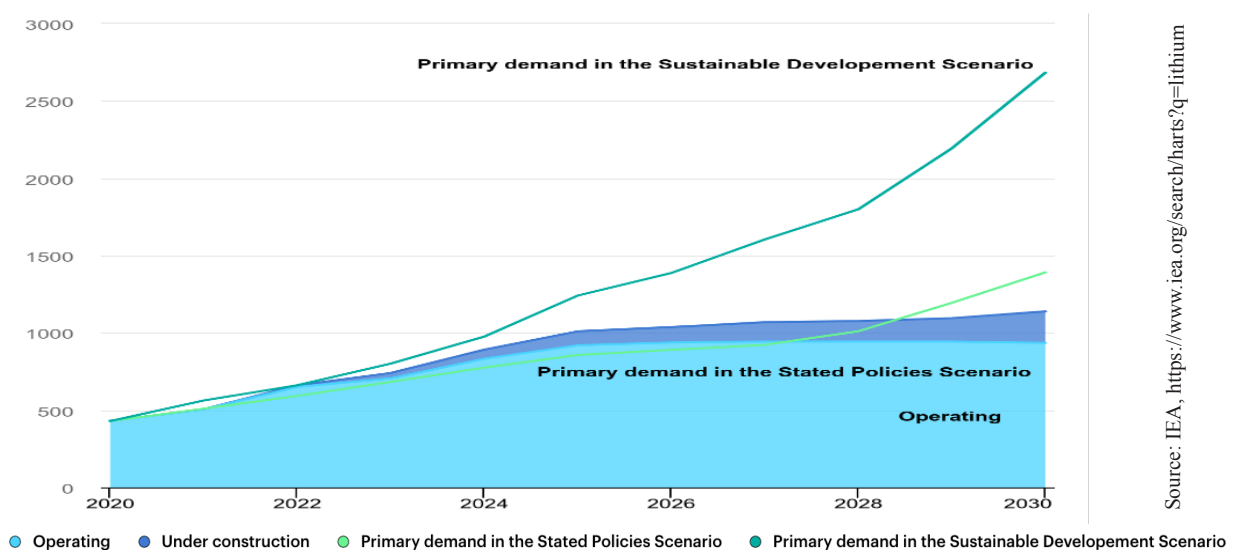
## Understanding the Lithium Market/Price Projections

Soaring demand from electric vehicle (EV) uptake saw lithium prices spike in 2022, before falling back at the start of 2023. But what can we expect from the lithium market in the future, and what factors will drive demand, supply and pricing?



The spike in Lithium prices can easily be attributed to an immature market that is easily swayed by relatively small shifts in demand. This kind of short term massive increase may not be seen again but there is no question that a demand will continue to rise and for the foreseeable future it will exceed supply which should ensure a steady rise in prices. In the long run assuming scenario consistent with climate goals, according to the IEA expected supply from existing mines and projects under construction is estimated to meet only half of projected lithium requirements.

## Committed mine production and primary demand for lithium, 2020-2030



Given the uncertainty of costs to produce lithium from new deposit types, the economically proven hard rock and evaporation pond source of lithium will continue to be the most valuable types of lithium deposits. Australia and Quebec will continue to lead the world in hard rock source of lithium and FE Metals is well positioned to take advantage of both short and long term trends.



## Targeting and Exploration Results

FE Battery Metals is one of the few exploration and development companies that appears to conduct its exploration with an eye to the future. While they are yet to define a mineral resource on their claims they have recognized the likelihood of that occurring and took the initiative to send drill core away for metallurgical testing to ensure the material could be processed efficiently if and when they define a resource. This means that their exploration is most efficient in that they will not waste time or money on a project that is unlikely to deliver a mineable resource.

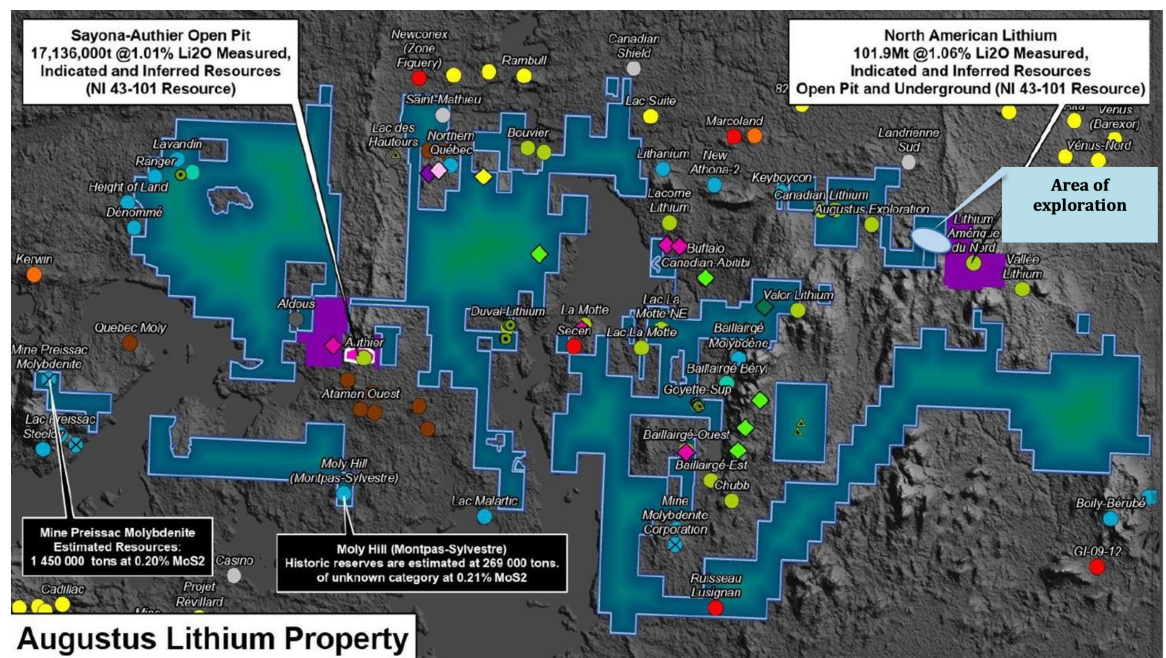
Work to date is very encouraging:

- 79 diamond drill holes totalling 14,400 metres drilled targeting Li mineralization in pegmatite dykes at one showing that is very similar in nature to those being mined at the NAL mine on the adjacent property
  - 23m @ 1.29% Li<sub>2</sub>O in one hole
  - target is open along strike and down dip
- untested targets south and southeast of the area currently being drilled
- surface samples of 14m @ 1.6% Li<sub>2</sub>O
- metallurgical test work on 2 drill holes confirm 85% recovery and production of 6.08% Lithium concentrate

## Upside Potential and Objectives

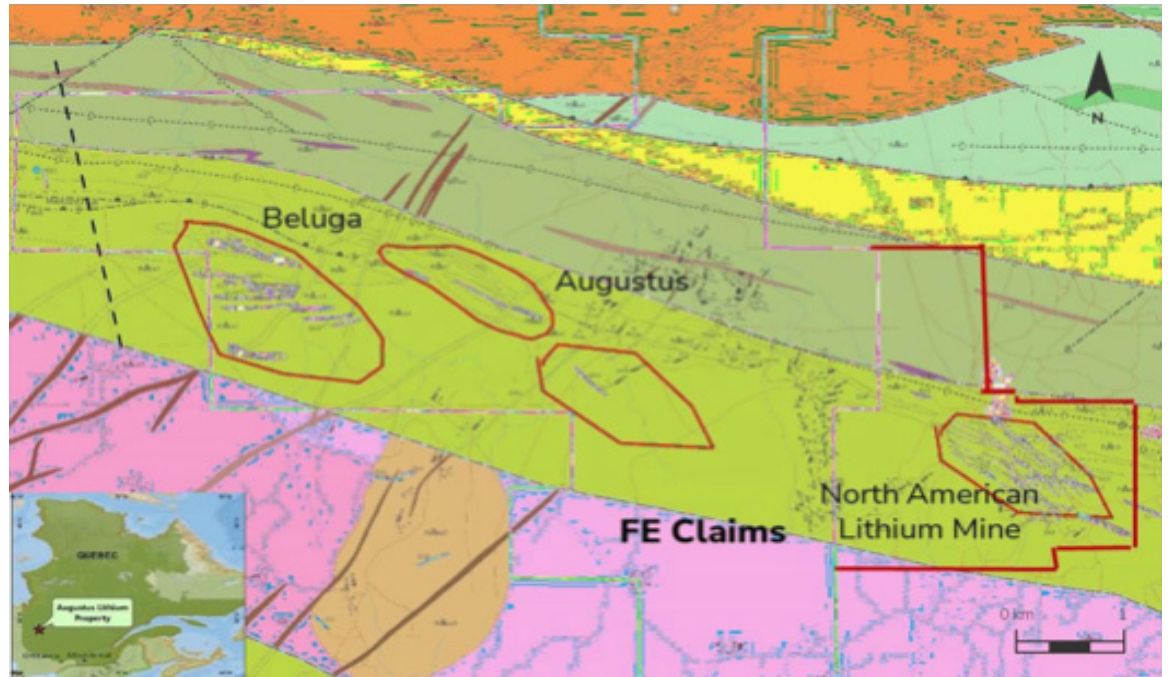
Simply put the target is to identify another deposit or multiple deposits of similar size and grade to that of the NAL mine.

The sheer size of the property and the highly prospective nature of the geology provide investors with multiple opportunities for success.



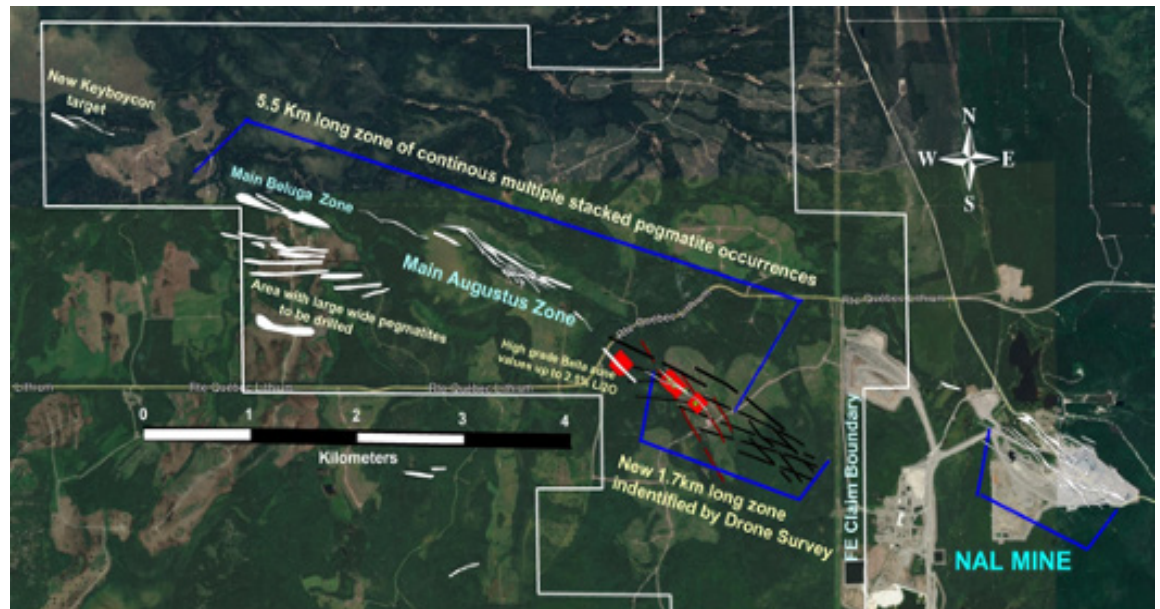
The following figure shows the geology around the NAL mine and its trend onto the Augustus Property.

Given the evidence of pegmatite dyke, widths and grades drilled and sampled at surface and the distance and trend from an existing resource/mine area it is easy to see how the finding another NAL deposit could be done relatively quickly.



source FE Battery Metals presentation from website

The next figure provides a more detailed illustration of the quality of targets



Overall the property appears to be of high quality and has the potential to deliver significant lithium mineralization quickly.

Drilling to date has only occurred and the Main Augustus Zone. The Main Beluga Zone shows high promise as it contains multiple sub-parallel pegmatite dykes that has the potential to deliver a bulk mineable zone of mineralization very quickly. The newly discovered Bella Zone might be the most significant to date as it has been traced over 1.7 km long via drone surveys and has surface sample grading up to 2.5% Li<sub>2</sub>O and occurs immediately across the property border from the NAL mine

**With the additional untested targets on the property FE Battery Metals has the potential to discover an initial resource and to expand the known area of mineralization. FE Battery Metals is well positioned to capitalize on the existing and planned infrastructure in close proximity to its Augustus project.**

### **Exit Strategy**

RE Battery Metals is well set up for an appropriate exit when the time is right, as several current trends will increase interest in RE Metals as it continues to define ore grade targets and looks to start building a resource:

- Acquisitions of exploration projects – Sayona acquires Troilus properties for \$40 million
- Recent transitions to profitable production – see Sayona Mining
- The current market is less accommodative to junior mining and positioning the Company for an appropriate exit sooner than later will only benefit all shareholders.
- FE Battery Metals is well positioned to capitalize on the existing and planned infrastructure in close proximity to its Augustus project.

### **PROJECT SUMMARY**

- Very good infrastructure with road access and low-cost power readily available
- In the middle of Sayona's Abitibi Lithium Hub
- Located in mining friendly Elephant country:
  - Several current and past producing mines
  - New lithium mines coming on line
  - Active M&A activity, and
- Ore grade mineralization starts at surface, which results in low to very low strip ratios and is very positive for the economics
- Excellent recent drill and surface results provide well defined targets for follow-up drilling
- Excellent target sequencing
  - Huge property systematically being explored to uncover additional pegmatite dyke swarms with ore grade lithium
- Well defined Exits:
  - Pathway to production
  - Mining M&A heating up

## CAPITAL

### Financeability

The 2 main factors that affect a company's ability to attract money are liquidity and valuations. We discuss them in more detail below. Other important factors include the strength of the balance sheet, the burn rate and budget allocation, capital and share structuring and shareholder composition.

#### Financials

The following table highlights certain financial information:

	31-Dec-23	31-Mar-19	Change
Cash (CAD'000)	2,140	216	1,924
Liabilities (CAD'000)	911	126	785
Exploration Properties (CAD'000)	7,631	83	7,548
Share Capital (CAD'000)	59,078	35,713	23,364
Exploration Expenses since 2019			6,234
Property Acquisition & Exploration as % of Share Capital since 2019			59.0%

The following table compares key operating metrics with peers:

Company	Ave Expl. per mo C'000	Ave G&A per mo C'000	Ave Marketing per mo C'000	Marketing as % of G&A	Exploration as % of total Expenditures	12 mo Price Gain
Li-FT Power	3,000	271	113	42%	92%	-80%
Brunswick Exploration	667	217	65	30%	75%	-50%
Arbor Metals Corp.	29	42	0	1%	41%	-81%
Q2 Metals Corp.	75	84	28	33%	47%	-50%
<b>Average</b>	<b>943</b>	<b>154</b>	<b>51</b>	<b>26%</b>	<b>64%</b>	<b>-65%</b>
FE Battery Metals	181	154	114	74%	54%	-78%

FE Battery Metals falls in the middle of the pack in all categories.

### Share Structure

The Company was incorporated October 12, 1966 changed its name to FE Battery Metals Corp on October 25, 2022. As of December 31, 2023, the Company had 50,846,156 common shares, 1,815,747 warrants and 3,560,526 stock options outstanding.

The following table summarizes the share issuances from 31-Mar-16 to today:

Issuance	Number*	Price	Amount
Balance 31-Mar-16	1,683,227		
Common share placement	30,155,497	0.49	14,914,053
Property acquisitions	8,782,631		
Warrants & Options	2,000,702	0.79	1,576,486
RSUs	5,075,000		
Other	90,766		
<b>TOTALS</b>	<b>50,846,156</b>		<b>16,490,539</b>
Directors & Management (Sedi)	<b>2,187,763</b>	4.8%	

\* adjusted for 2022 consolidation 3.8:1

After considering the consolidation in 2022, FE currently has 50,846,156 shares issued with 32,156,199 issued for cash of \$16,409,539 for an average price of \$0.51 per share. The most recent financing, in November 2023, consisted of a non-brokered private placement of 675,000 common shares priced at \$0.40 per share for aggregate gross proceeds of \$270,000 and 1,855,554 Quebec flow-through unit priced at \$0.45 per unit for gross proceeds of \$835,000.

Insider reports show Management owns 4.8% or 2,187,763 shares of which Gurminder Sangha the CEO owns 77.4% or 1,692,763 shares.

Of the 30 million shares issued through private placements approximately ½ has been flow through (“FT”) and the Company has done a good job of balancing any FT financings with common share or hard dollar financings.

The chart below shows the timing of financing in green and the dates on which they became free trading in red over the last 4 years.



The company has suffered from lack of significant news and a declining lithium price over the past year, but is poised to start to deliver exploration results in the coming months, which should reverse its trend.

## Liquidity

The following table shows the average dollar value traded monthly over the last 6 months for comparative Lithium focused exploration companies and percentile-ranks out of a total list of 920 mining issuers listed on the TSX Venture Exchange:

Company	Ave \$Vol/mo '000	Percentile
Li-FT Power	11,402	98.6%
Brunswick Exploration	9,524	98.2%
Arbor Metals Corp.	12,179	98.7%
Q2 Metals Corp.	2,246	94.2%
<b>Average</b>	<b>8,837</b>	<b>98.0%</b>
FE Battery Metals	877	86.3%

Considering the heightened interest in Lithium and particularly in lithium in North America, it follows that the liquidity levels are significantly higher than the average mining issuer.

FE Battery Metals trails most of its peers, which indicates a further commitment to marketing strategies in order to assist in a clear strategy for value creation. While it's not always possible to target a "take -out" it is possible to direct the strategy with a view to drive value creation and appeal to potential suitors.

The following table compares liquidity with average G&A and reported Marketing expenditures for FE Battery Metals and its peers:

Company	Ave \$Vol/mo	Ave G&A per mo	Ave Marketing per mo
Li-FT Power	11,402,000	270,833	112,500
Brunswick Exploration	9,524,000	216,667	64,583
Arbor Metals Corp.	12,179,000	42,133	400
Q2 Metals Corp.	2,246,000	84,444	27,833
<b>Average</b>	<b>8,837,750</b>	<b>153,519</b>	<b>51,329</b>
FE Battery Metals	877,000	153,730	114,050

FE Battery Metals is lagging on the liquidity front when compared to its peers. In addition FE Battery Metals' G&A expenditures are average but Marketing expenditure is very high for the liquidity it generates.

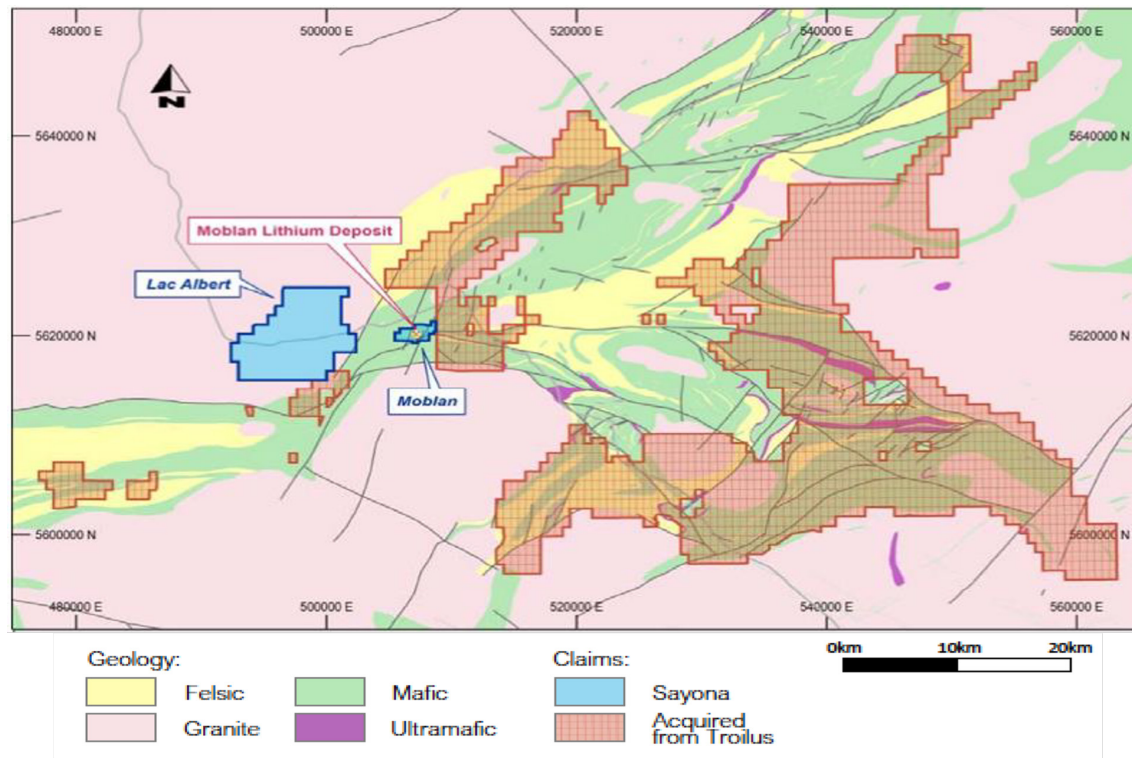
It appears that FE Battery Metals could benefit from allocating more towards exploration dollars to improve its understanding and definition of its targets. While high G&A expenditure is not advisable, the right balance is needed for effective shareholder outreach and marketing.

## Valuation

It is always difficult to determine a fair value target for companies with no Reserves and Resources defined. The best methods to use for companies at this stage is comparative transactions and peer analysis.

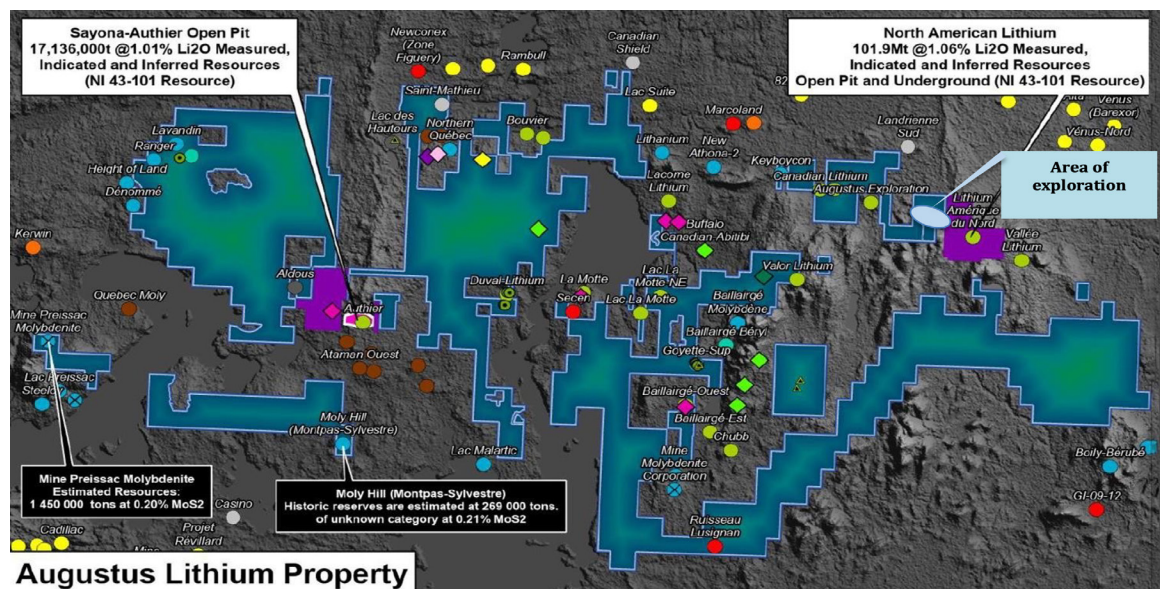
### Comparative Value

Troilus Gold Corp. sold a package of 1,824 claims which represents an area of approximately 985 square kilometres to Sayona in Nov. 2022 for \$40 million in Sayona shares and retained a 2% NSR. A portion of the claims adjoin the Moblan project owned 60% by Sayona which contains a global resource of 51.4Mt @ 1.31% Li2O.



FE Battery Metals’ Augustus property consists of 248 mining claims covering approximately 12,140.71 hectares or 121 square kilometres and adjoin the NAL mine and the Authier projects owned by Sayona.

The following figure shows the relative location of RE Battery Metals’ Augustus Property to Sayona’s NAL mine and Authier project.



source FE Battery Metals presentation from website

The NAL mine is in production and contains a global resource of 58.3Mt @ 1.06% Li2O and a reserve of 21.7Mt @ 1.08% Li2O with a 2023 DFS that reports an after-tax NPV(8%) of \$1,367 million from a 20 year mine life producing spodumene concentrate. Infrastructure includes a 4,200tpd processing facility. Additional value demonstrated from downstream integration of Lithium Carbonate: a CAPEX of \$555 million results in a 16 year plant life that delivers an additional NPV(8%) of \$2,052 million.

The Authier project contains a global resource of 17.0Mt @ 1.01% Li2O

Given the proximity to Sayona’s primary operations we would argue that FE Battery Metals property is worth substantially more than that of Troilus. However, Troilus sold their property at a time when spodumene concentrate traded closer to US\$6,000 per tonne as opposed to approximately US\$1,000 per tonne today.

**Using these factors it is reasonable to value the Agustus property at approximately \$15 million.**

The following table shows the several lithium exploration companies and their current Enterprise Values (Market Capitalization + Net Debt (Total Liabilities – Current Assets) in CAD dollars. Each of these companies is at a similar stage in target identification and definition as FE Battery Metals.

Company	Enterprise Value (\$CAD)	Results
Li-FT Power	138,748,703	14m at 1.55 per cent Li2O (Echo) 13m at 1.45 per cent Li2O (Echo) 10m at 0.93 per cent Li2O (Echo) 9m at 0.97 per cent Li2O (Fi Main)
Brunswick Exploration	79,389,211	37m at 1.80% Li2O 32m at 1.55% Li2O 11.5m at 1.10% Li2O
Arbor Metals Corp.	35,321,178	88 parts per million lithium
Q2 Metals Corp.	21,911,926	115.4 m at 1.21% Li2O 57.8 m at 1.27% Li2O
<b>Average E&amp;D</b>	68,842,755	
FE Battery Metals	6,668,922	Surface samples to 14m @ 1.6% Li <sub>2</sub> O 76 drill holes to 23m @ 1.19% Li <sub>2</sub> O Metallurgical testing 85% recovery 6.08% Li concentrate Untested areas of more pegmatite dykes

Based on the comparative table it is reasonable to assign an intrinsic value to FE Battery Metals of 3-5 times its current EV or approximately CAD\$20 – 35,000,000. Even in today’s markets FE Battery Metals compares very favourably to its peers and when FE begins to establish a resource the value will have further upside to where it is today. As the project continues to deliver results FE’s EV will grow but FE will require capital to finance this growth and that should be factored when projecting future share price.



## Future Value Assumptions

6-12mo Financings	C\$5,000,000
Average Price	C\$0.20
Share Dilution	25,000,000
New Total Shares	70,000,000
Exploration Value add	\$20,000,000
Expected Future Fair Value after additional exploration success	CAD\$40,000,000
<b>Expected Multiple after dilution</b>	<b>4.5X</b>
<b>Target Price - Speculative</b>	<b>C\$0.75</b>

## PEOPLE

### Clear Shared Vision

FE Battery Metals Corp. is a mineral exploration company headquartered in Canada. The Company is managed by a team of experienced industry professionals and is focused on exploring for economically viable mineral deposits with its primary emphasis on lithium mineral properties of merit.

The Company's main project is located in Quebec with additional properties in Ontario. Management is focused on delivering results on its projects in a timely and economic manner.

### Experience & Expertise

#### **Gurminder Sanghe CEO and Director.**

Mr. Sangha is experienced in the financial industry with a particular focus of providing advisory services to both private and publicly traded companies. He brings over 18 years of diverse experience related to financial management, business leadership, and corporate strategy. While serving as a board member of various publicly traded listed companies he has led initiatives related to corporate finance, business development, and corporate governance. Mr. Sangha holds a MBA from both Queens University and Cornell University..

#### **Jurgen Wolf CFO, Corporate Secretary and Director.**

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 educated in Germany and immigrated to Canada in 1953. From 1958 to 1982 he operated and owned pre-cast concrete factories in Calgary and Vancouver, and from 1982 to 2002 he operated and owned J.A. Wolf Projects, Ltd., a commercial construction company. 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.

**Craig Alford P.Geo. Director.**

Mr. Alford holds both a Bachelor of Science (Hons) and a Master of Science in Geology. He is a registered Professional Geoscientist (P.Geo) in Ontario and is a Qualified Person, as defined in National Instrument 43-101. During his 30 years of experience worldwide, Mr. Alford has designed, managed and provided technical direction for projects throughout North and South America, China, Central Asia, Russia, Australia and Africa. Mr. Alford's experience has included senior positions for a number of large mining companies including, Zijin Mining Group, China Railway, and Teck Mining Ltd. Mr. Alford's tenure with the Zijin Mining Group he was part of the team that was responsible for an approximate \$80 million investment in Pretium Resources Inc. Pretium now has production targeted for its Northern BC, Canada site in 2017. The other major investments Mr. Alford was involved with at Zijin was the \$298 million investment into Barrick Gold Porgera mine and the \$412 million investment into Ivanhoe Mines Ltd's Kamoia Copper Project. The Kamoia project is expected to be one of the biggest copper mines in the world. He has directly negotiated with several Heads of State, as well as assisting the World Bank and the China-Africa Development Fund in tax policy, planning and investment risk.

**Jason Grewal Director.**

Mr. Grewal is a solicitor in England and Wales and admitted as an attorney in the state of New York. He has studied law at the London School of Economics, and holds a law degree from the University of London, an LLM in international business law from the IE Law School in Madrid and an MSc in global finance from Cass Business School in London. He has experience working in Canada, the United States and the United Kingdom, and in Europe. He has advised on various capital market transactions in various jurisdictions, and has experience working with both international law firms and multinational corporations.

**Jodie Gibson, MBA, P.Geo. Chief Geologist.**

Mr. Gibson is a professional geologist with over 15 years mineral exploration experience throughout the North American Cordillera from Alaska to Mexico; including syngenetic and epigenetic precious and base metal systems. He was the Project Manager of the Underworld Resources Inc. exploration team that discovered and defined the Golden Saddle and Arc deposits. These assets were subsequently sold to Kinross in 2010 for \$139 million. Mr. Gibson also served as Vice President Exploration for White Gold Corp where he oversaw over \$30 million in exploration activities with highlights including expansion of the Golden Saddle and Arc deposits and five new discoveries across the White Gold district; including the high-grade Vertigo discovery on the JP Ross property. In 2020, Mr. Gibson was recognized as the 2020 Yukon Prospector of the Year.

## Interests aligned with Shareholders

The following table details the shares held by Management and Insiders

Gurminder Sangha	1,692,763	3.8%
Jurgen Wolf	200,000	0.4%
Craig Alford	75,000	0.2%
Jason Grewal (1177047 BC Ltd)	220,000	0.5%
Jodie Gibson		
<b>Total Management &amp; Insiders</b>	<b>2,187,763</b>	<b>4.8%</b>

The Company also has a total of 3,560,526 options issued with 2,000,000 exercisable at \$0.59 per share until May 2028 and 1,560,526 exercisable at an average of \$1.04 per share until Q1 and Q2 2026.

With a 4.8% equity stake in the Company and options on another 7.9%, Management is reasonably well aligned with shareholders given the stage that the Company is at and the pricing of the options and the time remaining on them.

## VALUE CATALYSTS

FE Battery Metals has a well-developed business plan. To realize its value potential the company need:

- Resource definition
  - Success with the drill bit
- Target development
  - Very large will require money and systematic exploration to bring targets along to discoveries
- Continued Access to Capital
  - Strategic Financing with HNW, Institutional and Corporates
  - Continue to limit warrants on financings
- Shareholder Migration
  - Continued exploration success = uninterrupted results = sufficient capital
  - Road shows and 1-on-1 meetings to quality investors
- Ongoing Effective communication
  - Uninterrupted results
  - Targeted marketing initiatives
  - Engage successful liquidity channels

## RISKS

**Resource** risk is high, as FE Battery Metals' has not defined a resource and although it has significant surface channel samples and drill hole intercepts there is no guarantee a resource will be confirmed. We will see these risks as mitigated to a certain degree by continued drilling success.

**Permitting:** permitting mines in the Quebec may not be as fast as in jurisdictions, nevertheless, the existing permits for a similar asset nearby at NAL mitigate this.

**Infrastructure** risk is low to moderate; roads are present to most areas that need to be drilled. In a long run, a mine will require upgrading and expanding the road network. Abundant power is nearby with the Quebec hydro grid.

**Metallurgy** risk is low-moderate given preliminary studies have already been completed.

**Dilution / Financing** is always a risk for junior exploration / development as drilling and mine build funding is capital market dependent. We don't see access to capital as prohibitive factor for FE Battery Metals; rather will keep an eye on the extent of equity dilution over time.

### **For further information please contact us at:**

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