



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended November 30, 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Forum Energy Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Forum Energy Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, cash flows, and shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that at November 30, 2022, the Company had a net working capital of \$1,600,431 and the Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing to complete its strategic objectives. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

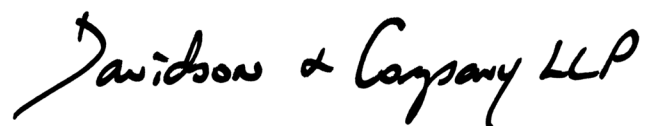
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

March 21, 2023

Forum Energy Metals Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	<i>Note</i>	November 30, 2022	November 30, 2021
ASSETS			
Current assets			
Cash	4	\$ 1,881,274	\$ 4,651,020
Marketable securities	5	48,625	17,829
Receivables		183,486	95,885
Due from joint venture partner	7	58,727	-
Prepaid expenses		191,682	160,731
		2,363,794	4,925,465
Equipment	6	3,988	7,288
Exploration and evaluation assets	7	995,583	1,037,428
		\$ 3,363,365	\$ 5,970,181
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	8	\$ 514,730	\$ 243,028
Due to joint venture partner	7	-	1,123
Flow-through share premium liability	9	248,633	390,761
		763,363	634,912
Shareholders' equity			
Capital stock	12	54,115,782	53,208,983
Contributed surplus - warrants	12	2,476,225	2,486,879
Contributed surplus - options	12	6,680,960	5,739,560
Deficit		(60,672,965)	(56,100,153)
		2,600,002	5,335,269
		\$ 3,363,365	\$ 5,970,181
Nature of operations and going concern	1		
Subsequent events	18		

Approved and authorized by the Board of Directors on March 21, 2023.

"Richard Mazur"
Richard Mazur
Director

"Larry Okada"
Larry Okada
Director

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

Forum Energy Metals Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended November 30,	
		2022	2021
EXPENSES			
Amortization	6	\$ 3,300	\$ 3,300
Consulting fees	13	384,000	299,000
Director fees	13	30,000	30,000
Exploration and evaluation expenditures	7	3,011,521	2,700,628
Exploration and evaluation recoveries	7	(155,896)	-
Investor relations and shareholder information		339,699	334,866
Management fees earned	7	(45,953)	(116,616)
Office and administration		148,838	113,302
Professional fees		137,595	109,358
Share-based compensation	12	1,035,874	460,681
Transfer agent and regulatory fees		75,612	101,876
Travel and promotion		20,054	6,989
		(4,984,644)	\$ (4,043,384)
Flow-through share premium recovery	9	488,286	596,696
Foreign exchange loss		(2,760)	(1,512)
Gain on settlement of loan	11	-	10,000
Interest income		35,201	3,575
Unrealized gain (loss) on marketable securities	5	(82,954)	3,102
Write-off of exploration and evaluation assets	7	(25,941)	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		\$ (4,572,812)	\$ (3,431,523)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding		170,694,013	151,446,775

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

Forum Energy Metals Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended November 30,	
	2022	2021
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Loss for the year	\$ (4,572,812)	\$ (3,431,523)
Items not affecting cash:		
Amortization	3,300	3,300
Share-based compensation	1,035,874	460,681
Flow-through share premium recovery	(488,286)	(596,696)
Gain on settlement of loan	-	(10,000)
Shares received from joint venture partner	(113,750)	-
Unrealized loss (gain) on marketable securities	82,954	(3,102)
Write-off of exploration and evaluation assets	25,941	-
Change in non-cash working capital items:		
Receivables	(87,601)	(91,074)
Prepaid expenses	(30,951)	(149,685)
Trade and other payables	271,702	(14,940)
Due from/to joint venture partner	(59,850)	(98,877)
	(3,933,479)	(3,931,916)
INVESTING ACTIVITIES:		
Acquisition of exploration and evaluation assets	(130,950)	(89,440)
Option payments received on exploration and evaluation assets	157,854	110,000
	26,904	20,560
FINANCING ACTIVITIES:		
Proceeds from private placements	1,000,012	5,548,570
Share issuance costs	(60,000)	(310,124)
Proceeds from exercise of warrants	14,317	1,765,328
Proceeds from exercise of stock options	182,500	327,500
Repayment of promissory notes	-	(47,425)
Repayment of loan	-	(30,000)
	1,136,829	7,253,849
CHANGE IN CASH FOR THE YEAR	(2,769,746)	3,342,493
CASH, BEGINNING OF THE YEAR	4,651,020	1,308,527
CASH, END OF THE YEAR	\$ 1,881,274	\$ 4,651,020
Non-cash investing and financing activities		
Shares issued for exploration and evaluation assets	\$ 11,000	\$ -
Fair value of broker warrants issued	-	107,704
Supplemental information		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

Forum Energy Metals Corp.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of shares	Capital Stock	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
Balance, November 30, 2021	166,364,062	\$ 53,208,983	\$ 2,486,879	\$ 5,739,560	\$ (56,100,153)	\$ 5,335,269
Private placement	3,846,200	1,000,012	-	-	-	1,000,012
Share issuance costs - cash	-	(60,000)	-	-	-	(60,000)
Flow-through premium	-	(346,158)	-	-	-	(346,158)
Exercise of warrants	130,668	24,971	(10,654)	-	-	14,317
Exercise of options	1,825,000	276,974	-	(94,474)	-	182,500
Shares issued for exploration and evaluation assets	100,000	11,000	-	-	-	11,000
Share-based compensation	-	-	-	1,035,874	-	1,035,874
Loss and comprehensive loss for the year	-	-	-	-	(4,572,812)	(4,572,812)
Balance, November 30, 2022	172,265,930	\$ 54,115,782	\$ 2,476,225	\$ 6,680,960	\$ (60,672,965)	\$ 2,600,002

	Number of shares	Capital Stock	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
Balance, November 30, 2020	125,093,720	\$ 46,661,116	\$ 2,408,576	\$ 5,469,521	\$ (52,668,630)	\$ 1,870,583
Private placements	24,237,063	5,548,570	-	-	-	5,548,570
Share issuance costs - cash	-	(310,124)	-	-	-	(310,124)
Share issuance costs - broker warrants	-	(107,704)	107,704	-	-	-
Flow-through premium	-	(895,746)	-	-	-	(895,746)
Exercise of warrants	13,858,279	1,794,729	(29,401)	-	-	1,765,328
Exercise of stock options	3,175,000	518,142	-	(190,642)	-	327,500
Share-based compensation	-	-	-	460,681	-	460,681
Loss and comprehensive loss for the year	-	-	-	-	(3,431,523)	(3,431,523)
Balance, November 30, 2021	166,364,062	\$ 53,208,983	\$ 2,486,879	\$ 5,739,560	\$ (56,100,153)	\$ 5,335,269

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Forum Energy Metals Corp. (“Forum “or “the Company”) is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) and trade under the symbol FMC and on the OTCQB Venture Market in the United States under the symbol FDCFF. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is engaged in the business of evaluating, and if deemed appropriate, acquiring and exploring natural resource properties. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent deferred acquisition costs incurred to date, less amounts written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon the Company raising capital, the sale or entering into a joint venture of the Company’s exploration and evaluation assets, and/or the attainment of profitable operations.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. At November 30, 2022, the Company has working capital of \$1,600,431 (which amount includes \$777,867 restricted for flow-through purposes, resulting in an unrestricted working capital of \$822,564). Management estimates that its working capital may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining 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.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company’s business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2022. The Company continues to operate its business, and in response to Canadian Federal and Provincial, and US Federal and State emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company’s ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements, including comparatives, have 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”).

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the parent company’s functional currency as well as the functional currency of its subsidiaries.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, preliminary economic assessment, accessibility of facilities and existing permits.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Critical accounting estimates and judgments (continued)

i) Critical accounting estimates (continued)

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company as well as the functional currency of the Company's US subsidiaries is the Canadian dollar.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

3. Significant Accounting Policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All significant inter-company transactions, balances, and unrealized foreign exchange translation gains or losses have been eliminated.

Name of subsidiary	Place of incorporation	Ownership interest at November 30, 2022	Principal activity
Forum Energy Metals U.S. LLC	Wyoming	100%	Dormant mineral exploration company
Lumina Cobalt US Holdings I Corp.	British Columbia	100%	Holding company
Lumina Cobalt (U.S.) Corp.	Delaware	100%	Dormant mineral exploration company

Foreign currency translation

In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

Marketable Securities

Marketable securities consisting of common shares of public companies are classified as available-for-sale and are reported at market value. At the end of each reporting period, management determines if there has been a change in the market value of each individual security and records an adjustment to market value, with the offsetting debit or credit to the consolidated loss and comprehensive loss.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on the declining balance, as to 30% in respect of exploration equipment, and 20% in respect of office equipment.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Exploration and evaluation assets

Exploration and evaluation costs of mineral resource interests are expensed to the statement of loss and comprehensive loss and acquisition costs are capitalized to the statement of financial position. These acquisition costs will be amortized against revenue from future production or written off if the mineral interest is deemed impaired, abandoned or sold.

The amounts shown for exploration and evaluation assets represent acquisition costs incurred to date, less amounts written off, and do not necessarily reflect present or future values. The recoverability of amounts shown for mineral interests is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects as well as future profitable production or proceeds from the disposition thereof.

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

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

Ownership in exploration and evaluation assets involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is amortized on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. As at November 30, 2022 and 2021, the Company had no provisions for environmental rehabilitation.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of stock-based compensation previously recorded in contributed surplus. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments or stock options granted to non-employees are accounted for as equity settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based compensation transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Flow-through shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through share and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company renounces the expenditures, at which point the liability is reversed and recorded as other income on the consolidated statements of loss and comprehensive loss. The Company records a deferred tax liability when the Company makes the expenditures. At the time of recognition of the deferred tax liability, an offsetting entry is made to tax expense.

Income taxes

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

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
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3. Significant Accounting Policies (continued)

Financial instruments

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

New accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of November 30, 2022 and have not been applied in preparing these consolidated financial statements. In addition, none of these standards are applicable to the Company.

Forum Energy Metals Corp.
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4. Cash

	November 30, 2022	November 30, 2021
Canadian dollar denominated deposits held in Canada	\$ 1,078,979	\$ 3,092,676
US dollar denominated deposits held in Canada	24,428	10,314
Flow-through funds	777,867	1,548,030
Total	\$ 1,881,274	\$ 4,651,020

At November 30, 2022, the Company has restricted cash of \$777,867 (2021 – \$1,548,030) in respect of the unspent balance from flow-through private placements. These funds are restricted for use to advance the Company's exploration and evaluation assets and were spent by the deadline of December 31, 2022.

5. Marketable Securities

Company	Shares	November 30,	
		2022	2021
		FMV	FMV
Mega Uranium Ltd. (T-MGA)	25,000	\$ 6,000	\$ 6,750
Minera IRL Ltd. (C-MIRL)	2,380	107	202
Sassy Resources Corp. (C-SASY)	250,000	37,500	-
Southern Energy Corp. (V-SOU)	375	360	120
Troilus Gold Corp. (T-TLG)	6,666	3,533	5,133
Vanadian Energy Corp. (V-VEC)	75,000	1,125	5,624
Total		\$ 48,625	\$ 17,829

The securities owned by the Company represent minor ownership in all of the public companies in the above schedule.

During the year ended November 30, 2022, the Company recognized an unrealized loss of \$82,954 (2021 – unrealized gain of \$3,102) through the statement of loss and comprehensive loss.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

6. Equipment

	Exploration equipment
Cost	
At November 30, 2020	\$ 191,668
Write-off	(180,668)
At November 30, 2021	\$ 11,000
Additions	-
At November 30, 2022	\$ 11,000
Accumulated depreciation	
At November 30, 2020	\$ 181,080
Depreciation	3,300
Write-off	(180,668)
At November 30, 2021	\$ 3,712
Depreciation	3,300
At November 30, 2022	\$ 7,012
Carrying amounts	
At November 30, 2021	\$ 7,288
At November 30, 2022	\$ 3,988

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets

	November 30, 2021	Additions	Recoveries	Write-off	November 30, 2022
Saskatchewan					
Clearwater	\$ -	\$ -	\$ -	\$ -	\$ -
Costigan	-	-	-	-	-
Fir Island	147,000	-	-	-	147,000
Fisher	-	11,000	-	-	11,000
Glennie	12,853	-	-	(12,853)	-
Grease River	6,318	-	-	-	6,318
Henday	-	-	-	-	-
Highrock	57,854	-	(57,854)	-	-
Janice Lake	250,000	-	(100,000)	-	150,000
Love Lake	-	-	-	-	-
Maurice Point	-	-	-	-	-
NW Athabasca	200,000	-	-	-	200,000
Still Nickel	6,847	-	-	-	6,847
The Highlands	13,088	-	-	(13,088)	-
Wollaston	7,337	-	-	-	7,337
Nunavut					
Nunavut Uranium	76,275	120,735	-	-	197,010
Nutaaq	-	10,215	-	-	10,215
Idaho					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 1,037,428	\$ 141,950	\$ (157,854)	\$ (25,941)	\$ 995,583

	November 30, 2020	Additions	Recoveries	Write-off	November 30, 2021
Saskatchewan					
Clearwater	\$ -	\$ -	\$ -	\$ -	\$ -
Costigan	-	-	-	-	-
Fir Island	147,000	-	-	-	147,000
Glennie	12,853	-	-	-	12,853
Grease River	-	6,318	-	-	6,318
Henday	-	-	-	-	-
Highrock	57,854	-	-	-	57,854
Janice Lake	360,000	-	(110,000)	-	250,000
Love Lake	-	-	-	-	-
Maurice Point	-	-	-	-	-
NW Athabasca	200,000	-	-	-	200,000
Still Nickel	-	6,847	-	-	6,847
The Highlands	13,088	-	-	-	13,088
Wollaston	7,337	-	-	-	7,337
Nunavut					
Nunavut Uranium	-	76,275	-	-	76,275
Idaho					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 1,057,988	\$ 89,440	\$ (110,000)	\$ -	\$ 1,037,428

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects

a) Clearwater

The Company holds a 75% interest in the Clearwater uranium project. In August 2014, the Company and Vanadian Energy Corp. (“Vanadian”) entered into an option agreement whereby Vanadian earned a 25% interest in the Clearwater project in 2017. On April 30, 2020, the Company and Vanadian entered into a joint venture agreement to further explore the Clearwater project. The Company will act as operator.

b) Costigan

The Company holds a 100% interest in the Costigan uranium project, subject to a 10% net profits interest royalty.

c) Fir Island

The Company holds a 49% interest in the Fir Island uranium project, subject to a 1.5% net smelter return (“NSR”) royalty, of which the Company can buy back 1% by paying \$1,000,000.

On November 7, 2019, the Company entered into an option agreement, as amended, with Orano Canada Inc. (“Orano”) whereby the Company granted Orano a series of options to acquire up to a 70% interest in the project pursuant to the following terms:

Interest	Date	Exploration expenditures
To earn the initial 20%	On or before December 31, 2019	\$500,000 (incurred)
	On or before February 28, 2021 (1)	\$1,000,000 (incurred)
To earn a further 31% (51% total)	On or before December 31, 2022 (2)	\$1,500,000 (incurred)
To earn a further 9% (60% total)	On or before December 31, 2023 (3)	\$1,500,000
To earn a further 10% (70% total)	On or before December 31, 2024 (4)	\$1,500,000
		\$6,000,000

(1) Amended on October 26, 2020 from December 31, 2020

(2) Amended on December 14, 2021 from December 31, 2021

(3) Amended on December 14, 2021 from December 31, 2022

(4) Amended on December 14, 2021 from December 31, 2023

As at November 30, 2022, Orano has spent \$3,000,000 and earned a 51% interest in the project. Orano will take over as operator of the project.

The Company acted as operator until Orano earned a 51% interest and while the Company was the operator it was entitled to a management fee of 10% on incurred expenditures. During the year ended November 30, 2022, the Company recorded management fees of \$45,953 (2021 - \$116,616).

During the year ended November 30, 2021, the Company incurred exploration expenditures on the Fir Island project of \$1,332,173, of which \$1,306,979 was funded by Orano. As at November 30, 2021, the Company had received cash advances in excess of exploration work incurred of \$1,123 and this amount is shown as due to joint venture partner on the consolidated statement of financial position as at November 30, 2021. This amount was paid to Orano in December 2021.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

d) Fisher

In September 2022, the Company entered into a purchase agreement whereby the Company acquired Fisher copper-zinc project in consideration for the issuance of 100,000 common shares of the Company valued at \$11,000 (Note 12) and a 1% NSR royalty on the project, one-half of which may be purchased by the Company for \$500,000.

e) Glennie

In September 2020, the Company acquired by staking the Glennie gold-copper project. During the year ended November 30, 2022, the Company write-off acquisition costs totaling \$12,853 as the Company let the claims lapse in December 2022.

f) Grease River

In February 2021, the Company acquired by staking the Grease River uranium project.

g) Henday

The Company holds a 40% interest in the Henday uranium project, subject to a 2% NSR royalty, of which the Company can buy back 1% by paying the greater of US\$800,000 or \$1,000,000 at the time of buy back.

In February 2009, the Company entered into an option agreement with Hathor Exploration Limited ("Hathor") pursuant to which Hathor earned a 60% interest in the Henday project.

In January 2012, Rio Tinto Canada Uranium ("Rio") acquired Hathor and in May 2012, the Company received a letter from Rio notifying the Company of their intent to elect to acquire the additional 10% interest by funding a bankable feasibility study. In November 2015, the agreement was amended, pursuant to which Rio can acquire the additional 10% by financing \$20,000,000 in exploration or delivering a feasibility study on the project, whichever occurs first, at which time Rio would hold a 70% and the Company a 30% interest in the project.

h) Highrock

The Company holds a 100% interest in the Highrock uranium project, subject to a 1% NSR royalty, of which the Company can buy back 0.5% by paying \$1,000,000. The Company also holds a 100% interest in the Highrock South project, subject to payment of a 2% NSR royalty to the vendor.

On February 7, 2022, as amended July 21, 2022, the Company entered into an option agreement with Sassy Resources Corporation ("Sassy") whereby Sassy can earn a 100% interest in the Highrock project. This definitive agreement replaced the letter of intent ("LOI") which was signed on January 5, 2022. In consideration, the Company received \$50,000 cash on signing of the LOI, which amount was credited against the acquisition costs.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

h) Highrock (continued)

The agreement is a staged earn-in as follows:

- 20% interest
 - payment of \$50,000 cash on signing of the agreement – this payment was received in February 2022 and was first credited against the acquisition costs for \$7,854, with the remainder of \$42,146 being recorded as exploration and evaluation recoveries for the year ended November 30, 2022;
 - 250,000 Sassy shares on signing of the agreement – these shares were received in February 2022 (Note 5), valued at \$113,750, and recorded as exploration and evaluation recoveries for the year ended November 30, 2022; and
 - completing \$1,000,000 in exploration expenditures by December 31, 2022 (incurred);
- 31% interest (51% total) – 150,000 Sassy shares on or before January 2, 2023 (received subsequent to year-end), and completing an additional \$1,000,000 in exploration expenditures by December 31, 2023;
- 19% interest (70% total) – 150,000 Sassy shares on or before January 2, 2024, and completing an additional \$1,000,000 in exploration expenditures by December 31, 2024; and
- final 30% interest (100% total) – payment of \$150,000 cash and 3,000,000 Sassy shares on or before December 31, 2025.

In addition, Sassy shall pay the Company \$1,000,000 on delivery of a feasibility study and a further \$3,000,000 on commencement of commercial production.

The Company maintains a 1% NSR royalty on the Highrock project, half of which can be purchased by Sassy prior to the commencement of commercial production for the sum of \$1,000,000. A 1% NSR royalty on the north claim is shared by third parties, half of which may be purchased by Sassy for the sum of \$1,000,000. A 2% NSR royalty on the south claim is held by a third party and at present is not subject to a repurchase clause.

During the year ended November 30, 2022, the Company incurred exploration expenditures on the Highrock project of \$1,293,265, of which \$984,956 was funded by Sassy. As at November 30, 2022, Sassy owed the Company \$58,727 and this amount is shown as due from joint venture partner on the consolidated statement of financial position as at November 30, 2022. This amount was received from Sassy in December 2022.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

i) Janice Lake

The Company holds a 100% interest in the Janice Lake copper-silver project, subject to two 1% NSR royalties which the Company has the option to repurchase 0.375% of at any time prior to commercial production for \$750,000 each.

On May 8, 2019, the Company entered into an option to joint venture agreement, as amended, with Rio Tinto Exploration Canada Inc. ("Rio Tinto") pursuant to which Rio Tinto can earn up to an 80% interest in the Janice Lake project. Rio Tinto is the operator.

The initial 51% interest in the project is pursuant to the following terms:

Date	Cash payments to Forum in respect of the grant of exploration rights	Cash payment to Forum in respect of the option agreement	Assumption of payments due by Forum to Transition	Exploration expenditures
On or before June 22, 2019	\$50,000 (1)	\$60,000 (1)	-	-
On or before February 5, 2020	-	\$60,000 (2)	\$50,000 (3)	-
On or before May 8, 2020	-	\$50,000 (4)	-	-
On or before August 5, 2020	-	\$60,000 (5)	-	-
Prior to November 8, 2020	-	-	-	\$3,000,000 (6)
On or before February 8, 2021	-	\$60,000 (7)	\$50,000 (8)	-
On or before May 8, 2021	-	\$50,000 (9)	-	-
On or before February 8, 2022	-	-	\$100,000 (8)	-
On or before May 8, 2022	-	\$100,000 (10)	-	-
Prior to May 8, 2023	-	-	-	\$7,150,000 (6)
	\$50,000	\$440,000	\$200,000	\$10,150,000

(1) received May 2019

(2) received January 2020

(3) paid January 2020

(4) received April 2020

(5) received July 2020

(6) incurred

(7) received January 2021

(8) waived

(9) received April 2021

(10) received December 2021

Rio Tinto has earned its right to exercise its 51% interest, however has not yet provided the Company with such notice.

Subsequent to year-end, the Company and Rio Tinto entered into an agreement whereby the Company will acquire all of Rio Tinto's interest, giving Forum a 100% interest in the project (Note 18).

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

j) Love Lake

In May 2019, the Company acquired by staking the Love Lake nickel-copper-platinum-palladium-gold project.

k) Maurice Point

The Company holds a 100% interest in the Maurice Point uranium project.

l) North West Athabasca

The Company holds a 43.27% interest in the North West Athabasca uranium project.

The Company is party to a joint venture agreement with NexGen Energy Ltd. (“NexGen”), Cameco Corporation (“Cameco”) and Orano. The Company holds a 43.27% interest in the project, NexGen holds a 26.35%, Cameco holds a 18.67%, and Orano holds a 11.71% interest. Pursuant to the agreement, the Company acts as operator.

m) Still Nickel

In July 2021, the Company acquired by staking the Still Nickel nickel-cobalt project.

n) The Highlands

In January 2020, the Company acquired by staking The Highlands palladium-copper-nickel project. During the year ended November 30, 2022, the Company write-off acquisition costs totaling \$13,088 as the Company intends to let the claims lapse.

o) Wollaston

In April 2020, the Company acquired by staking the Wollaston uranium project.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Nunavut Projects

Nunavut Uranium

In November 2021, the Company acquired by staking the Nunavut Uranium project. During the year ended November 30, 2022, the Company staked additional claims.

Nutaaq

In May 2022, the Company acquired by staking the Nutaaq rare earth metals project.

Idaho Project

Quartz Gulch

In September 2018, the Company acquired a 100% interest in the Quartz Gulch cobalt property in Idaho by way of a share purchase agreement, pursuant to which the Company acquired 100% of the issued and outstanding shares of Lumina Cobalt US Holdings I Corp. ("Lumina Holdings") from Lumina Cobalt Corp. ("Lumina"), such that upon completion of the transaction Lumina Holdings became a wholly-owned subsidiary of the Company.

In consideration, the Company, among other things, issued US\$60,000 of non-interest bearing promissory notes. In June 2020, the promissory notes were collectively replaced by 12 individual promissory notes dated the first day of each month starting with July 2020 and ending with June 2021 in the amount of \$6,775 each, for a total of \$81,300 (Note 10).

Lumina retains a 2% NSR royalty, of which the Company has the option to buyback 1% for US\$1,000,000.

Forum Energy Metals Corp.
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7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the year ended November 30, 2022:

	Saskatchewan															Nunavut		Idaho	Total
	Clearwater	Costigan	Fir Island	Fisher	Glennie	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	Still Nickel	The Highlands	Wollaston	Nunavut Uranium	Nutaaq	Quartz Gulch	
Aircraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,249	\$ -	\$ -	\$ 4,249.00
Camp and accommodation	-	-	-	89	-	-	-	59,728	-	279	-	-	1,318	-	83,486	2,127	-	-	147,027
Camp costs	-	-	-	-	-	-	-	344,780	-	1,745	145	67,900	-	-	66,844	1,522	-	-	482,936
Claim staking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,141	27,141
Community relations	-	-	10,732	-	-	-	-	3,693	-	-	-	-	-	-	32,364	21,310	-	-	68,099
Deficiency deposits	-	-	-	6,664	-	-	-	-	-	-	58,438	-	-	-	-	-	-	-	65,102
Drilling	-	-	-	-	-	-	-	419,623	-	-	-	30,921	-	-	658,060	-	-	-	1,108,604
Field personnel	-	-	-	1,700	-	-	-	78,588	-	66	150	15,903	6,100	-	33,997	16,038	-	-	152,542
Fuel	-	-	-	1,372	-	-	-	107,014	-	-	-	105,387	1,655	-	112,560	14,601	-	-	342,589
Geological evaluations	-	-	-	-	-	-	-	-	19,449	-	-	-	1,600	-	-	48,100	-	-	69,149
Labs & Assays	-	-	-	-	-	-	-	3,455	-	-	-	-	-	-	40,629	-	-	-	44,084
License/permit/taxes	12	-	570	-	-	-	-	485	-	400	-	-	200	-	908	37,978	-	-	40,553
Linecutting/Grid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,022	-	-	-	15,022
Management & Planning	-	-	975	450	-	-	-	300	-	8,700	75	-	400	-	750	17,490	-	-	29,140
Management Fees	-	-	48,251	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,251
Rentals	-	-	-	-	-	-	-	31,369	-	-	-	-	-	-	25,968	4,632	-	-	61,969
Salaries	-	714	9,834	4,946	667	-	-	35,804	9,071	23,634	-	19,822	14,604	-	126,099	37,124	-	-	282,319
Software	892	892	-	-	-	-	-	892	-	-	-	1,001	-	-	1,117	-	-	-	4,794
Supplies	-	-	-	-	-	-	-	12,834	-	48	-	35,601	237	-	19,228	378	-	-	68,326
Surveying	-	-	458,235	515	-	-	-	584	-	-	-	-	-	-	369,563	83,787	-	-	912,684
Technical reporting	-	-	-	-	-	-	-	15,312	-	6,442	-	-	-	-	-	754	-	28,438	50,946
TMEI grant	-	-	-	-	-	-	-	-	-	(50,000)	-	-	-	-	-	(10,987)	-	-	(60,987)
Transportation	-	-	-	3,486	-	-	-	173,785	-	5,791	-	22,333	20,533	-	35,647	161,966	-	-	423,541
Travel	-	-	-	280	-	-	-	5,019	-	80	-	2,896	686	-	21,180	86,039	-	-	116,180
Subtotal	904	1,606	528,597	19,502	667	-	-	1,293,265	28,520	(2,815)	58,808	301,764	47,333	-	1,643,422	527,108	-	55,579	4,504,260
Recoveries from joint venture partner	-	-	(507,783)	-	-	-	-	(984,956)	-	-	-	-	-	-	-	-	-	-	(1,492,739)
Total	\$ 904	\$ 1,606	\$ 20,814	\$ 19,502	\$ 667	\$ -	\$ -	\$ 308,309	\$ 28,520	\$ (2,815)	\$ 58,808	\$ 301,764	\$ 47,333	\$ -	\$ 1,643,422	\$ 527,108	\$ -	\$ 55,579	\$ 3,011,521

Forum Energy Metals Corp.
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7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the years ended November 30, 2021:

	Saskatchewan														Idaho	Total
	Clearwater	Costigan	Fir Island	Glennie	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	Still Nickel	The Highlands	Wollaston	Quartz Gulch	
Camp and accommodation	\$ -	\$ -	\$ 80,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,597	\$ -	\$ -	\$ -	\$ -	\$ 42,013	\$ -	\$ 236,868.00
Camp costs	-	-	7,037	-	-	-	-	-	39,169	-	1,406	-	-	1,804	-	49,416
Claim staking	-	-	-	-	-	-	-	-	-	300	-	-	-	-	26,269	26,569
Community relations	-	-	44,157	-	-	-	-	-	4,526	-	3,631	-	-	5,627	-	57,941
Drilling	-	-	902,168	-	-	-	-	-	556,568	-	-	-	-	-	-	1,458,736
Field personnel	-	450	31,690	-	-	-	450	-	52,963	-	67,648	-	-	-	-	153,201
Fuel	-	353	2,423	-	-	-	353	-	64,335	-	749	-	-	2,140	-	70,353
Geological evaluations	-	-	4,800	-	-	-	-	-	20,075	-	-	-	-	5,000	96,860	126,735
Labs and assays	-	-	34,547	-	-	-	-	-	196,886	-	-	-	-	-	-	231,433
Leases	-	-	-	-	-	-	-	-	-	-	6,774	-	-	-	-	6,774
License/permit/taxes	-	-	1,817	-	-	-	-	-	1,631	-	148	-	-	-	-	3,596
Management & Planning	-	-	750	-	8,000	-	-	-	27,552	-	1,500	1,362	-	-	-	39,164
Management Fees	-	-	122,561	-	-	-	-	-	-	-	-	-	-	-	-	122,561
Rentals	-	117	-	-	-	-	117	-	3,071	-	8,128	-	-	-	-	11,433
Salaries	714	714	60,900	500	-	-	714	7,197	66,854	-	8,737	500	-	11,584	-	158,414
Supplies	-	-	18,272	-	-	-	-	-	27,383	-	11,217	-	-	-	-	56,872
Surveying	-	-	435	-	-	-	-	-	450,182	-	-	-	-	54,579	-	505,196
Technical reporting	-	-	1,500	1,320	-	-	-	-	8,606	-	-	3,920	1,760	-	-	17,106
Transportation	-	5,078	-	-	-	-	5,078	-	395,130	-	208,094	-	-	-	-	613,380
Travel	-	-	18,858	-	-	-	-	-	7,395	-	35,576	30	-	-	-	61,859
Subtotal	714	6,712	1,332,173	1,820	8,000	-	6,712	7,197	2,036,923	300	353,608	5,812	1,760	122,747	123,129	4,007,607
Recoveries from joint venture partner	-	-	(1,306,979)	-	-	-	-	-	-	-	-	-	-	-	-	(1,306,979)
Total	\$ 714	\$ 6,712	\$ 25,194	\$ 1,820	\$ 8,000	\$ -	\$ 6,712	\$ 7,197	\$ 2,036,923	\$ 300	\$ 353,608	\$ 5,812	\$ 1,760	\$ 122,747	\$ 123,129	\$ 2,700,628

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8. Trade and Other Payables

	November 30, 2022	November 30, 2021
Trade and other payables in Canada	\$ 489,483	\$ 238,907
Due to related parties (Note 13)	25,247	4,121
Total	\$ 514,730	\$ 243,028

9. Flow-through share premium liability

	November 30, 2022	November 30, 2021
Opening balance	\$ 390,761	\$ 91,711
June/July 2021 flow-through private placement	-	895,746
December 2021 flow-through private placement	346,158	-
Flow-through share premium recovery	(488,286)	(596,696)
Closing balance	\$ 248,633	\$ 390,761

During the year ended November 30, 2022, the Company recorded a flow-through share premium recovery of \$488,286 (2021 - \$596,696) related to flow-through expenditures incurred during the period.

10. Promissory Notes

In September 2018, the Company acquired a 100% interest in the Quartz Gulch property in Idaho (Note 7). In consideration, the Company, among other things, issued US\$60,000 of non-interest bearing promissory notes. In June 2020, the promissory notes were collectively replaced by 12 individual promissory notes dated the first day of each month starting with July 2020 and ending with June 2021 in the amount of \$6,775 each, for a total of \$81,300. During the year ended November 30, 2021, the Company paid \$47,425 in full and final settlement of the promissory notes.

11. Loan

In May 2020, the Company received \$40,000 in respect of the Canada Emergency Business Account (“CEBA”) loan (the “Loan”). CEBA was implemented by banks and credit unions in collaboration with Export Development Canada to provide assistance and support to enterprises impacted by the coronavirus (COVID-19) pandemic. The Loan was non-interest bearing. The Loan had an early payment incentive trigger amount, such that if the Company repaid 75% of the amount of the Loan on or before December 31, 2022, the repayment of the remaining 25% of the Loan would be forgiven.

In April 2021, the Company settled the Loan through a payment of \$30,000 cash and forgiveness of \$10,000 in accordance with the terms of the Loan. Accordingly, the Company recorded a gain on settlement of loan of \$10,000 for the year ended November 30, 2021.

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12. Capital Stock

A. Authorized

The Company has an unlimited number of common shares without par value authorized for issuance.

B. Issued and outstanding

During the year ended November 30, 2022, the Company completed the following transactions:

- On December 20, 2021, the Company completed a private placement through the issuance of 3,846,200 flow-through shares at a price of \$0.26 per flow-through share gross proceeds of \$1,000,012. The Company paid finder's fees of \$60,000 cash. The Company recorded a flow-through premium liability of \$346,158 on issuance of these flow-through shares.
- On October 19, 2022, the Company issued 100,000 common shares valued at \$11,000 to acquire the Fisher project (Note 7).
- During the year ended November 30, 2022, the Company issued 130,668 common shares on the exercise of warrants for gross proceeds of \$14,317.
- During the year ended November 30, 2022, the Company issued 1,825,000 common shares on the exercise of options for gross proceeds of \$182,500.

During the year ended November 30, 2021, the Company completed the following transactions:

- On December 22, 2020, the Company completed a private placement through the issuance of 15,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,500,000. Each unit consisted of one common share and one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.15 until December 21, 2022.

The Company paid finder's fees of \$38,940 cash and other share issue costs of \$7,875.

The Company issued 345,800 broker warrants valued at \$34,854. The broker warrants are exercisable at \$0.10 per share until December 31, 2022. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.23%; a volatility of 97%; an expected life of 1 years; a forfeiture rate of zero; and an expected dividend of zero.

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12. Capital Stock (continued)

B. Issued and outstanding (continued)

- On March 11, 2021, the Company completed a private placement through the issuance of 1,351,351 flow-through units at a price of \$0.37 per flow-through unit for gross proceeds of \$500,000. Each flow-through unit consisted of one flow-through common share and one share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.42 until March 11, 2024. The Company paid share issue costs of \$3,413.
- On June 29, 2021 and July 14, 2021, the Company completed a private placement in two tranches through the issuance of 7,885,712 flow-through units at a price of \$0.45 per flow-through unit for gross proceeds of \$3,548,570. Each flow-through unit consisted of one flow-through common share and one-half of one share purchase warrant with each whole warrant entitling the holder thereof to purchase one common share at a price of \$0.57 for two years. The Company recorded a flow-through premium liability of \$895,746 on issuance of these flow-through units.

The Company paid cash commissions of \$240,304 and other share issue costs of \$19,592.

The Company issued 77,778 broker warrants valued at \$72,850. The broker warrants are exercisable at \$0.45 per share for a period of two years. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.25%; a volatility of 87-92%%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

- During the year ended November 30, 2021, the Company issued 13,858,279 common shares on the exercise of warrants for gross proceeds of \$1,765,328.
- During the year ended November 30, 2021, the Company issued 3,175,000 common shares on the exercise of stock options for gross proceeds of \$327,500.

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12. Capital Stock (continued)

C. Warrants

The continuity of share purchase warrants for the year ended November 30, 2022, is as follows:

Expiry date	Exercise price	Balance, November 30, 2021	Granted	Exercised	Expired	Balance, November 30, 2022				
December 21, 2021	\$ 0.10	116,168	-	(105,668)	(10,500)	-				
October 16, 2022	\$ 0.20	3,333,334	-	-	(3,333,334)	-				
October 16, 2022	\$ 0.15	493,334	-	-	(493,334)	-				
December 21, 2022	\$ 0.15	8,650,000	-	(25,000)	-	8,625,000				
June 19, 2023	\$ 0.10	185,000	-	-	-	185,000				
June 29, 2023	\$ 0.57	555,556	-	-	-	555,556				
June 29, 2023	\$ 0.45	77,778	-	-	-	77,778				
July 14, 2023	\$ 0.57	3,387,299	-	-	-	3,387,299				
July 14, 2023	\$ 0.45	456,231	-	-	-	456,231				
July 15, 2023	\$ 0.14	525,000	-	-	-	525,000				
July 15, 2023	\$ 0.10	72,520	-	-	-	72,520				
April 1, 2024	\$ 0.10	8,450,000	-	-	-	8,450,000				
March 11, 2024	\$ 0.42	1,351,351	-	-	-	1,351,351				
May 11, 2025	\$ 0.10	4,383,981	-	-	-	4,383,981				
		32,037,552	-	(130,668)	(3,837,168)	28,069,716				
Weighted average exercise price	\$	0.20	\$	-	\$	0.11	\$	0.19	\$	0.20

As at November 30, 2022, the weighted average remaining contractual life of the share purchase warrants outstanding was 0.92 years.

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12. Capital Stock (continued)

C. Warrants (continued)

The continuity of share purchase warrants for the year ended November 30, 2021, is as follows:

Expiry date	Exercise price	Balance, November 30, 2020	Granted	Exercised	Expired	Balance, November 30, 2021				
March 5, 2021	\$ 0.10	1,425,000	-	(1,425,000)	-	-				
April 4, 2021	\$ 0.10	680,000	-	(680,000)	-	-				
December 21, 2021	\$ 0.10	-	345,800	(229,632)	-	116,168				
October 16, 2022	\$ 0.20	3,333,334	-	-	-	3,333,334				
October 16, 2022	\$ 0.15	533,334	-	(40,000)	-	493,334				
December 21, 2022	\$ 0.15	-	15,000,000	(6,350,000)	-	8,650,000				
June 19, 2023	\$ 0.14	1,250,000	-	(1,250,000)	-	-				
June 19, 2023	\$ 0.10	200,000	-	(15,000)	-	185,000				
June 29, 2023	\$ 0.57	-	555,556	-	-	555,556				
June 29, 2023	\$ 0.45	-	77,778	-	-	77,778				
July 14, 2023	\$ 0.57	-	3,387,299	-	-	3,387,299				
July 14, 2023	\$ 0.45	-	456,231	-	-	456,231				
July 15, 2023	\$ 0.14	775,000	-	(250,000)	-	525,000				
July 15, 2023	\$ 0.10	94,500	-	(21,980)	-	72,520				
April 1, 2024	\$ 0.10	11,080,000	-	(2,630,000)	-	8,450,000				
March 11, 2024	\$ 0.42	-	1,351,351	-	-	1,351,351				
May 11, 2025	\$ 0.10	5,350,648	-	(966,667)	-	4,383,981				
		24,721,816	21,174,015	(13,858,279)	-	32,037,552				
Weighted average exercise price	\$	0.12	\$	0.25	\$	0.13	\$	-	\$	0.20

D. Stock options

The Company has a stock option plan (the "Plan") to be administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the TSX-V on the last trading day preceding the grant date. Options vest immediately for directors, officers, employees and consultants, and in equal quarterly intervals over a term of 12 months for investor relations. The Plan further provides that at any such time the TSX-V rules differ from specific terms of the Plan, then the rules of the Exchange shall apply.

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12. Capital Stock (continued)

D. Stock options (continued)

The continuity of stock options for the year ended November 30, 2022, is as follows:

Expiry date	Exercise price	Balance, November 30, 2021	Granted	Exercised	Expired	Balance, November 30, 2022
September 12, 2022	\$ 0.10	1,475,000	-	(1,325,000)	(150,000)	-
June 5, 2024	\$ 0.10	3,825,000	-	-	-	3,825,000
June 26, 2024	\$ 0.10	5,000	-	-	-	5,000
August 26, 2024	\$ 0.10	200,000	-	-	-	200,000
February 10, 2025	\$ 0.10	360,000	-	-	-	360,000
May 12, 2025	\$ 0.10	850,000	-	(500,000)	-	350,000
February 23, 2026	\$ 0.36	100,000	-	-	-	100,000
April 23, 2026	\$ 0.35	1,800,000	-	-	(200,000)	1,600,000
October 18, 2026	\$ 0.50	200,000	-	-	(200,000)	-
December 16, 2026	\$ 0.17	-	4,500,000	-	-	4,500,000
January 24, 2027	\$ 0.20	-	200,000	-	-	200,000
October 3, 2027	\$ 0.15	-	4,150,000	-	-	4,150,000
		8,815,000	8,850,000	(1,825,000)	(550,000)	15,290,000
Weighted average exercise price	\$ 0.16	\$ 0.16	\$ 0.10	\$ 0.34	\$ 0.16	

As at November 30, 2022, 15,040,000 stock options were exercisable.

As at November 30, 2022, the weighted average remaining contractual life of the stock options outstanding was 3.38 years.

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12. Capital Stock (continued)

D. Stock options (continued)

The continuity of stock options for the year ended November 30, 2021, is as follows:

Expiry date	Exercise price	Balance, November 30, 2020	Granted	Exercised	Expired	Balance, November 30, 2021
December 2, 2020	\$ 0.10	960,000	-	-	(960,000)	-
March 1, 2021	\$ 0.10	830,000	-	(830,000)	-	-
September 14, 2021	\$ 0.15	200,000	-	(200,000)	-	-
September 12, 2022	\$ 0.10	1,755,000	-	(280,000)	-	1,475,000
February 12, 2024	\$ 0.10	250,000	-	(250,000)	-	-
June 5, 2024	\$ 0.10	4,900,000	-	(1,075,000)	-	3,825,000
June 26, 2024	\$ 0.10	205,000	-	(200,000)	-	5,000
August 26, 2024	\$ 0.10	200,000	-	-	-	200,000
February 10, 2025	\$ 0.10	400,000	-	(40,000)	-	360,000
May 12, 2025	\$ 0.10	1,150,000	-	(300,000)	-	850,000
February 23, 2026	\$ 0.36	-	100,000	-	-	100,000
April 23, 2026	\$ 0.35	-	1,800,000	-	-	1,800,000
October 18, 2026	\$ 0.50	-	200,000	-	-	200,000
		10,850,000	2,100,000	(3,175,000)	(960,000)	8,815,000
Weighted average exercise price	\$ 0.10	\$ 0.36	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.16

E. Share-based compensation

During the year ended November 30, 2022, the Company recorded share-based compensation of \$1,035,874 (2021 - \$460,681).

On October 3, 2022, the Company granted 3,950,000 stock options to directors, officer, employees and consultants of the Company valued at \$367,488 or \$0.09 per option, all of which was recorded as share-based compensation for the year ended November 30, 2022. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.52%; an expected volatility of 95%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On October 3, 2022, the Company granted 200,000 stock options to an investor relations consultant valued at \$18,607 or \$0.09 per option, of which \$6,143 was recorded as share-based compensation for the year ended November 30, 2022. These options vest 25% in three months and 25% every three months thereafter. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.52%; an expected volatility of 95%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

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12. Capital Stock (continued)

E. Share-based compensation (continued)

On January 24, 2022, the Company granted 200,000 stock options to a consultant valued at \$27,453 or \$0.13 per option, all of which was recorded as share-based compensation for the year ended November 30, 2022. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.55%; an expected volatility of 92%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On December 16, 2021, the Company granted 4,300,000 stock options to directors, officers, employees and consultants of the Company valued at \$557,090 or \$0.13 per option, all of which was recorded as share-based compensation for the year ended November 30, 2022. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.12%; an expected volatility of 93%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On December 16, 2021, the Company granted 200,000 stock options to an investor relations consultant valued at \$25,911 or \$0.13 per option, of which \$25,627 was recorded as share-based compensation for the year ended November 30, 2022. These options vest 25% in three months and 25% every three months thereafter. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.12%; an expected volatility of 93%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On October 18, 2021, the Company granted 200,000 stock options to an investor relations consultant valued at \$68,947 or \$0.03 per option. These options vest 25% in three months and 25% every three months thereafter. During the year ended November 30 2022, the Company recorded share-based compensation of \$52,073 (2021 - \$16,874). The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.73%; an expected volatility of 90%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On April 23, 2021, the Company granted 1,800,000 stock options to directors, officers, employees and consultants at a fair value of \$409,870 or \$0.23 per option, all of which was recorded as share-based compensation for the year ended November 30, 2021. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.25%; an expected volatility of 95%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On February 23, 2021, the Company granted 100,000 stock options to an officer of the Company at a fair value of \$25,376 or \$0.25 per option, all of which was recorded as share-based compensation for the year ended November 30, 2021. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.54%; an expected volatility of 95%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On September 14, 2020, the Company granted 200,000 stock options to an investor relations consultant valued at \$10,859 or \$0.05 per option. These options vest 25% in three months and 25% every three months thereafter. During the year ended November 30 2021, the Company recorded share-based compensation of \$8,561. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.24%; an expected volatility of 107%; an expected life of 1 years; a forfeiture rate of zero; and an expected dividend of zero.

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13. Related Party Transactions

Compensation of key management personnel

Key management personnel include members of the Board of Directors, the Chief Executive Officer, the VP Exploration, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended November 30, 2022, and 2021 were as follows:

	Year ended November 30,	
	2022	2021
Consulting fees		
Chief Executive Officer	\$ 204,000	\$ 164,000
Corporate Secretary	90,000	70,000
Chief Financial Officer *	90,000	65,000
	<u>384,000</u>	<u>299,000</u>
Director fees	<u>30,000</u>	<u>30,000</u>
Exploration and evaluation expenditures		
VP Exploration	180,000	150,000
Professional fees		
Director - legal services	44,940	44,940
Share-based compensation	<u>713,939</u>	<u>378,320</u>

* Consulting fees are paid to Golden Oak Corporate Services Ltd. ("Golden Oak"), a consulting company controlled by the Chief Financial Officer of the Company. Golden Oak provides the services of a Chief Financial Officer and accounting staff to the Company.

Amounts due to related parties

		November 30,	November 30,
		2022	2021
Chief Executive Officer	Fees	\$ 17,850	\$ -
Chief Executive Officer	Expenses	3,222	-
Director	Legal fees	3,920	3,920
Golden Oak	Expenses	255	201
Total		<u>\$ 25,247</u>	<u>\$ 4,121</u>

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14. Segmented Information

The Company operates in one business and two geographical segments being the exploration of mineral properties in Canada and the United States. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and have been disclosed in Note 7.

15. Financial Instruments and Financial Risk Management

Financial instruments

Financial instruments are classified into one of the following categories: FVTPL; FVTOCI; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		November 30, 2022	November 30, 2021
Cash	FVTPL	\$ 1,881,274	\$ 4,651,020
Marketable securities	FVTPL	48,625	17,829
Receivables	Amortized cost	183,486	95,885
Due from joint venture partner	Amortized cost	58,727	-
Trade and other payables	Amortized cost	514,730	243,028
Due to joint venture partner	Amortized cost	-	1,123

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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 carrying values for receivables and trade and other payables, approximate their fair value due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value of cash and marketable securities is determined based on Level 1 of the fair value hierarchy.

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15. Financial Instruments and Financial Risk Management (continued)

Financial risk management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high credit quality financial institutions in business and savings accounts. The Company's receivables primarily include balances receivable from government agencies. The Company is exposed to some risk on amounts due from these government agencies; however, to date the Company has been successful on collecting on its receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, market and commodity prices. These fluctuations may be significant.

i) Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant.

ii) Foreign exchange risk

At November 30, 2022, 99% of the Company's cash was held in Canadian dollars. The Company has operations in the United States, but no foreign currency in that jurisdiction at this time and as such has no currency risk associated with its operations.

iii) Market price risk

The Company is exposed to price volatility on its marketable securities. The fair value of its portfolio is not material and any market price risk is considered insignificant.

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15. Financial Instruments and Financial Risk Management (continued)

Financial risk management (continued)

Market Risk (continued)

iv) Commodity Price Risk

While the value of the Company's exploration and evaluation assets is related to the price of energy metals such as uranium, copper, and cobalt and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect to its operational activities.

Historically, the price of energy metals has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to energy metals.

16. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in Note 15.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the year ended November 30, 2022 compared to the year ended November 30, 2021. The Company is not subject to externally imposed capital requirements.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

17. Income Tax

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended November ,	
	2022	2021
Loss for the year	\$ (4,572,812)	\$ (3,431,523)
Expected income tax recovery	\$ (1,214,000)	\$ (927,000)
Change in statutory, foreign tax, foreign exchange rates and other	(45,000)	40,000
Permanent differences	155,000	(37,000)
Impact of flow-through shares	739,000	675,000
Share issue costs	(30,000)	(30,000)
Change in unrecognized deductible temporary differences	395,000	279,000
Total	\$ -	\$ -

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

	November 30,	November 30,
	2022	2021
Deferred tax assets		
Exploration and evaluation assets	\$ 4,992,000	\$ 5,016,000
Equipment	133,000	132,000
Share issue costs	76,000	88,000
Marketable securities	29,000	18,000
Non-capital losses available for future periods	3,912,000	3,509,000
Total unrecognized deferred tax assets	\$ 9,142,000	\$ 8,763,000

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	November 30,	Expiry date range
	2022	
Temporary differences		
Exploration and evaluation assets	\$ 18,574,000	no expiry date
Equipment	491,000	no expiry date
Share issue costs	282,000	2043 to 2046
Marketable securities	213,000	no expiry date
Non-capital losses available for future periods	14,528,000	See below
Non-capital loss summary		
Canada	\$ 14,323,000	2027 to 2042
United States	205,000	2023 to 2036

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

18. Subsequent events

Subsequent to November 30, 2022, the Company completed the following transactions:

- On December 1, 2022, the Company granted 500,000 stock options to an officer of the Company with an exercise price of \$0.13 expiring on December 1, 2027.
- On December 15, 2022, the Company's shareholders approved a new Omnibus Long-term Incentive Plan (the "New Incentive Plan"). The New Incentive Plan governs the granting of stock options, restricted share units (RSU), or deferred share units (DSU) to directors, officers, employees and consultants of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time and supersedes the current stock option plan (the "Superseded Option Plan"). Any stock options currently outstanding under the Superseded Option Plan will remain outstanding, however new stock option grants will be subject to the New Incentive Plan. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.
- On December 16 and December 21, 2022, the Company completed a private placement in two tranches through the issuance of 16,663,886 flow-through units at a price of \$0.13 per flow-through unit for gross proceeds of \$2,166,305. Each flow-through unit consists of one flow-through share and one-half of one common share purchase warrant with each whole warrant entitling the holder thereof to purchase one common share at a price of \$0.17 for a period of two years. The Company paid finder's fees of \$148,001 cash and issued 1,138,472 finder's warrants at a price of \$0.13 for a period of two years.
- On December 21, 2022, 8,625,000 warrants expired unexercised.
- On January 24, 2023, the Company received 150,000 common shares of Sassy pursuant to the agreement on the Highrock project (Note 7).

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2022
(Expressed in Canadian Dollars)

18. Subsequent events (continued)

- On February 3, 2023, the Company entered into an option agreement with Traction Uranium Corp. ("Traction") whereby Traction can earn a 100% interest in the Grease River project.

The agreement is a staged earn-in as follows:

- 51% interest
 - payment of \$25,000 cash on or before February 10, 2023 (received);
 - payment of a further \$50,000 cash on or before December 31, 2023;
 - payment of a further \$75,000 cash on or before December 31, 2024;
 - payment of a further \$100,000 cash on or before December 31, 2025;
 - 125,000 Traction shares on or before March 1, 2023;
 - a further 250,000 Traction shares on or before December 31, 2023;
 - a further 500,000 Traction shares on or before December 31, 2024;
 - a further 750,000 Traction shares on or before December 31, 2025;
 - completing \$500,000 in exploration expenditures by December 31, 2023;
 - completing a further \$1,000,000 in exploration expenditures by December 31, 2024;
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2025;
- 19% interest (70% total)
 - payment of \$200,000 cash on or before December 31, 2026;
 - payment of a further \$500,000 cash on or before December 31, 2027;
 - 1,000,000 Traction shares on or before December 31, 2026;
 - a further 1,500,000 Traction shares on or before December 31, 2027;
 - completing \$1,500,000 in exploration expenditures by December 31, 2026;
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2027;
- final 30% interest (100% total)
 - payment of \$1,000,000 cash on or before December 31, 2028;
 - 3,000,000 Traction shares on or before December 31, 2028;
 - completing \$3,000,000 in exploration expenditures by December 31, 2028;

Forum will be the operator until Traction earns a 51% interest.

If Traction earns a 100% interest, Traction is required to (i) grant Forum a 2% NSR royalty, (ii) pay Forum an additional \$1,000,000 upon completion of a preliminary economic assessment, (iii) pay Forum an additional \$2,000,000 upon completion of a feasibility study, and (iv) pay Forum an additional \$5,000,000 upon commencement of commercial production.

- On February 22, 2023, the Company entered into an agreement with Rio Tinto whereby the Company will acquire all of Rio Tinto's interest in the Janice Lake project (Note 7), giving Forum a 100% interest in the project. In consideration, the Company is to grant Rio Tinto a 20% back-in right in the project and a 2% NSR royalty capped at \$50,000,000. Rio Tinto may exercise the back-in right at any time up until 180 days following completion of a feasibility study or commencement of commercial production by paying Forum an amount equal to all the expenditures incurred by Forum on the project up to the exercise of the back-in right. On exercise of the back-in right, Forum and Rio Tinto will form an 80/20 joint venture for further development of the project. In addition, Forum is to pay Rio Tinto \$500,000 upon the earlier of completion of a preliminary economic assessment, completion of a feasibility study, or commencement of commercial production, and a further \$2,000,000 upon the earlier of completion of a feasibility study or commencement of commercial production. Rio Tinto's sale of the project to Forum is subject to the project's camp being removed from the site or sold. In satisfaction of this condition, the parties have agreed to extend the First Option Period in the current option agreement to November 30, 2023.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended November 30, 2022

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Forum Energy Metals Corp. (the "Company" or "Forum") for the year ended November 30, 2022 and up to the date of this MD&A, and should be read in conjunction with the accompanying audited consolidated financial statements for the year ended November 30, 2022, together with the notes thereto (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is March 21, 2023.

Description of Business

Forum is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol FMC and on the OTCQB Venture Market in the United States under the symbol FDCFF. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is engaged in the business of evaluating, and if deemed appropriate, acquiring and exploring natural resource properties.

COVID-19

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2021. The Company continues to operate its business, and in response to Canadian Federal and Provincial, and US Federal and State emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2022

Resource Properties

As at November 30, 2022 and the date of this MD&A, the Company had an ownership in the following exploration and evaluation assets:

PROJECT	INTEREST	COMMODITY	LOCATION
Fisher	100%	Copper-Zinc	Saskatchewan
Janice Lake	100%	Copper-Silver	Saskatchewan
Love Lake	100%	Palladium-Copper-Nickel	Saskatchewan
Still Nickel	100%	Nickel-Cobalt	Saskatchewan
Clearwater	75%	Uranium	Saskatchewan
Costigan	100%	Uranium	Saskatchewan
Fir Island	49%	Uranium	Saskatchewan
Grease River	100%	Uranium	Saskatchewan
Henday	40%	Uranium	Saskatchewan
Highrock	100%	Uranium	Saskatchewan
Maurice Point	100%	Uranium	Saskatchewan
NW Athabasca	43.27%	Uranium	Saskatchewan
Wollaston	100%	Uranium	Saskatchewan
Nunavut Uranium	100%	Uranium	Nunavut
Nutaaq	100%	Rare Earth Metals	Nunavut
Quartz Gulch	100%	Cobalt	Idaho

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

During the year ended November 30, 2022, and up to the date of this MD&A, the Company completed work on the following exploration and evaluation assets:

Fir Island

The Company completed an extensive resistivity survey on the Fir Island project under option to Orano Canada Inc. ("Orano"). Orano funded this survey as part of its option to earn up to 70% of the Fir Island project by spending up to \$6 million. Orano has also funded two drill programs with Forum as operator and upon completion of this program, Orano will have spent \$3 million on the project. Orano has earned a 51% interest in the project and will take over operatorship.

Drilling by Forum in 2020 and 2021 identified the 'Cathy Fault' that exhibits strong alteration, elevated geochemical indicators, and an abundance of dravite; a boron-rich clay that is present around most uranium deposits on the eastern side of the Athabasca Basin. A resistivity survey was completed on the project in 2019 and has proven to be an excellent tool for defining areas of alteration in the sandstone and basement lithologies. Resistivity lows typically indicate alteration and has worked well on the Fir Island project locating the strong alteration associated with the Cathy Fault. The current survey follows the northern strike extension of the Cathy Fault, locally defined by an EM conductor and a series of gravity lows. The gravity lows and conductor continue to the mainland where they intersect the major Black Lake Fault and a series of related large gravity lows. This survey has defined a number of excellent drill targets for future programs.

Fisher

In October 2022, the Company acquired certain mineral claims in Saskatchewan in consideration of the issuance of 100,000 shares of the Company and a 1% net smelter return ("NSR") royalty on the project, one-half of which may be purchased by the Company for \$500,000.

The Fisher project is located 40 kilometres ("km") west of Pelican Narrows, Saskatchewan in a volcanic arc assemblage and associated sedimentary rocks of the Glennie Domain. The project hosts a stratabound, volcanogenic massive sulphide deposit measuring 650,000 tons grading 0.5% copper and 3.0% zinc (a historical resource estimate that has not been calculated or classified under the specifications of National Instrument 43-101 and should not be relied upon). Forum's geological team has identified further targets for extension of the mineralization and conducted a prospecting and sampling program in October 2022.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

Grease River

The Grease River project is located within the north-central margin of the Athabasca Basin near the community of Fond du Lac. The project consists of two separate claim blocks situated along the NE- trending Grease River Shear zone, a major intracontinental shear zone greater than 400 km long. The nearby Fond du Lac uranium deposit was previously discovered within the shear zone by Amok and Eldorado in the 1970s with an estimated non-compliant historical resource of one million pounds uranium at an average grade of 0.25% U3O8. The Grease River project claims are located along trend of the deposit to the southwest and northeast. Limited exploration has been conducted in the property area and there is potential for additional uranium mineralization along the shear zone.

On February 3, 2023, the Company entered into an option agreement with Traction Uranium Corp. ("Traction") whereby Traction can earn a 100% interest in the Grease River project.

The agreement is a staged earn-in as follows:

- 51% interest
 - payment of \$25,000 cash on or before February 10, 2023 (received);
 - payment of a further \$50,000 cash on or before December 31, 2023;
 - payment of a further \$75,000 cash on or before December 31, 2024;
 - payment of a further \$100,000 cash on or before December 31, 2025;
 - 125,000 Traction shares on or before March 1, 2023;
 - a further 250,000 Traction shares on or before December 31, 2023;
 - a further 500,000 Traction shares on or before December 31, 2024;
 - a further 750,000 Traction shares on or before December 31, 2025;
 - completing \$500,000 in exploration expenditures by December 31, 2023;
 - completing a further \$1,000,000 in exploration expenditures by December 31, 2024;
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2025;
- 19% interest (70% total)
 - payment of \$200,000 cash on or before December 31, 2026;
 - payment of a further \$500,000 cash on or before December 31, 2027;
 - 1,000,000 Traction shares on or before December 31, 2026;
 - a further 1,500,000 Traction shares on or before December 31, 2027;
 - completing \$1,500,000 in exploration expenditures by December 31, 2026;
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2027;
- final 30% interest (100% total)
 - payment of \$1,000,000 cash on or before December 31, 2028;
 - 3,000,000 Traction shares on or before December 31, 2028;
 - completing \$3,000,000 in exploration expenditures by December 31, 2028;

Forum will be the operator until Traction earns a 51% interest.

If Traction earns a 100% interest, Traction is required to (i) grant Forum a 2% NSR royalty, (ii) pay Forum an additional \$1,000,000 upon completion of a preliminary economic assessment, (iii) pay Forum an additional \$2,000,000 upon completion of a feasibility study, and (iv) pay Forum an additional \$5,000,000 upon commencement of commercial production.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

As announced February 21, 2023, the Company and Traction engaged Axiom Exploration Group Ltd. ("Axiom") to conduct airborne magnetic, electromagnetic (EM) and radiometric surveys on the Grease River project. The survey will be conducted using a helicopter equipped with New Resolution Geophysics ("NRG™")'specially designed Xcite™ Time Domain Electromagnetic System ("TDEM"). The survey will include collection and processing of TDEM data via helicopter for a 1290 line-km survey over the Area with a survey line spacing of 100 metres and tie lines spaced at 1,000 metres.

Highrock

The Highrock uranium project is located just south and on trend of Cameco's Key Lake mine and mill site where over 200 million pounds of uranium was produced at an average grade of 2.3% U3O8 during its mine life. The exploration will focus on the discovery of basement hosted mineralization similar to NexGen's Arrow deposit and Cameco's Eagle Point mine.

On February 7, 2022, as amended July 21, 2022, the Company entered into an option agreement with Sassy Resources Corporation ("Sassy") whereby Sassy can earn a 100% interest in the Highrock project.

The agreement is a staged earn-in as follows:

- 20% interest – payment of \$50,000 cash on signing of the agreement (received), 250,000 Sassy shares on signing of the agreement (received), and completing \$1,000,000 in exploration expenditures by December 31, 2022 (incurred);
- 31% interest (51% total) – 150,000 Sassy shares on or before January 2, 2023 (received), and completing an additional \$1,000,000 in exploration expenditures by December 31, 2023;
- 19% interest (70% total) – 150,000 Sassy shares on or before January 2, 2024, and completing an additional \$1,000,000 in exploration expenditures by December 31, 2024; and
- final 30% interest (100% total) – payment of \$150,000 cash and 3,000,000 Sassy shares on or before December 31, 2025.

In addition, Sassy shall pay the Company \$1,000,000 on delivery of a feasibility study and a further \$3,000,000 on commencement of commercial production.

The Company maintains a 1% NSR royalty on the Highrock project, half of which can be purchased by Sassy prior to the commencement of commercial production for the sum of \$1,000,000. A 1% NSR royalty on the north claim is shared by third parties, half of which may be purchased by Sassy for the sum of \$1,000,000. A 2% NSR royalty on the south claim is held by a third party and at present is not subject to a repurchase clause.

As announced March 1, 2022, the Company commenced drilling at the Highrock Uranium Project. Limited drilling due to severe weather conditions focused on the North target immediately south of Cameco's Key Lake mine claim boundary. Under the terms of the amended agreement, Sassy will take over operatorship of future programs.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2022

Janice Lake

On February 22, 2023, the Company entered into an agreement with Rio Tinto whereby the Company will acquire all of Rio Tinto's interest in the Janice Lake project, giving Forum a 100% interest in the project.

In consideration, the Company is to grant Rio Tinto a 20% back-in right in the project and a 2% NSR royalty capped at \$50,000,000. Rio Tinto may exercise the back-in right at any time up until 180 days following completion of a feasibility study or commencement of commercial production if a feasibility study is not completed by paying Forum an amount equal to all the expenditures incurred by Forum on the project up to the exercise of the back-in right. On exercise of the back-in right, Forum and Rio Tinto will form an 80/20 joint venture for further development of the project.

In addition, Forum is to pay Rio Tinto \$500,000 upon the earlier of completion of a preliminary economic assessment, completion of a feasibility study, or commencement of commercial production, and a further \$2,000,000 upon the earlier of completion of a feasibility study or commencement of commercial production. An 80 person camp is on site that can be available for immediate exploration. Rio Tinto's sale of the project to Forum is subject to the project's camp being removed from the site or sold. In satisfaction of this condition, the parties have agreed to extend the First Option Period in the current option agreement to November 30, 2023.

Love Lake

On April 7, 2022, the Company announced drill results at its Love Lake project in north-eastern Saskatchewan. The Love Lake layered mafic complex is located approximately 100 km east of Cameco's Key lake uranium mill along Highway 905 to the Rabbit Lake/ McClean Lake uranium mills. Forum completed twelve holes for a total of 2,844 metres on three targets – Korvin Lake, Korvin Creek and What Lake.

Over 2000 samples of core were taken to examine the geochemistry of this large layered system to determine the geological controls of the nickel, copper, platinum and palladium mineralization encountered at Love Lake. Detailed chemostratigraphic analyses through all the drill holes clearly indicate that these intersections reflect lithologies that are the products of an intrusive complex that has experienced a high degree of differentiation. Such differentiation is a fundamental requirement of intrusions that host Platinum Group Element (PGE) mineralization.

Drill holes 3 to 12 display classic textural examples of layered intrusion features and magmatic sulphides over wide intervals. Anomalous concentrations of PGE only occurred in holes 3 and 4 at What Lake in lithologies that appear to be no different than that seen in holes 5 to 12 at Korvin Lake. Forum is evaluating the data to isolate the controls on PGE mineralization at Love Lake.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

Wollaston

The 100% owned Wollaston property is well located 10 km southeast of Cameco's Rabbit Lake mill and 30 km southeast of Orano/Denison's McClean Lake mill in the prolific northeastern Athabasca Basin, Saskatchewan where a number of uranium deposits have been discovered and mined.

Forum completed drilling eight holes for 2,062 metres during March and April, 2022. The drill program tested 3 zones of gravity lows. The Gizmo target, measuring 300 metres long and 200 metres wide intersected anomalous radioactivity from weak uranium mineralization with associated bleaching, secondary hematite and minor uranium oxides was intersected in four of five holes on the Gizmo target.

The Company announced its geochemical results on June 29, 2022. Highlights include:

- Anomalous radioactivity in four holes with up to 0.21% uranium and associated nickel in an area of intense alteration, bleaching and secondary hematite at the Gizmo target.
- Boron (an indicator of proximal uranium bearing fluids) returned up to 2,200ppm
- Nickel, copper and cobalt locally elevated (up to 365ppm, 114ppm and 318ppm respectively) within the alteration zone at Gizmo.

Further drilling is strongly recommended on the Gizmo target, both to the south because of the increasing alteration, and to the west and north where the historic electromagnetic (EM) conductor lies.

In the fall of 2022, the Company completed an airborne EM survey. The airborne survey was conducted to aid with structural interpretations and precisely locate the EM conductors for identification of continuing gravity surveys.

The Company announced the results of the airborne EM survey on November 9, 2022. Highlights include:

- New high priority targets identified in addition to the discovery of the Gizmo zone last winter.
- Ground gravity surveys planned over the new target areas.
- Immediate drilling planned on this project near existing uranium mills.

The EM part of the survey identified at least 45 km of linear conductors, many which have not been drilled before, or were drilled too shallow to properly investigate for deeper basement-hosted uranium deposits.

As announced November 29, 2022 and January 10, 2023, drilling of three holes was completed in December 2022 totaling 855.5 metres and a further four holes were drilling in January and February 2023 totalling 1,175 metres. Samples were collected for geochemical analysis at SRC Geoanalytical Laboratories in Saskatoon, Saskatchewan and results are pending. A total of 4,573 gravity stations were completed at a 100 metre by 100 metres station spacing over priority targets identified by the airborne survey.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

Nunavut Uranium

As announced February 1, 2022, the Company acquired by staking 40 claims totalling 53,402 hectares of ground formerly held by Cameco Corporation on trend with the 133 million pound Kiggavik uranium deposit (66.2% Orano, 16.9% Denison 16.9% UEX), one of the largest undeveloped uranium deposits in the world. From 2008 to 2012, Cameco drilled 135 holes for over 36,000 metres of drilling to the west of Kiggavik and discovered two uranium deposits – Tatiggaq and Qavvik and identified the Ayra showing which are now owned 100% by Forum. The Kiggavik deposit and the Cameco discoveries in the northeastern Thelon Basin, Nunavut share many common features as the prolific Athabasca Basin in Saskatchewan.

The Company staked further claims over the year and conducted some work on its legacy claims bringing its total claims held to 95,518 hectares of prime exploration ground approximately 100 km west of the Hamlet of Baker Lake, Kivalliq region in Nunavut.

In March 2022, the Company assembled a technical team that submitted applications for exploration permits, commenced plans for community engagement and conducted logistical planning. Forum then reviewed the 135 drill holes drilled by Cameco from 2008 to 2012 resulting in the discovery of the Tatiggaq and Qavvik deposits and the Ayra showing.

As announced October 3, 2022, the Company completed a ground gravity survey over four grids within the project area, filling in gaps along trends previously covered by Cameco and along parallel trends prospective for uranium mineralization. Gravity surveys have proven to be an effective exploration tool in the Thelon Basin, layered with other geophysical methods for identifying alteration systems associated with basement-hosted, unconformity-style uranium deposits. This summer, 1141 ground gravity stations were collected largely at a station spacing of 100 metres, along lines 400 metres apart. Interpretation of the survey results are underway and will help to delineate additional targets on the project.

Forum is currently formulating plans to conduct exploration on the property in the summer of 2023.

Qualified Person

Richard J. Mazur, P.Geo., President & CEO of the Company, is the Qualified Person that has reviewed and approved the exploration information and resource disclosures contained in this MD&A.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2022

Selected Annual Information

	November 30, 2022	November 30, 2021	November 30, 2020
	\$	\$	\$
Revenue	-	-	-
Net loss	(4,572,812)	(3,431,523)	(2,067,640)
Net loss per share, basic and diluted	(0.03)	(0.02)	(0.02)
Total assets	3,363,365	5,970,181	2,407,687
Total liabilities	763,363	634,912	537,104

Results of Operations

The consolidated loss and comprehensive loss for the year ended November 30, 2022 was \$4,572,812 (2021 - \$3,431,523).

The significant changes between the current year and the comparative year are discussed below.

Consulting fees for the year ended November 30, 2022 totalled \$384,000 compared to \$299,000 in the comparative year. The increase in consulting fees is due to certain increases in fees to the Company's management in August and November 2021.

Exploration and evaluation expenditures for the year ended November 30, 2022 totalled \$3,011,521 (2021 - \$2,700,628) and primarily relates to exploration work on the Company's Wollaston and Nunavut Uranium projects. The Company also incurred \$1,293,265 on its Highrock project, of which \$984,956 was funded by Sassy.

Exploration and evaluation recoveries for the year ended November 30, 2022 totalled \$155,896 (2021 - \$Nil) and relate to cash and shares received from Sassy.

During the year ended November 30, 2022, the Company recorded share-based compensation of \$1,035,874 (2021 - \$460,681) on stock options granted and vested during the year.

During the year ended November 30, 2022, the Company recorded a flow-through share premium recovery of \$488,286 (2021 - \$596,696) related to flow-through expenditures incurred during the year.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2022

Summary of Quarterly Results

	Three Months Ended November 30, 2022	Three Months Ended August 31, 2022	Three Months Ended May 31, 2022	Three Months Ended February 28, 2022
	\$	\$	\$	\$
Cash	1,881,274	3,055,092	3,302,584	5,279,404
Exploration and evaluation assets	995,583	971,554	971,554	944,599
Total assets	3,363,365	4,319,871	5,156,906	6,920,196
Shareholders' equity	2,600,002	3,550,853	4,292,238	5,563,849
Net loss	(1,472,242)	(756,887)	(1,344,639)	(999,044)
Net loss per share, basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)

	Three Months Ended November 30, 2021	Three Months Ended August 31, 2021	Three Months Ended May 31, 2021	Three Months Ended February 28, 2021
	\$	\$	\$	\$
Cash	4,651,020	5,897,969	3,305,101	2,558,744
Exploration and evaluation assets	1,037,428	961,153	954,306	1,004,306
Total assets	5,970,181	7,034,544	4,401,217	3,902,167
Shareholders' equity	5,335,269	5,773,061	4,123,389	3,581,416
Net income (loss)	(1,282,023)	(896,434)	(1,008,345)	(244,721)
Net income (loss) per share, basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)

Fourth Quarter

The Company began the fourth quarter with \$3,055,092 cash. During the fourth quarter, the Company spent \$1,267,348 on operating activities, net of working capital changes, spent \$38,970 on investing activities, and received \$132,500 from financing activities, to end the quarter and the year with \$1,881,274 cash.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2022

Liquidity and Capital Resources

Forum began the fiscal year with \$4,651,020 cash. During the year ended November 30, 2022, the Company spent \$3,933,479 on operating activities, net of working capital changes, received \$26,904 from investing activities, and received \$1,136,829 from financing activities, to end at November 30, 2022 with \$1,881,274 cash.

During the year ended November 30, 2022, the Company completed the following transactions:

- On December 20, 2021, the Company completed a private placement through the issuance of 3,846,200 flow-through shares at a price of \$0.26 per flow-through share gross proceeds of \$1,000,012. The Company paid finder's fees of \$60,000 cash.
- During the year ended November 30, 2022, the Company issued 130,668 common shares on the exercise of warrants for gross proceeds of \$14,317.
- During the year ended November 30, 2022, the Company issued 1,825,000 common shares on the exercise of options for gross proceeds of \$182,500.

At November 30, 2022, the Company has working capital of \$1,600,431 (which amount includes \$777,867 restricted for flow-through purposes, resulting in an unrestricted working capital of \$822,564).

On December 16 and December 21, 2022, the Company completed a private placement in two tranches through the issuance of 16,663,886 flow-through units at a price of \$0.13 per flow-through unit for gross proceeds of \$2,166,305. Each flow-through unit consists of one flow-through share and one-half of one common share purchase warrant with each whole warrant entitling the holder thereof to purchase one common share at a price of \$0.17 for a period of two years. The Company paid finder's fees of \$148,001 cash and issued 1,138,472 finder's warrants at a price of \$0.13 for a period of two years.

Management estimates that its working capital may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining 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.

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Related Party Transactions

Compensation of key management personnel

Key management personnel include members of the Board of Directors, the Chief Executive Officer, the VP Exploration, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended November 30, 2022, and 2021 were as follows:

	Year ended November 30,	
	2022	2021
Consulting fees		
Chief Executive Officer	\$ 204,000	\$ 164,000
Corporate Secretary	90,000	70,000
Chief Financial Officer *	90,000	65,000
	<u>384,000</u>	<u>299,000</u>
Director fees	<u>30,000</u>	<u>30,000</u>
Exploration and evaluation expenditures		
VP Exploration	<u>180,000</u>	<u>150,000</u>
Professional fees		
Director - legal services	<u>44,940</u>	<u>44,940</u>
Share-based compensation	<u>713,939</u>	<u>378,320</u>

* Consulting fees are paid to Golden Oak Corporate Services Ltd. ("Golden Oak"), a consulting company controlled by the Chief Financial Officer of the Company. Golden Oak provides the services of a Chief Financial Officer and accounting staff to the Company.

Amounts due to related parties

		November 30,	November 30,
		2022	2021
Chief Executive Officer	Fees	\$ 17,850	\$ -
Chief Executive Officer	Expenses	3,222	-
Director	Legal fees	3,920	3,920
Golden Oak	Expenses	255	201
Total		<u>\$ 25,247</u>	<u>\$ 4,121</u>

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets are described in Note 7 to the Financial Report.

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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
Balance as at November 30, 2022	172,265,930	28,069,716	15,290,000
Private placement	16,663,886	8,331,943	-
Finder's warrants	-	1,138,472	-
Options granted	-	-	500,000
Warrants expired	-	(8,625,000)	-
Balance as at the date of this MD&A	188,929,816	28,915,131	15,790,000

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

New Accounting Standards Not Yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of November 30, 2022 and have not been applied in preparing the Financial Report. In addition, none of these standards are applicable to the Company.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

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Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, preliminary economic assessment, accessibility of facilities and existing permits.

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company as well as the functional currency of the Company's US subsidiaries is the Canadian dollar.

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Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (“FVTOCI”); or at amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

		November 30, 2022	November 30, 2021
Cash	FVTPL	\$ 1,881,274	\$ 4,651,020
Marketable securities	FVTPL	48,625	17,829
Receivables	Amortized cost	183,486	95,885
Due from joint venture partner	Amortized cost	58,727	-
Trade and other payables	Amortized cost	514,730	243,028
Due to joint venture partner	Amortized cost	-	1,123

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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 carrying values for receivables and trade and other payables approximate their fair value due to their short-term nature. The financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value of cash and marketable securities is determined based on Level 1 of the fair value hierarchy.

Financial Risk Management

The Company’s financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company’s financial instruments are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high credit quality financial institutions in business and savings accounts. The Company’s receivables primarily include balances receivable from government agencies. The Company is exposed to some risk on amounts due from these government agencies; however, to date the Company has been successful on collecting on its receivables.

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Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, market and commodity prices. These fluctuations may be significant.

i) Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant.

ii) Foreign exchange risk

At November 30, 2022, 99% of the Company's cash was held in Canadian dollars. The Company has operations in the United States, but no foreign currency in that jurisdiction at this time and as such has no currency risk associated with its operations.

iii) Market price risk

The Company is exposed to price volatility on its marketable securities. The fair value of its portfolio is not material and any market price risk is considered insignificant.

iv) Commodity Price Risk

While the value of the Company's exploration and evaluation assets is related to the price of energy metals such as uranium, copper, and cobalt and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect to its operational activities.

Historically, the price of energy metals has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to energy metals.

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Forward Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve 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 statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. 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 statements, 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 statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Additional Information

Additional information is available on the Company's website at www.forumenergymetals.com or on SEDAR at www.sedar.com.