



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 28, 2022**

*(Unaudited – Expressed in Canadian Dollars)*

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## **NOTICE TO READER**

These condensed interim consolidated financial statements of Forum Energy Metals Corp. have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

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**Forum Energy Metals Corp.**  
**Condensed Interim Consolidated Statements of Financial Position**  
*(Unaudited - Expressed in Canadian Dollars)*

	<i>Note</i>	February 28, 2022	November 30, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4	\$ 5,279,404	\$ 4,651,020
Marketable securities	5	128,756	17,829
Receivables		53,763	95,885
Due from joint venture partner	7	279,317	-
Prepaid expenses		227,894	160,731
		5,969,134	4,925,465
<b>Equipment</b>	6	6,463	7,288
<b>Exploration and evaluation assets</b>	7	944,599	1,037,428
		\$ 6,920,196	\$ 5,970,181
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	8	\$ 681,811	\$ 243,028
Due to joint venture partner		-	1,123
Flow-through share premium liability	9	674,536	390,761
		1,356,347	634,912
<b>Shareholders' equity</b>			
Capital stock	10	53,824,058	53,208,983
Contributed surplus - warrants	10	2,476,225	2,486,879
Contributed surplus - options	10	6,362,763	5,739,560
Deficit		(57,099,197)	(56,100,153)
		5,563,849	5,335,269
		\$ 6,920,196	\$ 5,970,181
<b>Nature of operations and going concern</b>	1		

Approved and authorized by the Board of Directors on April 25, 2022.

"Richard Mazur"  
Richard Mazur  
Director

"Larry Okada"  
Larry Okada  
Director

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

**Forum Energy Metals Corp.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
*(Unaudited - Expressed in Canadian Dollars)*

		<b>Three months ended February 28,</b>	
	<i>Note</i>	<b>2022</b>	<b>2021</b>
<b>EXPENSES</b>			
Amortization	6	\$ 825	\$ 826
Consulting fees	11	96,000	68,500
Director fees	11	7,500	7,500
Exploration and evaluation expenditures	7	304,660	25,150
Exploration and evaluation recoveries	7	(155,896)	-
Investor relations and shareholder information		83,146	62,049
Management fees earned	7	-	(29,651)
Office and administration		31,060	10,943
Professional fees		23,667	17,605
Share-based compensation	10	623,203	29,280
Transfer agent and regulatory fees		42,544	58,063
Travel and promotion		3,019	-
		(1,059,728)	\$ (250,265)
<b>Flow-through share premium recovery</b>	9	62,383	2,238
<b>Foreign exchange loss</b>		(2,173)	-
<b>Interest Income</b>		3,297	-
<b>Unrealized gain (loss) on marketable securities</b>	5	(2,823)	3,306
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		\$ (999,044)	\$ (244,721)
<b>Basic and diluted loss per common share</b>		\$ (0.01)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		169,360,740	137,264,071

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

**Forum Energy Metals Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
*(Unaudited - Expressed in Canadian Dollars)*

	<b>Three months ended February 28,</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING ACTIVITIES:</b>		
Loss for the period	\$ (999,044)	\$ (244,721)
Items not affecting cash:		
Amortization	825	826
Share-based compensation	623,203	29,280
Flow-through share premium recovery	(62,383)	(2,238)
Shares received from JV partner	(113,750)	-
Unrealized loss (gain) on marketable securities	2,823	(3,306)
Change in non-cash working capital items:		
Receivables	42,122	(21,490)
Due from joint venture partner	(1,123)	(226,163)
Prepaid expenses	(67,163)	(47,812)
Trade and other payables	438,783	(93,790)
Due to joint venture partner	(279,317)	(100,000)
	<b>(415,024)</b>	<b>(709,414)</b>
<b>INVESTING ACTIVITIES:</b>		
Acquisition of exploration and evaluation assets	(65,025)	(6,318)
Option payments received on exploration and evaluation assets	157,854	60,000
	<b>92,829</b>	<b>53,682</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from private placements	1,000,012	1,500,000
Share issuance costs	(60,000)	(46,816)
Proceeds from exercise of warrants	10,567	350,590
Proceeds from exercise of stock options	-	117,500
Repayment of promissory notes	-	(20,325)
Obligation to issue shares	-	5,000
	<b>950,579</b>	<b>1,905,949</b>
<b>INCREASE IN CASH FOR THE PERIOD</b>	<b>628,384</b>	<b>1,250,217</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>4,651,020</b>	<b>1,308,527</b>
<b>CASH, END OF THE PERIOD</b>	<b>\$ 5,279,404</b>	<b>\$ 2,558,744</b>
<b>Non-cash investing and financing activities</b>		
Fair value of broker warrants issued	\$ -	\$ 34,854
<b>Supplemental information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

## Forum Energy Metals Corp.

### Condensed Interim Consolidated Statements of Shareholders' Equity

(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Capital Stock	Obligation to issue shares	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
<b>Balance, November 30, 2021</b>	166,364,062	\$ 53,208,983	\$ -	\$ 2,486,879	\$ 5,739,560	\$ (56,100,153)	\$ 5,335,269
Private placements	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	105,668	21,221	-	(10,654)	-	-	10,567
Share-based compensation	-	-	-	-	623,203	-	623,203
Loss and comprehensive loss for the period	-	-	-	-	-	(999,044)	(999,044)
<b>Balance, February 28, 2022</b>	170,315,930	\$ 53,824,058		\$ 2,476,225	\$ 6,362,763	\$ (57,099,197)	\$ 5,563,849

	Number of shares	Capital Stock	Obligation to issue shares	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
<b>Balance, November 30, 2020</b>	125,093,720	\$ 46,661,116	\$ -	\$ 2,408,576	\$ 5,469,521	\$ (52,668,630)	\$ 1,870,583
Private placements	15,000,000	1,500,000	-	-	-	-	1,500,000
Share issuance costs - cash	-	(46,816)	-	-	-	-	(46,816)
Share issuance costs - broker warrants	-	(34,854)	-	34,854	-	-	-
Exercise of warrants	3,455,897	352,719	-	(2,129)	-	-	350,590
Exercise of stock options	1,175,000	208,331	-	-	(90,831)	-	117,500
Share-based compensation	-	-	-	-	29,280	-	29,280
Obligation to issue shares	-	-	5,000	-	-	-	5,000
Loss and comprehensive loss for the period	-	-	-	-	-	(244,721)	(244,721)
<b>Balance, February 28, 2021</b>	144,724,617	\$ 48,640,496	\$ 5,000	\$ 2,441,301	\$ 5,407,970	\$ (52,913,351)	\$ 3,581,416

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

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

*(Unaudited - Expressed in Canadian Dollars)*

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### 1. Nature of Operations and Going Concern

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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 condensed interim 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 February 28, 2022, the Company has working capital of \$4,612,787 (which amount includes \$3,212,184 restricted for flow-through purposes, resulting in an unrestricted working capital of \$1,400,603). 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 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.

These condensed interim 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 Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

*(Unaudited - Expressed in Canadian Dollars)*

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### 2. Basis of Preparation

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#### Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2021.

#### Basis of measurement

These condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

*(Unaudited - Expressed in Canadian Dollars)*

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### 2. Basis of Preparation (continued)

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#### 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 Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

(Unaudited - Expressed in Canadian Dollars)

### 3. Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended November 30, 2021.

#### New accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of February 28, 2022 and have not been applied in preparing these consolidated financial statements. In addition, none of these standards are applicable to the Company.

### 4. Cash

	February 28, 2022	November 30, 2021
Canadian dollar denominated deposits held in Canada	\$ 2,064,490	\$ 3,092,676
US dollar denominated deposits held in Canada	2,730	10,314
Flow-through funds	3,212,184	1,548,030
Total	\$ 5,279,404	\$ 4,651,020

At February 28, 2022, the Company has restricted cash of \$3,212,184 (November 30, 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 must be spent by December 31, 2022.

### 5. Marketable Securities

Company	Shares	February 28, 2022 FMV	November 30, 2021 FMV
Mega Uranium Ltd. (T-MGA)	25,000	\$ 8,750	\$ 6,750
Minera IRL Ltd. (C-MIRL)	2,380	202	202
Sassy Resources Corp. (C-SASY)	250,000	110,000	-
Southern Energy Corp. (V-SOU)	3,000	1,230	120
Troilus Gold Corp. (T-TLG)	6,666	5,199	5,133
Vanadian Energy Corp. (V-VEC)	75,000	3,375	5,624
Total		\$ 128,756	\$ 17,829

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

During the three months ended February 28, 2022, the Company recognized an unrealized loss of \$2,823 (2021 – gain of \$3,306) through the statement of loss and comprehensive loss.

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

**6. Equipment**

	<b>Exploration equipment</b>
<b>Cost</b>	
At November 30, 2021	\$ 11,000
Additions	-
At February 28, 2022	\$ 11,000
<b>Accumulated depreciation</b>	
At November 30, 2021	\$ 3,712
Depreciation	825
At February 28, 2022	\$ 4,537
<b>Carrying amounts</b>	
At November 30, 2021	\$ 7,288
At February 28, 2022	\$ 6,463

**7. Exploration and Evaluation Assets**

	November 30, 2021	Additions	Recoveries	Write-off	February 28, 2022
<b>Saskatchewan</b>					
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	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
<b>Nunavut</b>					
Nunavut Uranium	76,275	65,025	-	-	141,300
<b>Idaho</b>					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 1,037,428	\$ 65,025	\$ (157,854)	\$ -	\$ 944,599

Details on the Company's exploration and evaluation assets are found in Note 7 of the November 30, 2021 consolidated financial statements, except as noted below.

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

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**7. Exploration and Evaluation Assets (continued)**

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**Saskatchewan Projects**

*Fir Island*

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. The Company will act as operator until such time as Orano has earned a 51% interest in the project, after which time Orano will act as operator. While the Company is the operator it is entitled to a management fee of 10% on incurred expenditures. During the three months ended February 28, 2022, the recorded management fees of \$Nil (2021 - \$29,651).

*Highrock*

On February 7, 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.

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 three months ended February 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 three months ended February 28, 2022; and
  - completing \$1,000,000 in exploration expenditures by December 31, 2022;
- 31% interest (51% total) – payment of \$50,000 cash and 250,000 Sassy shares on or before January 2, 2023, and completing an additional \$1,000,000 in exploration expenditures by December 31, 2023;
- 19% interest (70% total) – payment of \$50,000 cash and 250,000 Sassy shares on or before January 2, 2024, and completing an additional \$1,500,000 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% net smelter return ("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.

The Company will act as operator until such time as Sassy has earned a 51% interest in the project, after which time Sassy will act as operator. While the Company is the operator it is entitled to a management fee of 10% on incurred expenditures.

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

*(Unaudited - Expressed in Canadian Dollars)*

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### 7. Exploration and Evaluation Assets (continued)

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#### Saskatchewan Projects (continued)

##### *Highrock (continued)*

During the three months ended February 28, 2022, the Company incurred exploration expenditures on the Highrock project of \$579,317, of which \$279,317 had been under-funded and this amount is shown as due from joint venture partner on the consolidated statement of financial position as at February 28, 2022.

##### *Janice Lake*

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. In December 2021, Rio Tinto paid the Company the final cash payment under the option agreement of \$100,000. Rio Tinto has earned its right to exercise its initial 51% interest, however has not yet provided the Company with such notice.

#### Nunavut

##### *Nunavut Uranium*

In November 2021, the Company acquired by staking the Nunavut Uranium project. During the three months ended February 28, 2022, the Company staked additional claims.

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

**7. Exploration and Evaluation Assets (continued)**

The following table shows the activity by category of exploration expenditures for the three months ended February 28, 2022:

	Saskatchewan														Nunavut	Idaho	Total
	Clearwater	Costigan	Fir Island	Glennie	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	Still Nickel	The Highlands	Wollaston	Uranium project	Quartz Gulch	
Camp and accommodation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,633	\$ -	\$ -	\$ 72,998.00
Camp costs	-	-	-	-	-	-	117,161	-	317	145	317	-	-	317	-	-	118,257
Community relations	-	-	6,116	-	-	-	3,693	-	-	-	-	-	-	3,313	-	-	13,122
Drilling	-	-	-	-	-	-	183,383	-	-	-	-	-	-	85,156	-	-	268,539
Field personnel	-	-	-	-	-	-	5,440	-	-	-	5,503	-	-	-	-	-	10,943
Fuel	-	-	-	-	-	-	54,061	-	-	-	-	-	-	15,506	-	-	69,567
Geological evaluations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,550	-	4,550
License/permit/taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	463	-	-	463
Linecutting/grid	-	-	-	-	-	-	-	-	-	-	-	-	-	11,265	-	-	11,265
Management & Planning	-	-	-	-	-	-	-	-	1,050	-	-	400	-	-	2,100	-	3,550
Rentals	-	-	-	-	-	-	13,604	-	-	-	-	-	-	250	-	-	13,854
Salaries	-	714	6,381	-	-	-	17,300	4,714	2,476	-	-	533	-	31,041	2,857	-	66,016
Software	892	892	-	-	-	-	892	-	-	-	892	-	-	892	-	-	4,460
Supplies	-	-	-	-	-	-	11,135	-	-	-	-	-	-	10,219	-	-	21,354
Surveying	-	-	100	-	-	-	584	-	-	-	-	-	-	52,884	-	-	53,568
Technical reporting	-	-	-	-	-	-	15,312	-	2,700	-	-	-	-	-	-	7,586	25,598
Transportation	-	-	-	-	-	-	123,386	-	-	-	-	-	-	-	-	-	123,386
Travel	-	-	-	-	-	-	2,001	-	80	-	-	406	-	-	-	-	2,487
Subtotal	892	1,606	12,597	-	-	-	579,317	4,714	6,623	145	6,712	1,339	-	252,939	9,507	7,586	883,977
Recoveries from joint venture partner	-	-	-	-	-	-	(579,317)	-	-	-	-	-	-	-	-	-	(579,317)
<b>Total</b>	<b>\$ 892</b>	<b>\$ 1,606</b>	<b>\$ 12,597</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,714</b>	<b>\$ 6,623</b>	<b>\$ 145</b>	<b>\$ 6,712</b>	<b>\$ 1,339</b>	<b>\$ -</b>	<b>\$ 252,939</b>	<b>\$ 9,507</b>	<b>\$ 7,586</b>	<b>\$ 304,660</b>

## Forum Energy Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

(Unaudited - Expressed in Canadian Dollars)

#### 8. Trade and Other Payables

	February 28, 2022	November 30, 2021
Trade and other payables in Canada	\$ 657,932	\$ 238,907
Due to related parties (Note 11)	23,879	4,121
Total	\$ 681,811	\$ 243,028

#### 9. Flow-through share premium liability

	February 28, 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	(62,383)	(596,696)
Closing balance	\$ 674,536	\$ 390,761

During the three months ended February 28, 2022, the Company recorded a flow-through share premium recovery of \$62,383 (2021 - \$2,238) related to flow-through expenditures incurred during the period.

#### 10. 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 three months ended February 28, 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.
- During the three months ended February 28, 2022, the Company issued 105,668 common shares on the exercise of warrants for gross proceeds of \$10,567.

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

**10. Capital Stock (continued)**

**C. Warrants**

The continuity of share purchase warrants for the three months ended February 28, 2022, is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, November 30, 2021</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, February 28, 2022</b>
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	-	-	-	8,650,000
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	-	(105,668)	(10,500)	31,921,384
Weighted average exercise price	\$ 0.20	\$ -	\$ -	\$ 0.10	\$ 0.10	\$ 0.20

As at February 28, 2022, the weighted average remaining contractual life of the share purchase warrants outstanding was 1.57 years.

**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.



# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2022

(Unaudited - Expressed in Canadian Dollars)

### 10. Capital Stock (continued)

#### D. Stock options (continued)

The continuity of stock options for the three months ended February 28, 2022, is as follows:

Expiry date	Exercise price	Balance, November 30, 2021	Granted	Exercised	Expired	Balance, February 28, 2022				
September 12, 2022	\$ 0.10	1,475,000	-	-	-	1,475,000				
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	-	-	-	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				
December 16, 2026	\$ 0.17	-	4,500,000	-	-	4,500,000				
January 24, 2022	\$ 0.20	-	200,000	-	-	200,000				
		8,815,000	4,700,000	-	-	13,515,000				
Weighted average exercise price	\$	0.16	\$	0.17	\$	-	\$	-	\$	0.17

As at February 28, 2022, 13,365,000 stock options were exercisable.

As at February 28, 2022, the weighted average remaining contractual life of the stock options outstanding was 3.34 years.

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

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**10. Capital Stock (continued)**

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**E. Share-based compensation**

During the three months ended February 28, 2022, the Company recorded share-based compensation of \$623,203 (2021 - \$29,280).

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 three months ended February 28, 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 three months ended February 28, 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 \$11,023 was recorded as share-based compensation for the three months ended February 28, 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 \$0.34 per option. These options vest 25% in three months and 25% every three months thereafter. During the three months ended February 28, 2022, the Company recorded share-based compensation of \$27,637.

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

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**11. Related Party Transactions**

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*Compensation of key management personnel*

Key management personnel includes 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 three months ended February 28, 2022 and 2021 were as follows:

	<b>Three months ended February 28,</b>	
	<b>2022</b>	<b>2021</b>
<b>Consulting fees</b>		
Chief Executive Officer	\$ 51,000	\$ 36,000
Corporate Secretary	22,500	15,000
Chief Financial Officer *	22,500	17,500
	<u>96,000</u>	<u>68,500</u>
<b>Director fees</b>	<u>7,500</u>	<u>7,500</u>
<b>Exploration and evaluation expenditures</b>		
VP Exploration	45,000	30,000
<b>Professional fees</b>		
Director - legal services	11,235	11,235
<b>Share-based compensation</b>	<u>453,445</u>	<u>25,376</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*

	<b>February 28,</b>	<b>November 30,</b>
	<b>2022</b>	<b>2021</b>
Chief Executive Officer	Fees \$ 19,772	\$ -
Director	Legal fees 3,920	3,920
Golden Oak	Expenses 187	201
<b>Total</b>	<u>\$ 23,879</u>	<u>\$ 4,121</u>

**Forum Energy Metals Corp.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended February 28, 2022**  
*(Unaudited - Expressed in Canadian Dollars)*

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**12. Segmented Information**

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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.

**13. Financial Instruments and Financial Risk Management**

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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:

		<b>February 28, 2022</b>	<b>November 30, 2021</b>
Cash	FVTPL	\$ 5,279,404	\$ 4,651,020
Marketable Securities	FVTPL	128,756	17,829
Receivables	Amortized cost	53,763	95,885
Trade and other payables	Amortized cost	681,811	243,028

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, trade and other payables, and promissory notes 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. The carrying values of the loan is measured at amortized cost.

**Financial risk management**

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended November 30, 2021.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
QUARTERLY HIGHLIGHTS**

**For the three months ended February 28, 2022**

# **Forum Energy Metals Corp.**

## **Management's Discussion and Analysis**

### **For the three months ended February 28, 2022**

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The following is management's discussion and analysis – quarterly highlights (“MD&A”) of the results of operations and financial condition of Forum Energy Metals Corp. (the “Company” or “Forum”) for the three months ended February 28, 2022 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended November 30, 2021 (the “Annual MD&A”).

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended November 30, 2021, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the three months ended February 28, 2022 (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 April 25, 2022.

#### **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 three months ended February 28, 2022**

**Resource Properties**

As at February 28, 2022 and the date of this MD&A, the Company had an ownership in the following exploration and evaluation assets:

<b>PROJECT</b>	<b>INTEREST</b>	<b>COMMODITY</b>	<b>LOCATION</b>
Glennie	100%	Gold-Copper	Saskatchewan
Janice Lake	100%	Copper-Silver	Saskatchewan
Love Lake	100%	Palladium-Copper-Nickel	Saskatchewan
Still Nickel	100%	Nickel-Cobalt	Saskatchewan
The Highlands	100%	Palladium-Copper-Nickel	Saskatchewan
Clearwater	75%	Uranium	Saskatchewan
Costigan	65%	Uranium	Saskatchewan
Fir Island	100%	Uranium	Saskatchewan
Grease River	100%	Uranium	Saskatchewan
Henday	40%	Uranium	Saskatchewan
Highrock	100%	Uranium	Saskatchewan
Maurice Point	100%	Uranium	Saskatchewan
NW Athabasca	39.43%	Uranium	Saskatchewan
Wollaston	100%	Uranium	Saskatchewan
Nunavut Uranium	100%	Uranium	Nunavut
Quartz Gulch	100%	Cobalt	Idaho

During the three months ended February 28, 2022, and up to the date of this MD&A, the Company completed work on the following exploration and evaluation assets:

Wollaston

The 100% owned Wollaston property is well located 10km southeast of Cameco's Rabbit Lake mill and 30km 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.

Further drilling is recommended on this target in areas that could not be reached this winter, testing an EM conductor that crosses the northwest part of the gravity low. Forum sent 393 samples of the drill core to the Saskatchewan Research Council for geochemical analysis and results are expected in a month. The Company is reviewing its plans for further exploration of the property, including airborne and ground geophysical surveys as well as drilling of the Gizmo target and other gravity lows on the property.

# Forum Energy Metals Corp.

## Management's Discussion and Analysis

### For the three months ended February 28, 2022

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#### 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, 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.

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;
- 31% interest (51% total) – payment of \$50,000 cash and 250,000 Sassy shares on or before January 2, 2023, and completing an additional \$1,000,000 in exploration expenditures by December 31, 2023;
- 19% interest (70% total) – payment of \$50,000 cash and 250,000 Sassy shares on or before January 2, 2024, and completing an additional \$1,500,000 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% net smelter return ("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.

The Company will act as operator until such time as Sassy has earned a 51% interest in the project, after which time Sassy will act as operator.

As announced March 1, 2022, the Company commenced drilling at the Highrock Uranium Project. Drilling focused on the North target immediately south of Cameco's Key Lake mine claim boundary and drill results are pending.



# **Forum Energy Metals Corp.**

## **Management's Discussion and Analysis**

### **For the three months ended February 28, 2022**

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#### 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 kilometre 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.

#### 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 a further four claims bringing its total of new staking to 60,230 hectares. With Forum's legacy claims, the Company holds 104,262 hectares of prime exploration ground approximately 100 km west of the Hamlet of Baker Lake, Kivalliq region in Nunavut. As announced March 22, 2022, Forum assembled a technical team that has submitted applications for exploration permits, commenced plans for community engagement and is conducting logistical planning.

It is Forum's intention in 2022 to:

- Review 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.
- Conduct ground geophysical surveys and a potential airborne geophysical survey.
- Mobilize drills, fuel, camp and supplies to Baker Lake during the summer barge season in anticipation of a 10,000 metre drill program in 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 three months ended February 28, 2022**

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#### **Trends**

The Company is an exploration company. At this time, issues of seasonality or market fluctuations have had a minor impact on the expenditure patterns. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net income (loss) for each quarter. The Company's treasury, in part, determines the levels of exploration.

The level of the Company's exploration and evaluation expenditures is largely determined by the strength of resource capital and commodity markets and its ability to obtain investor support for its projects.

#### **Results of Operations**

The consolidated loss and comprehensive loss for the three months ended February 28, 2022 was \$999,044 (2021 - \$244,721).

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

Consulting fees for the three months ended February 28, 2022 totalled \$96,000 compared to \$68,500 in the comparative period. The increase in consulting fees is due to certain increases in fees in August and November 2021.

Exploration and evaluation expenditures for the three months ended February 28, 2022 totalled \$304,660 (2021 - \$25,150) and primarily relates to exploration work on the Company's Wollaston project. The Company also incurred \$637,248 on its Highrock project and those expenditures were recovered from Sassy.

During the three months ended February 28, 2022, the Company recorded share-based compensation of \$623,203 (2021 - \$29,280) on stock options granted and vested during the period.

During the three months ended February 28, 2022, the Company recorded a flow-through share premium recovery of \$62,383 (2021 - \$2,238) related to flow-through expenditures incurred during the period.

#### **Liquidity and Capital Resources**

Forum began the fiscal period with \$4,651,020 cash. During the three months ended February 28, 2022, the Company spent \$415,024 on operating activities, net of working capital changes, received \$92,829 from investing activities, and received \$950,579 from financing activities, to end at February 28, 2022 with \$5,279,404 cash.

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.

# Forum Energy Metals Corp.

## Management's Discussion and Analysis

### For the three months ended February 28, 2022

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At February 28, 2022, the Company has working capital of \$4,612,787 (which amount includes \$3,212,184 restricted for flow-through purposes, resulting in an unrestricted working capital of \$1,400,603). 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.

#### Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

#### Additional Disclosure for Venture Issuers without Significant Revenue

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

#### 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 February 28, 2022	170,315,930	31,921,384	13,515,000
Balance as at the date of this MD&A	170,315,930	31,921,384	13,515,000

# **Forum Energy Metals Corp.**

## **Management's Discussion and Analysis**

### **For the three months ended February 28, 2022**

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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](http://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](http://www.forumenergymetals.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).