



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

**For the three months ended February 29, 2024**

# **Forum Energy Metals Corp.**

## **Management’s Discussion and Analysis**

### **For the three months ended February 29, 2024**

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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 29, 2024 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, 2023 (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, 2023, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the three months ended February 29, 2024 (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 23, 2024.

#### **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. 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.

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**Resource Properties**

As at February 29, 2024 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>
Aberdeen	100%	Uranium	Nunavut
Nutaaq	100%	Rare Earth Metals	Nunavut
Clearwater	75%	Uranium	Saskatchewan
Costigan	100%	Uranium	Saskatchewan
Fir Island	49%	Uranium	Saskatchewan
Grease River	100%	Uranium	Saskatchewan
Henday	40%	Uranium	Saskatchewan
Highrock	80%	Uranium	Saskatchewan
Maurice Point	100%	Uranium	Saskatchewan
NW Athabasca	43.27%	Uranium	Saskatchewan
Wollaston	100%	Uranium	Saskatchewan
Fisher	100%	Copper-Zinc	Saskatchewan
Janice Lake	100%	Copper-Silver	Saskatchewan
Love Lake	100%	Palladium-Copper-Nickel	Saskatchewan
Still Nickel	100%	Nickel-Cobalt	Saskatchewan
Quartz Gulch	100%	Cobalt	Idaho

During the three months ended February 29, 2024, and up to the date of this MD&A, the Company completed work on the following exploration and evaluation assets:

**Aberdeen**

Forum holds a 100% interest in 95,519 hectares of ground adjacent to Orano's 133 million pound Kiggavik uranium deposit located 100 km west of Baker Lake, Nunavut.

On February 27, 2024, the Company announced significant gold assay values associated with high-grade uranium mineralization on the Tatiggaq deposit. Drill core from two holes drilled into the Main and West zones of Tatiggaq were re-assayed for gold. Gold associated with uranium mineralization at Tatiggaq adds to the economic potential of Forum's high grade, unconformity-style deposit in the Thelon Basin.

On March 26, 2024, the Company announced it has commenced mobilization of its camp, fuel, equipment and second drill to its camp location on the Aberdeen Uranium Project. Forum plans a 10,000 metre drill program in June 2024 to follow-up on its successful drill program in 2023.

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On April 15, 2024, the Company announced initial data processed from its Ambient Noise Tomography (ANT) survey conducted over the Tatiggaq anomaly during the summer of 2023. The survey successfully established new drill targets over a one plus kilometer east-northeast extension along the Tatiggaq fault zone, which hosts the high-grade Tatiggaq uranium discovery at Forum's 100% owned Aberdeen Project in the Thelon Basin, Nunavut.

#### **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.

#### **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 29, 2024 was \$977,038 compared to \$1,379,079 for the three months ended February 28, 2023.

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

Exploration and evaluation expenditures for the three months ended February 29, 2024 totalled \$319,984 (2023 - \$1,587,413) and primarily relates to exploration work on the Company's Aberdeen uranium projects. In the prior period, the Company had completed significant work on its Wollaston uranium project.

Exploration and evaluation recoveries for the three months ended February 29, 2024 totalled \$100,625 (2023 - \$44,182) and relates to cash and shares received from Traction.

Marketing, promotion and travel for the three months ended February 29, 2024 totalled \$251,748 (2023 - \$109,101) and relates to increased marketing awareness activities during the current period.

During the three months ended February 29, 2024, the Company recorded share-based compensation of \$347,594 compared to \$45,828 in the prior period. The increased compensation is due to more stock options being granted during the current period.

During the three months ended February 29, 2024, the Company recorded a flow-through share premium recovery of \$117,352 (2023 - \$461,375) related to flow-through expenditures incurred during the period.

During the three months ended February 28, 2023, the Company paid \$100,000 to settle trade and other payables of \$208,055 and accordingly recorded a gain on settlement of trade and other payables of \$108,055.

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#### Liquidity and Capital Resources

Forum began the fiscal period with \$1,424,079 cash. During the three months ended February 29, 2024, the Company spent \$613,858 on operating activities, net of working capital changes, and received \$9,710,792 from financing activities, to end at February 29, 2024, 2024 with \$10,521,013 cash.

On December 12, 2023, the Company completed a private placement through the issuance of 48,648,648 flow-through units at a price of \$0.185 per flow-through unit for gross proceeds of \$9,000,000 and the issuance of 11,366,787 non-flow-through units at a price of \$0.12 per non-flow-through unit for gross proceeds of \$1,364,014.

At February 29, 2024, the Company had working capital of \$6,948,477, however \$10,898,898 cash was required for flow-through purposes, resulting in a working capital deficiency of \$3,950,421, of which \$3,865,457 is a non-cash current liability. 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 29, 2024	286,050,364	68,709,234	20,915,000
Exercise of warrants	855,190	(855,190)	-
Warrants expired	-	(7,405,351)	-
Options granted	-	-	700,000
Balance as at the date of this MD&A	286,905,554	60,448,693	21,615,000

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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).