



FORUM URANIUM CORP.
(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS
For the Nine-Month Periods Ended
August 31, 2011 and 2010
(Unaudited – Prepared by Management)

Canadian Funds

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51 – 102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators **WE HEREBY GIVE NOTICE THAT** the interim financial statements that follow this notice have not been reviewed by the Company's auditors.

Forum Uranium Corp.

(An Exploration Stage Company)

Statement 1

Interim Balance Sheets

As at

(Unaudited – Prepared by Management)

Canadian Funds

ASSETS	August 31, 2011	November 30, 2010 (Audited)
Current		
Cash and cash equivalents	\$ 1,599,666	\$ 1,050,949
Restricted cash (Note 11d)	3,233,151	-
Marketable securities (Note 6)	490,983	354,256
Receivables	130,177	142,108
Due from joint venture and option partners (Note 8)	26,512	130,297
Due from related parties (Note 10 b)	46,000	44,000
Prepaid expenses and deposits	36,634	76,723
	<u>5,563,123</u>	<u>1,798,333</u>
Equipment (Note 7)	50,551	66,264
Mineral Properties (Note 9)	18,074,216	15,574,407
	<u>\$ 23,687,890</u>	<u>\$ 17,439,004</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 799,453	\$ 131,237
Amounts due to related parties (Note 10a)	26,436	22,851
Due to joint venture and option partners (Note 8)	66,287	116,344
	<u>892,176</u>	<u>270,432</u>
SHAREHOLDERS' EQUITY		
Share Capital – Statement 5 - (Note 11)	32,652,679	27,058,534
Contributed Surplus – Options – Statement 5 (Note 11)	3,771,641	3,350,422
Contributed Surplus – Warrants – Statement 5 (Note 11)	2,407,749	1,888,116
Accumulated other comprehensive income – Statement 5	132,360	104,966
Deficit - Statement 5	(16,168,715)	(15,233,466)
	<u>22,795,714</u>	<u>17,168,572</u>
	<u>\$ 23,687,890</u>	<u>\$ 17,439,004</u>

Nature of Operations and Going Concern (Note 1)

Commitments (Note 13)

Approved by the Board of Directors:

“Richard Mazur”

Richard Mazur

Director

“Anthony Balme”

Anthony Balme

Director

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

Forum Uranium Corp.

(An Exploration Stage Company)

Statement 2

Interim Statements of Comprehensive Loss

For the periods ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

	Three-month period ended August 31, 2011	Three-month period ended August 31, 2010	Nine-Month period ended August 31, 2011	Nine-Month period ended August 31, 2010
Loss for the period	\$ 396,946	\$ 494,108	\$ 935,249	\$ 769,157
Unrealized loss on available for sale securities	<u>136,277</u>	2,600	<u>27,394</u>	2,600
Comprehensive loss for the period	\$ 533,223	\$ 496,708	\$ 962,643	\$ 771,757

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Forum Uranium Corp.

(An Exploration Stage Company)

Interim Statements of Loss and Deficit

For the periods ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

Statement 3

	Three-month period ended August 31, 2011	Three-month period ended August 31, 2010	Nine-Month period ended August 31, 2011	Nine-Month period ended August 31, 2010
Expenses				
Stock-based compensation	\$ 187,259	\$ 31,927	\$ 406,137	\$ 145,408
Office and miscellaneous	51,106	38,313	187,029	102,613
Professional fees	51,037	35,620	170,098	99,570
Management fees	37,500	34,375	100,000	90,625
Investor relations and shareholder information	25,638	19,977	92,623	64,846
Wages and salaries	18,647	10,311	66,703	50,208
Transfer agent and regulatory fees	29,987	27,683	43,803	73,505
Travel and promotion	5,796	1,357	31,321	13,477
Property investigation	5,088	5,225	27,215	25,081
Consulting fees	7,680	4,500	18,780	13,500
Corporate administrative fees	12,000	-	16,000	-
Directors fees	3,000	14,705	9,000	48,035
Amortization	934	1,754	2,801	5,260
Due to related party write-off	-	175,808	-	175,808
	434,672	401,555	1,171,510	907,936
Other (Income) Expense				
Interest income	(13,124)	(2,382)	(21,947)	(4,955)
Bad debt recovery	-	-	-	(100,000)
Income from sale of exploration equipment	-	-	-	(10,749)
Gain on sale of equipment	-	(1,213)	-	(1,213)
Gain on sale of marketable securities	-	(1,200)	(39,333)	(15,725)
Mineral property write-downs (recovery)	(22,649)	103,399	(72,649)	111,696
Operator's Management fee	(1,953)	(6,051)	(102,332)	(117,833)
	(37,726)	92,553	(236,261)	(138,779)
Net loss for the period	396,946	494,108	935,249	769,157
Deficit - Beginning of Period	15,771,769	14,897,395	15,233,466	14,622,346
Deficit – End of Period	\$ 16,168,715	15,391,503	\$ 16,168,715	15,391,503
Weighted Average Shares Outstanding	159,785,741	118,380,799	140,287,694	115,808,350
Loss per Share – Basic and Diluted	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01

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Forum Uranium Corp.

(An Exploration Stage Company)

Interim Statements of Cash Flows

For the periods ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

Statement 4

Cash Resources Provided By (Used In)	Three-month period ended August 31, 2011	Three-month period ended August 31, 2010	Nine-Month period ended August 31, 2011	Nine-Month period ended August 31, 2010
Operating Activities				
Loss for the period	\$ (396,946)	\$ (494,108)	\$ (935,249)	\$ (769,157)
Items not affected by cash:				
Amortization	934	1,754	2,801	5,260
Mineral property write-downs	648	103,399	648	111,696
Marketable securities received in exchange for mineral property interest	-	-	(109,333)	-
Gain on sale of equipment	-	(1,213)	-	(1,213)
Loss (gain) on marketable securities	-	(1,200)	-	-
Stock-based compensation	187,259	31,927	406,137	145,408
Changes in non-cash working capital items:	(478,484)	(161,620)	(29,473)	(91,133)
Net cash used in operating activities	(686,589)	(521,061)	(664,469)	(599,139)
Financing Activities				
Proceeds from private placements	30,000	499,950	5,750,219	1,221,950
Proceeds from exercise of warrants	-	-	466,900	24,465
Proceeds from exercise of options	-	-	56,000	-
Proceeds from sale of equipment	-	6,246	-	6,246
Advances to related parties	-	155,411	-	42,790
Share issuance costs	(11,779)	(3,400)	(485,540)	(32,283)
Net cash used by financing activities	18,221	658,207	5,787,579	1,263,168
Investing Activities				
Acquisition of equipment	-	(1,245)	-	(1,245)
Sale of marketable securities	-	-	-	95,000
Restricted cash	(3,233,151)	(42,294)	(3,233,151)	(42,294)
Contributions of joint venture and option partners received	707,416	74,485	51,946	(67,427)
Joint venture recovery of exploration costs	-	-	-	-
Prepaid exploration advances	19,541	60,515	1,219,017	1,625,122
Mineral property expenditures	(572,086)	(272,058)	(2,612,205)	(2,980,887)
Net cash used by investing activities	(3,078,280)	(180,597)	(4,574,393)	(1,371,731)
Change in Cash and Cash Equivalents	(3,746,648)	(43,451)	548,717	(707,702)
Cash and cash equivalents - Beginning of Period	5,346,314	1,442,532	1,050,949	2,106,783
Cash and Cash Equivalents - End of Period	\$ 1,599,666	\$ 1,399,081	\$ 1,599,666	\$ 1,399,081

Supplemental Disclosure of Cash Flow Information (Note 12)

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

Forum Uranium Corp.

(An Exploration Stage Company)

Interim Statements of Shareholders' Equity

For the periods ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

Statement 5

	Share capital (Number of Shares)	Share capital (Amount) \$	Contributed Surplus – Warrants \$	Contributed Surplus – Options \$	Accumulated Other Comprehensive Income \$	Deficit \$	Total \$
November 30, 2009	108,841,005	25,974,135	1,896,287	3,131,705	(21,431)	(14,622,346)	16,358,351
Units issued for cash pursuant to private placements (<i>Note 11</i>)	11,571,666	1,221,950	-	-	-	-	1,221,950
Broker warrants exercised	793,650	79,365	-	-	-	-	79,365
Stock options exercised	843,150	87,030	-	-	-	-	87,030
Shares issued in exchange for mineral property	75,000	6,750	-	-	-	-	6,750
Share issuance costs	-	(44,292)	12,009	-	-	-	(32,283)
Stock-based compensation	-	-	-	311,383	-	-	311,383
Fair value of options exercised	-	92,666	-	(92,666)	-	-	-
Fair value of warrants exercised	-	20,180	(20,180)	-	-	-	-
Future income tax recovery on renouncement of flow through shares	-	(379,250)	-	-	-	-	(379,250)
Other comprehensive income	-	-	-	-	126,397	-	126,397
Net loss for the year	-	-	-	-	-	(611,120)	(611,120)
November 30, 2010	122,124,471	27,058,534	1,888,116	3,350,422	104,966	(15,233,466)	17,168,572
Units issued for cash pursuant to private placements (<i>Note 11</i>)	33,223,500	5,258,144	492,075	-	-	-	5,750,219
Warrants exercised	3,317,500	466,900	-	-	-	-	466,900
Stock options exercised	370,000	56,000	-	-	-	-	56,000
Shares issued in exchange for mineral property	750,000	210,000	-	-	-	-	210,000
Stock-based compensation	-	-	-	537,418	-	-	537,418
Fair value of options exercised	-	116,199	-	(116,199)	-	-	-
Fair value of warrants exercised	-	119,352	(119,352)	-	-	-	-
Share issuance costs	-	(632,450)	146,910	-	-	-	(485,540)
Other comprehensive income	-	-	-	-	27,394	-	27,394
Net loss for the period	-	-	-	-	-	(935,249)	(935,249)
August 31, 2011	159,785,471	32,652,679	2,407,749	3,771,641	132,360	(16,168,715)	22,795,714

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

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

1. Nature of Operations and Going Concern

The Company is in the business of acquiring and exploring uranium and rare earth projects. There has been no determination whether these properties contain reserves that are economically recoverable.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast significant doubt on the validity of this assumption. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its mineral projects by issuance of share capital and/or through joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. As at August 31, 2011, the Company has an accumulated deficit of \$16,168,715 and has a working capital of \$4,670,947. During the nine-month period ended August 31, 2011, the Company closed a brokered private placement and raised gross proceeds of \$5,750,219 through the issuance of 7,667,050 units and 25,556,450 flow-through common shares. The flow-through shares were sold at a price of \$0.18 per share. The units were sold at a price of \$0.15 per unit and are comprised of one common share and one-half of one share purchase warrant of the Company. Each whole Warrant entitles the holder to purchase one additional common share at a price of \$0.25 per common share at any time prior to May 4, 2014. (See Note 11). However, there can be no assurance that management's future financing actions will be successful.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the balance sheet classifications used. Such adjustments could be material.

2. Basis of Presentation and Consolidation

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information using the same accounting policies and methods of application as the audited financial statements of the Company for the year ended November 30, 2010. These unaudited interim financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements of the Company and should be read in conjunction with the audited financial statements of the Company as at November 30, 2010.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

3. Recent Accounting Pronouncements

Business Combinations; Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations; 1601 – Consolidated Financial Statements; and 1602 – Non-Controlling Interests. These sections replace the former CICA Handbook Section 1581 – Business Combinations and CICA 1600 – Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections are the Canadian GAAP equivalent to IFRS 3 – Business Combinations and IAS 27 – Consolidated and Separate Financial Statements.

CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011. Management has not yet evaluated the impact of these standards on the Company's financial statements.

4. 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 mineral properties 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 5.

In the management of capital, the Company includes the components of shareholders' equity (through private placements) as well as cash and cash equivalents, receivables, marketable securities, and investment tax credit receivable balances.

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 cash equivalents 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.

5. Management of Financial Risk

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.

Interest rate risk

The Company has non-material exposure at August 31, 2011 to interest rate risk through its financial instruments.

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(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

5. Management of Financial Risk - continued

Currency Risk

As at August 31, 2011, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's measurement currency. The Company has no operations in foreign jurisdictions at this time and as such has no currency risk associated with its operations.

Credit risk

The Company has some cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from its operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected based on the expected timing of expenditures for operations.

Accounts and other receivables consist of goods and services tax due from the Federal Government of Canada, amounts due from joint venture and option partners, and funds advanced for exploration. The Company does not anticipate any material exposure with collection or payment of these receivables.

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at August 31, 2011, the Company had a cash balance of \$4,832,817 (with \$3,233,151 being held as restricted cash) (November 30, 2010 - \$1,050,949) to settle current liabilities of \$892,176 (November 30, 2010 - \$270,432). Further information relating to liquidity risk is disclosed in Note 1.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

- Cash and cash equivalents include deposits, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by \$48,328 annually.
 - The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.
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Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

6. Marketable Securities

Marketable securities consist of the following holdings:

Company	Shares	Market Value August 31, 2011		Original Cost
Hathor Exploration Limited (V-HAT)	100,000	\$	414,000	\$ 190,000
Mega Uranium Ltd. (T-MGA)	25,000		8,500	44,250
Standard Exploration Ltd. (V-SDE)**	15,000		3,300	3,250
U308 Corp. (V-UWE)*	3,105		994	-
Minera IRL Ltd. (L : MIRL)	2,380		2,856	12,000
Pitchblack Resources Inc. (V-PIT)***	266,666		61,333	-
	412,151	\$	490,983	\$ 249,500

Company	Shares	Market Value November 30, 2010		Original Cost
Hathor Exploration Limited (V-HAT)	100,000	\$	312,000	\$ 190,000
Mega Uranium Ltd. (T-MGA)	25,000		30,000	44,250
Standard Exploration Ltd. (V-SDE)**	15,000		6,000	3,250
U308 Corp. (V-UWE)*	3,105		3,043	-
Minera IRL Ltd. (L : MIRL)	2,380		3,213	12,000
	145,485	\$	354,256	\$ 249,500

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

During year ended November 30, 2010, the Company sold 50,000 shares of Hathor and 20,000 shares of Global for net proceeds of \$110,725 and recognized an overall gain on the sale of marketable securities of \$15,725.

* On January 25, 2010, Global Uranium Corp. (“Global”) completed a 10: 1 consolidation of its common shares. The Company also acquired shares in U308 Corp. by virtue of a spin out by Global of certain assets. The cost base allocated to these shares was \$Nil.

** Max Minerals – change of name to Standard Exploration Ltd.

*** During the nine-month period ended August 31, 2011, the Company received 266,666 shares in Pitchblack Resources Inc. in exchange for a debt settlement of \$70,000. The Company recognized a gain on the settlement of the debt related to the fair value of the shares received in the amount of \$39,333.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

7. Equipment

	Cost	Accumulated Amortization	August 31, 2011 Net Book Value
Exploration equipment	\$ 220,916	177,434	\$ 43,482
Computer equipment	44,279	39,613	4,666
Office equipment	5,315	2,912	2,403
	<u>\$ 270,510</u>	<u>219,959</u>	<u>\$ 50,551</u>

	Cost	Accumulated Amortization	November 30, 2010 Net Book Value
Exploration equipment	\$ 220,916	\$ 164,522	\$ 56,394
Computer equipment	44,279	37,236	7,043
Office equipment	5,315	2,488	2,827
	<u>\$ 270,510</u>	<u>\$ 204,246</u>	<u>\$ 66,264</u>

8. Accounts Receivable and Payables – Exploration Advances and Joint Ventures and Option Agreements

Resource property	August 31, 2011	November 30, 2010
Due from joint venture and option partners		
Pitchblack Resources Inc. - North Thelon	\$ -	\$ 70,000
Hathor Exploration Ltd. – Haultain River	17,343	60,227
Mega Uranium Ltd.	9,169	-
Virginia Energy Resources Inc - Karpinka	-	70
	<u>\$ 26,512</u>	<u>\$ 130,297</u>
Joint venture exploration advances payable		
Mega Uranium Ltd.	\$ -	\$ 50,000
NVI Mining Ltd. – Costigan Lake	66,287	66,344
	<u>\$ 66,287</u>	<u>\$ 116,344</u>

Forum Uranium Corp.

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Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties

The Company has investigated ownership of its mineral interests as at August 31, 2011 and, to the best of its knowledge, ownership of its interests is in good standing.

	November 30, 2010 Total \$	Acquisition Cost \$	Deferred Exploration \$	JV Partner Recovery \$	Write- Down \$	August 31, 2011 Total \$
North Thelon	2,925,166	-	1,009,639	-	-	3,934,805
Tanqueray Option	1,488,177	230,000	3,129	-	-	1,721,306
Agnico Eagle Option	637,061	79,510	292,629	-	-	1,009,200
Henday Lake	2,723,829	-	1,105,927	(1,148,188)	-	2,681,568
Key Lake Road	5,005,953	-	248,253	-	-	5,254,206
Highrock Lake	394,051	-	(21,062)	-	-	372,989
North West Athabasca	-	30,000	409,636	(204,821)	-	234,815
Maurice Point	1,446,201	-	31,774	139,195	-	1,617,170
Costigan Lake JV	320,681	-	-	-	-	320,681
Orchid Lake	113,050	-	-	-	-	113,050
Ukaliq (BL 21)	295,542	-	244,770	-	-	540,312
Karpinka JV	62,026	-	19,547	(5,159)	-	76,414
Kipawa	-	-	28,064	-	-	28,064
Other properties	162,670	-	7,659	(44)	(648)	169,636
Total resource properties	15,574,407	339,510	3,379,965	(1,219,017)	(648)	18,074,216

	November 30, 2009 Total \$	Acquisition Cost \$	Deferred Exploration \$	JV Partner Recovery \$	Write- Down \$	November 30, 2010 Total \$
North Thelon	2,705,484	-	219,682	-	-	2,925,166
Tanqueray Option	1,317,682	6,750	111,087	52,658	-	1,488,177
Agnico Eagle Option	513,643	-	123,418	-	-	637,061
Henday Lake	2,740,905	-	1,745,727	(1,659,804)	(102,999)	2,723,829
Key Lake Road	4,093,970	-	911,983	-	-	5,005,953
Highrock Lake	282,374	-	111,677	-	-	394,051
Maurice Point	1,418,449	-	27,752	-	-	1,446,201
Costigan Lake JV	292,988	-	43,248	(15,555)	-	320,681
Orchid Lake	113,050	-	-	-	-	113,050
Ukaliq (BL 21)	120,457	-	175,085	-	-	295,542
Karpinka JV	30,670	-	64,756	(33,400)	-	62,026
Other properties	128,562	-	42,805	-	(8,697)	162,670
Total resource properties	13,758,234	6,750	3,577,220	(1,656,101)	(111,696)	15,574,407

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties – continued

a) North Thelon

On July 8, 2008, the Company entered into an agreement with Northern Superior Resources Inc. (“Northern”- formerly Superior Diamonds Inc. “Superior”) to acquire a 100% interest in the mineral property by issuing 2,700,000 shares at \$0.34 per share, granting Northern a 5% net profits royalty and assuming certain other obligations.

b) Tanqueray Option

By agreements dated August 14, 2007 and August 13, 2008 the company entered into agreements to earn a 60% interest in the Baker Lake Project located in Nunavut with Tanqueray Resources Ltd, which has a director in common with Forum.

As consideration, the Company will be required to issue shares and incur the following expenditures on the property to earn an initial 60% interest as follows:

Upon execution of agreement	Issuance of 50,000 Forum common shares (issued)	
August 14, 2008	Issuance of 75,000 Forum common shares (issued)	Incur \$200,000 in exploration expenditures (completed)
August 14, 2009	Issuance of 75,000 Forum common shares (issued)	Incur \$300,000 in exploration expenditures (completed)
August 14, 2010	Issuance of 75,000 Forum common shares (issued)	Incur \$500,000 in exploration (completed)
August 14, 2011	Issuance of 75,000 Forum shares	Incur \$1,000,000 in exploration expenditures for cumulative expenditures totalling \$2,000,000, (\$1,933,307 costs incurred to period end)
August 14, 2012	Issuance of 75,000 Forum shares	Incur \$2,000,000 in exploration expenditures (for cumulative expenditures totalling \$4,000,000)

During the year ended November 30, 2010, the 2007 agreement was amended to allow the Company to earn a 60% interest in uranium and diamonds on all of Tanqueray’s property by completing \$4 million in exploration over five years. As an alternative to completing the remaining terms under the August 2007 option agreement, Tanqueray has sold to the Company a 100% interest in claims selected as having uranium exploration potential, which shall supersede and replace the August 2007 option agreement, under the following considerations:

- The Company made a \$20,000 cash payment to Tanqueray;
- The Company issued 750,000 common shares of Forum to Tanqueray;
- The Company forgave Tanqueray’s indebtedness to Forum of \$52,658.07;
- The Company acquired Tanqueray’s camp to conduct its exploration activities, and;
- The Company will offer Tanqueray the right and option to acquire a 50% interest in any exploration program on the acquired claims for the purpose of assessing gold as a primary deposit. Tanqueray must elect to exercise their option by paying 50% of the cost of the proposed exploration program and a joint venture will be formed with the Company as Operator.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties - continued

c) Agnico Eagle Option

On February 29, 2008 and amended June 1, 2010, the Company entered into an option agreement with Agnico-Eagle Mines Limited (“Agnico”) whereby the company can earn a 51% interest in certain mineral claims around the Thelon Basin in the Nunavut Territory. The Company can earn their interest by incurring and funding an aggregate of \$3,000,000 in exploration expenditures as follows:

May 31, 2009	Incurring \$250,000 in exploration expenditures (completed)
December 31, 2010	Incurring \$500,000 in exploration expenditures (for cumulative expenditures totalling \$750,000, completed)
December 31, 2011	Incurring \$750,000 in exploration expenditures (for cumulative expenditures totalling \$1,500,000, incurred \$812,130 to period end)
December 31, 2012	Incurring \$1,500,000 in exploration expenditures (for cumulative expenditures totalling \$3,000,000)

d) Henday Lake

The Company signed an agreement on May 16, 2007 with Uranium Holdings Corporation (UHC”) to acquire of all of the rights, title and interest in and to a mineral property in northern Saskatchewan known as the Henday Lake Property. As consideration, the Company issued 3,515,000 common shares of the Company valued at \$0.42 and spent \$500,000 (incurred) of exploration expenditures on the Property. UHC retains a 2% net smelter royalty on the Property (the “NSR”). The Company has the right to purchase 1% of the NSR for US\$800,000 or CDN\$1,000,000.

The Company entered into an Option Agreement on its 100% owned Henday Lake project in the Athabasca Basin, Northern Saskatchewan with Hathor Exploration Limited (“Hathor”) on February 27, 2009 whereby Hathor can earn up to 70% of the project. The Company will be Operator of the exploration programs up until Hathor earns its 70% interest as follows:

Upon execution of agreement and TSX approval	Issuance of 150,000 Hathor shares (received in addition 15,000 shares in Max Minerals Ltd.)	
February 27, 2010		Incur \$500,000 in exploration expenditures to earn 20% interest (completed)
February 27, 2011		Incur \$1,500,000 in exploration expenditures to earn a further 20% interest (total 40%) (completed)
February 27, 2012		Incur \$1,500,000 in exploration expenditures to earn a further 20% interest (total 60%) (Completed). Complete feasibility study to earn a further 10% (total 70%)

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties - continued

e) Key Lake Road

The Company acquired through permits and claim staking, a 100% interest in exploration permits during 2004, 2005, and 2007 covering the Key Lake Road Project in Northern Saskatchewan.

f) Highrock Lake

On July 24, 2008, the Company purchased from Seagrove Capital Corporation (“Seagrove”) a 100% interest in the Highrock Lake Claim located in northern Saskatchewan by issuing 100,000 common shares valued at \$0.33 per share (issued) and a cash deficiency payment to Saskatchewan Industry and Resources totalling \$37,404 (paid). Seagrove shall retain a 1% NSR and Forum has the option to buy-back 0.5% of the NSR for \$1 million.

g) Maurice Point

By agreements dated September 30, 2007 and January 13, 2009, the Company entered into an agreement with Mega Uranium Ltd. (“Mega”) which allows Mega to earn up to a 70% interest in the Maurice Point uranium project. On March 31, 2011, Mega, after completing all the terms of the agreement until 2010, elected to terminate the agreement.

The terms of the agreements are as follows:

Upon execution of agreement	Issuance of 25,000 Mega shares (received)	
September 20, 2008	Issuance of 25,000 Mega shares (received)	Incur \$2,000,000 in exploration expenditures (completed)
September 20, 2009	\$25,000 payment to the Company upon signing of the amendment to Property Option Agreement (Received)	
September 20, 2010	Issuance of 25,000 Mega shares (not received)	
September 20, 2011	Issuance of 25,000 Mega shares	Incur \$6,000,000 in cumulative exploration expenditures (incurred \$3,949,124 to period end)

h) Costigan Lake

On February 15, 2006, the Company purchased a 65% interest in the Costigan Lake Uranium Property located in Saskatchewan for a cash payment of \$22,975 (paid). The Company is operator. NVI Mining Ltd., a wholly-owned subsidiary of Breakwater Resources Ltd, holds the other 35% interest in the property. The property is subject to a 10% Net Profits Interest royalty.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties - continued

i) Orchid Lake

The Company has a 100% interest in one mineral claim staked during 2005, located approximately 25 kilometres southwest of the Key Lake Mine/Mill complex in Saskatchewan.

j) Ukaliq (formerly BL-21)- Nunavut

The Company entered into agreements with Nunavut Tunngavik Incorporated (“NTI”) on December 2, 2008, March 4, 2009 and June 13, 2010 which formalize the terms between the Company and NTI detailing the Company’s right to earn a 100% interest in all uranium and other minerals located on certain Inuit Owned Lands. The terms of the agreement are as follows:

- i. Forum will pay \$0.50 per hectare as an annual rental fee for the first year (paid), complete an initial exploration program of compilation of historical data, geological mapping and an airborne geophysical survey to a minimum of \$4.00 per hectare in the first year (completed) and issue 1 million shares of the Company within six months (issued). Shares issued will be released for trading over a 24-month period.
- ii. Forum will pay annual rental fees and minimum annual exploration work requirements during the term of this agreement as follows:

Year	Annual Fees – 27,344 hectares (\$/hectare/year)	Due Date	Minimum Annual Exploration Work Requirements (\$/ha/year)
1	\$0.50 (paid)	Signing of agreement	\$4.00 (completed)
2	\$2.00 (paid)	1 st anniversary	\$4.00 (completed)
3-5	\$2.25 (paid Year 3)	2 nd to 4 th anniversary	\$10.00
6-10	\$3.00	5 th to 9 th anniversary	\$20.00
11-15	\$4.00	10 th to 14 th anniversary	\$30.00
16-20	\$4.00	15 th to 19 th anniversary	\$40.00

- iii. Forum will conduct additional exploration of prospecting, mapping ground geophysics and 2,500 metres of diamond drilling within 5 years. Forum will charge a 10% Operators Fee to the project account (5% on contracts over \$100,000).
- iv. Upon completion of a National Instrument 43-101 measured resource of 10 million pounds U3O8 or 100 million pounds U3O8, Forum will pay a \$1 million and \$5 million cash bonus respectively. Upon completion of a National Instrument 43-101 measured resource of 0.5 million ounces of gold or 5 million ounces of gold, Forum will pay a \$1 million and \$5 million cash bonus respectively. Within 30 days of production, Forum will pay a \$1 million cash bonus. Advance royalty payments of \$50,000 annually will be payable upon meeting these milestones.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties - continued

j) Ukaliq (formerly BL-21)- Nunavut - continued

- v. Forum shall grant a 2% Net Smelter Return (NSR) Royalty to NTI on Forum's 100%-owned Tarzan and Nutaaq properties (both part of North Thelon, Note 8a). Forum has the right to purchase 1% of his NSR Royalty from each of these properties for \$1 million each.
- vi. NTI will receive a 12% Net profits Royalty, limited to 75% of gross revenues. The value of any uranium component of the gross revenues shall be 130% of the actual value of uranium.
- vii. Upon completion of a Feasibility Study that recommends production, NTI will have the election to either form a joint venture and hold a 20% participating interest or, be granted a 7.5% Net Profits Royalty that will be calculated in the same manner as the 12 % Net Profits Royalty with the exception that gross revenues shall include the actual value received from any uranium component.

k) Karpinka Joint Venture

The Company entered into a 50/50 Joint Venture Agreement with Virgina Energy Limited (formerly Santoy Resources Ltd). on May 1, 2009 in terms of land near the Key Lake mine-site in the area of Forum's Key Lake Road project. The Company is the Operator of the joint venture. The initial partner contribution of \$20,872 represents cost of staking and recording fees. The agreement has standard double dilution provisions for non-contributing parties and if any parties interest falls below 20%, their interest will automatically convert to 2% Net Smelter Return with 1% purchase-able at any time before commercial production commences for \$1 million.

l) North West Athabasca

On March 7, 2011, the Company entered into an option agreement with Cameco Corporation ("Cameco") whereby the Company and Mega Uranium Ltd. ("Mega") may jointly earn a 60% interest in the North West Athabasca project located in the Western Athabasca Basin. Cameco currently owns an 87.5% participating interest and Areva a 12.5% participating interest in the North West Athabasca project.

The Company and Mega may jointly earn a 60% interest in the property by committing to the following:

March 7, 2011	\$60,000 upon signing of the agreement (paid)	-
March 7, 2012	Option payment - \$80,000	-
March 7, 2013	Option payment - \$110,000	Incur \$250,000 in exploration
June 7, 2013 (15 months from date of agreement)	-	Incur \$750,000 in exploration
On or before the 4 th anniversary	-	Incur \$3,000,000 in exploration

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

9. Resource Properties - continued

m) Kipawa

On July 11, 2011, the Company entered into an option agreement with Aurizon Mines to earn up to a 65% interest in Aurizon's Rare Earth property in south-western Quebec, located 95 km northeast of North Bay, Ontario. The Company can earn a 50% interest by completing the following:

July 11, 2012	Incur \$200,000 in exploration
July 11, 2013	Incur \$150,000 (including a minimum 1,000 metres of drilling)

The Company has the option to earn a further 15% interest, totalling a 65% interest in the project by establishing an NI 43-101 resource estimate on the property within four years of the agreement date. The Company will be the operator during the earn-in period. Upon completion of its earn-in, The Company and Aurizon will form a joint venture with the Company as operator.

10. Related Party Transactions

- At August 31, 2011, the Company owed \$26,436 (November 30, 2010 - \$22,851) to companies with directors and officers in common. These are non-interest bearing and are paid under the same terms as normal accounts payable.
- At August 31, 2011, White Label Corporate Services Inc, a management services company with officers in common, owed the Company \$44,000 (November 30, 2010 - \$44,000) relating to a deposit for services. A company with directors in common also owed the Company \$2,000 for services paid on their behalf. These related party transactions were in the normal course of operations and are non-interest bearing and are paid under the same terms as normal accounts payable. (Note 13)
- The following related party transactions were in the normal course of operations and are measured at fair value being their exchange amounts:

	August 31, 2011	August 31, 2010
White Label Corporate Services Inc. – Officers in common	\$ 189,750	\$ -
HRG Management Ltd. – Former directors & officers in common	-	260,436
Mirador Management – Officer in common, management services (paid & accrued)	100,000	112,500
Ken Wheatley – Officer, geological and management services	112,500	112,500
McMillan LLP- Director, legal services	10,479	11,097
Total	\$ 412,729	\$ 496,533

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

11. Share Capital

Authorized share capital: Unlimited Common shares without par value

Share issuances:

- a) During the nine-month period ended August 31, 2011, the Company had 3,317,500 warrants exercised for total proceeds of \$466,900. In addition, 52,500 warrants expired without exercise.
- b) During the nine-month period ended August 31, 2011, the Company had 370,000 stock options exercised for total proceeds of \$56,000. In addition, 40,000 stock options were forfeited due to the resignation of an employee.
- c) During the nine-month period ended August 31, 2011, the Company issued 750,000 shares pursuant to their amended mineral property agreement. (*Note 9b*)
- d) On May 4, 2011, the Company closed a brokered private placement and has raised \$5,750,219 through the issuance of 7,667,050 units and 25,556,450 flow-through common shares. The flow-through shares were sold at a price of \$0.18 per share. The units were sold at a price of \$0.15 per unit and are comprised of one common share and one-half of one share purchase warrant of the Company. The warrants attached to the private placement have been valued at \$492,075 using the Black Scholes pricing model. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.25 per common share at any time prior to May 4, 2014.

The broker received a cash commission of \$368,041 and 2,085,102 agents' warrants entitling them to acquire up to 2,085,102 common shares at a price of \$0.15 per common share until May 4, 2013. The agent warrants have been valued at \$146,910 using the Black Scholes pricing model. All securities issued pursuant to this financing are subject to a four month hold period expiring September 5, 2011.

As at August 31, 2011, the Company had \$3,233,151 in restricted cash relating to flow through share issuances which must be spent by December 31, 2012.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

11. Share Capital - continued

Warrants

A summary of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - November 30, 2009	11,891,225	\$0.29
Granted	210,000	\$0.20
Exercised	(793,650)	\$0.10
Expired	(3,191,075)	\$0.64
Balance – November 30, 2010	8,116,500	\$0.18
Issued	5,918,627	\$0.21
Exercised	(3,317,500)	\$0.13
Expired	(4,799,000)	\$0.20
Balance – August 31, 2011	5,918,627	\$0.21

Of the warrants outstanding at August 31, 2011, the following are stock warrants:

- 3,833,525 warrants are exercisable at \$0.25 per share up to May 4, 2014.
- 2,085,102 broker warrants are exercisable at \$0.15 per share up to May 4, 2013.

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 Exchange on the last trading day preceding the grant date. Options vest immediately for directors, officers, employees and consultants except for investor relations, which vest in equal quarterly intervals over a term of 12 months. A summary of the Company's stock option transactions is as follows:

	Number of options	Weighted Average Exercise Price
Balance - November 30, 2009	5,810,000	\$0.14
Granted	3,000,000	\$0.17
Exercised	(843,150)	\$0.10
Expired	(860,000)	\$0.15
Forfeited	(356,850)	\$0.15
Balance – November 30, 2010	6,750,000	\$0.15
Granted	3,900,000	\$0.19
Exercised	(370,000)	\$0.15
Forfeited	(1,740,000)	\$0.24
Balance – August 31, 2011	8,540,000	\$0.15

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

11. Share Capital - continued

Options (continued):

As August 31, 2011, the following stock options are outstanding:

Number	Price per share	Expiry date	Options exercisable
90,000	\$0.15	November 27, 2011	90,000
520,000	\$0.15	March 12, 2012	520,000
550,000	\$0.15	April 9, 2012	550,000
430,000	\$0.15	July 20, 2012	430,000
485,000	\$0.15	August 14, 2012	485,000
545,000	\$0.15	March 4, 2013	545,000
50,000	\$0.15	July 8, 2013	50,000
80,000	\$0.15	May 7, 2014	80,000
250,000	\$0.15	October 27, 2014	250,000
500,000	\$0.15	December 3, 2014	500,000
885,000	\$0.20	February 10, 2015	885,000
495,000	\$0.15	June 30, 2015	495,000
885,000	\$0.15	November 4, 2015	885,000
250,000	\$0.15	May 31, 2016	62,500
1,025,000	\$0.15	July 4, 2016	1,025,000
1,500,000	\$0.15		1,500,000
8,540,000			8,352,500

- a) On February 10, 2010, the Company granted to certain of its directors and officers incentive stock options to purchase up to an aggregate of 1,080,000 common shares exercisable on or before May 5, 2015 at a price of \$0.20 per share. The total fair value of the options granted was \$114,399 with \$64,085 recorded as stock-option compensation expense and \$50,314 capitalized to mineral properties. During the current year, 93,150 stock options were exercised and 91,850 were forfeited due to resignation of an employee and officer of the Company.
- b) On June 30, 2010, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 535,000 common shares exercisable on or before June 30, 2015 at a price of \$0.15 per share. The total fair value of the options granted was \$37,540 with \$31,927 recorded as stock-option compensation expense and \$5,613 capitalized to mineral properties.
- c) On November 4, 2010, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 885,000 common shares exercisable on or before November 4, 2015 at a price of \$0.15 per share. The total fair value of the options granted was \$110,049 with \$55,957 recorded as stock-option compensation expense and \$54,092 capitalized to mineral properties.
- d) On February 2, 2011, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 1,025,000 common shares exercisable on or before February 2, 2011 at a price of \$0.30 per share. The total fair value of the options granted was \$262,113 with \$210,969 recorded as stock-option compensation expense and \$51,144 capitalized to mineral properties. These options were cancelled during the nine-month period ended August 31, 2011.

Forum Uranium Corp.

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Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

11. Share Capital - continued

- e) On May 31, 2011, the Company granted to an investor relations consultant incentive stock options to purchase up to an aggregate of 250,000 common shares exercisable on or before May 31, 2016 at a price of \$0.15 per share. The options vest 25% commencing on August 31, 2011. The portion of stock-based compensation recorded during the nine-month period ended August 31, 2011, is \$10,610 based on the vesting schedule of the options.
- f) On July 4, 2011, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 1,025,000 common shares exercisable on or before July 4, 2016 at a price of \$0.15 per share. The total fair value of the options granted was \$106,316 with \$85,571 recorded as stock-option compensation expense and \$20,745 capitalized to mineral properties. These options were cancelled during the nine-month period ended August 31, 2011.
- g) On July 29, 2011, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 1,600,000 common shares exercisable on or before July 29, 2016 at a price of \$0.15 per share. The total fair value of the options granted was \$158,379 with \$98,987 recorded as stock-option compensation expense and \$59,392 capitalized to mineral properties. These options were cancelled during the nine-month period ended August 31, 2011.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options. The estimated fair value of the stock options granted during the prior year was determined using a Black-Scholes option pricing model with the following assumptions:

	2011	2010
Expected dividend yield	0%	0%
Expected stock price volatility	121-124%	110-119%
Risk free rate	1.94-2.35%	3.01%
Expected life of options	5 years	5 years

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Nine-Month Periods Ended August 31, 2011 and 2010

(Unaudited – Prepared by Management)

Canadian Funds

12. Supplemental Disclosure of Cash Flow Information

	Three-months ended August 31, 2011		Three-months ended August 31, 2010		Nine-Months ended August 31, 2011		Nine-Months ended August 31, 2010	
Cash paid for interest	\$	Nil	\$	Nil	\$	Nil	\$	Nil
Cash paid for income taxes	\$	Nil	\$	Nil	\$	Nil	\$	Nil

Changes in non-cash working capital:	Three-month period ended August 31, 2011		Three-month period ended August 31, 2010		Nine-Month period ended August 31, 2011		Nine-Month period ended August 31, 2010	
(Increase) decrease in:								
Receivables	\$	146,618	\$	2,727	\$	11,713	\$	(71,668)
Due from related parties		(15,596)		-		3,582		-
Prepaid expenses		(4,919)		(26,152)		40,092		34,693
Accounts payable and accrued liabilities		(604,587)		(138,195)		(84,860)		(54,158)
	\$	(478,484)	\$	(161,620)	\$	(29,473)	\$	(91,133)

Supplemental Disclosure of Non-Cash Financing and Investing Activities include:	August 31, 2011		August 31, 2010	
Accounts payable which are included in mineral properties expenditures	\$	753,076	\$	243,091
Amortization included in mineral properties	\$	12,913	\$	17,694
Shares issued pursuant to mineral property agreements	\$	210,000	\$	6,750
Stock-based compensation included in mineral properties	\$	131,281	\$	55,926

13. Commitments

The Company entered into a new services agreement with White Label Corporate Services Inc. (“WLM”) on November 1, 2010 and has agreed to pay a monthly corporate administration fee of \$19,750 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. The agreement can be terminated by either party prior to expiration with 60 days written notice. The Company shares two officers in common with WLM.



**MANAGEMENT DISCUSSION AND
ANALYSIS**

**FOR THE NINE MONTH PERIOD ENDED
AUGUST 31, 2011**

As at October 28, 2011

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Introduction

The following interim management's discussion and analysis (MD&A) of the Company has been prepared as of October 28, 2011 and is intended to supplement and complement the Company's unaudited interim financial statements for the nine-month period ended August 31, 2011. This MD&A should also be read in conjunction with the audited annual financial statements and annual MD&A for the year ended November 30, 2010. All financial information has been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and all amounts disclosed are Canadian dollars unless otherwise stated. All amounts referred to herein are in Canadian dollars unless otherwise specified. Additional information relating to the Company including material change notices, certifications of annual and interim filings, and press releases are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Description of Business

Forum Uranium Corp. (the "Company", formerly Forum Development Corp.) was incorporated under the provisions of the Company Act (British Columbia) on June 16, 1987. The Company is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer under the trading symbol - **FDC**. The Company is in the business of acquiring, exploring and developing uranium and rare earth projects. There has been no determination whether these properties contain reserves which are economically recoverable.

The Company's head office is located in Vancouver, British Columbia, Canada. The recoverability of values assigned to these uranium properties is dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

Highlights for the Nine-month Period Ended August 31, 2011

- i. The Company announced the appointment of Mr. John (Ian) Stalker to the Board of Directors. Mr. Stalker is an international mining executive with over thirty years of experience in mine development and operations in Europe, Africa and Australia. Mr. Stalker was the Chief Executive Officer of UraMin Inc., a London- and Toronto-listed uranium company from July 2005 until its acquisition by Areva in August 2007 for US\$2.5 billion. Mr. Stalker recently held the post of Chief Executive Officer of Berkeley Resources Ltd., an Australian and London-listed uranium company with its main development asset in Spain and remains on the Board of Berkeley as a non- executive director.

Highlights for the Nine-month Period Ended August 31, 2011 - *continued*

- ii. The Company announced that they have entered into an option agreement with Cameco Corporation (“Cameco”) whereby the Company and Mega Uranium Ltd. (“Mega”) may jointly earn a 60% interest in the North West Athabasca project located in the Western Athabasca Basin.

Cameco currently owns an 87.5% participating interest and Areva a 12.5% participating interest in the North West Athabasca project. The Company and Mega may jointly earn a 60% interest in the property by committing to \$750,000 in exploration within 15 months of the closing date and incurring additional optional expenditures of \$250,000 by the second anniversary of the agreement and a further \$3 million on or before the fourth anniversary of the agreement for a total expenditure of \$4 million. In addition, the Company and Mega must make option payments of \$60,000 upon closing, \$80,000 by the first anniversary and \$110,000 by the second anniversary of the agreement date.

- iii. On May 4, 2011, the Company closed a brokered private placement and has raised gross proceeds of \$5,730,219 through the issuance of 7,667,050 units and 25,556,450 flow-through common shares. The flow-through shares were sold at a price of \$0.18 per share. The units were sold at a price of \$0.15 per unit and are comprised of one common share and one-half of one share purchase warrant of the Company. The warrants attached to the private placement have been valued at \$482,769 using the Black Scholes pricing model. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.25 per common share at any time prior to May 4, 2014.

The broker received a cash commission of \$368,041 and 2,085,102 agents’ warrants entitling them to acquire up to 2,085,102 common shares at a price of \$0.15 per common share until May 4, 2013. The agent warrants have been valued at \$146,910 using the Black Scholes pricing model. All securities issued pursuant to this financing are subject to a four month hold period expiring September 5, 2011.

- iv. The Company announced that they have entered into an option agreement with Aurizon Mines to earn up to a 65% interest in Aurizon’s Rare Earth property in south-western Quebec, northeast of North Bay, Ontario. The Company can earn a 50% interest by completing \$200,000 in exploration as a firm commitment within 12 months and a further \$150,000 in exploration, including a minimum of 1,000 metres of drilling, within 24 months of the date of the agreement. The Company has the option to earn a further 15% interest, totalling a 65% interest in the project by establishing an NI 43-101 resource estimate on the property within four years of the agreement date. The Company will be the operator during the earn-in period. Upon completion of its earn-in, The Company and Aurizon will form a joint venture with the Company as operator.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Highlights Subsequent to the Nine Month Period Ended August 31, 2011

There were no reportable events subsequent to the nine-month period ended August 31, 2011.

Results of Operations

Three-Month Period Ended August 31, 2011

The Company's loss for the three-month period ended August 31, 2011 (the "Current Period") was \$396,946 or \$0.00 loss per share as compared with a loss of \$494,108 or \$0.00 per share for the nine-month period ended August 31, 2010 (the "Comparative Period"). General and administrative expenses were \$33,117 higher in the Current Period at \$434,672 compared with \$401,555 in the Comparative Period. This increase was mainly due to increases in stock-based compensation costs (\$187,259 versus \$31,927) due to granting of incentive stock options to directors, officers, employees and consultants, higher professional fees (\$51,037 versus \$35,620) due to increased legal costs because of reviewing and drafting of property agreements and filing fees associated with increased share capital activity and higher directors expenses (\$12,000 versus \$Nil) due to reinstatement of fees paid to directors.

The Company also recognized a recovery on a mineral property write-down due from the Henday fire (\$22,649 versus \$Nil) due to an insurance proceeds payout received. The Company realized interest and other income in the Current Period of \$13,124 compared with \$2,382 in the Comparative Period due to higher cash balances on hand during the year.

Nine-month Period Ended August 31, 2011

The Company's loss for the nine-month period ended August 31, 2011 (the "Current Period") was \$935,249 or \$0.01 loss per share as compared with a loss of \$769,157 or \$0.00 per share for the nine-month period ended August 31, 2010 (the "Comparative Period"). General and administrative expenses were \$263,574 higher in the Current Period at \$1,171,510 compared with \$907,936 in the Comparative Period. This increase was mainly due to increases in stock based compensation costs (\$406,137 versus \$145,408) due to granting of incentive stock options to directors, officers, employees and consultants, higher professional fees (\$170,098 versus \$99,570) due to increased legal costs because of reviewing and drafting of property agreements and private placement filings and higher office and miscellaneous costs (\$187,029 versus \$102,613) due to increased overhead costs incurred due to a new management services agreement signed late in the 2010 fiscal year end and higher investor and shareholder relations costs (\$92,623 versus \$64,846) due to hiring of a full time investor relations consultant, increased promotion on the Company and attendance at conferences, higher transfer agent filings fees (\$31,321 versus \$13,477) associated with increased share capital activity and higher director expenses (\$16,000 versus \$Nil) to due reinstatement of directors fees during the period. These increases were partially offset by lower property investigation costs (\$43,803 versus \$73,505) due to less examinations of potential mineral property acquisitions.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Results of Operations - continued

Nine-month Period Ended August 31, 2011- continued

The Company also recognized a gain on settlement of debt through the issuance of shares received in the amount of \$39,333 and also recovered lower operator's management fees (\$102,332 versus \$117,833) due to reduced joint venture exploration activity. The Company also recognized a recovery on a mineral property write-down due to the Henday fire (\$72,649 versus \$Nil) due to an insurance proceeds payout received. The Company realized interest and other income in the Current Period of \$21,947 compared with \$4,955 in the Comparative Period due to higher cash balances on hand during the year. The spending for mineral properties was \$3,351,901. Joint venture partner recoveries were \$1,219,017. The \$3,351,901 in resource expenditures on exploration included \$1,105,927 on Henday, \$248,253 on Key Lake, \$409,636 on NW Athabasca, \$1,009,639 on North Thelon, \$292,629 on Agnico, and \$224,770 on Ukaliq. The balance of \$61,047 were spent on the Company's remaining mineral properties.

During the nine-month period ended August 31, 2011, the main expenditures, include exploration expenditures of \$2e,612,205 and operating expenditures of \$664,469. Financing activities amounted to \$5,787,579 (before share issuance costs of \$485,540) from share issuances due to a private placement in the amount of \$5,730,219, \$466,900 from warrant exercises and \$56,000 from exercise of stock options and investing activities of \$4,574,393 which include \$51,946 of contributions of joint venture partners, \$1,219,017 in joint venture partner recoveries and \$3,233,151 in restricted cash held for qualified mineral exploration expenditures.

Summary of Quarterly results (unaudited)

The table below present's selected financial data for the Company's eight most recently completed quarters.

	August 31, 2011	May 31, 2011	February 28, 2011	November 30, 2010	August 31, 2010	May 31, 2010	February 28, 2010	November 30, 2009
<i>In thousands \$</i>								
Financial results								
Net loss (income) for period	397	185	353	(158)	494	137	138	4
Basic and diluted loss per share	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.01
Exploration expenditures on resource properties	1,389	459	652	249	369	79	1,119	360
Balance sheet data								
Cash and short term deposits	4,833	5,346	1,459	1,051	1,441	1,442	2,360	2,107
Resource properties	18,074	16,685	16,226	15,574	15,325	14,956	14,877	13,758
Total assets	23,688	23,530	18,555	17,439	17,370	17,398	18,563	16,563
Shareholders' equity	22,796	22,771	17,801	17,169	17,184	16,939	17,138	16,373

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Resource Properties

The Company has investigated ownership of its mineral interests as at August 31, 2011 and, to the best of its knowledge, ownership of its interests is in good standing.

PROJECT	INTEREST	COMMODITY	LOCATION	AREA (Hectares)
North Thelon	100%	Uranium	Nunavut	69,316
Agnico-Eagle Option *	51%	Uranium	Nunavut	21,497
Ukaliq Agreement*	100%	Uranium	Nunavut	36,480
NW Athabasca*	30%	Uranium	Saskatchewan	9,865
Key Lake Road	100%	Uranium	Saskatchewan	72,420
Maurice Point	100%	Uranium	Saskatchewan	33,777
Henday Lake	40%	Uranium	Saskatchewan	7,204
Orchid Lake	100%	Uranium	Saskatchewan	7,229
Costigan Lake JV	65%	Uranium	Saskatchewan	743
Haultain River	100%	Uranium	Saskatchewan	28,274
Highrock Lake	100%	Uranium	Saskatchewan	3,117
Karpinka JV	50%	Uranium	Saskatchewan	8,151
Kipawa West*	65%	Rare Earth	Quebec	6,960

* The Company has to earn their interest in the properties by fulfilling the terms of the option agreements. See individual resource property descriptions for earn in terms.

Richard Mazur, P.Geo., President & CEO of the Company reviewed the contents of the Resource Property Descriptions in this Management's Discussion and Analysis.

North Thelon Project (Includes North Thelon claims, Agnico-Eagle Option and Ukaliq Exploration Agreement with Nunavut Tunngavik Inc. ("NTI"))

The North Thelon project is a large property that surrounds Areva's Kiggavik deposits (127 million lbs U3O8 @ 0.55%) on the north, east and south sides. The only other company actively exploring in the Kiggavik area is Cameco Corp. which has made two important discoveries to the west of the Kiggavik deposits. Areva has submitted a project description to the Nunavut Impact Review Board for the development of a uranium mine with a plan to produce 8 million pounds of uranium per year over a 17 year mine life.

Nutaaq, a newly discovered rare earth element (REE) showing was identified in 2009, with up to 3.8% total REE being returned from assays. The Nutaaq area hosts a 10km x 8km intrusive alkali syenite complex that is enriched in REE. Amapping, soil sampling and rock sampling campaign was completed in the summer of 2010 to determine the size, grade and geological controls of this new REE discovery. Two areas of anomalous REE concentrations were explored by a detailed sampling campaign during the summer of 2011 Results are pending.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Resource Properties - *continued*

A number of historical and new showings with grades of up to 8.75% U₃O₈ have been discovered by Forum on the North Thelon project over the past years of exploration. Forum's geological crew and a ground gravity crew completed work on several high priority targets during the summer of 2010. The program successfully identified further gravity targets (zones of alteration), refined the geology and structural knowledge and collected soil samples for geochemistry from high priority areas on the property. A 2,000 metre drill program, gravity surveys, geological mapping and prospecting were completed during the summer of 2011. Results are pending.

The North Thelon Project area covers a large area of promising but underexplored ground with numerous drill targets already developed during the extensive 2007 to 2010 field programs. It is Forum's vision to make discoveries and develop new deposits on its property to add to the existing 127 million pounds of contained uranium in the Kiggavik Deposits and evaluate the potential for a rare earth deposit at Nutaaq. The Uranium Policy adopted by NTI in 2007 is subject to a periodic review and is currently under such a review.

Key Lake Road Project

(includes Key Lake Road, Haultain River, Highrock Lake, Orchid Lake, Karpinka JV, and Costigan Lake JV)

During the 2011 winter season, a gravity survey with over 2,000 gravity station readings was conducted on the Romulus target area along the Key Lake Road Shear Zone. The data is currently being processed. The Company was notified by the Province of Saskatchewan that the English River First Nation ("ERFN") had requested Crown mineral rights under the terms of the Treaty Land Entitlement Agreement with the Province over portions of the Romulus target area. Forum and the English River First Nation have an 18 month period to negotiate the purchase of Crown mineral rights and the mineral rights cannot be acquired without the consent of the Company. Forum is currently in discussions with ERFN in regard to their request.

Henday Property

A total of 17 holes for 3,774 metres were drilled on the Mallen Zone (13 holes), the King target (3 holes) and the Jen target (1 hole) during the past 2011 winter drill season. The 2011 drill program has extended the zone of intense alteration and elevated radioactivity over an area of 350 metres by 150 metres in a northwest-southeast direction. The 500m by 600m resistivity anomaly that outlines a large zone of alteration remains to be tested by wide spaced drilling to the west and south, as the alteration remains open in these directions. Anomalous radioactivity was noted in most of the drill holes within the basement lithologies. The results remain encouraging for the presence of uranium mineralization and further drilling is recommended.

The unconformity in the Mallen Lake area is shallow at 110m, easily reached by open pit methods. Several drill-holes intersected uranium mineralization in 2010 within basement lithologies (up to 0.16% uranium) and the clean geochemistry suggests that the uranium model is similar to Hathor's Roughrider zone.

Resource Properties - *continued*

Two other targets were tested as part of the program: the King target and the Jen target. The Jen target lies at the intersection of an east-northeast structure and a major north-east trending fault. Bleaching within the sandstone lithologies from the top of the hole down to the unconformity at 216m, along with localized tectonics and quartz dissolution were encountered, as well as graphite (at 240m) and a sooty pyrite fracture at 252m with elevated radiometrics (652cps on downhole gamma probe). This type of alteration and associated radioactivity is common around unconformity deposits in the Athabasca Basin. Further drilling is recommended on the Jen and other targets for the 2012 drill season. No further drilling is recommended for the King target.

Hathor has earned a 60% interest in the Henday project and a joint venture will be formed with Forum holding a 40% interest. The Management Committee of the joint venture is yet to meet for the approval of a follow-up program.

Maurice Point Property

No work was conducted on the Maurice Point project. The property has enough assessment work incurred to keep the claims in good standing for three years. The acquisition by Forum of an option from Cameco on the nearby Maurice Bay deposit enhances the potential of the Maurice Point property.

NW Athabasca Option

The Company has entered into an option agreement with Cameco Corporation whereby the Company and Mega Uranium Ltd. may jointly earn a 60% interest in the 98 square kilometer North West Athabasca project, including the historical 1.5 million pound Maurice Bay uranium deposit in the Western Athabasca Basin. The Maurice Bay deposit contains a historical resource of 1.5 million pounds uranium grading 0.6% U₃O₈ to a depth of 50 metres*. (Saskatchewan Industry and Resources, Miscellaneous Report 2003-7). Limited drilling at Zone 2A, with grades of up to 5.68% over 8.5 metres, demonstrates the potential for further high grade deposits. Numerous shallow targets for basement and sandstone-hosted unconformity style mineralization are under-explored or untested and are amenable to open pit mining.

The Company and Mega plan to test and expand the potential of the known mineralization and to locate new deposits using the latest in exploration techniques on a project that has seen most of its work in the late 70's and early 80's. Gravity surveys were completed during the winter of 2011 in five high priority areas totalling approximately 2,500 gravity stations. A number of high priority gravity targets have been identified for drilling. A prospecting, mapping and core re-logging program was conducted during September of 2011. A 4,000 metre drill program is planned for January 2012.

Cameco owns an 87.5% participating interest and Areva a 12.5% participating interest in the NW Athabasca project. The Company and Mega may jointly earn a 60% interest in Cameco's interest in the property by committing to \$750,000 in exploration within 15 months of the closing date, and incurring additional optional expenditures of \$250,000 by the second anniversary of the agreement and a further \$3 million on or before the fourth anniversary of the agreement for a total expenditure of \$4 million. In addition, Forum and Mega must make option payments of \$60,000 upon closing, \$80,000 by the first anniversary, \$110,000 by the second anniversary and \$150,000 by the third anniversary for a total of \$400,000 in cash option payments.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Resource Properties - *continued*

The Company and Mega have entered into a 50/50 Joint Venture Agreement to manage the exploration program during the earn-in period with the Company as initial Operator.

Kipawa West

The Company entered into an option agreement for Forum to earn up to a 65% interest in Aurizon Mines Ltd.'s Rare Earth property in southwestern Quebec, located 95 km northeast of North Bay, Ontario. The property adjoins Matamec Exploration's Zeus project in association with the Kipawa Alkaline Complex. Aurizon's prospecting activities along the Kipawa Alkaline Complex have identified areas of rare earth mineralization similar to Matamec's Kipawa deposit..

The property is underlain by part of the Kipawa Alkaline Complex, a sheet of peralkaline syenite and granite and comprises three blocks of claims that have been optioned from Aurizon. The West, Central and East Blocks cover 120 claims for 6,960 hectares.

In its exploration work last summer along the south part of the West Block, Aurizon discovered many boulders containing anomalous rare earth elements ranging from 1.34% to 16.77% Total Rare Earth Oxides (TREO). Heavy Rare Earth Oxide (HREO) to TREO ratio ranges from 0.8% to 57% in an area covered by thin glacial till. To the north of this boulder field, a grab sample from an outcrop reported 3.12% TREO and a 34% HREO to TREO ratio. Other areas evaluated by Aurizon have identified rare earth targets for further follow-up. Forum completed a program of prospecting, mapping and soil sampling this September to identify the source of these boulders, followed by a drill program.

The Company can earn a 50% interest by completing \$200,000 in exploration as a firm commitment within 12 months and a further \$150,000 in exploration, including a minimum of 1,000 metres of drilling, within 24 months of the date of the agreement. The Company has the option to earn a further 15% interest, totaling a 65% interest in the project by establishing an NI 43-101 resource estimate on the property within four years of the agreement date. The Company is Operator during the earn-in period. Jim Allan, P.Eng. is on Forum's Rare Earth Advisory Board and Daniel Beauchamp, P.Geol. is the Qualified Person managing exploration of the project.

Matamec (Source: Matamec website) reports an NI 43-101 compliant resource of 8,249,000 indicated tonnes grading 0.596% TREO and 2,011,000 inferred tonnes grading 0.572% TREO at a cutoff of 0.04% TREO. The Kipawa deposit is a good source of heavy rare earth oxide and the HREO to TREO ratio is very high at 36%. Rare earth minerals in this deposit include eudialyte, mosandrite, britholite and vlasovite. Matamec believes that the magnitude and quality of the new resource estimate in TREO combined with the optimization of the metallurgical process flow sheet in progress shows that the Kipawa deposit's scoping study is promising.

Liquidity and Capital Resources

As of August 31, 2011 the Company had \$4.83 million in cash and cash equivalents and restricted cash. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company therefore financings have been the sole source of funds.

At August 31, 2011 the Company had working capital of \$4,670,947. In the opinion of management this working capital is sufficient to support the Company's general administrative and corporate operating requirements on an ongoing basis for the next 6 months and should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will likely have to go to the market to achieve this.

Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets such that the company has sufficient liquidity to support its growth strategy.

Liquidity Outlook

The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. Capital expenditures are not expected to have any material impact on liquidity.

Management believes that even with the recent financing in May of 2011, the Company will likely need external financings for the following year in order to fund further exploration. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required. The outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Going Concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast significant doubt on the validity of this assumption. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its mineral projects by issuance of share capital and/or through joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. As at August 31, 2011, the Company has an accumulated a deficit of \$16,168,715 and has a working capital of \$4,670,947. During the nine-month period ended August 31, 2011, the Company closed a brokered private placement and raised \$5,750,219 through the issuance of 7,667,050 units and 25,556,450 flow-through common shares. The flow-through shares were sold at a price of \$0.18 per share. The units were sold at a price of \$0.15 per unit and are comprised of one common share and one-half of one share purchase warrant of the Company. Each whole Warrant entitles the holder to purchase one additional common share at a price of \$0.25 per common share at any time prior to May 4, 2014. However, there can be no assurance that management's future financing actions will be successful.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the balance sheet classifications used. Such adjustments could be material.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Related Party Transactions

- a) At August 31, 2011, the Company owed \$26,436 (November 30, 2010 - \$22,851) to companies with directors and officers in common. These are non-interest bearing and are paid under the same terms as normal accounts payable.
- b) At August 31, 2011, White Label Corporate Services Inc, a management services company with officers in common, owed the Company \$44,000 (November 30, 2010 - \$44,000) relating to a deposit for services. A company with directors in common also owed the Company \$2,000 for services paid on their behalf. These related party transactions were in the normal course of operations and are non-interest bearing and are paid under the same terms as normal accounts payable. (*See Commitments*)
- c) The following related party transactions were in the normal course of operations and are measured at fair value being their exchange amounts:

	August 31, 2011	August 31, 2010
White Label Corporate Services Inc. – Officers in common	\$ 189,750	\$ -
HRG Management Ltd. – Former directors & officers in common	-	260,436
Mirador Management – Officer in common, management services (paid & accrued)	100,000	112,500
Ken Wheatley – Officer, geological and management services	112,500	112,500
McMillan LLP - Director, legal services	10,479	11,097
Total	\$ 412,729	\$ 496,533

Commitments

The Company has a services agreement with White Label Corporate Services Inc. (“WLM”) effective as of November 1, 2010 and has agreed to pay a monthly corporate administration fee of \$19,750 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. The agreement can be terminated by either party prior to expiration with 60 days written notice. The Company shares two officers in common with WLM

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Share Capital Information

The table below presents the Company's common share data as of October 28, 2011.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			159,785,471
Securities convertible into common shares			
Stock Warrants	\$0.25	May 4, 2014	3,833,525
Broker Warrants	\$0.15	May 4, 2013	2,085,102
Stock Options			
	\$0.15	November 27, 2011	90,000
	\$0.15	March 12, 2011	520,000
	\$0.15	April 9, 2012	550,000
	\$0.15	July 20, 2012	430,000
	\$0.15	August 14, 2012	485,000
	\$0.15	March 4, 2013	545,000
	\$0.15	July 8, 2013	50,000
	\$0.15	May 7, 2014	80,000
	\$0.15	October 27, 2014	250,000
	\$0.15	December 3, 2014	500,000
	\$0.15	February 10, 2015	885,000
	\$0.15	June 30, 2015	495,000
	\$0.15	November 4, 2015	885,000
	\$0.15	May 31, 2016	250,000
	\$0.15	July 4, 2016	1,025,000
	\$0.15	July 29, 2016	1,500,000
			174,244,098

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Recent Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2010 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended November 30, 2011.

IFRS Changeover Plan Disclosure

The Canadian Accounting Standards Board (AcSB) has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises (PAEs). The effective changeover date is January 1, 2011, at which time Canadian GAAP will cease to apply for Forum Uranium Corp. and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2012 including comparative IFRS financial results and an opening balance sheet as at December 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended November 30, 2012 with restated comparatives for the year ended November 30, 2011.

Management has developed a project plan for the conversion to IFRS based on the current nature of operations. The conversion plan is comprised of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS; 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; 3) Transition phase which will include the preparation of an IFRS compliant opening balance sheet as at December 1, 2011, any necessary conversion adjustments and reconciliation's, preparation of fully compliant pro forma financial statements including all note disclosures and disclosures required for the MD&A.

Management has completed phase one, the IFRS Scoping phase, and is now advancing through phase two, the Planning stage. Management prepared a component evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS Changeover Plan Disclosure – *continued*

IFRS 1, “First-Time Adoption of International Financial Reporting Standards”, provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. During the second quarter of 2010, management intends to conduct an IFRS educational session for the Audit Committee and the Board of Directors which will focus on the key issues and transitional choices under IFRS 1 applicable to the Company.

Set out below are the most significant areas, identified to date by management, where changes in accounting policies may have the highest potential impact on the Company’s consolidated financial statements based on the accounting policy choices approved by the Audit Committee and Board of Directors. In the period leading up to the changeover in 2011, the AcSB has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company’s consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

Asset Impairment

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, “Impairment of Assets” uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Currently the Company has no significant assets for which impairment testing is required. However, as events and circumstances of the Company’s operations change that give rise to impairment testing, IAS 36 will be applied.

IFRS Changeover Plan Disclosure – continued

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share – based transactions with only a few differences.

Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting. Currently, the Company is using currently using the graded-vesting method and is compliant with IFRS 2 for all grants and therefore the change to IFRS standards will not have a material impact when transitioning to IFRS.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company is currently using the estimate of forfeitures when determining the number of equity instruments expected to vest.

Upon adoption of IFRS 2, the Company will be fully compliant with the new standard and the adoption is not expected to have an impact on the financial statements.

Exploration and Evaluation Assets

Under the Company’s current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board (“IASB”) Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or choose to and keep the existing Company’s policy, if relevant and reliable.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment (“PP&E”) can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has yet to decide on which model to adopt. Currently, the Company has exploration equipment, computer equipment, vehicle, and office equipment capitalized as property, plant and equipment. The value of each asset is not material enough to require componentization and as a result there will be not significant impact on the adoption of either IFRS model on the Company’s financial statements. The Company intends to adopt the cost model for PP&E. In accordance with IAS 16 “Property, Plant and Equipment”, upon acquisition of significant assets, the Company will need to allocate an amount initially recognized in respect of an asset to its component parts and accounts for each component separately when the components have different useful lives or the components provide benefits to the entity in a different pattern.

IFRS Changeover Plan Disclosure – continued

Foreign Currency

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Currently, the functional currency of the consolidated entity is the Canadian dollar ("CAD") which is also the presentation currency of the Company's financial statements.

As events and conditions relevant to the Company change, management will need to re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity. Going forward under IFRS, management will assess the appropriate functional currency based on existing circumstances, which may have a significant impact on the Company's financial statements prepared under IFRS. Currently, all of the Company's transactions are in Canadian dollars and the adoption of IAS 21 is not expected to have an impact on the Company at this time.

Future Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company expects the impact of implementing IAS 12, Income Taxes will not have a significant impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied. With regards to the Company's flow through share private placements, IAS 12 contains no specific guidance on the appropriate accounting for flow-through shares, therefore the Company will continue to follow the guidance provided by EIC-146 under Canadian GAAP.

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose the potential impact of the IFRS adoption at the transition date on our financial statements. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period and, as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable accounting standards at the conversion date are known.

Based on management's assessment of the information system currently used by the Company, all information required to be reported under IFRS is expected to be available with minimal system changes. In addition, based upon the Company's current operations, it is management's opinion that the adoption of IFRS is not expected to have a significant impact on internal controls and reporting procedures.

IFRS Changeover Plan Disclosure – continued*Reclamation and Closure Cost Obligations*

Under IFRS the Company's obligation for closure and reclamation is based on management's best estimate of such future expenditures discounted for the country specific risk free rates. Under Canadian GAAP the obligation is determined based on the fair value of future estimated expenses using quoted market prices and discounted using the Company's current credit adjusted risk free rate. The change in accounting policy is not expected to have a material impact on the consolidated financial statements.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosure requirements. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required for its consolidated financial statements.

The Company currently does not have any debt covenants, capital requirements, compensation arrangements, or material contracts that impact its current business activities that would affect the conversion to IFRS.

Management, members of the board of directors and audit committee have the required financial reporting expertise to ensure the adequate organization and transition to IFRS. The adoption of IFRS is not expected to have a material impact on the Company's information systems or internal controls.

Fair Value of Financial and Other Instruments

Financial instruments include cash and cash equivalents, available for sale investments, receivables (including amounts receivable from joint venture and option partners), accounts payable and accrued liabilities (including amounts payable to joint venture partners) and amounts due to related parties. The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity. The Company has designated each of its significant categories of financial instruments as follows:

Cash and cash equivalents	Held-for-trading
Marketable securities	Available-for-sale
Restricted cash	Held-for-trading
Accounts receivable	Loans and receivables
Amounts due from option partner	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Amounts due to and from related parties are carried at cost. Fair value adjustments, if any, are not reasonably determinable by management as comparable interest rate and risk profiles are not available. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, foreign exchange, commodity price or credit risks arising from the financial instruments. The Company may be exposed to liquidity risk such that the Company may not be able to meet its obligations as they fall due. The Company manages this risk by forecasting anticipated investing and financing activities.

Critical Accounting Estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with Canadian GAAP and applicable guidelines for exploration stage companies.

The policy is consistent with other junior exploration companies which have not established mineral reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Risks and Uncertainties

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Risks and Uncertainties – *continued*

Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The market price of precious metals and other minerals is volatile and cannot be controlled.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Forum's general and administrative expenses and mineral property costs is provided in the Company's Interim Statement of Loss contained in its Interim Financial Statements for the nine-month period ended August 31, 2011. These statements are available on Forum's website at www.forumuranium.com or on its SEDAR Page Site accessed through www.sedar.com.

Dividends

Forum has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Forum and will depend on Forum's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Forum deem relevant.

FORUM URANIUM CORP.

As at and for the the Nine-Month Period Ended August 31, 2011

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

At the present time, there are no proposed transactions that are required to be disclosed.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of Forum has approved the interim financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

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

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