



FORUM URANIUM CORP.
(formerly Forum Development Corp.)

Interim Financial Statements
For the Six Months Ended
May 31, 2007 and 2006

Auditor Review - These interim financial statements and related schedules were prepared by management. They have not been reviewed by the Company's external independent auditor.

FORUM URANIUM CORP.
(formerly Forum Development Corp.)
(An Exploration Stage Company)
Balance Sheet

Statement 1

	May 31, 2007	November 30, 2,006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,221,753	\$ 3,428,453
Marketable securities (Note 3)	88,000	56,000
Due from joint venture partners (Note 5)	130,973	84,395
Accounts receivable	117,509	126,298
Prepaid expenses and deposits	254,236	187,577
	8,812,471	3,882,723
Restricted cash (Note 2h)	-	199,327
Equipment (Note 4)	125,544	78,520
Mineral properties (Note 6)	6,869,492	4,943,343
	\$ 15,807,507	\$ 9,103,913
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 312,480	\$ 428,489
Subscriptions payable	500,000	-
Amounts due to related parties (Note 7)	20,142	31,948
	832,622	460,437
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	19,775,070	13,344,033
Warrants (Note 8)	476,886	401,523
Contributed surplus (Note 9)	1,924,751	1,032,741
Deficit - Statement 2	(7,201,822)	(6,134,821)
	14,974,885	8,643,476
	\$ 15,807,507	\$ 9,103,913

Nature of Operations – Note 1
Commitments – Note 12
Subsequent events – 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 financial statements

FORUM URANIUM CORP.
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Statements of Loss and Deficit

Statement 2

	Three months Ended May 31, 2007	Three months Ended May 31, 2006	Six Months Ended May 31, 2007	Six Months Ended May 31, 2006
Expenses				
Stock-option compensation	\$ 550,095	\$ -	\$ 637,416	\$ 163,430
Investor and shareholder relations	137,561	44,286	237,569	98,665
Office and miscellaneous	39,992	24,628	78,971	42,905
Consulting	43,322	24,109	68,577	42,992
Regulatory	49,167	10,505	59,195	17,951
Management fees	26,500	19,500	37,000	39,000
Administration fees	17,631	24,796	35,624	39,196
Travel	12,069	7,230	24,476	11,170
Directors fees	9,750	6,750	19,500	13,500
Salaries and wages	10,020	-	10,020	-
Amortization	1,883	1,377	3,260	2,754
Property investigations	-	-	-	1,321
Administration cost recovery	(19,359)	-	(61,923)	-
Loss before other items	878,631	163,181	1,149,685	472,884
Other Items				
Interest income	(27,316)	(40,313)	(62,612)	(41,656)
Income from third party interest in mineral property	(20,072)	-	(20,072)	-
	(47,388)	(40,313)	(82,684)	(41,656)
Net loss for the year	831,243	122,868	1,067,001	431,228
Deficit, Beginning of the Period	6,370,579	5,533,316	6,134,821	5,224,956
Deficit, End of the Year	\$ 7,201,822	\$ 5,656,184	\$ 7,201,822	\$ 5,656,184
Basic and Diluted Loss per share	\$ 0.01	\$ -	\$ 0.02	\$ 0.01
Weighted average shares outstanding	47,967,404	42,372,265	46,897,128	37,222,942

FORUM URANIUM CORP.
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Statements of Cash Flows

Statement 3

	Three Months Ended May 31, 2007	Three Months Ended May 31, 2006	Six Months Ended May 31, 2007	Six Months Ended May 31, 2006
Cash was provided by (used in):				
Operating activities				
Loss for the period	\$ (831,243)	\$ (122,868)	\$ (1,067,001)	\$ (431,228)
Items not affecting cash:				
Amortization	1,377	1,377	3,260	2,754
Stock-option compensation	550,095	-	637,416	163,430
	(279,771)	(121,491)	(426,325)	(265,044)
Changes in non-cash working capital items:	20,733	(144,681)	188,790	(132,836)
Net cash used in operation activities	(259,038)	(266,172)	(237,535)	(397,880)
Financing activities				
Advances to related parties	(1,006)	(20,497)	(11,806)	(19,881)
Shares issued for cash	6,603,207	5,216,321	6,881,000	5,375,921
Share issuance costs	(496,496)	(384,037)	(496,496)	(386,118)
Subscriptions payable	500,000	166,500	500,000	166,500
Net cash used in financing activities	6,605,705	4,978,287	6,872,698	5,136,422
Investing Activities				
Deferred exploration costs incurred	(1,660,568)	(888,293)	(1,934,653)	(1,129,894)
Property acquisition	-	(22,975)	-	(22,975)
Restricted cash	-	-	(199,327)	-
Joint partner contributions received	82,273	-	82,273	-
Administrative cost recovery	19,359	-	61,923	-
Purchase of capital assets	(3,975)	(21,405)	(51,406)	(51,705)
Net cash provided by investing activities	(1,562,911)	(932,673)	(2,041,190)	(1,204,574)
Increase / (Decrease) in Cash	4,783,756	3,779,442	4,593,973	3,533,968
Cash, Beginning of the Period	3,437,997	1,024,218	3,627,780	1,269,692
Cash, End of the Period	\$ 8,221,753	\$ 4,803,660	\$ 8,221,753	\$ 4,803,660

Supplementary Cash Flow Information – Note 11

FORUM URANIUM CORP.
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Schedule of Mineral Property Costs
Canadian Funds

Six months ended May 31,	2007	2006
Key Lake Road, Saskatchewan, Canada		
Diamond drilling	307,299	-
Claim staking	118,249	(4,920)
Management and planning	90,836	49,038
Report writing and filing	47,031	23,878
Travel, camp and other	36,662	6,366
Geophysical surveying	30,483	3,900
Line cutting	28,572	24,375
Airborne geophysics	16,211	55,813
Analysis and assay	10,088	664
Equipment	9,443	3,609
License, permits and taxes	721	887
Data processing	163	1,733
Geological mapping	-	1,975
	695,758	167,318
Maurice Point, Saskatchewan, Canada		
Geophysical surveying	133,844	167,221
Management and planning	86,802	51,042
Claim staking	79,000	-
Travel, camp and other	56,301	15,058
Line cutting	42,700	52,782
License, permits and taxes	3,957	792
Equipment	4,012	3,706
Report writing and filing	2,997	25,120
Airborne geophysics	750	22,266
Diamond drilling	206	-
Data processing	78	1,873
Geological mapping	-	613
Analysis and assay	-	2,741
	410,647	343,214
Balance Carried Forward	\$ 1,106,405	\$ 510,532

FORUM URANIUM CORP.
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Schedule of Mineral Property Costs

Six Months Ended May 31,	2007	2006
Balance Brought Forward	\$ 1,106,405	\$ 510,532
Orchid Lake, Saskatchewan, Canada		
Diamond drilling	305,693	-
Geophysical surveying	47,110	-
Report writing and filing	14,084	-
Claims staking	13,700	-
Equipment	11,471	-
Line cutting	9,345	-
Travel, camp and other	9,296	-
Management and planning	5,045	-
Analysis and assay	2,105	-
License, permits and taxes	583	-
Data processing	78	-
Partner contribution	(418,510)	-
	-	-
Haultain River, Saskatchewan, Canada		
Diamond drilling	302,528	-
Management and planning	87,440	44,379
Airborne geophysics	38,179	22,943
Line cutting	36,583	8,125
Geophysical surveying	27,033	-
Travel, camp and other	24,849	6,467
Report writing and filing	18,133	11,345
Equipment	5,078	3,610
Analysis and assay	1,943	664
Data processing	163	1,733
Claim staking	-	29,659
Geological mapping	-	383
License, permits and taxes	-	-
	541,929	129,308
Balance Carried Forward	\$ 1,648,334	\$ 639,840

FORUM URANIUM CORP.
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Schedule of Mineral Property Costs

Six Months Ended May 31,	2007	2006
Balance Brought Forward	\$ 1,648,334	\$ 639,840
Costigan JV, Saskatchewan, Canada		
Management and planning	653	12,821
Travel, camp and other	517	703
Equipment	22	-
Data processing	10	2,613
Diamond drilling	-	188,818
Acquisition	-	22,975
Geophysical surveying	-	85,128
Line and road cutting	-	16,277
License, permits and taxes	-	961
Geological mapping	-	383
Report writing and filing	-	225
Analysis and assay	-	831
Partner contribution	(421)	(120,382)
	781	211,353
North Thelon JV, Nunavut, Canada		
Management and planning	31,964	-
Data processing	30,857	-
Community relations	18,814	-
Report writing and filing	12,347	-
Travel, camp and other	11,135	-
Equipment	2,719	-
License, permits and taxes	2,456	-
Airborne geophysics	750	-
Claim staking	-	135,101
Partner contribution	(55,293)	-
	55,749	135,101
Balance Carried Forward	\$ 1,704,864	\$ 986,294

FORUM URANIUM CORP.
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Schedule of Mineral Property Costs

Six Months Ended May 31,	2007	2006
Balance Brought Forward	\$ 1,704,864	\$ 986,294
Haultin River JV, Saskatchewan, Canada		
Airborne geophysics	21,891	-
Travel, camp and other	3,414	-
Management and planning	1,154	-
Equipment	22	-
Data processing	10	-
Partner contribution	(20,515)	-
	5,976	-
Titus, Saskatchewan, Canada		
Claim staking	60,109	-
General and Other Properties		
Management and planning	142,548	267
Report writing and filing	8,785	600
Travel, camp and other	1,647	11,198
License, permits and taxes	650	957
Diamond drilling	504	-
Airborne geophysics	250	400
Equipment	230	-
Partner contribution	226	-
Prospecting	200	800
Data processing	160	165
Claim staking	-	13,640
Geophysical surveying	-	13,966
Line road cutting	-	4,200
Community relations	-	-
	155,200	46,193
Costs for the period	1,926,149	1,032,487
Balance - beginning of year	4,943,343	1,914,244
Balance - end of year	\$6,869,492	\$2,946,731

FORUM URANIUM CORP.

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Notes to the Annual Financial Statements

For the Six Months Ended May 31, 2007 and 2006

1. Nature of Operations

The Company is in the business of acquiring and exploring energy projects which to date are primarily uranium properties. There has been no determination whether properties held contain reserves which are economically recoverable.

The recoverability of values assigned to these properties is dependant upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development, and future profitable productions or proceeds from disposition.

2. Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from these estimates.

b) Oil and gas properties

The Company follows the full cost method of accounting for oil and gas operations, whereby all costs of exploring for and developing oil and gas reserves are capitalized and accumulated in cost centres established on a country-by-country basis. Such costs include land acquisition costs, geological and geophysical expenses, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells, interest costs on significant investments in unproved properties and major development projects and overhead charges directly related to acquisition, exploration and development activities, less any government incentives relating thereto.

The costs related to each cost centre from which there is production, together with the costs of production equipment, are depleted and amortized on the unit-of-production method based on the estimated gross proved reserves of each country. Oil and natural gas reserves and production are converted into equivalent units based upon estimated relative energy content. Costs of acquiring and evaluating significant unproved properties are initially excluded from depletion calculations. These unevaluated properties are assessed periodically to ascertain whether impairment in value has occurred. When proved reserves are assigned or the value of the property is considered to be impaired, the cost of the property or the amount of the impairment is added to costs subject to depletion.

The capitalized costs less accumulated amortization in each cost centre from which there is production are limited to an amount equal to the estimated future net revenue from proved reserves (based on prices and costs at the balance sheet date) plus the cost (net of impairments) of unproved properties. The total capitalized costs less accumulated depletion and amortization and deferred taxes of all cost centres is further limited to an amount equal to the estimated future net revenue from proved reserves plus the cost (net of impairments) of all cost centres less estimated future general and administrative expenses, future financing costs and taxes.

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For the Six Months Ended May 31, 2007 and 2006

2. Significant Accounting Policies (continued)

The costs (including exploratory dry holes) related to cost centres from which there has been no commercial production are not subject to depletion until commercial production commences. The capitalized costs are periodically assessed to determine whether it is likely such costs will be recovered in the future. Costs unlikely to be recovered in the future are written off. Proceeds from the sale of oil and gas properties are applied against capitalized costs, with no gain or loss recognized, unless such a sale would significantly alter the rate of depletion and amortization.

c) Mineral properties

The Company follows the method of accounting for its mineral interests whereby all costs related to acquisition, exploration and development are capitalized by project. These costs will be amortized against revenue from future production or written off if the interest is abandoned or sold.

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

Mineral property costs are regularly reviewed, on a property by property basis, to consider whether there are any conditions which may indicate impairment. The conditions evaluated include the economics of the project, the Company's progress in its exploration activities, and the exploration results experienced by the Company. When conditions indicate that there may be an impairment, the carrying value of the property is compared to its net recoverable amount which is estimated as the undiscounted cash flows expected to result from the property's use and eventual disposition. When the carrying value of the property exceeds its net recoverable amount, the estimated fair value of the property is computed and an impairment loss is recognized equal to the excess of the carrying amount over the fair value.

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

d) Loss per share

Basic earnings (loss) per share is computed by dividing income (or loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents are reflected in diluted earnings per share by application of the treasury stock method.

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2. Significant Accounting Policies (continued)

e) Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

f) Amortization

Amortization is recorded on the declining balance at the following annual rates:

Computer equipment	30%
Exploration equipment	30%

One half of the normal rate is recorded in the year of acquisition.

g) Cash and cash equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash with maturities of three months or less when purchased.

h) Cash raised for exploration activities through the issuance of flow-through shares is restricted and is shown on the balance sheet as "Restricted Cash." As at May 31, 2007 there was \$nil (November 30, 2006- \$199,327) in restricted cash as exploration expenditures in 2007 was more than what was required to be expended pursuant to flow through share agreements.

i) Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets are evaluated and if realization is not considered more likely than not, a valuation allowance is provided.

j) Flow-Through Shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital.

If a company has sufficient unused tax losses and deductions ("losses") to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

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For the Six Months Ended May 31, 2007 and 2006

2. Significant Accounting Policies (continued)

k) Asset Retirement Obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow.

As at May 31, 2007 and 2006, the Company did not have any asset retirement obligations.

l) Joint Venture Accounting

A portion of the Company's exploration activities is conducted jointly with others when the Company enters into agreements that provide for specified percentage interests in mineral properties. Joint venture accounting, which reflects the Company's proportionate interest in mineral properties is applied by the Company only when the parties enter into formal comprehensive agreements for ownership and mining participation terms.

m) Property Option Agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received.

n) Variable Interest Entities

The Accounting Standards Board (AcSB) issued Accounting Guideline AcG 15 "Consolidation of Variable Interest Entities", to harmonize the Guideline with the equivalent FASB Interpretation No. 46R, "Consolidation of Variable Interest Entities" ("VIE"). The Guideline provides criteria for identifying VIEs and further criteria for determining what entity, if any, should consolidate them.

The Company does not currently have any VIE's for the period ending May 31, 2007 and the year ended November 30, 2006.

o) Marketable Securities

Investments, in which the Company has less than a 20% interest and where the Company has no significant influence, are recorded at cost. Investments are written down to market value when the decline in market value is deemed to be other than temporary.

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For the Six Months Ended May 31, 2007 and 2006

2. Significant Accounting Policies (continued)

p) Financial Instruments

Financial instruments include cash and cash equivalents, restricted cash, marketable securities, accounts receivable and accounts payable and accrued liabilities. The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity.

The fair value of amounts due to and from related parties is estimated to approximate carrying value. Fair value adjustments, if any, are not reasonably determinable by management as comparable interest rate and risk profiles are not available.

Net smelter royalties (“NSR”) and related purchase provisions associated with mineral property interests represent derivatives that are financial instruments. The fair value of such instruments, where reserves and economic feasibility have not been established, cannot be readily determined with reliability. Accordingly, management has not made a determination of fair value for these financial instruments.

q) Long-lived Asset Impairment

Long-lived assets are reviewed when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value.

Fair value is generally determined using a discounted cash flow analysis.

3. Marketable Securities

Marketable securities consist of the following holdings on May 31, 2007 and November 30, 2006:

Company	Shares	Market Value 2007	Market Value 2006	Original Cost
Hidefield Gold PLC (L: HIF)	100,000	\$ 16,062	\$ 23,114	\$ 12,000
Global Uranium Corporation (V-GU) *	200,000	93,000	35,000	76,000
	300,000	\$ 109,062	\$ 58,114	\$ 88,000

* Received 100,000 during the current period

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For the Six Months Ended May 31, 2007 and 2006

Marketable securities consist of the following holdings on May 31, 2006:

<u>Company</u>	<u>Shares</u>	<u>Market Value 2006</u>	<u>Original Cost</u>
Hidefield Gold PLC (L: HIF)	100,000	\$ 17,963	\$ 12,000

4. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2007 Net Book Value</u>	<u>2006 Net Book Value</u>
Exploration equipment	\$ 137,240	\$ 34,071	\$ 103,169	\$ 23,205
Vehicles	12,500	1,250	11,250	-
Computer equipment	20,700	12,207	8,493	1,347
Furniture and equipment	2,746	114	2,632	-
	<u>\$ 173,186</u>	<u>\$ 47,642</u>	<u>\$ 125,544</u>	<u>\$ 24,552</u>

5. Accounts receivable – Joint Ventures Agreements

	<u>May 31, 2007</u>	<u>November 30, 2006</u>
Haultain River	\$ 1,780	\$ 33,650
North Thelon	113,912	40,344
Orchid Lake	15,138	-
Costigan Lake	143	10,401
	<u>\$ 130,973</u>	<u>\$ 84,395</u>

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Notes to the Annual Financial Statements

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6. Mineral Properties

	Nov. 30, 2006	Acquisition	Deferred	JV Partner	May 31, 2007
	Total	Cost	Exploration	Recovery	Total
	\$	\$	\$	\$	\$
Key Lake Road	1,738,291	-	695,757	-	2,434,048
Maurice Point	1,332,257	-	410,648	-	1,742,905
Haultain River	895,700	-	541,929	-	1,437,629
Other	545,186	-	154,974	226	700,386
Costigan JV	238,833	-	1,202	(421)	239,614
North Thelon Project	125,010	-	111,042	(55,293)	180,759
Haultain River JV	68,066	-	26,491	(20,515)	74,042
Titus	-	-	60,109	-	60,109
Orchid Lake	-	-	418,510	(418,510)	-
Total mineral properties	4,943,343	-	2,420,662	(494,513)	6,869,492

	Nov. 30, 2005	Acquisition	Deferred	JV Partner	Nov 30, 2006
	Total	Cost	Exploration	Recovery	Total
	\$	\$	\$	\$	\$
Key Lake Road	617,327	-	1,120,964	-	1,738,291
Maurice Point	530,025	-	802,232	-	1,332,257
Haultain River	232,182	-	663,518	-	895,700
Other	500,014	-	51,196	(6,024)	545,186
Costigan JV	-	22,975	332,090	(116,232)	238,833
North Thelon Project	-	-	250,020	(125,010)	125,010
Haultain River JV	-	-	121,595	(53,529)	68,066
Orchid Lake	34,696	-	34,451	(69,147)	-
Total mineral properties	1,914,244	22,975	3,376,066	(369,942)	4,943,343

a) Key Lake Road

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

b) Maurice Point

The Company acquired 100% interest in nine mineral claims and one exploration permit, during 2004 and 2005 in Maurice Point which surrounds Cameco Corporation's Maurice Bay deposit.

c) Haultain River

Ongoing evaluation of assessment work from exploration done by other companies in the 1970's and 1980's plus the exploration by the Company led to the claim staking in 2005 and 2006 which allowed the Company to hold 100% of the claims extending southwest of the Key Lake Road permit.

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6. Mineral Properties (continued)

d) 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. The Company entered into an option agreement on May 31, 2006 with Global Uranium Corporation (“GUC”) to explore Orchid Lake. GUC can earn a 60% interest in this property by making cash payments of \$10,000 (paid), issuing 100,000 common shares of GUC (issued) to the Company. On the first anniversary, making cash payments of \$30,000 (paid subsequent to period end) and issuing 100,000 common shares (issued) of GUC and funding expenditures on the Property totalling \$500,000. On the second anniversary, making cash payments of \$50,000 and issuing 200,000 common shares of GUC and funding expenditures on the Property totalling \$750,000. On the third anniversary, making cash payments of \$100,000 and issuing 300,000 common shares of GUC and funding expenditures on the Property totalling \$1,000,000. The Company will continue to act as operator of the project until GUC earns a 60% interest. GUC can earn an additional 10% by committing to a development drilling program and completing a bankable feasibility study. The Company retains a 3% Net Smelter Return (“NSR”) with GUC holding the right to buy back 1% of the royalty for \$1 million cash and a further 0.5% of the royalty for another \$1 million cash payment.

e) Costigan Lake Joint Venture

On February 15, 2006, the Company entered into an agreement with Cameco Corporation (“Cameco”) to purchase Cameco’s 65% interest in the Costigan Lake Uranium Joint Venture for a cash payment of \$22,975 (paid). The Company is operator and NVI Mining Ltd., a wholly-owned subsidiary of Breakwater Resources Ltd, will maintain a 35% interest in the joint venture. The property is subject to a 10% Net Profits Interest royalty.

f) North Thelon Joint Venture

The Company signed a letter of intent on July 12, 2006 with Superior Diamonds Inc. (“Superior”) to form a 50/50 joint venture with the Company as operator. Superior’s initial contribution was \$115,711 (paid).

The Kiggavik North and Kiggavik South Joint Venture property comprises of prospective ground in the Thelon Basin over a large area west of Baker Lake, Nunavut Territory.

g) Merritt Coal and Coalbed Methane Property, BC – Other Properties

The Company acquired a 60% interest in the Merritt Property (the “Property”) from Imperial Metals Corporation on February 28, 2002 (TSX approved November 28, 2004) at the following terms:

- i) cash payment of \$75,000 (paid);
- ii) the issuance of 800,000 warrants, exercisable at a price of \$0.30 per share for a two year period (granted but expired);
- iii) a 3.5% gross revenue royalty on oil and natural gas (Coalbed Methane) from the Property;
- iv) a 2.5% gross revenue royalty on coal production specifically from the property; and
- v) a 1.5% gross revenue royalty on oil and natural gas (Coalbed Methane), and a 1.0% gross revenue royalty on coal production, from lands acquired by the Company within a specified Area of Mutual Interest.

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For the Six Months Ended May 31, 2007 and 2006

6. Mineral Properties (continued)

On December 31, 2004, the Company acquired the assets of Gosfield Associates Corp. ("Gosfield"), a British Virgin Islands private company affiliated with a director of the Company, with its main office registered in Tortola, Gibralter by issuing 3.15 million common shares and 1,275,000 warrants. Each warrant entitles the holder to acquire one common share of the Company at \$0.15 per share for a period of two years. The Company has placed 2 million shares at \$0.10, with 1:1 warrants exercisable at \$0.10 per share if exercised within the first year, and \$0.15 per share if exercised in the second year, proceeds of which will be dedicated to completion of the transaction. During the year, 643,340 warrants were exercised for total proceeds of \$95,501. 100,000 warrants expired without being exercised (2005 – 456,660 for total proceeds of \$68,499 and 75,000 were cancelled).

In exchange, the Company received from Gosfield its 40% undivided interest in the Merritt basin coal and coalbed methane natural gas project, specifically known as Fee Lot 166, adjacent to the town of Merritt, BC.

The Company also received Gosfield's 40% interest in coal license applications known as the Normanandale, Diamondvale and Merritt Extension Merritt basin and a 20% interest in the Lignite coal syndicate with holdings in BC.

h) Lignite Syndicate – Other Properties

On July 4, 2002, the Company acquired a 20% beneficial interest in the coal licenses and any marketable technology developed by the Lignite Syndicate for which a minimum commitment of \$7,500 was paid. This brings the Company's interest to 40% in the Lignite Syndicate.

i) Haultain River Joint Venture

On November 2, 2006, the Company entered into a joint venture agreement with Hathor Exploration Ltd. ("HEL"). HEL's agreed buy-in was 50% of claim staking and airborne geophysical costs for the amount of \$59,000. The Company is the operator of the approximately 10,148 hectares extending southwest of the Key Lake Road permit.

j) Other Properties – Highrock Lake

As part of the other mineral properties, Forum owns 100% of the Highrock Lake property located south of the Key Lake Mine/Mill. The completion of the purchase has not been made (issuance of 100,000 Forum shares) as the clear title to the property has not yet been determined and regulatory approval is still outstanding.

7. Related Party Transactions

- a) At May 31, 2007, the Company owed \$20,142 to (2006 - \$1,549 from) companies with a directors in common and an officer. These are non interest bearing amounts owed which are paid under same terms as normal accounts payables.

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7. Related Party Transactions (continued)

- b) The following related party transactions which occurred during the six months ended May 31, 2007, were in the normal course of operations and are measured at their exchange amounts and consist of the following items:

	2007	2006
HRG Management Ltd. - Directors & Officers in common (see below)	\$ 76,276	\$ 51,044
Mirador Management – Officer in common, consulting services	54,000	36,000
Lang Michener- Director in common, legal services	15,011	-
Brazilian Diamonds Ltd.- Officers & Directors in common, rent & administrative services	-	4,875
Total	\$ 145,287	\$ 91,919

HRG Management Ltd. (“HRG”) is a management company jointly owned by the Company and certain other companies that share Vancouver office space and administrative services at cost. The Company shares a director and officer in common with HRG. (Note 12)

Mirador Management is a private company controlled by an officer that provides management services to the Company.

- c) The Company has an agreement and transactions with GUC which has a director in common. See Mineral Property note 6d.

8. Capital Stock

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Authorized:

Unlimited Common shares without par value

Issued:	#	\$
Balance, November 30, 2005	31,394,479	7,869,426
Units issued for cash pursuant to private placement, net of \$401,523 allocated to warrants (1 & 2) *	10,500,000	4,623,477
Issued in exchange for warrants	3,912,051	944,564
Issued in exchange for options	1,040,000	240,900
Future income taxes on renouncement of flow through shares issued	-	(58,516)
Fair value of options exercised	-	212,391
Share issuance costs (Note 14)	-	(488,209)
Balance, November 30, 2006	46,846,530	13,344,033
Units issued for cash pursuant to private placement	5,448,730	3,541,675
Units issued for cash pursuant to private placement- flow-through	3,540,500	2,832,400
Issued in exchange for warrants	773,300	391,875
Issued in exchange for options	330,000	115,050
Fair value of options exercised	-	98,075
Fair value of warrants exercised	-	18,654
Share issuance costs (Note 14)	-	(566,692)
Balance, May 31, 2007	56,939,060	19,775,070

The Company issued 3,540,500 flow-through common shares at \$0.80 and 5,448,730 units at a price of \$0.65 for net proceeds of \$5,959,761. Each unit consisted of one common share and one-half of a common share purchase warrant with each whole warrant exercisable at a price of \$0.85 on or before November 29, 2008. Agents received a cash commission of \$414,315 and 584,300 agent warrants at a price of \$0.85 per share until November 29, 2008.

Warrants:

Warrants have been granted and are exercisable in whole or in part allowing the holders to purchase common shares of the Company as follows:

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For the Six Months Ended May 31, 2007 and 2006

8. Capital Stock (continued)

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2005	4,518,800	\$ 0.25
Granted	2,918,800	0.55
Exercised	(3,912,051)	0.24
Expired	(606,749)	0.28
Balance, November 30, 2006	2,918,800	\$ 0.54
Granted	3,308,665	0.85
Exercised	(773,300)	0.51
Balance, May 31, 2007	5,454,165	\$ 0.73

Of the warrants outstanding at May 31, 2007:

- 1,597,500 warrants are exercisable at \$0.55 per share up to September 6, 2007.
- 548,000 warrants are exercisable at \$0.55 per share up to September 22, 2007.
- 3,308,665 warrants are exercisable at \$0.85 per share up to November 29, 2008.

Options:

The Company has implemented 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.

Stock option transactions were as follows:

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8. Capital Stock (continued)

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2005	2,320,000	\$ 0.23
Granted	2,740,000	0.41
Cancelled	(145,000)	0.33
Exercised	(1,040,000)	0.23
Balance, November 30, 2006	3,875,000	\$ 0.35
Granted	1,350,000	0.80
Cancelled	(350,000)	0.55
Exercised	(330,000)	0.35
Balance, May 31, 2007	4,545,000	\$ 0.47

For newly granted options, compensation expense is based on the fair value of the options at the grant date. For any options that have alteration in their conditions, compensation expense is based on the fair value of the options on the alteration date less the fair value of the original options based on the shorter of the remaining expanded life of the old option or the expected life of the modified option.

The Company granted 800,000 stock options exercisable price of \$0.78 per share to March 7, 2012. The total fair value of the options granted was \$512,976 and \$352,669 was applied to mineral properties and \$159,305 to stock-compensation expense.

The Company granted 550,000 stock options exercisable price of \$0.82 per share to April 9, 2012. The total fair value of the options granted was \$366,591 and all recorded as stock-compensation expense.

During the last year, the Company granted 1,345,000 stock options exercisable on or before July 24, 2011 at a price of \$0.38, 600,000 stock options exercisable on or before January 24, 2011 at a price of \$0.36 per share, 120,000 stock options exercisable on or before December 20, 2010 at a price of \$0.35, 250,000 stock options exercisable on or before September 27, 2011 at a price of \$0.35 and 425,000 stock options exercisable on or before November 27, 2011 at a price of \$0.66. The weighted average remaining contractual life of these outstanding options is 4.4 years.

During the past year 145,000 options were cancelled as the holders were no longer employed by the Company and 1,040,000 options were exercised for gross proceeds of \$240,900.

The total fair value of the options granted during last year was \$1,033,834. Since the options for investor relations do not vest immediately, \$697,487 of the fair value was recorded in the Company's accounts, with \$524,628 recorded as stock-option compensation expense, and \$172,860 charged to mineral property costs. The vesting of options granted for investor relations last year in the current quarter amounted to \$87,321 which was recorded as stock-option compensation expense.

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.

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The estimated fair value of the stock options was determined using a Black-Scholes option pricing model with the following assumptions:

	2007	2006
Expected dividend yield	0%	0%
Expected stock price volatility	112-115%	119%-134%
Risk free rate	4.25%	3.8%-4.2%
Expected life of options	5 years	5 years

9. Contributed Surplus

Balance, November 30, 2005	445,553
Stock –based compensation	697,487
Agent warrants	102,091
Options exercised	(212,390)
Balance, November 30, 2006	\$ 1,032,741
Stock –based compensation	990,085
Options exercised	(98,075)
Balance, May 31, 2007	\$ 1,924,751

During the six month period ended May 31, 2007, 330,000 options were exercised and \$98,075 transferred to common shares based on historical stock option compensation price calculated of \$0.35.

10. Segmented information

The company operates in the oil and gas, and the uranium segments. Mineral property costs by operating segment as at May 31, 2007 are as follows:

	2007	2006
Oil and gas	\$ 442,738	\$ 432,909
Uranium	6,426,754	2,480,576
	\$ 6,869,492	\$ 2,913,485

11. Supplement Cash Flow Information

Supplemental Disclosure of Non-Cash Financing and Investing Activities include:	2007	2006
Amortization included in mineral properties	\$ 10,046	\$ -
Accounts payable	\$ 211,640	\$ -
Stock-based compensation	\$ 637,416	\$ 226,830

12. Commitments

Effective February 1, 2006, the Company entered into a services agreement with HRG Management Ltd. ("HRG") in which the Company agreed to pay a monthly corporate administration fee of

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For the Six Months Ended May 31, 2007 and 2006

approximately \$13,233 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, investor relations and other related services. HRG is a management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost recovery basis. The Company shares one director and an officer in common with HRG. The agreement expires December 31, 2008 and can be terminated by either party prior to expiration with 90 days written notice.

13. Subsequent Events

Subsequent to May 31, 2007, the Company granted 620,000 stock options at a price of \$0.55 per share exercisable on or before July 20, 2012 to certain of its directors, officers, employees and consultants.



**MANAGEMENT DISCUSSION AND
ANALYSIS**

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2007

AS AT JULY 26, 2007

INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the interim financial statements of the Company for the six months ended May 31, 2007. The Company's financial statements are prepared in accordance with Canadian GAAP. The Company's reporting currency is Canadian dollars. The date of this Management's Discussion and Analysis is July 26, 2007.

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 and exploring uranium 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. Exploration headquarters are located in Saskatoon, Saskatchewan.

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.

SELECTED ANNUAL INFORMATION

	November 30, 2006	November 30, 2005	November 30, 2004
Financial results			
Net loss for year	1,027,920	743,430	263,009
Basic and diluted loss per share	0.03	0.03	0.04
Expenditures (recovered) on resource properties	3,376,066	1,339,265	4,481
Balance sheet data			
Cash, restricted cash and short term deposits	3,627,780	1,269,692	344,419
Resource properties	4,943,343	1,914,244	95,151
Total assets	9,103,913	3,354,219	556,913
Shareholders' deficit	8,643,476	3,208,078	443,120

RESULTS OF OPERATIONS**Current Quarter**

The Company incurred a \$831,243 loss for the quarter ended May 31, 2007 as compared to a loss of \$122,868 for the same quarter last year. This amounts to a \$708,375 increase over the prior year's quarter which can be attributed to stock-based compensation (\$550,095), investor relations (\$93,275), regulatory (\$38,662), consulting fee (\$19,213), salaries (\$10,020) and office and administrative (\$15,364).

Cash and cash equivalent balances increased by \$4,783,756 to \$8,221,753 at May 31, 2007. The cash spending for mineral properties was \$1,660,568. The \$1,660,568 in net cash expenditures on exploration included \$505,577 on Key Lake Road, \$347,355 on Haultain River, \$290,025 on Maurice Point, Titus (\$60,109) and \$457,502 on other properties.

Year-to-date

The Company incurred a \$1,067,001 loss for the six months ended May 31, 2007 as compared to a loss of \$431,228 for the same period last year. This amounts to a \$635,773 increase over the prior year which can be attributed to stock-based compensation (\$473,986), investor relations increased by \$138,904 and office and administrative (\$35,066).. Interest earned due to financing (\$20,956) and administrative cost recovery from joint ventures (\$61,923) helped reduce the loss.

Cash and cash equivalent balances increased by \$4,793,300 to \$8,221,753 at May 31, 2007. The cash spending for mineral properties was \$1,926,149. The \$1,926,149 in net cash expenditures on exploration included \$695,758 on Key Lake Road, \$541,929 on Haultain River, \$410,648 on Maurice Point and \$277,814 on other properties.

SUMMARY OF QUARTERLY RESULTS

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

<i>In thousands \$</i>	May 31, 2007	February 28, 2007	November 30, 2006	August 31, 2006	May 31, 2006	February 28, 2006	November 30, 2005	August 31, 2005
Financial results								
Net loss for period	831	236	43	554	129	302	16	275
Basic and diluted loss per share	0.01	0.01	0.01	0.01	-	0.01	-	0.01
Expenditures on resource properties	1,400	535	969	907	888	242	294	450
Balance sheet data								
Cash and short term deposits	8,222	3,438	3,627	4,480	4,804	1,024	1,270	1,228
Resource properties	6,869	5,478	4,943	3,969	2,947	2,223	1,914	1,045
Total assets	15,808	9,488	9,104	8,945	8,247	3,462	3,354	2,474
Shareholders' equity	14,955	8,773	8,643	8,418	8,160	3,284	3,208	2,432

LIQUIDITY

The Company's exploration programs for the current financial year have been budgeted and can be completed with current finances.

The financial statements from Schedule A have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	May 31, 2007	November 30, 2006
Working capital	\$7,979,849	\$ 3,422,286
Deficit	(7,201,822)	(6,134,821)

TRANSACTIONS WITH RELATED PARTIES

- a) At May 31, 2007, the Company owed \$20,142 (2006 - \$1,549 from) companies with common directors and an officer. These are non-interest bearing amounts owed which are payable under same terms as other accounts payable.
- b) Included in net loss for the year ended February 28, 2007, at their exchange amounts, are the following items:

	May 31, 2007	May 31, 2006
HRG Management Ltd.	\$ 76,276	\$ 51,044
Mirador Management	54,000	36,000
Lang Michener	15,011	-
Brazilian Diamonds Ltd.- rent	-	4,875
Total	\$ 145,287	\$ 91,919

HRG Management Ltd. ("HRG") is a captive management company jointly owned by the Company and certain other companies that share Vancouver office space and staff on a cost basis. The Company shares a common director and an officer with HRG. See commitments section below.

Mirador Management is a private company controlled by an officer that provides management services to the company.

The Company has an agreement and transactions with GUC which has a director in common. See Mineral Properties.

COMMITMENTS

- a) The company issued 6,000,000 flow-through shares in March 2006 for gross proceeds of \$3,000,000 of which \$2,800,673 was spent last year and \$199,327 was spent on exploration during the current quarter.
- b) The Company entered into a services agreement, effective February 1, 2006, with HRG in which the Company will pay a monthly fee of \$13,243 to receive office administration, accounting, corporate secretarial, investor relations, chief financial officer and other related services at cost. HRG is a captive management company jointly owned by the Company and certain other public companies, all of which comprise the Hamilton Resource Group. The Company shares a common director and an officer with HRG. The agreement expires December 31, 2008 and can be terminated by either party prior to expiration with 90 days written notice.
- c) The company issued 3,540,500 flow-through shares on May 29, 2007 for gross proceeds of \$2,832,400 which will be spent during 2007.

SHARE CAPITAL INFORMATION

The table below presents the Company's common share data as of July 26, 2007.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			56,939,060
Securities convertible into common shares			
Warrants	\$0.55	September 6, 2007	1,597,500
	\$0.55	September 22, 2007	548,000
	\$0.85	November 29, 2008	3,308,665
Options	\$0.10	September 6, 2007	65,000
	\$0.21	December 2, 2009	595,000
	\$0.24	May 12, 2010	380,000
	\$0.24	August 15, 2010	230,000
	\$0.35	December 20, 2010	90,000
	\$0.36	January 24, 2011	450,000
	\$0.38	July 14, 2011	860,000
	\$0.38	September 27, 2011	250,000
	\$0.55	July 20, 2012	620,000
	\$0.66	November 27, 2011	425,000
	\$0.78	March 7, 2012	650,000
	\$0.82	April 9, 2012	550,000
			67,558,225

Private Placements

The Company issued 3,540,500 flow-through common shares at \$0.80 and 5,448,730 units at a price of \$0.65 for net proceeds of \$5,959,760. Each unit consisted of one common share and one-half of a common share purchase warrant with each whole warrant exercisable at a price of \$0.85 on or before November 29, 2008. Agents received a cash commission of \$414,315 and 584,300 agent warrants at a price of \$0.85 per share until November 29, 2008.

Stock Options

The Company granted 800,000 stock options exercisable price of \$0.78 per share to March 7, 2012. The total fair value of the options granted was \$512,976 and \$352,669 was applied to mineral properties and \$159,305 to stock-compensation expense.

The Company granted 550,000 stock options exercisable price of \$0.82 per share to April 9, 2012. The total fair value of the options granted was \$366,591 and all recorded as stock-compensation expense.

SUBSEQUENT EVENTS

Subsequent to May 31, 2007, the Company granted 620,000 stock options at a price of \$0.55 per share exercisable on or before July 20, 2012 to certain of its directors, officers, employees and consultants.

RESOURCE PROPERTIES

	November 30, 2006	Acquisition Cost	Deferred Exploration	JV Partner Recovery	May 31, 2007
Key Lake Road	\$ 1,738,291	\$ -	\$ 695,757	\$ -	\$ 2,434,048
Maurice Point	1,332,257	-	410,648	-	1,742,905
Haultain River	895,700	-	541,929	-	1,437,629
Other	545,186	-	154,974	226	700,386
Costigan JV	238,833	-	1,202	(421)	239,614
North Thelon Project	125,010	-	111,042	(55,293)	180,759
Haultain River JV	68,066	-	26,491	(20,515)	74,042
Titus	-	-	60,109	-	60,109
Orchid Lake	-	-	418,510	(418,510)	-
Total mineral properties	\$ 4,943,343	\$ -	\$ 2,420,662	\$ (494,513)	\$ 6,869,492

	November 30, 2005	Acquisition Cost	Deferred Exploration	JV Partner Recovery	November 30, 2006
Key Lake Road	\$ 617,327	\$ -	\$ 1,120,964	\$ -	\$ 1,738,291
Maurice Point	530,025	-	802,232	-	1,332,257
Haultain River	232,182	-	663,518	-	895,700
Other	500,014	-	51,196	(6,024)	545,186
Costigan JV	-	22,975	332,090	(116,232)	238,833
North Thelon Project	-	-	250,020	(125,010)	125,010
Haultain River JV	-	-	121,595	(53,529)	68,066
Orchid Lake	34,696	-	34,451	(69,147)	-
Total mineral properties	\$ 1,914,244	\$ 22,975	\$ 3,376,066	\$ (369,942)	\$ 4,943,343

Six months ended May 31,	2007	2006
Key Lake Road, Saskatchewan, Canada		
Diamond drilling	307,299	-
Claim staking	118,249	(4,920)
Management and planning	90,836	49,038
Report writing and filing	47,031	23,878
Travel, camp and other	36,662	6,366
Geophysical surveying	30,483	3,900
Line cutting	28,572	24,375
Airborne geophysics	16,211	55,813
Analysis and assay	10,088	664
Equipment	9,443	3,609
License, permits and taxes	721	887
Data processing	163	1,733
Geological mapping	-	1,975
	695,758	167,318
Maurice Point, Saskatchewan, Canada		
Geophysical surveying	133,844	167,221
Management and planning	86,802	51,042
Claim staking	79,000	-
Travel, camp and other	56,301	15,058
Line cutting	42,700	52,782
License, permits and taxes	3,957	792
Equipment	4,012	3,706
Report writing and filing	2,997	25,120
Airborne geophysics	750	22,266
Diamond drilling	206	-
Data processing	78	1,873
Geological mapping	-	613
Analysis and assay	-	2,741
	410,647	343,214
Balance Carried Forward	\$ 1,106,405	\$ 510,532

Six months ended May 31,	2007	2006
Balance Brought Forward	\$ 1,106,405	\$ 510,532
North Thelon Project		
Management and planning	31,964	-
Data processing	30,857	-
Community relations	18,814	-
Report writing and filing	12,347	-
Travel, camp and other	11,135	-
Equipment	2,719	-
License, permits and taxes	2,456	-
Airborne geophysics	750	-
Claim staking	-	135,101
Partner contribution	(55,293)	-
	55,749	135,101
Haultain River, Saskatchewan, Canada		
Diamond drilling	302,528	-
Management and planning	87,440	44,379
Airborne geophysics	38,179	22,943
Line cutting	36,583	8,125
Geophysical surveying	27,033	-
Travel, camp and other	24,849	6,467
Report writing and filing	18,133	11,345
Equipment	5,078	3,610
Analysis and assay	1,943	664
Data processing	163	1,733
Claim staking	-	29,659
Geological mapping	-	383
License, permits and taxes	-	-
	541,929	129,308
Balance Carried Forward	\$ 1,704,083	\$ 774,941

Six months ended May 31,	2007	2006
Balance Brought Forward	\$ 1,704,083	\$ 774,941
Costigan JV, Saskatchewan, Canada		
Management and planning	653	12,821
Travel, camp and other	517	703
Equipment	22	-
Data processing	10	2,613
Diamond drilling	-	188,818
Acquisition	-	22,975
Geophysical surveying	-	85,128
Line and road cutting	-	16,277
License, permits and taxes	-	961
Geological mapping	-	383
Report writing and filing	-	225
Analysis and assay	-	831
Partner contribution	(421)	(120,382)
	781	211,353
Orchid Lake, Saskatchewan, Canada		
Diamond drilling	305,693	-
Geophysical surveying	47,110	-
Report writing and filing	14,084	-
Claims staking	13,700	-
Equipment	11,471	-
Line cutting	9,345	-
Travel, camp and other	9,296	-
Management and planning	5,045	-
Analysis and assay	2,105	-
License, permits and taxes	583	-
Data processing	78	-
Partner contribution	(418,510)	-
	-	-
Balance Carried Forward	\$ 1,704,864	\$ 986,294

Three month ended February 28,	2007	2006
Balance Brought Forward	\$ 1,704,864	\$ 986,294
Haultin River JV, Saskatchewan, Canada		
Airborne geophysics	21,891	-
Travel, camp and other	3,414	-
Management and planning	1,154	-
Equipment	22	-
Data processing	10	-
Partner contribution	(20,515)	-
	<u>5,976</u>	<u>-</u>
Titus, Saskatchewan, Canada		
Claim staking	<u>60,109</u>	<u>-</u>
General and Other Properties		
Management and planning	142,548	267
Report writing and filing	8,785	600
Travel, camp and other	1,647	11,198
License, permits and taxes	650	957
Diamond drilling	504	-
Airborne geophysics	250	400
Equipment	230	-
Partner contribution	226	-
Prospecting	200	800
Data processing	160	165
Claim staking	-	13,640
Geophysical surveying	-	13,966
Line road cutting	-	4,200
Community relations	-	-
	<u>155,200</u>	<u>46,193</u>
Costs for the period	1,926,149	1,032,487
Balance - beginning of year	<u>4,943,343</u>	<u>1,914,244</u>
Balance - end of period	<u>\$6,869,492</u>	<u>\$2,946,731</u>

RESOURCE PROPERTIES (continued)

PROJECT	INTEREST	COMMODITY	LOCATION	AREA (Hectares)
Key Lake Road	100%	Uranium	Saskatchewan	83,290
Haultain River	100%	Uranium	Saskatchewan	28,274
Haultain River JV	50%	Uranium	Saskatchewan	10,148
Orchid Lake	100%	Uranium	Saskatchewan	5,285
Maurice Point	100%	Uranium	Saskatchewan	51,799
Costigan Lake JV	65%	Uranium	Saskatchewan	743
North Thelon JV	50%	Uranium	Nunavut	101,174
Merritt Coal Bed Methane	100%	Coal/Natural Gas in coal	Merritt, British Columbia	Freehold (505) Coal License Applications (996)
Coal River	40%	Lignite	Northern B.C.	717

KEY LAKE ROAD PROJECT

The 100%-owned Key Lake Road project (includes the Key Lake Road permits and Haultain River claims) consists of two exploration permits and five mineral claims comprising 121,712 hectares. The northern boundary of the project area is located 20 km southwest of Cameco's Key Lake Mine/Mill Complex, the principal processing facility for the nearby high grade McArthur River uranium mine and site of the formerly productive Key Lake Deposit (195 million pounds of uranium mined at an average grade of 2.45% U).

The Companies permits cover favourable basement rocks within the Mudjatik-Wollaston Tectonic Transition Zone, a northeast trending structural zone on the eastern rim of the Athabasca Basin along which the district's most productive uranium mines occur. Over 95% of known Canadian uranium deposits and all current uranium producing mines in Canada are located on this trend. The property can be accessed by Saskatchewan Provincial Hwy 914 which services the Key Lake mill. Field crews have road access to two main areas of exploration interest discovered last year along the 40 km long Key Lake Road Shear Zone - the DD and Molly Zones.

Thirteen drill holes comprising 1,822 metres (m) of drilling was completed at the Hobo zone on the Key Lake Road project, where the Company is focused on shallow, unconformity-style basement deposits nearby the Cameco/AREVA Key Lake uranium processing facility in the Athabasca Basin, northern Saskatchewan.

Forum is highly encouraged by its first pass drill program and the intersection of near surface uranium mineralization in altered, graphitic rocks on the Hobo Zone. Two fences of holes approximately 300 m apart, comprising six holes were drilled on the Hobo mineralized zone discovered last summer. Multiple breccia zones of uranium mineralization were intersected in two holes at depths from 10 m to 40 m over thicknesses from 0.4 to 1.2 m.

RESOURCE PROPERTIES (continued)***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. The Company entered into an option agreement on May 31, 2006 with Global Uranium Corporation (“GUC”) to explore Orchid Lake. GUC can earn a 60% interest in this property by making cash payments of \$10,000 (paid), issuing 100,000 common shares of GUC (issued) to the Company. On the first anniversary, making cash payments of \$30,000 (subsequently paid) and issuing 100,000 common shares (issued) of GUC and funding expenditures on the Property totalling \$500,000. On the second anniversary, making cash payments of \$50,000 and issuing 200,000 common shares of GUC and funding expenditures on the Property totalling \$750,000. On the third anniversary, making cash payments of \$100,000 and issuing 300,000 common shares of GUC and funding expenditures on the Property totalling \$1,000,000. The Company will continue to act as operator of the project until GUC earns a 60% interest. GUC can earn an additional 10% by committing to a development drilling program and completing a bankable feasibility study. The Company retains a 3% Net Smelter Return (“NSR”) with GUC holding the right to buy back 1% of the royalty for \$1 million cash and a further 0.5% of the royalty for another \$1 million cash payment

The Orchid Lake property is located 20 km west of the Key Lake Mine/Mill Complex, north of the Key Lake Road permit and claim area. The property was staked by Forum based on a review of historical exploration data and its strategic location in proximity to the Key Lake Mine and the Company’s Key Lake Road property. During the 1970-1980 period, Uranerz Exploration and Mining Ltd. carried out exploration work and identified anomalous uranium in lake sediments near Orchid Lake. Subsequent radiometric prospecting discovered pegmatitic boulders with narrow bands of graphitic gneiss grading up to 0.1% U₃O₈.

Nine holes comprising 1,140 metres (m) of drilling was completed on the Orchid Lake project. Drilling of six holes along the P Conductor yielded a result of 0.19% U₃O₈ over an approximate true width of 0.1 metres in drill hole OL-05 at a vertical depth of 120 m. This intercept is within a fault zone in graphitic pelite with strong clay alteration and secondary sulphides that assayed 0.09% U₃O₈ over an approximate true width of 0.35 m. Drill holes OL-04 to OL-09 are angle holes that tested only two kilometres (km) of the P Conductor at 400 m drill spacings. A further six km of the P Conductor remain untested. Forum, as Operator of the project, has recommended follow-up drilling to its earn-in partner, Global Uranium Corp. in the vicinity of OL-05 and along a three km section to the west of OL-09. This section of the conductor is coincident with a magnetic low anomaly that may represent favourable alteration related to uranium mineralization. A plan map of the drill holes can be viewed at: http://www.forumuranium.com/s/Orchid_Lake.asp

Drill hole OL-04 first intersected the fault zone at a depth of 90 m and encountered strong clay alteration in graphitic pelite that assayed 0.02% U₃O₈ over an approximate true width of 0.7 m. Drill hole OL-05 was collared to intersect the down-dip extension of this fault zone and succeeded in following the mineralization at depth. The fault zone, intersected in these two drill holes within tectonized graphite at the contact with Archean granite, appears to have good continuity. Three drill holes (OL-01 to OL-03) tested the Q Conductor and intersected un-mineralized graphitic pelite.

However, not all of the drill targets on the Q Conductor were tested due to difficult winter drill conditions. Completion of these drill holes is recommended for the next winter drill season.

MAURICE POINT PROJECT

The 100%-owned Maurice Point project consists of nine staked mineral claims and an exploration permit, totalling 51,799 hectares, located immediately adjacent to Cameco Corporation's Maurice Bay deposit on the northwest margin of the Athabasca Basin.

The Maurice Bay uranium deposit is reported to host 1.3 million pounds of U₃O₈ at a grade of 0.6% at the sub-Athabasca unconformity and structurally controlled mineralization within altered basement rocks. The Forum claims and exploration permit cover extensions of basement structures containing the Maurice Bay mineralization and the favourable Athabasca unconformity.

The Uranium Ridge showings had previously been investigated during the 1950s and 1960s, where radioactivity reportedly occurred in shear-hosted basement rocks at the intersection of northwest- and northeast-trending faults/fractures. Sampling by the Company of the Uranium Ridge occurrence ranges in value from 0.257 % to 1.01 % U₃O₈. Further prospecting in the McKenzie Point area in 2005 discovered the Beach Zone with assays of 7.31 %, 2.2 %, 2.16 %, 2.06%, 1.55%, 0.935%, 0.871% and 0.388 % U₃O₈.

Gravity crews have completed over 58 line km of surveys around the Maurice Point zones. The surveys have been conducted to identify altered rocks associated with the strong northeast trending mylonite zone on the property that is the controlling feature for uranium mineralization in the Maurice Bay and Beach Zone areas. An airborne VTEM magnetic/electromagnetic survey flown in the fall of 2006 over the Beach Zone area provided greater definition of cross structures. The property is now ready for drill testing at the Beach Zone and the Maurice Point area, along strike from Cameco's Maurice Bay deposit which is planned for drilling by Cameco in the coming weeks. The Maurice Bay deposit hosts uranium mineralization in Athabasca sandstone, at the unconformity and within basement rocks.

COSTIGAN LAKE JOINT VENTURE

Previous drilling in a limited area on the north end of the property encountered uranium mineralization grading 0.088% over 4.0 m (including 0.43% U₃O₈ over 0.36 m) at a depth of 112 m within altered graphitic pelitic gneiss.

Six holes by the Company in March 2006, totalling 824 m, tested two electromagnetic conductive trends on the property. Spring break-up did not allow for completion of the originally announced 1,000 m drill program.

The Company intersected encouraging uranium mineralization in two holes of the 6 hole program, grading from 0.025% to 0.108% U₃O₈ in fractures within and in the footwall of a graphitic horizon. The Company's drilling intersected graphitic metasediments, clay alteration and structurally deformed rocks.

The Costigan Lake Joint Venture property comprises a 743 hectare mineral lease strategically located 14 kilometres (km) southwest of the Cameco/AREVA Key Lake Mine and Mill complex in the Athabasca Basin, northern Saskatchewan. The property adjoins the Cameco/AREVA Key Lake Mine Property.

The Company acquired Cameco Corporation's ("Cameco") 65% interest in the Costigan Lake Uranium Joint Venture for a cash payment of \$22,975. The Company is the operator and NVI Mining Ltd. ("NVI"), a wholly-owned subsidiary of Breakwater Resources Ltd. ("Breakwater"), is a 35% partner in the joint venture.

The property flanks the western margin of the Archean-age Key Lake Dome. The conductive trends for 7.5 km within the Costigan Lake property have been interpreted as the southern extension of the graphitic metapelites which host the Key Lake uranium deposits.

A MaxMin Horizontal Loop EM ("HLEM") survey at 200 m line spacing was completed in March on the property to redefine conductive trends identified during previous exploration. A reinterpretation of the airborne magnetic and geological data suggests that a major ENE structure intersects four conductive trends identified by the HLEM survey. This ENE structure is sub-parallel to the Key Lake Mine structure.

The Company and NVI are considering a drilling program for the autumn 2007.

NORTH THELON JOINT VENTURE

The North Thelon Joint Venture ("NTJV"), a 50/50 partnership with Superior Diamonds Inc., (the Company as operator), has been making preparations for a \$1.0 million exploration program this summer at its Kiggavik North and South claims immediately adjacent to AREVA Resources Canada Inc. Kiggavik-Sissons 131 million pound uranium project*. Taiga Consultants Ltd. will conduct the Company's initial exploration program in Nunavut. All requisite permits have been submitted to the regulatory authorities and all logistics for a helicopter supported exploration program are in process. With the recent announcement of the option to earn a 60% interest from Tanqueray Resources Ltd in ground immediately east of the NTJV's, operations will be conducted out of Tanqueray's fully permitted camp under a rental agreement. Plans for an airborne geophysical survey and detailed evaluation of the geological, geophysical and geochemical database of NTJV's 100% owned ground and the Tanqueray claims are underway.

Tanqueray Agreement:

The North Thelon Joint Venture, a 50/50 partnership with the Company and Superior Diamonds Inc. has entered into a letter of intent to acquire an option to earn a 60% interest in the Baker Lake project held by Tanqueray Resources Ltd. The property is highly prospective for uranium and is nearby AREVA's Kiggavik-Sissons unconformity-style uranium deposit which is currently being evaluated for future development. The Tanqueray property has historical uranium showings of up to 2.25% U₃O₈ in a similar geological setting as the Kiggavik deposits. Tanqueray's 65,000 hectare property is contiguous to the North Thelon Joint Venture's 100% owned claims, comprising over 100,000 hectares in the Kiggavik area.

The Baker Lake project has several uranium showings associated with meta-sedimentary and metavolcanic rocks that are the host rocks for the Kiggavik, End and Andrew Lake deposits which together host 131 million pounds of open-pittable uranium deposits with grades ranging from 0.28% to 0.44% U₃O₈ as reported by AREVA Resources Canada*. Uranium occurrences from assessment records on Tanqueray's property report uranium values of 0.09% to 2.25% U₃O₈ in quartzite, quartzite breccia and graphitic schists, all of which are considered favourable host rocks for economic uranium deposits in the area. The Baker Lake project is located at the unconformity with the Thelon sandstone in a favourable structural setting.

The Kiggavik North and Kiggavik South claims property comprise over 100,000 hectares of prospective ground in the Thelon Basin over a large area west of Baker Lake, Nunavut Territory. This recent staking venture, acquired by the Company is located near the Kiggavik-Sissons Project, Nunavut's largest known uranium deposit, which is held by AREVA Resources Canada Inc. ("AREVA").

The Kiggavik-Sissons Project contains resources of 131 million pounds U₃O₈, 4.1 tonnes of gold and 3.3 tonnes of platinum in three deposits (Kiggavik, End Grid and Andrew Lake) grading from 0.28% to 0.44% U, as reported by AREVA. Exploration for uranium was active from 1974 to 1984 resulting in the discovery of the Kiggavik deposit in 1977. In 1987 and 1988, the nearby End Grid and Andrew Lake Deposits were discovered and a feasibility study was completed on the Kiggavik-Sissons Project in 1989. The resource estimate for the Kiggavik-Sissons Project is historic and Forum has not verified whether it is a National Instrument 43-101 defined resource. The Company believes that the historic resource estimate is relevant because of the proximity of the Kiggavik-Sissons Project to the North Thelon Joint Venture area. AREVA is currently evaluating the future development of the deposit.

The Kiggavik North and Kiggavik South claims are situated in favourable structural and lithological environments at the margin of and within the Thelon Sandstone covered areas where uranium mineralization and favourable alteration were discovered in previous exploration campaigns. The Company is reviewing assessment files and compiling a comprehensive geological database of the region. An aggressive exploration program for the North Thelon Joint Venture is anticipated over the next two years.

HAULTAIN RIVER JOINT VENTURE

On November 2, 2006, the Company entered into a joint venture agreement with Hathor Exploration Ltd. ("HEL"). HEL's agreed buy-in was 50% of claim staking and airborne geophysical costs for the amount of \$59,000. The Company is the operator of the approximately 10,148 hectares extending southwest of the Key Lake Road permit.

The Company completed 623 line km "AeroTEM III" helicopter-borne, time domain EM survey confirmed that the newly identified, NE to NNE- trending EM conductors are the geophysical expression of Key Lake Road Shear Zone graphitic rocks.

The Company currently conducting a lake sediment sampling program.

HENDAY PROPERTY

The Company has finalized the agreement for the purchase of the Henday uranium property, strategically located nearby the Midwest Lake mine project currently slated for production in 2008 by AREVA Resources Canada and Denison Mines Corp.

The Henday property has exceptional potential for a shallow, high grade uranium deposit and is located along the north-east trend hosting the Midwest Lake deposit (41 million lbs. U₃O₈ at an average grade of 5.5%) and Mae zone. Denison Mines recently reported results of 10.5 metres grading 12.4% U₃O₈ to 22.6 metres grading 26.7% U₃O₈ on the Mae Zone discovery, located 3 km north-east of the Midwest Lake deposit and 10 km south-west of the Henday property. It also lies north of the Dawn Lake deposits (13 million lbs. U₃O₈ at an average grade of 1.7%).

Ken Wheatley, P.Geo., Vice President, Exploration, who directed the exploration of the Mae Zone discovery in his former position as District Geologist for AREVA, has direct knowledge of the Mae zone and the nearby Sue trend and is looking forward to working on this project.

Thirty-two widely-spaced drill holes, comprising 7,576 metres (m) were completed from 2000 to 2005 in a first phase drill campaign that discovered significant hydrothermal alteration and low grade uranium mineralization in several drill holes. One intercept of 0.21% over 4 m in the Athabasca sandstone at the unconformity and 10 other holes with anomalous uranium have been intersected in association with electromagnetic conductive trends, strong clay alteration and anomalous geochemistry. A summer work program to re-examine all existing core is underway.

INVESTOR RELATIONS

The Company retains the services of in-house investor relations consulting, as well as a European investor relations consultant and attends trade shows to increase exposure to Canadian and European retail brokers, institutions and investors.

FINANCIAL AND OTHER INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of those instruments.

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 is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.
- b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management was successful in accessing the equity markets during the period, but there is no assurance that such sources will be available on acceptable terms in the future.
- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

RISKS AND UNCERTAINTIES (continued)

- d) The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.
- e) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future.
- f) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

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.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. The Company's CEO and CFO have confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at May 31, 2007 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

OTHER INFORMATION

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

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.