



FORUM URANIUM CORP.
(An Exploration Stage Company)

Interim Financial Statements
For the Six Months Ended
May 31, 2008 and May 31, 2007
(Un-audited)

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying un-audited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Management Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management and are in accordance with Canadian generally accepted accounting principles. Other information contained in this document has also been prepared by management and is consistent with the data contained in the financial statements. A system of internal control is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has a process in place to evaluate internal control over financial reporting. Based on that evaluation, management has concluded that internal control over financial reporting was effective as of May 31, 2008.

The board of directors approves the financial statements and ensures that management discharges its financial responsibilities. The board's review is accomplished principally through the audit committee. The audit committee meets periodically with management and the auditors to review financial reporting and control matters.

“Anthony Balme”
Chairman of the Board

“Richard Mazur ”
President and CEO

July 24, 2008
Vancouver, British Columbia

Forum Uranium Corp.*(An Exploration Stage Company)*

Statement 1

Interim Balance Sheets

As at May 31, 2008

Canadian Funds

ASSETS	May 31, 2008	November 30, 2007 (Audited)
Current		
Cash and cash equivalents	\$ 3,948,083	\$ 6,690,198
Marketable securities <i>(Note 5)</i>	80,430	47,000
Receivables	391,734	289,483
Exploration advances receivable	692,015	383,552
Due from joint venture and option partners <i>(Note 7)</i>	696,633	665,610
Due from related parties <i>(Note 9b)</i>	50,114	50,114
Prepaid expenses and deposits	591,180	199,991
	6,450,189	8,325,948
Property and Equipment <i>(Note 6)</i>	168,235	158,688
Mineral Properties <i>(Note 8)</i>	14,862,283	10,773,345
	\$ 21,480,707	\$ 19,257,981
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 694,590	\$ 1,451,138
Amounts due to related parties <i>(Note 9a)</i>	31,358	12,803
Joint venture exploration advances payable	170,011	125,460
	895,959	1,589,401
Long-term		
Future income tax liability <i>(Note 14)</i>	405,877	405,877
SHAREHOLDERS' EQUITY		
Share Capital <i>(Note 10)</i>	23,192,955	20,603,551
Contributed Surplus <i>(Note 10)</i>	4,462,073	3,593,578
Accumulated other comprehensive income – <i>Statement 2</i>	(23,820)	-
Deficit - <i>Statement 3</i>	(7,452,337)	(6,934,426)
	20,178,871	17,262,703
	\$ 21,480,707	\$ 19,257,981

Nature of Operations and Going Concern *(Note 1)***Commitments** *(Note 13)***Subsequent events** *(Note 16)*

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)***Interim Statements of Comprehensive Loss**

For the periods ended May 31, 2008 and May 31, 2007

*Canadian Funds*Statement 2

		Three month period ended May 31, 2008	Six month period ended May 31, 2008		Three month period ended May 31, 2007	Six month period ended May 31, 2007
Loss for the period	\$	388,190	517,911	\$	-	-
Unrealized loss on available for sale securities		8,605	23,820		-	-
Comprehensive loss for the period	\$	396,795	541,731	\$	-	-

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

Forum Uranium Corp.*(An Exploration Stage Company)***Interim Statements of Loss and Deficit****For the periods ended May 31, 2008 and May 31, 2007***Canadian Funds*Statement 3

	Three month period ended May 31, 2008	Six month period ended May 31,2008	Three month period ended May 31, 2007	Six month period ended May 31,2007
Expenses				
Stock-based compensation	219,180	\$ 260,296	\$ 550,095	\$ 637,416
Investor relations and shareholder information	137,349	218,914	137,561	237,569
Office and miscellaneous	64,054	109,708	39,992	78,971
Travel and promotion	39,487	54,077	12,069	24,476
Professional fees	38,829	62,904	43,322	68,577
Corporate administrative fees	37,728	64,058	17,631	35,624
Amortization	24,774	26,785	1,883	3,260
Management fees	21,750	43,500	26,500	37,000
Wages and salaries	12,761	30,182	10,020	10,020
Directors' fees	8,250	15,000	9,750	19,500
Transfer agent and regulatory fees	5,146	17,396	49,167	59,195
Property investigation	-	11,100	-	-
	609,308	913,920	897,990	1,211,608
Other Income				
Interest income	(38,982)	(89,668)	(27,316)	(62,612)
Income from third party interest in mineral property	-	-	(20,072)	(20,072)
Operator's Management fee	(182,136)	(306,341)	(19,359)	(61,923)
	(221,118)	(396,009)	(66,747)	(144,607)
Net Loss for the Period	388,190	517,911	831,243	1,067,001
Deficit - Beginning of Period	7,064,147	6,934,426	6,370,579	6,134,821
Deficit – End of Period	\$ 7,452,337	7,452,337	\$ 7,201,822	\$ 7,201,822
Weighted Average Shares Outstanding	68,948,732	65,937,693	47,967,404	46,897,128
Loss per Share – Basic and Diluted	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02

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

Forum Uranium Corp.*(An Exploration Stage Company)*

Statement 4

Interim Statements of Cash Flows

For the periods ended May 31, 2008 and May 31, 2007

Canadian Funds

Cash Resources Provided By (Used In)	Three month period ended May 31, 2008	Six month period ended May 31, 2008	Three month period ended May 31, 2007	Six month period ended May 31, 2007
Operating Activities				
Net loss for the period	\$ (388,190)	\$ (517,911)	\$ (831,243)	\$ (1,067,001)
Items not affected by cash:				
Amortization	24,774	26,785	1,377	3,260
Marketable securities received in exchange for mineral property interest	(57,250)	(57,250)	-	-
Stock based compensation	219,180	260,296	550,095	637,416
Changes in non-cash working capital items:	(1,772,865)	(1,879,294)	20,733	188,790
Net cash used in operating activities	(1,974,351)	(2,167,374)	(259,038)	(237,535)
Financing Activities				
Proceeds from private placements	-	3,000,000	6,374,075	6,374,075
Proceeds from exercise of stock options	-	-	76,000	115,050
Proceeds from exercise of warrants	-	-	153,132	391,875
Advances to related parties	-	44,551	(1,006)	(11,806)
Share issuance costs	(7,384)	(28,706)	(496,496)	(496,496)
Subscriptions received	-	-	500,000	500,000
Net cash used by financing activities	(7,384)	3,015,845	6,605,705	6,872,698
Investing Activities				
Acquisition of equipment	(27,881)	(36,332)	(3,975)	(51,406)
Acquisition of mineral properties	(43,038)	(43,038)	-	-
Contributions of joint venture and option partners received	2,418,475	3,377,843	101,632	144,196
Exploration tax credit recovery	-	15,000	-	-
Exploration advances	27,047	(308,462)	-	-
Mineral property expenditures	(2,906,964)	(6,595,597)	(1,660,568)	(1,934,653)
Restricted cash	-	-	-	(199,327)
Net cash used by investing activities	(532,361)	(3,590,586)	(1,562,911)	(2,041,190)
Net decrease in Cash and Cash Equivalents	(2,514,096)	(2,742,115)	4,783,756	4,593,973
Cash and cash equivalents - Beginning of Period	6,462,179	6,690,198	3,437,997	3,627,780
Cash and Cash Equivalents - End of Period	\$ 3,948,083	\$ 3,948,083	\$ 8,221,753	\$ 8,221,753

Supplemental Cash Flow Information (Note 12)

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

Forum Uranium Corp.*(An Exploration Stage Company)*

Schedule of Mineral Property Costs

Canadian Funds

For the periods ended May 31, 2008 and May 31, 2007

Schedule

	May 31, 2008	May 31, 2007
Key Lake Road, Saskatchewan, Canada		
Diamond drilling	\$ 502,100	\$ 307,299
Travel, camp and other	125,155	36,662
Line cutting	52,788	28,572
Stock based compensation	45,262	-
Geophysical surveying	43,776	30,483
Report writing and planning	28,261	47,031
Management and planning	11,992	90,836
Equipment	7,589	9,443
Transportation	6,664	-
Community relations	3,769	-
Analysis and assay	3,080	10,088
Data processing	622	163
License, permits and taxes	110	721
Equipment amortization	(2,349)	-
Claim staking	-	118,249
Airborne geophysics	-	16,211
	<u>\$ 828,819</u>	<u>\$ 695,758</u>
 Maurice Point, Saskatchewan, Canada		
Diamond drilling	\$ 607,326	\$ 206
Travel, camp and other	236,532	56,301
Geophysical surveying	163,873	133,844
Line cutting	81,638	42,700
Transportation	72,914	-
Stock based compensation	45,262	-
Claim staking	43,038	79,000
Management and planning	17,869	86,802
Report writing and planning	12,250	2,997
Construction and access	11,640	-
Equipment	9,876	4,012
Analysis and assay	6,335	-
Data processing	2,567	78
Community relations	2,426	-
License, permits and taxes	110	3,957
Equipment amortization	(1,951)	-
Joint venture partner contribution	(1,385,137)	-
Airborne geophysics	-	750
	<u>\$ (73,434)</u>	<u>\$ 410,647</u>
Balance carried forward	\$ 755,385	\$ 1,106,405

Forum Uranium Corp.

Schedule

(An Exploration Stage Company)

Schedule of Mineral Property Costs

Canadian Funds

For the periods ended May 31, 2008 and May 31, 2007

	May 31, 2008	May 31, 2007
Balance carried forward	\$ 755,385	\$ 1,106,405
Orchid Lake, Saskatchewan, Canada		
Joint venture partner contribution	\$ 12,847	\$ (418,510)
Community relations	2,961	-
Report writing and filing	468	14,084
Data processing	310	78
Equipment	259	11,471
Management and planning	191	5,045
Equipment amortization	(695)	-
Diamond drilling	(17,333)	305,693
Geophysical survey	-	47,110
Linecutting, gridding and surveying	-	9,345
Travel, camp and other	-	9,296
Analysis and assay	-	2,105
Claim staking	-	13,700
License, permits and taxes	-	583
	\$ (992)	\$ -
Haultain River, Saskatchewan, Canada		
Stock based compensation	\$ 45,262	\$ -
Diamond drilling	6,850	302,528
Management and planning	5,629	87,440
Community relations	2,398	-
Data processing	623	163
Equipment	258	5,078
Report writing and planning	168	18,133
Equipment amortization	(2,349)	-
Travel, camp and other	-	24,849
Analysis and assay	-	1,943
Geophysical survey	-	27,033
Line cutting	-	36,583
Airborne geophysics	-	38,179
	\$ 58,839	\$ 541,929
Balance carried forward	\$ 813,232	\$ 1,648,334

Forum Uranium Corp.Schedule*(An Exploration Stage Company)*

Schedule of Mineral Property Costs

Canadian Funds

For the periods ended May 31, 2008 and May 31, 2007

	May 31, 2008	May 31, 2007
Balance carried forward	\$ 813,232	\$ 1,648,334
Costigan JV, Saskatchewan, Canada		
Diamond drilling	\$ 10,383	\$ -
Community relations	2,961	-
Data processing	310	10
Management and planning	191	653
Equipment amortization	(695)	-
Joint venture partner contribution	(1,095)	(421)
Construction and access	(3,125)	-
Travel, camp and other	-	517
Equipment	-	22
	<u>\$ 8,930</u>	<u>\$ 781</u>
North Thelon JV, Saskatchewan, Canada		
Travel, camp and other	\$ 228,589	\$ 11,135
Transportation	78,271	-
Construction and access	64,059	-
Stock based compensation	45,262	-
Analysis and assay	39,176	-
Management and planning	37,616	31,964
Community relations	27,637	18,814
Fuel	26,231	-
Report writing and planning	21,693	12,347
Diamond drilling	15,197	-
Equipment	14,563	2,719
Data processing	3,766	30,857
Airborne geophysics	2,943	750
Geophysical survey	1,200	-
License, permits and taxes	500	2,456
Equipment amortization	(1,346)	-
Joint venture partner contribution	(314,688)	(55,293)
	<u>\$ 290,669</u>	<u>\$ 55,749</u>
Balance carried forward	\$ 1,112,831	\$ 1,704,864

Forum Uranium Corp.

Schedule

(An Exploration Stage Company)

Schedule of Mineral Property Costs

Canadian Funds

For the periods ended May 31, 2008 and May 31, 2007

	May 31, 2008	May 31, 2007
Balance carried forward	\$ 1,112,831	\$ 1,704,864
Haultain River JV, Saskatchewan, Canada		
Community relations	\$ 1,098	\$ -
Data processing	142	10
Management and planning	83	1,154
Joint venture partner contribution	(461)	(20,515)
Equipment amortization	(695)	-
Airborne geophysics	-	21,891
Travel, camp and other	-	3,414
Equipment	-	22
	<u>\$ 167</u>	<u>\$ 5,976</u>
Henday, Saskatchewan, Canada		
Diamond drilling	\$ 586,496	\$ -
Construction and access	137,521	-
Travel, camp and other	85,715	-
Geophysical survey	83,268	-
Stock based compensation	45,260	-
Management and planning	7,345	-
Report writing and filing	4,387	-
Equipment	3,319	-
Community relations	1,098	-
Licence, permits and taxes	543	-
Data processing	523	-
Analysis and assay	272	-
	<u>\$ 955,747</u>	<u>\$ -</u>
Balance carried forward	\$ 2,068,745	\$ 1,710,840

Forum Uranium Corp.Schedule*(An Exploration Stage Company)*

Schedule of Mineral Property Costs

Canadian Funds

For the periods ended May 31, 2008 and May 31, 2007

	May 31, 2008	May 31, 2007
Balance carried forward	\$ 2,068,745	\$1,710,840
General and Other Properties		
Line-cutting, gridding, surveying	\$ 37,561	\$ -
Travel, camp and other	8,476	1,647
Community relations	6,052	-
Geophysical survey	2,250	-
Data processing	845	160
License, permits and taxes	650	650
Management and planning	650	142,774
Equipment	260	230
Report writing and filing	68	8,785
Equipment amortization	(695)	-
Airborne geophysics	-	250
Claim staking	-	60,109
Diamond drilling	-	504
Prospecting	-	200
	<u>\$ 56,117</u>	<u>\$ 215,309</u>
Total exploration costs for the period	\$ 2,124,862	\$ 1,926,149
Balance – beginning of period	\$ 12,737,421	4,943,343
Balance – end of period	\$ 14,862,283	\$ 6,869,492

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

1. Nature of Operations and Going Concern

Forum Uranium Corp (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on April 28, 1986 under the name Etana Technologies Corporation. On October 15, 2001 the Company changed its name to Forum Development Corp. and on June 13, 2006 the Company changed its name to Forum Uranium Corp.

Its principal business activities are the exploration and development of mineral properties. All of the Company's mineral properties are currently located in Canada. The Company is in the process of exploring and developing its mineral properties, but has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not received any revenue from mining operations and is considered to be in the development stage.

These interim financial statements have been prepared on a going concern basis which contemplates 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 business. For the six month period ended May 31, 2008, the Company reported a loss of \$517,911 and an accumulated deficit of \$7,452,337 at that date. Its ability to continue as a going concern is dependent upon the ability of the Company to raise equity financing, the discovery of economically recoverable reserves and ultimately the attainment of profitable operations. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

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 proven 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

2. Significant Accounting Policies (continued)

b) Oil and gas properties - continued

These unevaluated properties are assessed periodically to ascertain whether impairment in value has occurred. When proven 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 proven 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.

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

All costs related to mineral property 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 deemed impaired, 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 as well as 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 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

2. Significant Accounting Policies (continued)

d) Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per common share is recognized from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per common share has not been presented separately as currently this calculation proved to be anti-dilutive.

Basic and diluted loss per common share is calculated using the weighted average number of shares outstanding during the period.

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 measurement date is accrued and charged to operations on a straight-line basis over the vesting period, with the offsetting credit to contributed surplus. 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	45%
Exploration equipment	30%
Vehicles	30%
Office equipment	20%

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. Cash raised for exploration activities through the issuance of flow-through shares is restricted and is shown on the balance sheet as "Restricted Cash."

i) Future Income taxes

Future income taxes are recorded using the asset and liability method whereby future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Forum Uranium Corp.

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Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

2. Significant Accounting Policies (continued)

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 future income tax recovery up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

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, 2008 and 2007, 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) 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 and subsequently measured at fair market value.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

2. Significant Accounting Policies (continued)

o) Financial Instruments

On December 1, 2006 the Company adopted Section 3855 of the CICA Handbook which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be recognized on the Balance Sheet when the Company becomes a party to contractual provisions of the financial instrument or a derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

Financial assets and financial liabilities held-for-trading are measured at fair value with gains and losses recognized in the Company's loss for the period. Financial assets held-to-maturity, loans and receivables and financial liabilities, other than those held-for-trading, are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses including changes in foreign exchange rates being recognized in other comprehensive income ("OCI") upon adoption.

Derivative instruments must be recorded on the balance sheet at fair value including those derivatives that are embedded in financial instruments or other contracts but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in the Company's loss for the period, except for derivatives that are designated as a cash flow hedge, the fair value change for which is recognized in OCI. The Company has elected to recognize all transaction costs to the carrying amount (for non-trading instruments) that are directly attributable to the acquisition or issue of a financial asset or financial liability to the financial instrument on initial recognition. Section 3855 permits an entity to designate any financial instrument as held-for-trading on initial recognition or adoption of the standard, even if that instrument would not otherwise satisfy the definition of held-for-trading set out in Section 3855.

Other significant accounting implications arising on adoption of Section 3855 include the initial recognition of certain financial guarantees at fair value on the balance sheet and the immediate expensing of any related transaction costs, fees or premiums.

Financial instruments include cash and cash equivalents, restricted cash, marketable securities, deposits, accounts receivable (including amounts receivable from joint venture and option partners) and accounts payable and accrued liabilities (including amounts payable to joint venture partners). 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 of December 1, 2006 as follows:

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

Forum Uranium Corp.

(An Exploration Stage Company)

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For the Six Month Period Ended May 31, 2008 and May 31, 2007

2. Significant Accounting Policies (continued)

o) Financial Instruments (continued)

Amounts due to and from related parties is carried at cost. Fair value adjustments, if any, are not reasonably determinable by management as comparable interest rate and risk profiles are not available.

p) 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.

q) Capital Disclosures

Effective December 1, 2007, the Company adopted CICA Handbook Section 1535 – Capital Disclosures. Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose the following:

- i. its objectives, policies and processes for managing capital;
- ii. summary quantitative data about what the Company views as capital;
- iii. whether during the period, it complied with any externally imposed capital requirements to which it is subject;
- iv. when the entity has not complied with such requirement, the consequences of such non-compliance.

The Company has included the disclosures recommended by the new Handbook section in Note 3 to these interim financial statements.

r) Financial Instruments

Effective December 1, 2007, the Company adopted CICA Handbook Sections 3862 (Disclosures) and Section 3863 (Presentation). These standards replace CICA 3861, Financial Instruments – Disclosure and Presentation. They increase the disclosures currently required, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

The Company has included the disclosures recommended by the new Handbook section in Note 4 to these interim financial statements.

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3. 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.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents, receivables, investments 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.

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 with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

4. 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.

Currency Risk

As at May 31, 2008, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's functional currency. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its operations.

Interest rate and credit risk

The Company has significant cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Accounts and other receivable 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. Management believes that the credit risk concentration with respect to receivables is remote.

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4. Management of Financial Risk (continued)

Liquidity Risk

The Company manages 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 May 31, 2008, the Company had a cash balance of \$3,948,083 (November 30, 2007 - \$6,690,198) to settle current liabilities of \$895,959 (November 30, 2007 - \$1,589,401).

Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of uranium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

The Company has designated its cash and cash equivalents as held-for-trading, which are measured fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of May 31, 2008, the carrying amount of accounts receivable and payable equals fair market value.

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 \$39,481.
- The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.
- Price risk is remote since the Company is currently not a producing entity.

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Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

5. Marketable Securities

Marketable securities consist of the following holdings:

Company	Shares	Market Value May 31, 2008	Original Cost
Hidefield Gold PLC (L: HIF)	100,000	\$ 4,180	\$ 12,000
Mega Uranium Ltd. (T-MGA)	25,000	\$ 61,250	\$ 57,250
Global Uranium Corporation (V-GU)	200,000	\$ 15,000	\$ 76,000
	325,000	\$ 80,430	\$ 145,250

Company	Shares	Market Value November 30, 2007	Original Cost
Hidefield Gold PLC (L: HIF)	100,000	\$ 11,000	\$ 12,000
Global Uranium Corporation (V-GU)	200,000	\$ 36,000	\$ 76,000
	300,000	\$ 47,000	\$ 88,000

During the six month period ended May 31, 2008, the Company recognized \$23,820 as other comprehensive loss on marketable securities. During the year ended November 30, 2007, there was a subsequent decrease in the market value of securities (Global Uranium Corporation), which management determined was other than temporary and the Company recorded a \$41,000 write-down of portfolio investments in earnings.

6. Property and Equipment

	Cost	Accumulated Amortization	May 31, 2008 Net Book Value
Exploration equipment	\$ 216,278	81,721	\$ 134,557
Office equipment	2,746	521	2,225
Vehicle	12,500	3,468	9,032
Computer equipment	40,937	18,516	22,421
	\$ 272,461	\$ 104,226	\$ 168,235

	Cost	Accumulated Amortization	November 30, 2007 Net Book Value
Exploration equipment	\$ 193,679	\$ 60,635	\$ 133,044
Office equipment	2,746	275	2,471
Vehicle	12,500	1,875	10,625
Computer equipment	27,206	14,658	12,548
	\$ 236,131	\$ 77,443	\$ 158,688

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For the Six Month Period Ended May 31, 2008 and May 31, 2007

7. Accounts receivable – Joint Ventures and Option Agreements

Resource property	May 31, 2008	May 31, 2007
Mega Uranium Ltd – Maurice Point	\$ 88,920	\$ -
Superior Diamonds Inc. – North Thelon	310,687	113,912
Global Uranium Ltd. – Orchid Lake	296,485	15,138
Hathor Exploration Ltd. – Haultain River	541	1,780
NVI Mining Ltd. – Costigan Lake	-	143
	\$ 696,633	\$ 130,973

8. Mineral Properties

	November 30, 2007 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	May 31, 2008 Total
Key Lake Road	\$ 2,884,360	25,000	1,536,761	-	\$ 4,446,121
Maurice Point	1,287,643	43,038	3,116,608	(2,751,926)	1,695,363
Orchid Lake	-	-	(13,039)	12,847	(192)
Haultain River	2,138,985	-	207,943	(43,021)	2,303,907
Costigan JV	335,723	-	32,050	(7,363)	360,410
North Thelon JV	1,018,780	-	911,063	(619,403)	1,310,440
Haultain River JV	84,529	-	155,421	-	239,950
Henday	1,594,887	-	1,960,469	-	3,555,356
Other properties	1,428,438	(25,000)	(452,510)	-	950,928
Total mineral properties	\$ 10,773,345	\$ 43,038	\$ 7,454,766	\$(3,408,866)	\$ 14,862,283

	November 30, 2006 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	November 30, 2007 Total
Key Lake Road	\$ 1,738,291	118,249	1,027,820	-	\$ 2,884,360
Maurice Point	1,332,257	79,000	912,826	(1,036,440)	1,287,643
Orchid Lake	-	15,542	631,162	(646,704)	-
Haultain River	895,700	-	1,243,285	-	2,138,985
Costigan JV	238,833	-	168,094	(71,204)	335,723
North Thelon	125,010	-	1,787,544	(893,774)	1,018,780
Haultain River JV	68,066	-	47,462	(30,999)	84,529
Henday	-	1,476,300	118,587	-	1,594,887
Other properties	545,186	105,609	779,425	(1,782)	1,428,438
Total mineral properties	\$ 4,943,343	\$1,794,700	\$6,716,205	(2,680,903)	\$ 10,773,345

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Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

8. Mineral Properties (continued)

The Company has investigated ownership of its mineral interests as at May 31, 2008 and, to the best of its knowledge, ownership of its interests are in good standing.

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. During the year ended November 30, 2007, the Company staked additional claims totalling \$118,249.

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 in Saskatchewan. During the year ended November 30, 2007, the Company staked additional claims totalling \$79,000.

On September 20, 2007, the Company entered into a letter option agreement with Mega Uranium Ltd. ("Mega") to allow Mega to earn a 55% interest, with an additional option to increase their interest to 70%, in the Maurice Point uranium project. Upon completion of a due diligence review by Mega, they will be required to issue shares and incur the following expenditures on the property to earn their initial 55% interest:

Upon execution of agreement	Issuance of 25,000 Mega shares (issued)	Incur NIL exploration expenditures
Year One	Issuance of 25,000 Mega shares	Incur \$2,000,000 in exploration expenditures (incurred \$3,771,753 to date)
Year Two	Issuance of 25,000 Mega shares	Incur NIL exploration expenditures
Year Three	Issuance of 25,000 Mega shares	Incur \$6,000,000 in exploration expenditures

Mega can increase its interest in the Property from 55% to 70% by obtaining a bankable feasibility study in respect of the Maurice Point property and arranging financing for the development of the property.

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 in Saskatchewan.

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 in Saskatchewan. The Company entered into an option agreement on May 31, 2006 with Global Uranium Corporation ("GUC") to explore Orchid Lake. The Company and GUC share a former director in common.

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8. Mineral Properties (continued)

d) Orchid Lake (continued)

GUC will be required to issue shares, make cash payments, and incur the following expenditures on the property to earn their initial 60% interest:

Upon execution of agreement	Issuance of 100,000 GUC shares (received)	Cash payment of \$10,000 (paid)	Incur NIL in exploration expenditures
May 31, 2007	Issuance of 100,000 GUC shares (received)	Cash payment of \$30,000 (paid)	Incur \$500,000 in exploration expenditures (incurred \$968,888 to date)
May 31, 2008	Issuance of 200,000 GUC shares	Cash payment of \$50,000	Incur \$750,000 in exploration expenditures
May 31, 2009	Issuance of 300,000 GUC shares	Cash payment of \$100,000	Incur \$1,000,000 in exploration expenditures

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.

During the period, the Company served notice to Global Uranium Corporation ("Global") that they were in default of the terms of the Orchid Lake property option agreement due to their failure to make the second anniversary cash and share payments due on May 31, 2008. The Company further informed Global that the agreement was now terminated and all monies due are payable immediately.

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 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 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 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.

On August 14, 2007, the Company and Superior Diamonds (the "North Thelon JV") entered into an agreement with Tanqueray Resources Ltd. ("Tanqueray") to acquire an option to earn 60% interest in the Baker Lake Project which is near Kiggavik-Sissons. The Company and Tanqueray share a director in common.

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8. Mineral Properties (continued)

f) North Thelon Joint Venture (continued)

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

Upon execution of agreement	Issuance of 50,000 Forum common shares (issued)	Incur NIL in exploration expenditures
August 14, 2008	Issuance of 50,000 Forum common shares	Incur \$100,000 in exploration expenditures
August 14, 2009	Issuance of 50,000 Forum common shares	Incur \$150,000 in exploration expenditures (for cumulative expenditures totalling \$250,000)
August 14, 2010	Issuance of 50,000 Forum common shares	Incur \$250,000 in exploration expenditures (for cumulative expenditures totalling \$500,000)
August 14, 2011	Issuance of 50,000 Forum shares	Incur \$500,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000)
August 14, 2012	Issuance of 50,000 Forum shares	Incur \$1,000,000 in exploration expenditures (for cumulative expenditures totalling \$2,000,000)

Superior Diamonds is also required to issue 300,000 common shares over the five year period to Tanqueray as part of the agreement. The North Thelon JV is required to spend \$4,000,000 (the Company's share is \$2,000,000) of exploration expenditures on the Property by August 14, 2012.

The North Thelon JV also has an option to earn a further 10% interest in the property by committing to the completion of a bankable feasibility study.

g) Agnico Eagle Joint Venture

On February 29, 2008, the Company entered into a joint venture agreement with Agnico-Eagle Mines Limited ("Agnico") to earn a 51% interest in certain mineral claims consisting of 53,119 acres located 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:

February 29, 2009	Incurring \$250,000 in exploration expenditures
February 29, 2010	Incurring \$500,000 in exploration expenditures (for cumulative expenditures totalling \$750,000)
February 29, 2011	Incurring \$750,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000)
February 29, 2012	Incurring \$1,500,000 in exploration expenditures) for cumulative expenditures totalling \$3,000,000)

h) 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.

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For the Six Month Period Ended May 31, 2008 and May 31, 2007

8. Mineral Properties (continued)

i) 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. The Shares are restricted, subject to early release provisions, from transfer such that 1,265,000 shares will be tradable 4 months following closing date and a further 750,000 shares will be tradable every 6 months thereafter. In order to earn their 100% interest, the Company is required to spend \$500,000 (incurred) of exploration expenditures on the Property by May 16, 2008.

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 CDNS\$1,000,000.

j) Other Properties – Highrock Lake

Forum owns 100% of the Highrock Lake property located south of the Key Lake Mine/Mill located in Northern Saskatchewan. 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.

k) 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 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);
- 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.

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 entitled the holder to acquire one common share of the Company at \$0.15 per share for a period of two years.

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.

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Notes to the Interim Financial Statements

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8. Mineral Properties (continued)

l) 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.

9. Related Party Transactions

- a. At May 31, 2008, the Company owed \$31,358 (November 30, 2007 - \$12,803) 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 May 31, 2008, a management services company with a director and officer in common, owed the Company \$50,114 relating to a deposit for services paid to the related company.
- c. The following related party transactions were in the normal course of operations and are measured at fair value being their exchange amounts and consists of the following items:

	May 31, 2008	May 31, 2007
HRG Management Ltd. - Directors & Officers in common (see below)	\$ 102,972	\$ 76,276
Mirador Management – Officer in common, consulting services	87,000	54,000
Ken Wheatley – Officer in common, geological and management services	75,000	-
Lang Michener- Director in common, legal services	6,904	15,011
Total	\$ 271,876	\$ 145,287

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 13).

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10. Share Capital

Authorized:

Unlimited Common shares without par value

	Number of Shares	Amount	Contributed Surplus
Balance, as at November 30, 2005	31,394,479	\$ 7,869,426	\$ 445,553
Units issued for cash pursuant to private placement, net of \$401,523 allocated to warrants (1 & 2) *	10,500,000	4,623,477	401,523
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)	-
Share issuance costs	-	(488,209)	-
Stock based compensation	-	-	697,487
Fair value of agent's warrants	-	-	102,092
Fair value of stock options exercised	-	212,391	(212,391)
Balance, as at November 30, 2006	46,846,530	\$ 13,344,033	\$ 1,434,264
Units issued for cash pursuant to private placement, net of \$704,747 allocated to warrants (3 & 4)	10,996,453	6,572,578	704,747
Issued in exchange for warrants exercised	773,300	391,875	-
Issued in exchange for options exercised	645,000	184,050	-
Issued in exchange for mineral properties (Notes 8f & 8i)	3,565,000	1,496,800	-
Future income taxes on renouncement of flow through shares issued	-	(1,023,600)	-
Share issuance costs	-	(636,669)	-
Stock based compensation	-	-	1,617,350
Fair value of agent's warrants granted	-	-	111,701
Fair value of stock options exercised	-	153,425	(153,425)
Fair value of agent's warrants exercised	-	102,091	(102,091)
Fair value of warrants exercised	-	18,968	(18,968)
Balance, as at November 30, 2007	62,826,283	\$ 20,603,551	\$ 3,593,578
Units issued for cash pursuant to private placement, net of \$381,891 allocated to warrants (5)	6,122,449	\$ 2,618,110	\$ 381,891
Stock based compensation	-	-	486,604
Share issuance costs	-	(28,706)	-
Balance, as at May 31, 2008	68,948,732	\$ 23,192,955	\$ 4,462,073

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For the Six Month Period Ended May 31, 2008 and May 31, 2007

10. Share Capital (continued)

* During the year ended November 30, 2006, the Company issued 6,000,000 flow-through common shares at \$0.50 and 4,500,000 units at a price of \$0.45 for proceeds of \$4,703,510 net of share issuance costs of \$386,118. 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 \$0.55 for a period of 18 months after the closing date of the private placement. Agents received a cash commission equal to 7% of the gross proceeds and 668,800 (two grants of 516,760 and 152,040 respectively) compensation warrants. These broker warrants have been valued at \$102,091 based upon the Black Scholes model which utilized the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 79 and 84%, Risk free interest rate of 3.80%, Expected life of warrants of 12 months. The compensation warrants are exercisable at a price of \$0.50 for a period of 12 months after the close date. The warrants attached to the above private placement have been valued at \$401,523 based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 127%, Risk-free interest rate of 4.25%, and Expected life of warrants of 18 months.

1. During the year ended November 30, 2007, the Company completed a private placement by issuing 4,836,000 flow-through shares at \$0.50 per common share for total gross proceeds of \$2,418,000. The Company also issued 3,304,000 non-flow through units at \$0.45, for total gross proceeds of \$1,486,000, with each unit comprised of one common share and one-half of one common share purchase warrant at a price of \$0.55 and exercisable on or before September 6, 2007.
2. During the year ended November 30, 2007, the Company completed a private placement by issuing 1,164,000 flow through shares at \$0.50 per common share for total gross proceeds of \$582,000. The Company also issued 1,196,000 non-flow through units at \$0.45, for total gross proceeds of \$538,200, with each unit comprised of one common share and one-half of one common share purchase warrant at a price of \$0.55 and exercisable on or before September 22, 2007.
3. During the year ended November 30, 2007, the Company completed a private placement by issuing 3,540,500 flow-through common shares at \$0.80 and 5,448,730 units at a price of \$0.65 for proceeds of \$6,374,075. 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 for a period of 18 months and are exercisable on or before November 29, 2008. Share issuance costs of \$616,790 were paid in conjunction with this financing, including a cash commission of \$414,315 (equal to 6.5% of the gross proceeds), legal fees of \$58,361, filing fees of \$32,413 and 584,300 compensation warrants issued to the agents. These agent warrants have been valued at \$111,701 based upon the Black Scholes model which utilized the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 82%, Risk free interest rate of 4.56%, Expected life of warrants of 18 months. The compensation warrants are exercisable at a price of \$0.85 for a period of 18 months and are exercisable on or before November 29, 2008.

The warrants attached to the above private placement have been valued at \$454,049 based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 82%, Risk-free interest rate of 4.56%, Expected life of warrants of 18 months.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

10. Share Capital (continued)

4. During the year ended November 30, 2007, the Company completed a private placement by issuing 1,372,223 units at \$0.45 for total proceeds of \$617,500. Each unit is comprised of one common share and one common share purchase warrant at a price of \$0.65 and exercisable on or before November 23, 2009. The Company completed the second tranche of the private placement by issuing 635,000 units at \$0.45 for total proceeds of \$285,750. Each unit is comprised of one common share and one common share purchase warrant at a price of \$0.65 and exercisable on or before November 28, 2009.

For the total private placement, the finder's fees and filing fees amounted to \$14,963 and \$4,916 respectively.

The warrants attached to the above private placement have been valued at \$250,698 based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 77%, Risk-free interest rate of 3.84%, expected life of warrants of 24 months.

5. During the six month period ended May 31, 2008, the Company completed a private placement by issuing 6,122,449 units at a price of \$0.49 per unit for total proceeds of \$3,000,000. Each unit is comprised of one common share and one half share purchase warrant, with each whole warrant entitling the holder to acquire a further common share at a price of \$0.66 per share exercisable on or before March 1, 2010.

The warrants attached to the above private placement have been valued at \$381,891 based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 76%, Risk-free interest rate of 3.01%, expected life of warrants of 24 months.

Warrants:

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

	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	5,315,888	0.77
Exercised	(773,300)	0.51
Expired	(2,145,500)	0.55
Balance, November, 30, 2007	5,315,888	\$0.77
Granted	3,061,225	\$0.66
Balance, May 31, 2008	8,377,113	\$0.72

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

10. Share Capital (continued)

Warrants (continued)

Of the warrants outstanding at May 31, 2008:

- a) 3,308,665 warrants are exercisable at \$0.85 per share up to November 29, 2008.
- b) 1,372,223 warrants are exercisable at \$0.65 per share up to November 23, 2009.
- c) 635,000 warrants are exercisable at \$0.65 per share up to November 28, 2009.
- d) 3,061,225 warrants are exercisable at \$0.66 per share up to March 1, 2010.

During the year ended November 30, 2007, the Company had 773,300 warrants exercised for total proceeds of \$391,875. As part of the warrant exercises, there was \$18,968 in fair value associated with the previous year's warrants, as well as \$102,091 in conjunction with the fair value of the agent's warrants granted during the previous year's private placement. These amounts were transferred from contributed surplus to common shares

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:

	Number of options	Weighted Average Exercise Price
Balance, November 30, 2005	2,320,000	\$0.23
Granted	2,740,000	0.41
Exercised	(1,040,000)	0.23
Cancelled	(145,000)	0.33
Balance, November 30, 2006	3,875,000	\$0.35
Granted	2,705,000	0.66
Exercised	(645,000)	0.29
Cancelled	(350,000)	0.55
Balance, November 30, 2007	5,585,000	0.46
Granted	1,995,000	0.50
Cancelled	(680,000)	0.49
Balance, May 31, 2008	6,900,000	0.50

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

10. Share Capital (continued)

Options: (continued)

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. As at May 31, 2008, 5,926,250 options were exercisable as 1,168,750 investor relation options have not yet fully vested.

- a) During the year ended November 30, 2006, 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 3.4 years.
- b) During the year ended November 30, 2007, 350,000 (2006 - 145,000) options were cancelled as the holders were no longer employed by the Company and 645,000 (2006 - 1,040,000) options were exercised for gross proceeds of \$184,050 (2006 - \$240,900).
- c) During the year ended November 30, 2007, the Company granted a total of 2,705,000 stock options. 800,000 options are exercisable on or before March 12, 2012 at a price of \$0.78, 550,000 stock options exercisable on or before April 9, 2012 at a price of \$0.82 per share, 620,000 stock options exercisable on or before July 12, 2012 at a price of \$0.55, 485,000 stock options exercisable on or before August 12, 2012 at a price of \$0.55 and 250,000 stock options exercisable on or before Sept 14, 2012 at a price of \$0.43. The weighted average remaining contractual life of these outstanding options is 4.6 years.

The total fair value of the options granted during the prior year was \$1,438,166. Since the options for investor relations do not vest immediately, \$1,273,699 of the fair value was recorded in the Company's accounts, with \$367,545 recorded as stock-option compensation expense, and \$906,155 charged to mineral property costs. In addition, investor relations options granted in 2006 vested during the year in the amount of \$343,650 and have been 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.

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:

	2007	2006
Expected dividend yield	0%	0%
Expected stock price volatility	112-117%	119%-134%
Risk free rate	3.85 – 4.64%	3.8 – 4.2%
Expected life of options	5 years	5 years

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

10. Share Capital (continued)

Options: (continued)

- d) During the year ended November 30, 2007, 645,000 (2006 - 1,040,000) options were exercised and \$153,425 (2006 - \$212,390) were transferred from contributed surplus to common shares based on historical fair value amounts calculated between \$0.191 - \$0.320 per option.
- e) During the six month period ended May 31, 2008, investor relations options granted in 2007, vested during the period in the amount of \$82,412 and have been recorded as stock option compensation expense. There is a remaining unvested amount from 2007 grants totalling \$82,053 to be recorded in future periods.
- f) During the six month period ended May 31, 2008, 680,000 options were cancelled due to the resignation of certain directors, employees, and consultants
- g) During the six month period ended May 31, 2008, the Company granted a total of 1,995,000 stock options. 995,000 options are exercisable on or before March 4, 2013 at a price of \$0.50, 400,000 stock options exercisable on or before April 29, 2013 at a price of \$0.50 per share and 600,000 stock options exercisable on or before May 23, 2013 at a price of \$0.55 per share. The weighted average remaining contractual life of these outstanding options is 4.89 years.

The total fair value of the options granted during the six month period ended was \$742,096. Since the options for investor relations do not vest immediately, \$45,007 of the fair value was recorded in the Company's accounts, with \$106,868 recorded as stock-option compensation expense, and \$226,308 charged to mineral property costs. Remaining investor relations unvested amounts total \$363,913 to be recorded in future periods.

In addition, during the six month period ended May 31, 2008, 550,000 options were re-priced resulting in an additional \$26,009 being recorded as stock based 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.

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:

	2008
Expected dividend yield	0%
Expected stock price volatility	83-111%
Risk free rate	2.98-3.24%
Expected life of options	5 years

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

11. Segmented information

The Company operates in the oil and gas, and the uranium segments. Mineral property costs by operating segment as at May 31, 2008 are as follows:

	May 31, 2008	May 31, 2007
Oil and gas	\$ 443,388	\$ 442,738
Uranium	14,418,895	6,426,754
	<u>\$ 14,862,283</u>	<u>\$ 6,869,492</u>

All other losses, non-cash items, and total assets relate 100% to the uranium segment.

12. Supplemental Cash Flow Information

	May 31, 2008	May 31, 2007
Cash position consists of:		
Cash	\$ 3,948,083	\$ 8,221,753
Cash position end of period	<u>\$ 3,948,083</u>	<u>\$ 8,221,753</u>

Supplemental Disclosure of Non-Cash Financing and Investing Activities include:	May 31, 2008	May 31, 2007
Accounts payable included in mineral properties	\$ 647,861	\$ 211,640
Amortization included in mineral properties	\$ -	\$ 10,046
Marketable securities received in exchange for mineral property	\$ 57,250	\$ -
Stock-based compensation included in mineral properties	\$ 226,308	\$ -
Stock-based compensation	\$ 260,296	\$ 637,416

13. 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 approximately \$20,749 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. The Company has a \$50,114 deposit paid to HRG for management services. (See Note 9b)

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

14. Income Taxes

The income taxes shown in the statement of loss, comprehensive loss and deficit differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	November 30, 2007	November 30, 2006
Statutory tax rate	34.12%	34.12%
Expected income tax recovery	(483,592)	(349,493)
Non-deductible differences	261,062	182,151
Share issuance costs	(67,438)	(31,503)
Unrecognized tax losses	289,968	198,845
Income tax benefit relating to flow-through shares	(617,723)	(58,516)
Income tax provision (recovery)	\$ (617,723)	\$ (58,516)

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

	November 30, 2007	November 30, 2006
Mineral properties	\$ (1,742,589)	\$ (200,398)
Operating loss carry-forwards	1,054,017	825,825
Property, plant and equipment	32,930	17,953
Marketable securities	13,989	-
Share issuance costs	235,776	123,657
Less: valuation allowance	-	(767,037)
Net future income tax asset (liability)	\$ (405,877)	\$ -

The Company has accumulated losses of \$ 3,089,147 which may be used to reduce future year's taxable income. These losses expire as follows:

2008	183,358
2009	151,321
2010	90,705
2014	252,208
2015	893,645
2016	668,062
2027	849,848
	\$ 3,089,147

Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance because of uncertainty of their recovery.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the Six Month Period Ended May 31, 2008 and May 31, 2007

15. Comparative figures

Certain comparative amounts have been reclassified to conform to the current period's presentation.

16. Subsequent events

- a) On July 8, 2008, the Company, 50% owner of the North Thelon Joint Venture ("NTJV"), entered into an agreement with partner Northern Superior Resources Inc. ("Superior") to acquire Superior's 50% interest in the Joint Venture.

The Company will acquire all of Superior's right, title and interest in and to all agreements and property interests related to the NTJV. As consideration for the acquisition to be closed on or before July 31, 2008, the Company shall:

- Issue to Superior, 2,700,000 common shares of the Company at a price of \$0.50 per share, such that 675,000 shares will be tradeable 4 months following the closing date and a further 675,000 shares will be tradeable on each of 12, 18 and 24 months after the closing date.
- Grant to Superior a 5% net profits royalty on the mineral properties that are currently held 100% by the NTJV; and
- Effective as of the closing date, release Superior from and assume any and all obligations of Superior which are then outstanding under the Agreements or which may arise under the Agreements following the closing date.

The agreement was accepted by the TSX Venture Exchange on July 11, 2008.

- b) On July 8, 2008, the Company granted 100,000 options at an exercise price of \$0.50 to certain employees and consultants.
- c) On June 9, 2008, the Company announced that it had retained Raymond James Ltd. and Deacon & Company Capital Markets Inc. (the "Agents") to act as the Company's agents for a brokered private placement financing. The offering will consist of up to 6,666,667 flow-through common shares ("FT Shares") of the Company at a price of \$0.45 per FT Share for total gross proceeds of up to \$3,000,000.

The Agents will receive a cash commission on the sale of the FT Shares representing 8% of the gross proceeds. The Company will also issue an Agent's Option equal to 8% of the number of FT Shares issued, entitling the Agents to purchase that equivalent number of common shares of the Company at a price of \$0.45 per common share for a period of 18 months following the date of closing of the financing. The FT Shares and Agent's option will be subject to a hold period of four months plus one day from the date of closing of the financing. The private placement has conditional acceptance by the TSX Venture Exchange.

- d) On July 24, 2008, the Company finalized its agreement with Seagrove Capital Corporation ("Seagrove") to acquire 100% interest in the Highrock Lake Claim located 15 kilometres south of the Cameco/AREVA Key Lake Mine facility in northern Saskatchewan. Forum will acquire all of Seagrove's right, title and interest in and to the Highrock Lake Claim by issuing 100,000 common shares at a price per share of \$0.33 and a cash deficiency payment to Saskatchewan Industry and Resources that will be returned to the company upon completion of a work program totalling \$37,404. Seagrove shall retain a 1% NSR and Forum shall have the option to buyback 0.5% of the NSR for \$1 million. The transaction is subject to the acceptance of the TSX Venture Exchange.



**MANAGEMENT DISCUSSION AND
ANALYSIS**

FOR THE PERIOD ENDED MAY 31, 2008

AS AT JULY 24, 2008

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, 2008. 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 24, 2008.

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, 2007	November 30, 2006	November 30, 2005
Financial results			
Net loss for year	799,605	1,027,920	743,430
Basic and diluted loss per share	0.02	0.03	0.03
Expenditures (recovered) on resource properties	5,830,002	3,029,099	1,819,093
Balance sheet data			
Cash, restricted cash and short term deposits	6,690,198	3,627,780	1,269,692
Resource properties	10,773,345	4,943,343	1,914,244
Total assets	19,257,981	9,103,913	3,354,219
Shareholders' deficit	17,262,703	8,643,476	3,208,078

RESULTS OF OPERATIONS

Current Quarter

The Company incurred a \$388,190 loss for the three months ended May 31, 2008 as compared to a loss of \$831,243 for the same quarter last year. This amounts to a \$443,053 decrease over the prior year's quarter which can be mainly attributed to a decrease in stock based compensation of \$330,915, decrease in transfer agent and regulatory fees of \$44,021 due to reduced filing fees in conjunction with brokered private placements and property acquisitions, decrease in income from third party interest in mineral property of \$20,072 due to reduced exploration activity on the mineral property, an increase in management fee's earned on the joint venture properties of \$162,777 due to increased exploration activity on joint venture mineral properties, and an increase in interest income earned of \$11,666 due to higher term deposit balances on hand. In addition, increases in travel and promotion of \$27,418 due to increased promotion of the Company in overseas markets, increases in office expenses of \$24,062 due to increased costs and usage of office supplies, postage and courier, insurance and telephone, increases in amortization of \$22,891 due to purchase of exploration field equipment, and increases in corporate administration fees of \$20,097 due to utilization of corporate geologist and increases in lease rents, have also contributed to the current quarter loss.

Cash and cash equivalent balances decreased by \$2,514,096 to \$3,948,083 at May 31, 2008. The spending for mineral properties was \$3,813,396 before joint venture partner recoveries of \$1,688,534. The \$2,124,862 in net resource expenditures on exploration included \$955,747 on Henday Lake, \$828,819 on Key Lake Road, \$290,669 on North Thelon, and \$49,627 on other properties.

Year-to-date

The Company incurred a \$517,911 loss for the six months ended May 31, 2008 as compared to a loss of \$1,067,001 for the same quarter last year. This amounts to a \$549,090 decrease over the prior year's quarter which can be mainly attributed to a decrease in stock based compensation of \$377,120, decrease in transfer agent and regulatory fees of \$41,799 due to reduced filing fees in conjunction with brokered private placements and property acquisitions, decrease in investor and shareholder relations of \$18,655 due to reduction of in-house investor relations activities, decrease in income from third party interest in mineral property of \$20,072 due to reduced exploration activity on the mineral property, an increase in management fee's earned on the joint venture properties of \$244,418 due to increased exploration activity on joint venture mineral properties, and increase in interest income earned of \$27,056 due to higher term deposit balances on hand. In addition, increases in office expenses of \$30,737 due to increased costs and usage of office supplies, postage and courier, insurance and telephone, increases in travel and promotion of \$29,601 due to increased promotion of the Company in overseas markets, increases in corporate administration fees of \$28,434 due to utilization of corporate geologist and increases in lease rents, increases in amortization of \$23,525 due to purchases of exploration field equipment and increases in wages and salaries of \$20,162 due to increased administrative activity by exploration personnel, have also contributed to the current quarter loss.

Cash and cash equivalent balances decreased by \$2,742,115 to \$3,948,083 at May 31, 2008. The spending for mineral properties was \$7,497,805 before joint venture partner recoveries of \$3,408,866. The \$4,088,939 in net resource expenditures on exploration included, \$1,960,469 on Henday Lake, \$1,561,761 on Key Lake Road, \$407,720 on Maurice Point, and \$158,989 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, 2008	February 29, 2008	November 30, 2007	August 31, 2007	May 31, 2007	February 28, 2007	November 30, 2006	August 31, 2006
Financial results								
Net (gain) loss for period	388	129	(742)	711	595	236	43	554
Basic and diluted loss per share	0.01	0.00	0.02	0.01	0.01	0.01	0.01	0.01
Expenditures on resource properties	2,124	1,964	5,830	2,625	1,400	535	969	907
Balance sheet data								
Cash and short term deposits	3,948	6,462	6,690	6,164	8,222	3,438	3,627	4,480
Resource properties	14,862	12,737	10,773	9,503	6,869	5,478	4,943	3,969
Total assets	21,480	22,394	19,257	17,287	15,808	9,488	9,104	8,945
Shareholders' equity	20,178	20,138	17,262	16,467	14,955	8,773	8,643	8,418

LIQUIDITY

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

	May 31, 2008	November 30, 2007
Working capital	\$ 5,554,230	\$ 6,736,547
Deficit	(7,452,337)	(6,934,426)

TRANSACTIONS WITH RELATED PARTIES

- a. At May 31, 2008, the Company owed \$31,358 (November 30, 2007 - \$12,803) 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 May 31, 2008, a management services company with a director and officer in common, owed the Company \$50,114 relating to a deposit for services paid to the related company.
- c. The following related party transactions were in the normal course of operations and are measured at fair value being their exchange amounts and consists of the following items:

	May 31, 2008	May 31, 2007
HRG Management Ltd. - Directors & Officers in common (see below)	\$ 102,972	\$ 76,276
Mirador Management – Officer in common, consulting services	87,000	54,000
Ken Wheatley – Officer in common, geological and management services	75,000	-
Lang Michener- Director in common, legal services	6,904	15,011
Total	\$ 271,876	\$ 145,287

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 (See commitments).

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 approximately \$20,749 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. The Company has advanced a one month deposit for services and fixed assets. (See transactions with related parties (b))

SHARE CAPITAL INFORMATION

The table below presents the Company's common share data as of July 24, 2008.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			68,948,732
Securities convertible into common shares			
Warrants	\$0.85	November 29, 2008	3,308,665
	\$0.65	November 23, 2009	1,372,223
	\$0.65	November 28, 2009	635,000
	\$0.66	March 1, 2010	3,061,225
Options	\$0.21	December 2, 2009	435,000
	\$0.24	May 12, 2010	280,000
	\$0.24	August 15, 2010	230,000
	\$0.35	December 20, 2010	90,000
	\$0.36	January 24, 2011	400,000
	\$0.38	July 14, 2011	710,000
	\$0.66	November 27, 2011	225,000
	\$0.78	March 7, 2012	650,000
	\$0.82	April 9, 2012	550,000
	\$0.55	July 20, 2012	610,000
	\$0.55	August 14, 2012	485,000
	\$0.43	September 14, 2012	250,000
	\$0.50	March 4, 2013	985,000
	\$0.50	April 29, 2013	400,000
	\$0.55	May 23, 2013	600,000
			84,225,845

Private Placements

During the six month period ended May 31, 2008, the Company completed a private placement with Agnico Eagle Mines Limited by issuing 6,122,449 units at a price of \$0.49 per unit for total proceeds of \$3,000,000. Each unit is comprised of one common share and one half share purchase warrant, with each whole warrant entitling the holder to acquire a further common share at a price of \$0.66 per share exercisable on or before March 1, 2010.

The warrants attached to the above private placement have been valued at \$381,891 based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 76%, Risk-free interest rate of 3.01%, expected life of warrants of 24 months.

SHARE CAPITAL INFORMATION (continued)Warrants

During the six month period ended May 31, 2008 the Company had issued 3,061,225 warrants in conjunction with the above private placement. The warrants are exercisable at a price of \$0.66 on or before March 1, 2010.

Stock Options

- a) During the six month period ended May 31, 2008, investor relations options granted in 2007, vested during the period in the amount of \$82,412 and have been recorded as stock option compensation expense. There is a remaining unvested amount from 2007 grants totalling \$82,053 to be recorded in future periods.
- b) During the six month period ended May 31, 2008, 680,000 options were cancelled due to the resignation of certain directors, employees, and consultants
- c) During the six month period ended May 31, 2008, the Company granted a total of 1,995,000 stock options. Exercisable as follows:
 - 995,000 options are exercisable on or before March 4, 2013 at a price of \$0.50,
 - 400,000 stock options exercisable on or before April 29, 2013 at a price of \$0.50 per share
 - 600,000 stock options exercisable on or before May 23, 2013 at a price of \$0.55 per share.

The weighted average remaining contractual life of these outstanding options is 4.89 years.

The total fair value of the options granted during the six month period ended was \$742,096. Since the options for investor relations do not vest immediately, \$45,007 of the fair value was recorded in the Company's accounts, with \$106,868 recorded as stock-option compensation expense, and \$226,308 charged to mineral property costs. Remaining investor relations unvested amounts total \$363,913 to be recorded in future periods.

In addition, during the six month period ended May 31, 2008, 550,000 options granted to an officer of the Company were re-priced resulting in an additional \$26,009 being recorded as stock based 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. 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:

	2008
Expected dividend yield	0%
Expected stock price volatility	83-111%
Risk free rate	2.98-3.24%
Expected life of options	5 years

SUBSEQUENT EVENTS

- a) On July 8, 2008, the Company, 50% owner of the North Thelon Joint Venture ("NTJV"), entered into an agreement with partner Northern Superior Resources Inc. ("Superior") to acquire Superior's 50% interest in the Joint Venture.

The Company will acquire all of Superior's right, title and interest in and to all agreements and property interests related to the NTJV. As consideration for the acquisition to be closed on or before July 31, 2008, the Company shall:

- Issue to Superior, 2,700,000 common shares of the Company at a price of \$0.50 per share, such that 675,000 shares will be tradeable 4 months following the closing date and a further 675,000 shares will be tradeable on each of 12, 18 and 24 months after the closing date.
- Grant to Superior a 5% net profits royalty on the mineral properties that are currently held 100% by the NTJV; and
- Effective as of the closing date, release Superior from and assume any and all obligations of Superior which are then outstanding under the Agreements or which may arise under the Agreements following the closing date.

The agreement was accepted by the TSX Venture Exchange on July 11, 2008

- b) On June 9, 2008, the Company granted 100,000 options at an exercise price of \$0.50 to certain employees and consultants.
- c) On June 9, 2008, the Company announced that it had retained Raymond James Ltd. and Deacon & Company Capital Markets Inc. (the "Agents") to act as the Company's agents for a brokered private placement financing. The offering will consist of up to 6,666,667 flow-through common shares ("FT Shares") of the Company at a price of \$0.45 per FT Share for total gross proceeds of up to \$3,000,000.

The Agents will receive a cash commission on the sale of the FT Shares representing 8% of the gross proceeds. The Company will also issue an Agent's Option equal to 8% of the number of FT Shares issued, entitling the Agents to purchase that equivalent number of common shares of the Company at a price of \$0.45 per common share for a period of 18 months following the date of closing of the financing. The FT Shares and Agent's option will be subject to a hold period of four months plus one day from the date of closing of the financing. The private placement has conditional acceptance by the TSX Venture Exchange.

- d) On July 24, 2008, the Company finalized its agreement with Seagrove Capital Corporation ("Seagrove") to acquire 100% interest in the Highrock Lake Claim located 15 kilometres south of the Cameco/AREVA Key Lake Mine facility in northern Saskatchewan. Forum will acquire all of Seagrove's right, title and interest in and to the Highrock Lake Claim by issuing 100,000 common shares at a price per share of \$0.33 and a cash deficiency payment to Saskatchewan Industry and Resources that will be returned to the company upon completion of a work program totalling \$37,404. Seagrove shall retain a 1% NSR and Forum shall have the option to buyback 0.5% of the NSR for \$1 million. The transaction is subject to the acceptance of the TSX Venture Exchange.

RESOURCE PROPERTIES

	November 30, 2007 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	May 31, 2008 Total
Key Lake Road	\$ 2,884,360	25,000	1,536,761	-	\$ 4,446,121
Maurice Point	1,287,643	43,038	3,116,608	(2,751,926)	1,695,363
Orchid Lake	-	-	(13,039)	12,847	(192)
Haultain River	2,138,985	-	207,943	(43,021)	2,303,907
Costigan JV	335,723	-	32,050	(7,363)	360,410
North Thelon JV	1,018,780	-	911,063	(619,403)	1,310,440
Haultain River JV	84,529	-	155,421	-	239,950
Henday	1,594,887	-	1,960,469	-	3,555,356
Other properties	1,428,438	(25,000)	(452,510)	-	950,928
Total mineral properties	\$ 10,773,345	\$ 43,038	\$ 7,454,766	\$(3,408,866)	\$ 14,862,283

	November 30, 2006 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	November 30, 2007 Total
Key Lake Road	\$ 1,738,291	118,249	1,027,820	-	\$ 2,884,360
Maurice Point	1,332,257	79,000	912,826	(1,036,440)	1,287,643
Orchid Lake	-	15,542	631,162	(646,704)	-
Haultain River	895,700	-	1,243,285	-	2,138,985
Costigan JV	238,833	-	168,094	(71,204)	335,723
North Thelon	125,010	-	1,787,544	(893,774)	1,018,780
Haultain River JV	68,066	-	47,462	(30,999)	84,529
Henday	-	1,476,300	118,587	-	1,594,887
Other properties	545,186	105,609	779,425	(1,782)	1,428,438
Total mineral properties	\$ 4,943,343	\$1,794,700	\$6,716,205	(2,680,903)	\$ 10,773,345

RESOURCE PROPERTIES (continued)

	May 31, 2008	May 31, 2007
Key Lake Road, Saskatchewan, Canada		
Diamond drilling	\$ 502,100	\$ 307,299
Stock based compensation	45,262	-
Travel, camp and other	125,155	36,662
Claim staking	-	118,249
Management and planning	11,992	90,836
Community relations	3,769	-
Report writing and planning	28,261	47,031
Equipment amortization	(2,349)	-
Analysis and assay	3,080	10,888
Equipment	7,589	9,443
Transportation	6,664	-
Line cutting	52,788	28,572
Geophysical surveying	43,776	30,483
Data processing	622	163
License, permits and taxes	110	721
Airborne geophysics	-	16,211
	<u>\$ 828,819</u>	<u>\$ 695,758</u>
Maurice Point, Saskatchewan, Canada		
Geophysical surveying	\$ 163,873	\$ 133,844
Travel, camp and other	236,532	56,301
Transportation	72,914	-
Line cutting	81,638	42,700
Diamond drilling	607,326	206
Stock based compensation	45,262	-
Equipment	9,876	4,012
Management and planning	17,869	86,802
Community relations	2,426	-
Data processing	2,567	78
Report writing and planning	12,250	2,997
Equipment amortization	(1,951)	-
License, permits and taxes	110	3,957
Construction and access	11,640	-
Airborne geophysics	-	750
Analysis and assay	6,335	-
Joint venture partner contribution	(1,385,137)	-
Claim staking	43,038	79,000
	<u>\$ (73,434)</u>	<u>\$ 410,647</u>
Balance carried forward	\$ 755,385	\$ 1,106,405

RESOURCE PROPERTIES (continued)

	May 31, 2008		May 31, 2007	
Balance carried forward	\$	755,385	\$	1,106,405
Orchid Lake, Saskatchewan, Canada				
Diamond drilling	\$	(17,333)	\$	305,693
Geophysical survey		-		47,110
Linecutting, gridding and surveying		-		9,345
Travel, camp and other		-		9,296
Report writing and filing		468		14,084
Analysis and assay		-		2,105
Community relations		2,961		-
Equipment amortization		(695)		-
Management and planning		191		5,045
Data processing		310		78
Joint venture partner contribution		12,847		(418,510)
Claim staking		-		13,700
Equipment		259		11,471
License, permits and taxes		-		583
	\$	(992)	\$	-
Haultain River, Saskatchewan, Canada				
Stock based compensation	\$	45,262	\$	-
Management and planning		5,629		87,440
Report writing and planning		168		18,133
Travel, camp and other		-		24,849
Equipment amortization		(2,349)		-
Analysis and assay		-		1,943
Community relations		2,398		-
Data processing		623		163
Diamond drilling		6,850		302,528
Geophysical survey		-		27,033
Line cutting		-		36,583
Airborne geophysics		-		38,179
Equipment		258		5,078
	\$	58,839	\$	541,929
Balance carried forward	\$	813,232	\$	1,648,334

RESOURCE PROPERTIES (continued)

	May 31, 2008		May 31, 2007	
Balance carried forward	\$	813,232	\$	1,648,334
Costigan JV, Saskatchewan, Canada				
Diamond drilling	\$	10,383	\$	-
Travel, camp and other		-		517
Construction and access		(3,125)		-
Community relations		2,961		-
Equipment amortization		(695)		-
Management and planning		191		653
Data processing		310		10
Joint venture partner contribution		(1,095)		(421)
Equipment		-		22
	\$	<u>8,930</u>	\$	<u>781</u>
North Thelon JV, Saskatchewan, Canada				
Report writing and planning	\$	21,693	\$	12,347
Diamond drilling		15,197		-
Equipment		14,563		2,719
Community relations		27,637		18,814
Construction and access		64,059		-
Travel, camp and other		228,589		11,135
Management and planning		37,616		31,964
Stock based compensation		45,262		-
Geophysical survey		1,200		-
Data processing		3,766		30,857
Airborne geophysics		2,943		750
Transportation		78,271		-
Fuel		26,231		-
Equipment amortization		(1,346)		-
Analysis and assay		39,176		-
License, permits and taxes		500		2,456
Joint venture partner contribution		(314,688)		(55,293)
	\$	<u>290,669</u>	\$	<u>55,749</u>
Balance carried forward	\$	1,112,831	\$	1,704,864

RESOURCE PROPERTIES (continued)

	May 31, 2008		May 31, 2007	
Balance carried forward	\$	1,112,831	\$	1,704,864
Haultain River JV, Saskatchewan, Canada				
Equipment amortization	\$	(695)	\$	-
Community relations		1,098		-
Airborne geophysics		-		21,891
Travel, camp and other		-		3,414
Data processing		142		10
Management and planning		83		1,154
Equipment		-		22
Joint venture partner contribution		(461)		(20,515)
	\$	<u>167</u>	\$	<u>5,976</u>
Henday, Saskatchewan, Canada				
Diamond drilling	\$	586,496	\$	-
Travel, camp and other		85,715		-
Stock based compensation		45,260		-
Construction and access		137,521		-
Equipment		3,319		-
Management and planning		7,345		-
Data processing		523		-
Community relations		1,098		-
Licence, permits and taxes		543		-
Analysis and assay		272		-
Report writing and filing		4,387		-
Geophysical survey		83,268		-
	\$	<u>955,747</u>	\$	<u>-</u>
Balance carried forward	\$	2,068,745	\$	1,710,840

RESOURCE PROPERTIES (continued)

	May 31, 2008	May 31, 2007
Balance carried forward	\$ 2,068,745	\$ 1,710,840
General and Other Properties		
Community relations	\$ 6,052	\$ -
License, permits and taxes	650	650
Travel, camp and other	8,476	1,647
Equipment amortization	(695)	-
Report writing and filing	68	8,785
Line-cutting, gridding, surveying	37,561	-
Airborne geophysics	-	250
Data processing	845	160
Geophysical survey	2,250	-
Management and planning	650	142,774
Claim staking	-	60,109
Equipment	260	230
Diamond drilling	-	504
Prospecting	-	200
	<u>\$ 56,117</u>	<u>\$ 215,309</u>
Total exploration costs for the period	\$ 2,124,862	\$ 1,926,149
Balance – beginning of period	\$ 12,737,421	4,943,343
Balance – end of period	\$ 14,862,283	\$ 6,869,492

RESOURCE PROPERTIES (continued)

PROJECT	INTEREST	COMMODITY	LOCATION	AREA (Hectares)
Agnico Eagle Option *	51%	Uranium	Nunavut	21,497
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	7,229
Maurice Point	100%	Uranium	Saskatchewan	37,714
Henday Lake	100%	Uranium	Saskatchewan	7,204
Baker Lake (Tanqueray option) *	60%	Uranium	Nunavut	118,000
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%	Coal	Northern B.C.	717

* The Company has to earn their interest in the properties by fulfilling the terms of the option agreement. 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 JOINT VENTURE

Current activity and future plans

The Company has begun mobilization of ground gravity crews to the NTJV project. The property is located along prospective ground for similar style uranium deposits as Areva's 148 million pound Kiggavik uranium deposit which is undergoing a full feasibility study. Gravity surveys are being conducted to follow-up on targets outlined by a 7,900 line kilometres RESOLVE airborne survey completed over 100%-owned ground held by the NTJV and ground optioned from Agnico-Eagle Mines Ltd. and Tanqueray Resources Ltd.

The Fugro operated airborne survey covered 1,400 square kilometres of ground with outstanding potential for similar style uranium deposits to the north, northeast and east of Areva's three deposits. This survey delineated the regional and local fault systems of the area, and the current gravity survey will identify areas of alteration (gravity lows) that may be associated with uranium mineralization at the intersection of the faults. This method of exploration has proven successful in the discovery of two of the Kiggavik deposits that occur along east-northeast and north-northeast trending lineaments.

Structurally-controlled uranium mineralization grading up to 1.3% was identified on 10 showings during the 2007 prospecting and mapping program on the property. This information, in combination with the Fugro survey and gravity surveys, will be used to develop drill targets. A 3,000 metre drilling campaign, budgeted at \$5.1 million has commenced. The newly acquired ground from Agnico-Eagle will also be prospected, mapped and possibly drilled during the 2008 field season.

RESOURCE PROPERTIES (continued)***NORTH THELON JOINT VENTURE (continued)***

Historical Information

Exploration for uranium in the northern Thelon Basin was conducted primarily from the mid-1970's to the mid-1980's culminating in the discovery of the Kiggavik deposits located 80 km west of Baker Lake, Nunavut by Urangesellschaft Canada Ltd. AREVA Resources Canada Inc. ("AREVA") acquired the project in 1993. The North Thelon Joint Venture ("NTJV"), a 50/50 partnership with Superior Diamonds Inc., (the Company as operator), acquired through claim staking in 2006, over 100,000 hectares of prospective exploration lands immediately adjacent to the Kiggavik deposits.

A uranium development policy for the Territory of Nunavut was adopted in September 2007 and shortly thereafter, AREVA and joint venture partners JCU (Canada) Exploration Company Limited and DAEWOO International Corporation announced the commencement of a two year feasibility study and the regulatory process to obtain the necessary approvals for a uranium mine and mill complex on the Kiggavik deposits (See AREVA News Release dated December 3, 2007). AREVA reports a resource estimate of 148 million pounds of uranium at an average grade of 0.24% U (0.28% U₃O₈). The Kiggavik deposits (Kiggavik, End, Andrew Lake and Jane) also contain significant quantities of gold and platinum.

During the summer of 2007, the NTJV completed a \$1.8 million exploration program this summer at its Kiggavik North and South claims. The program identified seven significant uranium occurrences with grab samples grading from 0.08% U₃O₈ to 1.3% U₃O₈

Field crews examined numerous historical uranium showings on the NTJV property and, through further investigation of other areas of favourable geology and structure, discovered previously unreported uranium mineralization of particular interest as follows:

- FOR-62 – A newly discovered occurrence in a thrust faulted package of quartzite and metawacke with uranium values up to 1.3% U₃O₈ at the intersection of NW and ENE trending faults.
- Tarzan – This well located prospect covered by overburden lies along a northeast structure (identified by existing airborne magnetic and electromagnetic surveys) which hosts AREVA's End deposit, Andrew Lake deposit and Jane showing that lie 3 km to the northeast of Forum's property.
- Nutaaq (Inuktitut for "Something New") – A newly discovered occurrence over a 4km by 2km area in regolithic quartzite and metawacke intruded by fluorite-bearing granite with results up to 0.18% U₃O₈. A gravity survey has identified gravity lows which may indicate zones of alteration.

RESOURCE PROPERTIES (continued)***NORTH THELON JOINT VENTURE (continued)***

Historical Information (continued)

- Pyro Lake – An historical occurrence in regolithic metawacke and metavolcanic rocks at the unconformity with overlying Thelon conglomerate. Grades of 0.13% U₃O₈ occur in an area of the intersection of three faults.
- Ivitaaq (Inuktitut for “Red Rocks”) – An historical occurrence in regolithic metawacke and quartzite at the unconformity with Thelon conglomerate. Grades of up to 0.19% U₃O₈ occur at the intersection of two fault systems.
- Boundary – Thrust faulted quartzite and metawacke cut by a WNW to NW fault system. Grades of up to 0.08% U₃O₈ occur at the intersection of these two fault systems
- Red Hearts – A complex network of predominantly ENE and NNW trending faults within quartzite and metawacke, which are strongly radioactive. Assays have not yet been received.

TANQUERAY OPTION

Current activity and future plans

The Company completed a 1,280 line kilometers (km) resolve airborne survey over the Tanqueray Option property. The property is located along prospective ground for similar style uranium deposits as Areva’s 148 million pound Kiggavik uranium deposit which is undergoing a full feasibility study. Forum is also conducting this survey over the North Thelon Joint Venture (“NTJV”) 100% owned ground and on property optioned from Agnico-Eagle Mines Ltd.

Follow-up ground gravity surveys will be completed on selected targets from the resistivity survey to identify areas of low density (alteration) that may be associated with a uranium deposit. This method has been proven successful on the Kiggavik deposits, and is being applied to all of the NTJV holdings in the Kiggavik area. Potential drilling of targets this summer on the Tanqueray option will be evaluated in conjunction with all the targets identified from the geophysical programs conducted over all of Forum’s property holdings in the area.

Terms of Agreement

On August 14, 2007, the Company and Superior Diamonds (the “North Thelon JV”) entered into an agreement with Tanqueray Resources Ltd. (“Tanqueray”) to acquire an option to earn 60% interest in the Baker Lake Project which is near Kiggavik-Sissons. The Company and Tanqueray share a director in common.

RESOURCE PROPERTIES (continued)***TANQUERAY OPTION (continued)***

Terms of Agreement (continued)

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

Upon execution of agreement	Issuance of 50,000 Forum common shares (issued)	Incur NIL in exploration expenditures
August 14, 2008	Issuance of 50,000 Forum common shares	Incur \$100,000 in exploration expenditures
August 14, 2009	Issuance of 50,000 Forum common shares	Incur \$150,000 in exploration expenditures (for cumulative expenditures totalling \$250,000)
August 14, 2010	Issuance of 50,000 Forum common shares	Incur \$250,000 in exploration expenditures (for cumulative expenditures totalling \$500,000)
August 14, 2011	Issuance of 50,000 Forum shares	Incur \$500,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000)
August 14, 2012	Issuance of 50,000 Forum shares	Incur \$1,000,000 in exploration expenditures (for cumulative expenditures totalling \$2,000,000)

Superior Diamonds is also required to issue 300,000 common shares over the five year period to Tanqueray as part of the agreement. The North Thelon JV is required to spend \$4,000,000 (the Company's share is \$2,000,000) of exploration expenditures on the Property by August 14, 2012.

The North Thelon JV also has an option to earn a further 10% interest in the property by committing to the completion of a bankable feasibility study.

Historical Information

The 118,000 hectare Tanqueray property adjoins Forum's NTJV lands and is located 40 kilometres west of Baker Lake in Nunavut and approximately 40 km east of AREVA's Kiggavik project.

Forum's geological and prospecting team conducted exploration of the property as part of its overall program from July through to September, 2007 on its 100% owned joint venture ground and on the adjoining ground optioned from Tanqueray Resources Ltd. Several historical prospects were re-evaluated some new discoveries were made during the summer program:

- • Graphite – up to 9050 ppm U (1.07% U308)
- • LA-4 – up to 2840 ppm U (0.34% U308)
- • RD-7- up to 2320 ppm U (0.27% U308)
- • Graphite North – up to 1310 ppm U (0.16% U308)
- • Island Lake – up to 795 ppm U (0.09% U308)
- • SCH – up to 575 ppm U (0.07% U308)

RESOURCE PROPERTIES (continued)***TANQUERAY OPTION (continued)***

Historical Information (continued)

Rock types hosting uranium mineralization in the Tanqueray option are composed almost entirely of interbedded quartzite, metawacke, and schistose units that have undergone structural deformation, similar to the host rock types of the Kiggavik deposits that occur along a 24 km section of a regional east northeast trending structural zone. Uranium mineralization typically occurs in fractures, breccia zones, and faults.

AGNICO-EAGLE OPTION

Current activity and future plans

A Fugro operated airborne resistivity survey has been flown over the property and ground gravity crews are conducting surveys on areas of interest. Potential drilling of targets this summer on the Agnico-Eagle option will be evaluated in conjunction with all the targets identified from the geophysical programs conducted over all of Forum's property holdings in the area.

Terms of Agreement

On February 29, 2008, the Company entered into a joint venture agreement with Agnico-Eagle Mines Limited ("Agnico") to earn a 51% interest in certain mineral claims consisting of 53,119 acres located 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:

February 29, 2009	Incurring \$250,000 in exploration expenditures
February 29, 2010	Incurring \$500,000 in exploration expenditures (for cumulative expenditures totalling \$750,000)
February 29, 2011	Incurring \$750,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000)
February 29, 2012	Incurring \$1,500,000 in exploration expenditures) for cumulative expenditures totalling \$3,000,000)

Forum may also acquire a further 14% interest by completing a bankable feasibility study in relation to the Properties within five years of earning its 51% joint venture interest. (See private placements)

Judge Sissons and Schultz Lake Option Agreement Terms

The Properties consist of 36 claims, comprising 21,497 hectares that can be viewed on the Company's website at <http://www.forumuranium.com/i/maps/NTJV.jpg>. Historical showings of uranium grading up to 0.22% U₃O₈ have been reported from assessment files in the Nunavut Mining Recorder's Office.

In connection with its North Thelon Joint Venture, Forum has also granted Superior Diamonds Inc. a right to earn a 50% interest in any proceeds accruing to Forum from the properties.

KEY LAKE ROAD PROJECT

Current activity and future plans

A further 3,363 metre (m) drill program was completed in the 2008 winter drill campaign from January to March on targets along the Key Lake Road Shear Zone, in search for basement-style mineralization similar to Cameco's Millennium 45 million pound uranium deposit. Low grade mineralization and good alteration was intersected in the DD, Rainbow, Millison and Romulus conductive and structural targets. Complete results from the Key Lake Road program have been received and targets for further drilling in the winter of 2009 will be reviewed over the summer months, including the Romulus North and Costco targets.

Historical Information

The 100%-owned Key Lake Road project (includes the Key Lake Road claims and Haultain River claims) comprises 111,564 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 property covers 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. Several areas for drilling were identified along the Key Lake Road Shear Zone - the DD, Rainbow, Hobo, Millison and Molly Zones.

The 100%-owned Key Lake Road project (includes the Key Lake Road claims and Haultain River claims) comprises 111,564 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 property covers 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. Several areas for drilling were identified along the Key Lake Road Shear Zone - the DD, Rainbow, Hobo, Millison and Molly Zones.

The Company has identified over 200 kilometres of prospective electromagnetic conductors and mapped and prospected the prolific Key Lake Road Shear Zone over the past three years in search for shallow basement-style unconformity deposits similar to Cameco's 45 million pound Millennium uranium deposit. A number of targets were identified by geological/structural interpretations integrated with geochemical/ geophysical evaluation of this large, well located property with easy access from the Key Lake Road.

RESOURCE PROPERTIES (continued)***KEY LAKE ROAD PROJECT (continued)***

Historical Information (continued)

The Company completed 47 drill-holes in three drill campaigns over 2006/2007 and is encouraged by its first pass drill program and the intersection of near surface uranium mineralization in altered, graphitic rocks on the Key Lake Road property. Low grade mineralization and good alteration was intersected from a six hole program, totalling 1,068m completed in the fall of 2007 on the DD and Molly zones.

MAURICE POINT PROJECT

Current activity and future plans

Forum Uranium Corp. and option earn-in partner Mega Uranium Ltd., has completed its winter drill program on the Maurice Point property, located nearby Cameco Corporation's 1.3 million pound Maurice Bay uranium deposit in the Athabasca Basin of northern Saskatchewan. A total of 10 holes for 2,321 metres were completed in two target areas on the project, ground gravity surveys were completed on three grids and a resistivity survey has covered parts of two grids.

The highlight of the program was the drill intersection of a very large and re-activated basement fault system with associated strong hydrothermal alteration. Alteration and brecciation extend down to a depth of more than 250m, similar in size and style to that seen at several basement-hosted deposits in the Athabasca Basin (AREVA's and UEX's Shea Creek mineralization with alteration extending up to 200m into the basement, and Cameco's Millennium deposit with an indicated resource of 45.8 million pounds U₃O₈, source: Cameco 2005 Annual Report, with mineralization extending 150m into the basement). The fault system was identified by the ground gravity survey and subsequently drilled.

Colin River Grid - Five holes were drilled on the Colin River grid, about 18 kilometres northeast of Cameco's Maurice Bay deposit. These tested the McKenzie Fault which was identified in the airborne magnetometer survey completed in 2007, and by the ground gravity survey in 2008. This large and reactivated fault system was intersected in three of the holes, with bleaching and hematization extending from surface to more than 250 metres in depth. The fault in this locality shows no uranium mineralization, but its strike extends for more than 30km and gives Forum a large number of targets to investigate in future exploration programs.

RESOURCE PROPERTIES (continued)***MAURICE POINT PROJECT (continued)****Current activity and future plans (continued)*

Beach Zone Grid - Five more drill holes were completed in the vicinity of the Beach Zone where uranium mineralization was identified both in boulders and in regolithic basement outcrop, with grades in grab samples of up to 6.3% U₃O₈. Weak gravity anomalies were tested on land around the mineralized outcrop areas. Variably hematized and mylonitic basement lithologies were present, but little in the way of reactivated structures or radiometric anomalies was intersected. Several gravity targets under the lake and nearby the contact with the Athabasca sandstones were not tested due to technical problems with the drill. These will be tested in future drill programs.

Spring Point Grid - Drill holes planned for the Spring Point area were also not completed as the drill had to be demobilized before spring break-up. However, a gravity survey was completed over this grid.

A resistivity survey has been partially completed on the Colin River and Beach Zone grids, and is designed to delineate any parallel zones of alteration along the McKenzie Fault. Further prospecting and geophysical surveys are recommended for the upcoming summer and a 2009 drill program is being considered by Forum and Mega.

Core samples were collected from the 10 drill-holes and shipped in sealed containers to the Saskatchewan Research Council, an ISO/IEC 17025:2005 (CAN-P-4E) certified laboratory for geochemical analysis using the Uranium ICP Package. This package is the preferred analytical technique for detecting uranium and pathfinder elements in the alteration halos of unconformity-type uranium deposits in the Athabasca Basin. Results are expected in this summer.

Terms of Agreement

The 100%-owned Maurice Point project consists of claims totalling 37,714 hectares, located immediately adjacent to Cameco Corporation's Maurice Bay deposit on the northwest margin of the Athabasca Basin.

RESOURCE PROPERTIES (continued)**MAURICE POINT PROJECT (continued)**

Terms of Agreement (continued)

On September 20, 2007, the Company entered into a letter option agreement with Mega Uranium Ltd. (“Mega”) to allow Mega to earn a 55% interest, with an additional option to increase their interest to 70%, in the Maurice Point uranium project. Upon completion of a due diligence review by Mega, they will be required to issue shares and incur the following expenditures on the property to earn their initial 55% interest:

Upon execution of agreement	Issuance of 25,000 Mega shares (issued)	Incur NIL exploration expenditures
Year One	Issuance of 25,000 Mega shares	Incur \$2,000,000 in exploration expenditures (incurred \$3,771,753 to date)
Year Two	Issuance of 25,000 Mega shares	Incur NIL exploration expenditures
Year Three	Issuance of 25,000 Mega shares	Incur \$6,000,000 in exploration expenditures

Mega can increase its interest in the Property from 55% to 70% by obtaining a bankable feasibility study in respect of the Maurice Point property and arranging financing for the development of the property.

Historical Information

The Maurice Bay uranium deposit is reported to host 1.3 million pounds of U3O8 at a grade of 0.6% (Source: Saskatchewan Industry and Resources Miscellaneous Report 2003-7) at the sub-Athabasca unconformity and structurally controlled mineralization within altered basement rocks. The Forum claims cover the northeast trending McKenzie Mylonite Zone and related basement structures hosting the Maurice Bay mineralization and the margin of the favourable Athabasca sandstone 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 (average 1.6% U3O8 for the middle six samples). The West Beach zone also has significant uranium mineralization associated with graphitic rocks, immediately west of the Beach zone. Collectively this area around McKenzie Point is an important drill target.

RESOURCE PROPERTIES (continued)***MAURICE POINT PROJECT (continued)****Historical Information (continued)*

Airborne magnetic and electromagnetic surveys and ground gravity, resistivity and electromagnertic surveys have been conducted on the property. The surveys have been conducted to identify altered rocks associated with the strong northeast trending McKenzie Fault on the property that is the controlling feature for uranium mineralization in the Maurice Bay and Beach Zone areas. A number of potential drill targets have been identified by these geophysical surveys at McKenzie Point, Colin River, Spring Point, Spring Point Ice and Maurice Point.

HENDAY PROPERTY*Current activity and future plans*

The Company completed 21 drillholes on the property for a total of 4,946 metres. Eleven of the holes were drilled to follow up areas of alteration and uranium mineralization by a previous operator. Ten holes were drilled in an area that was re-interpreted after completion of a ground EM survey. Compilation of the drill data is underway and assays and geochemical results are anticipated in the summer.

Historical Information

Forum acquired the Henday uranium property on May 16, 2007, in consideration for 3.515 million shares of the Company. This 7,204 hectare property is well located on the structural trend hosting the Midwest Lake mine development project currently slated for production in 2011 by AREVA Resources Canada Inc. and Denison Mines Corp. The Henday property has exceptional potential for a shallow, high grade uranium deposit and is located along the north-east trending 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 Cameco's Dawn Lake deposits (13 million lbs. U3O8 grading 1.7%).

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.

The Company re-interpreted the structural setting, re-logged the core during the past summer and sampled the clay altered sections of the drill core for spectral analysis. These activities clearly indicate that the uranium mineralizing processes similar to several uranium deposits in the region were also active within the Henday claims.

ORCHID LAKE PROJECT

Current activity and Future Plans

The Company completed 4 holes comprising 600m in the fall of 2007. Low grade mineralization with good alteration was intersected in two holes on a conductive trend and requires further follow-up drilling. Due to the close of the fall drill season in early December, three planned drillholes in the conductive trend on the newly acquired Orchid West claim were not completed.

During the period, the Company served notice to Global Uranium Corporation (“Global”) that they were in default of the terms of the Orchid Lake property option agreement due to their failure to make the second anniversary cash and share payments due on May 31, 2008. The Company further informed Global that the agreement was now terminated and all monies due are payable immediately.

Terms of Agreement

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. The Company entered into an option agreement on May 31, 2006 with Global Uranium Corporation (“GUC”) to explore Orchid Lake. The Company and GUC share a former director in common. GUC will be required to issue shares, make cash payments, and incur the following expenditures on the property to earn their initial 60% interest:

Upon execution of agreement	Issuance of 100,000 GUC shares (received)	Cash payment of \$10,000 (paid)	Incur NIL in exploration expenditures
May 31, 2007	Issuance of 100,000 GUC shares (received)	Cash payment of \$30,000 (paid)	Incur \$500,000 in exploration expenditures (incurred \$968,888 to date)
May 31, 2008	Issuance of 200,000 GUC shares	Cash payment of \$50,000	Incur \$750,000 in exploration expenditures
May 31, 2009	Issuance of 300,000 GUC shares	Cash payment of \$100,000	Incur \$1,000,000 in exploration expenditures

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.

Historical information

The Orchid Lake property, comprising 7,229 hectares 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.

RESOURCE PROPERTIES (continued)***ORCHID LAKE PROJECT (continued)***

Historical information (continued)

Nine holes comprising 1,140 metres (m) of drilling was completed on the Orchid Lake project in the 2007 winter drill campaign. 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.

COSTIGAN LAKE JOINT VENTURE

Current activity and future plans

Two holes, totalling 357 m were completed in the southern part of the property in the fall 2007. Moderately altered graphitic gneiss with weak radioactivity was intersected. Further drilling along the conductors on the property are recommended and will be evaluated with Forum's overall drill program planned for the Key Lake area in the winter 2009.

Historical Information

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 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 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.

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. 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.

RESOURCE PROPERTIES (continued)***HAULTAIN RIVER JOINT VENTURE***

Current activity and future plans

No work was done during the quarter and the Joint Venture is submitting work for assessment and reviewing plans for future work programs.

Historical Information

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 this 10,148 hectare property extending southwest of the Key Lake Road claims.

The Joint Venture completed a 623 line kilometre “AeroTEM II” helicopter-borne, time domain electromagnetic geophysical survey in 2006. A total of 45 line kilometres of prospective electromagnetic conductors extending south from Forum’s Key Lake Road property were delineated by this survey. A helicopter supported, lake sediment sampling program was conducted during the summer of 2007 over the property. Results of these geophysical and geochemical surveys are being interpreted for the determination of future programs on the property.

INVESTOR RELATIONS

The Company retains the services of in-house investor relations consulting, as well as external investor relations consultants and firms from time to time to increase exposure to North American and European retail brokers, institutions and investors.

Due to adverse market conditions, the Company is reducing its in-house investor relations program in August 2008.

CHANGES IN ACCOUNTING POLICIES

The Company implemented the following accounting policy changes during the six month period ended May 31, 2008.

Effective December 1, 2007, the Company adopted three new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”); Section 1535 – Capital Disclosures, Section 3862 – Financial Instruments – Disclosure, Section 3863 – Financial Instruments – Presentation. These standards were adopted on a prospective basis, and as such prior periods have not been restated.

- a) Section 1535, “Capital Disclosures”, establishes standards for disclosing information about an entity’s capital and how it is managed. These standards require an entity to disclose the following:
 - i. its objectives, policies and processes for managing capital;
 - ii. summary quantitative data about what the Company views as capital;
 - iii. whether during the period, it complied with any externally imposed capital requirements to which it is subject;
 - iv. when the entity has not complied with such requirement, the consequences of such non-compliance.

- b) Financial Instruments – Disclosure (Section 3862) and Presentation (Section 3863)

These standards replace CICA 3861, Financial Instruments – Disclosure and Presentation. They increase the disclosures currently required, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity’s key management personnel.

RECENT ACCOUNTING PRONOUNCEMENTS

- a) Goodwill and intangible assets

In October 2007, the CICA approved Handbook Section 3064, “Goodwill and Intangible Assets” which replaces the existing Handbook Sections 3062, “Goodwill and Other Intangible Assets” and 3450 “Research and Development Costs”. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of this new accounting standard on its financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS (continued)

b) Amendments to Section 1400 – Going Concern

CICA Section 1400, General Standards of Financial Statement Presentation, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The Company is currently assessing the impact of this new accounting standard on its financial statements.

c) 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 is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time

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.
- 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 February 29, 2008 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting during the period ended May 31, 2008 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

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 financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

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.