



FORUM URANIUM CORP.
(An Exploration Stage Company)

Interim Financial Statements
For the Six Months Ended
May 31, 2009 and May 31, 2008
(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 interim 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.

The board of directors approves the interim 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 29, 2009
Vancouver, British Columbia

Forum Uranium Corp.

(An Exploration Stage Company)

Interim Balance Sheets

As at May 31, 2009 and November 30, 2008

(in Canadian Funds - unaudited)

	May 31 2009	November 30 2008 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 571,728	\$ 1,554,598
Available for sale investments (Note 5)	340,740	46,126
Receivables (Note 15a)	309,555	74,106
Exploration advances receivable (Note 7)	100,000	150,000
Due from joint venture and option partner (Note 7)	79,633	254,845
Due from related party (Note 9b)	42,052	42,052
Prepaid expenses and deposits	206,712	860,556
	1,650,421	2,982,283
Mineral properties (Note 8)	13,688,222	13,110,481
Property and equipment (Note 6)	124,713	148,155
	\$ 15,463,356	\$ 16,240,919
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 118,504	\$ 1,340,484
Due to related parties (Note 9a)	64,139	28,623
Joint venture exploration advances payable	173,525	86,879
	356,168	1,455,986
Shareholders' Equity:		
Share capital (Note 10)	24,925,178	24,348,254
Contributed surplus (Note 10)	4,589,291	4,526,648
Accumulated other comprehensive income	(886)	(52,500)
Deficit	(14,406,395)	(14,037,469)
	15,107,188	14,784,933
	\$ 15,463,356	\$ 16,240,919

Nature of Operations and Going Concern (Note 1)

Commitments (Note 13)

Subsequent Events (Note 15)

On behalf of the Board:

Director

Signed: "Richard Mazur"

Director

Signed: "Anthony Balme"

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 Three and Six Month Periods ended May 31, 2009 and 2008

(in Canadian Funds - unaudited)

	Three months ended		Six months ended	
	May 31		May 31	
	2009	2008	2009	2008
Net loss for the Period	\$ 177,408	\$ 388,190	\$ 368,926	\$ 517,911
Unrealized loss (gain) on available for sale securities (Note 5)	(51,614)	8,605	(62,349)	23,820
Comprehensive loss for the period	\$ 125,794	\$ 396,795	\$ 306,577	\$ 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 Three and Six Month Periods ended May 31, 2009 and 2008

(in Canadian Funds - unaudited)

	Three months ended May 31		Six months ended May 31	
	2009	2008	2009	2008
Expenses:				
Investor relations and shareholder information	\$ 20,392	\$ 137,349	\$ 40,714	\$ 218,914
Stock-based compensation (Note 10)	10,994	219,180	10,994	260,296
Office and miscellaneous	31,600	64,054	80,639	109,708
Consulting fees	48,159	38,829	88,242	62,904
Corporate administrative services (Note 9 & 13)	14,877	37,728	45,096	64,058
Management fees (Note 9)	18,125	21,750	39,875	43,500
Travel and promotion	11,342	39,487	15,291	54,077
Salaries and wages	19,106	12,761	44,793	30,182
Directors fees	-	8,250	(4,500)	15,000
Transfer agent and filing fees	4,900	5,146	12,121	17,396
Property investigations	8,581	-	15,535	11,100
Amortization (Note 6 & 12)	2,936	24,774	5,872	26,785
	191,013	609,308	394,673	913,920
Other (Income) expenses:				
Interest income	-	(38,982)	(233)	(89,668)
Recovery (Write-down) of available for sale investments	10,390	-	(345)	-
Operator's management fee	(23,995)	(182,136)	(25,168)	(306,341)
	(13,605)	(221,118)	(25,746)	(396,009)
Net Loss for the period	177,408	388,190	368,926	517,911
Deficit, Beginning of period	14,228,988	7,064,147	14,037,469	6,934,426
Deficit, End of period	\$ 14,406,396	\$ 7,452,337	\$ 14,406,395	\$ 7,452,337
Loss per Share - Basic and Diluted	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.01
Weighted Average Shares Outstanding	88,345,672	68,948,732	86,031,248	65,937,693

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

Forum Uranium Corp.

(An Exploration Stage Company)

Interim Statements of Cash Flows

For the Three and Six Month Periods ended May 31, 2009 and 2008

(in Canadian Funds - unaudited)

	Three months ended		Six months ended	
	May 31		May 31	
	2009	2008	2009	2008
Cash Flows Provided by (Used in):				
Operating Activities:				
Loss for the period	\$ (177,408)	\$ (388,190)	\$ (368,926)	\$ (517,911)
Item not affecting cash:				
Amortization	2,936	24,774	5,872	26,785
Marketable securities received in exchange for mineral property interest	287,256	(57,250)	287,256	(57,250)
Stock-based compensation	10,994	219,180	10,994	260,296
	123,779	(201,486)	(64,804)	(288,080)
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities	(1,113,389)	(1,563,859)	(679,150)	(1,367,299)
Accounts receivable	56,511	(173,565)	(235,449)	(102,251)
Due to related parties	3,260	(37,662)	(35,516)	(18,555)
Prepays and deposits	304,893	2,221	653,844	(391,189)
Cash used in operating activities	(624,947)	(1,974,351)	(361,076)	(2,167,374)
Financing Activities:				
Proceeds from private placements	-	-	574,000	3,000,000
Advances to related parties	-	-	-	44,551
Share issuance costs	(5,427)	(7,384)	(5,427)	(28,706)
Cash provided by (used in) financing activities	(5,427)	(7,384)	568,573	3,015,845
Investing Activities:				
Acquisition of equipment	-	(27,881)	-	(36,332)
Acquisition of mineral properties	60,000	(43,038)	60,500	(43,038)
Contributions of joint venture and option partners received	(18,444)	2,418,475	(25,000)	3,377,843
Exploration tax credit recovery	-	-	-	15,000
Joint venture recovery of exploration costs	293,724	-	389,868	-
Prepaid exploration advances	(100,000)	27,047	50,000	(308,462)
Mineral property expenditures	(171,884)	(2,906,964)	(1,665,735)	(6,595,597)
Cash used in investing activities	63,396	(532,361)	(1,190,367)	(3,590,586)
Change in cash and cash equivalents during the period	\$ (566,978)	\$ (2,514,096)	\$ (982,870)	\$ (2,742,115)
Cash and cash equivalents - beginning of period	\$ 1,138,706	\$ 6,462,179	\$ 1,554,598	\$ 6,690,198
Cash and cash equivalents - end of period	\$ 571,728	\$ 3,948,083	\$ 571,728	\$ 3,948,083

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)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

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 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, 2009, the Company reported a loss of \$368,926 and an accumulated deficit of \$14,406,395. Its ability to continue as a going concern is dependent upon the ability of the Company to raise equity financing or establish other arrangements for funding of its operations (note 15a,b,d). 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 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. Any such adjustments could be material

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. The Company has made estimates for stock option compensation and mineral properties for the period ended May 31, 2009 and year ended November 30, 2008. 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. 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

2. Significant Accounting Policies (continued)

b) Oil and gas properties - continued

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. Oil and natural gas reserves and production are converted into equivalent units based upon estimated relative energy content. Costs of acquiring and evaluating significant unproved properties are initially excluded from depletion calculations.

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

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

2. Significant Accounting Policies (continued)

c) Mineral properties (continued)

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.

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.

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share has not been presented separately as the effect of common shares issuable on the exercise of stock options and share purchase warrants would be anti-dilutive. Accordingly, basic and diluted loss per share is the same.

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 and to mineral properties 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" when required.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

2. Significant Accounting Policies (continued)

h) 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.

i) 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.

j) 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, 2009 and May 31, 2008, the Company did not have any asset retirement obligations.

k) 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

2. Significant Accounting Policies (continued)

l) 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.

m) Available for Sale Investments

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.

n) Financial Instruments

CICA Handbook 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, available for sale investments, receivables (including amounts receivable from joint venture and option partners), accounts payable and accrued liabilities (including amounts payable to joint venture partners) and amounts due to related parties. The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

2. Significant Accounting Policies (continued)

n) Financial Instruments (continued)

The Company has designated each of its significant categories of financial instruments as follows:

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

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.

o) 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.

p) 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 financial statements.

q) Financial Instruments

Effective December 1, 2007, the Company adopted CICA Handbook Sections 3862 (Financial Instruments Disclosures) and Section 3863 (Financial Instrument 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.

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(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

2. Significant Accounting Policies (continued)

q) Financial Instruments

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

r) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended November 30, 2011. The Company has begun assessing the adoption of IFRS for 2011, but has not yet determined the impact the transition to IFRS will have on the Company’s financial statements.

s) Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 – *Goodwill and Intangible Assets* which replaced Handbook Section 3062 – *Goodwill and Other Intangible Assets*. This revision aligned Canadian GAAP with IFRS and established standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Company does not expect the adoption of this standard to have any impact on the Company’s financial statements.

t) Business Combinations; Consolidated Financial Statements and Non-Controlling Interests

In January 2008, the CICA issued Handbook Sections 1582 – *Business Combinations*; 1601 – *Consolidated Financial Statements*; and 1602 – *Non-Controlling Interests*. These sections replace the former CICA Handbook Section 1581 – *Business Combinations* and CICA 1600 – *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections also provide the Canadian equivalent to IFRS 3 – *Business Combinations* and IAS 27 – *Consolidated and Separate Financial Statements*.

CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1692 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011. Management has not yet evaluated the impact of these standards on the Company’s financial statements.

Forum Uranium Corp.

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

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, 2009, 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 some 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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Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

4. Management of Financial Risk (continued)

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at May 31, 2009, the Company had a cash balance of \$571,728 (November 30, 2008 - \$1,554,598) to settle current liabilities of \$356,168 (November 30, 2008 - \$1,455,986). See Subsequent Event Note 15a,b,d.

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

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 \$5,717.
- 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.

5. Available for Sale Investments

Marketable securities consist of the following holdings:

Company	Shares	Market Value		Original Cost	
			May 31, 2009		
Hathor Exploration Limited (V-HAT)	150,000	\$	330,000	\$	285,000
Global Uranium Corporation (V-GU)	200,000		6,000		76,000
Max Minerals (V-MJM)	15,000		3,600		2,250
Hidefield Gold PLC (L: HIF)	100,000		1,140		12,000
	350,000	\$	340,740	\$	375,250

Company	Shares	Market Value		Original Cost	
			November 30, 2008		
Mega Uranium Ltd. (T-MGA)	50,000	\$	36,000	\$	88,500
Global Uranium Corporation (V-GU)	200,000		8,000		76,000
Hidefield Gold PLC (L: HIF)	100,000		2,126		12,000
	350,000	\$	46,126	\$	176,500

Forum Uranium Corp.

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For the Six Months Ended May 31, 2009 and May 31, 2008

5. Available for Sale Investments (continued)

The Company determined there was a gain on available for sale investments for the period ended May 31, 2009 of \$62,349 (November 30, 2008- \$52,500 write-down).

During the year ended November 30, 2008, the Company determined there was other than temporary losses on its available for sale investments and the Company recorded a \$36,874 write-down.

6. Property and Equipment

	Cost	Accumulated Amortization	May 31, 2009 Net Book Value
Exploration equipment	\$ 221,916	\$ 122,354	\$ 99,562
Computer equipment	43,034	28,180	14,854
Vehicle	12,500	6,179	6,321
Office equipment	5,315	1,339	3,976
	<u>\$ 282,765</u>	<u>\$ 158,052</u>	<u>\$ 124,713</u>

	Cost	Accumulated Amortization	November 30, 2008 Net Book Value
Exploration equipment	\$ 221,916	104,784	\$ 117,132
Computer equipment	43,034	23,866	19,168
Vehicle	12,500	5,063	7,437
Office equipment	5,315	897	4,418
	<u>\$ 282,765</u>	<u>\$ 134,610</u>	<u>\$ 148,155</u>

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For the Six Months Ended May 31, 2009 and May 31, 2008

7. Accounts receivable— exploration advances and joint ventures and option agreements

Resource property	May 31, 2009	May 31, 2008
Exploration advances		
Global Uranium Ltd. - Orchid Lake	\$ 100,000	\$ -
Due from joint venture and option partners		
Tanqueray Resources Ltd. - North Thelon	\$ 52,658	\$ -
Mega Uranium Ltd - Maurice Point	23,655	88,920
Santoy Resources Ltd. -	2,769	-
Hathor Exploration Ltd. - Haultain River	541	541
Superior Diamonds Inc. - North Thelon	-	310,687
Global Uranium Ltd. - Orchid Lake	-	296,485
	\$ 79,633	\$ 696,633

8. Mineral Properties

Property	November 30, 2008 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	Write-down of Properties	May 31, 2009 Total
North Thelon	\$ 2,512,800	\$ -	\$ 88,400	\$ -	\$ -	\$ 2,601,200
Tanqueray Option	1,206,393	-	45,830	-	-	1,252,223
Agnico Eagle Option	480,592	-	19,039	-	-	499,631
Henday	3,019,470	-	362,813	(627,798)	-	2,754,485
Key Lake Road	3,662,816	-	525,359	-	-	4,188,175
Highrock Lake	178,990	-	82,495	-	-	261,485
Maurice Point	1,545,130	-	23,726	(49,170)	-	1,519,686
Costigan JV	289,658	-	-	(156)	-	289,502
Orchid Lake	113,050	-	-	-	-	113,050
BL 21	-	60,500	17,918	-	-	78,418
Karpinka	-	-	23,616	-	-	23,616
Other properties	101,582	-	5,169	-	-	106,751
Total mineral properties	\$ 13,110,481	\$ 60,500	\$ 1,194,365	\$ (677,124)	\$ -	\$ 13,688,222

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8. Mineral Properties (continued)

Property	November 30,		Acquisition Cost	Deferred Exploration	JV Partner Recovery	Write-down of Properties	November 30,	
	2007 Total	2008 Total						
North Thelon	\$ 1,018,780	\$ 921,228	\$ 2,017,216	\$ (99,636)	\$ (1,344,788)	\$ 2,512,800		
Tanqueray Option	31,983	20,323	1,712,744	(257,059)	(301,598)	1,206,393		
Agnico Eagle Option	-	807	638,092	(38,159)	(120,148)	480,592		
Henday	1,594,887	-	2,043,029	-	(618,446)	3,019,470		
Key Lake Road	2,884,360	25,000	1,974,394	-	(1,220,938)	3,662,816		
Highrock Lake	196,284	9,670	17,784	-	(44,748)	178,990		
Maurice Point	1,287,643	43,038	3,413,077	(2,882,156)	(316,472)	1,545,130		
Costigan JV	335,723	-	40,298	(13,948)	(72,415)	289,658		
Orchid Lake	-	-	301,344	(160,031)	(28,263)	113,050		
Haultain River	2,138,985	-	288,166	-	(2,427,151)	-		
Haultain River JV	84,529	-	7,830	(4,732)	(87,627)	-		
Other properties	1,200,171	(24,999)	(436,418)	-	(637,172)	101,582		
Total mineral properties	\$ 10,773,345	\$ 995,067	\$ 12,017,556	\$ (3,455,721)	\$ (7,219,766)	\$ 13,110,481		

- Due to market conditions, the Company has conducted a comprehensive review on the carrying value of each resource property. Using various criteria, a \$7,219,766 write-down of mineral properties has been taken during the year ended November 30, 2008.
- The Company has investigated ownership of its mineral interests as at May 31, 2009 and, to the best of its knowledge, ownership of its interests are in good standing.

a) North Thelon

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

The Company acquired all of Northern's right, title and interest in and to all agreements and property interests related to the North Thelon JV. As consideration for the acquisition, the Company:

- Issued to Northern, 2,700,000 common shares (issued during the period) of the Company at a price of \$0.34 per share, such that 675,000 shares will be tradable 4 months following the closing date and a further 675,000 shares will be tradable on each of 12, 18 and 24 months after the closing date.
- Granted to Northern a 5% net profits royalty on the mineral properties that are currently held 100% by the North Thelon JV; and
- Effective as of the closing date, released Northern from and assumed any and all obligations of Superior which were then outstanding under the Agreements or which may arise under the Agreements following the closing date.

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For the Six Months Ended May 31, 2009 and May 31, 2008

8. Mineral Properties (continued)

a) North Thelon (continued)

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 is comprised 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”) whereby the Company acquired an option to earn a 60% interest in the Baker Lake Project which is near Kiggavik-Sissons. The Company and Tanqueray share a director in common. 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)	
August 14, 2008	Issuance of 50,000 Forum common shares (issued)	Incur \$200,000 in exploration expenditures (see below paragraph)
August 14, 2009	Issuance of 50,000 Forum common shares	Incur \$300,000 in exploration expenditures (for cumulative expenditures totalling \$500,000)
August 14, 2010	Issuance of 50,000 Forum common shares	Incur \$500,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000)
August 14, 2011	Issuance of 50,000 Forum shares	Incur \$1,000,000 in exploration expenditures (for cumulative expenditures totalling \$2,000,000)
August 14, 2012	Issuance of 50,000 Forum shares	Incur \$2,000,000 in exploration expenditures (for cumulative expenditures totalling \$4,000,000)

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.

b) Tanqueray Option

On August 13, 2008, the Company finalized an agreement with Tanqueray to assume Northern’s obligations under the Property Option Agreement dated August 14, 2007 respecting the Baker Lake project located in Nunavut. As a result, Forum can earn a 60% interest in uranium and diamonds only on the Baker Lake project by making \$4,000,000 in expenditures and issuing a total of 375,000 common shares over 5 years (issued 75,000 shares during the period). This is an addition of 125,000 common shares of the Company in substitution for Northern’s share payment obligations under the property Option Agreement.

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

8. Mineral Properties (continued)

c) Agnico Eagle Option

On February 29, 2008, the Company entered into a joint venture agreement with Agnico-Eagle Mines Limited (“Agnico”) whereby the company can 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 (incurred \$654,258 to date)
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 \$1,500,000)
February 29, 2012	Incurring \$1,500,000 in exploration expenditures) for cumulative expenditures totalling \$3,000,000)

d) Henday Lake

The Company signed an agreement on May 16, 2007 with Uranium Holdings Corporation (UHC”) to acquire of all of the rights, title and interest in and to a mineral property in northern Saskatchewan known as the Henday Lake Property.

As consideration, the Company issued 3,515,000 common shares of the Company valued at \$0.42. 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.

The Company entered into an Option Agreement on its 100% owned Henday project in the Athabasca Basin, Saskatchewan with Hathor Exploration Limited (“Hathor”) on February 27, 2009. Hathor’s first year commitment is to complete a \$500,000 ground electromagnetic and gravity survey program to commence immediately. The Company will be Operator of the exploration programs up until Hathor earns its 60% interest.

Upon execution of agreement and TSX approval	Issuance of 150,000 Hathor shares (received in addition 15,000 shares in Max Minerals Ltd.)	
February 27, 2010		Incur \$500,000 in exploration expenditures to earn 20% interest (incurred \$340,549 to date)
February 27, 2011		Incur \$1,500,000 in exploration expenditures to earn a further 20% interest (total 40%)
February 27, 2012		Incur \$1,500,000 in exploration expenditures to earn a further 20% interest (total 60%)
		Complete feasibility study to earn a further 10% (total 70%)

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8. Mineral Properties (continued)

e) Key Lake Road

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

f) Highrock Lake

On July 24, 2008, the Company finalized its agreement with Seagrove Capital Corporation (“Seagrove”) whereby the Company can acquire a 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 (issued during the year) 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 (paid during the period). Seagrove shall retain a 1% NSR and Forum has the option to buyback 0.5% of the NSR for \$1 million.

g) Maurice Point

The Company acquired 100% interest in fifteen mineral claims and one exploration permit, during 2004, 2005 and 2007 in Maurice Point which surrounds Cameco Corporation’s Maurice Bay deposit in Saskatchewan.

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 as follows:

Upon execution of agreement	Issuance of 25,000 Mega shares (received)	
September 20, 2008	Issuance of 25,000 Mega shares (received)	Incur \$2,000,000 in exploration expenditures (incurred \$3,911,669 to date)
September 20, 2009	Issuance of 25,000 Mega shares	
September 20, 2010	Issuance of 25,000 Mega shares	Incur \$6,000,000 in cumulative 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.

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8. Mineral Properties (continued)

g) Maurice Point

On January 13, 2009, the Company entered into an Amendment to Property Option Agreement with Mega for earning a 55% interest in Maurice Point property. The terms of the amended agreement are as follows:

Upon execution of agreement	Issuance of 25,000 Mega shares (received)	
September 20, 2008	Issuance of 25,000 Mega shares (received)	Incur \$2,000,000 in exploration expenditures (incurred \$3,911,669 to date)
September 20, 2009	\$25,000 payment to the Company upon signing of the amendment to Property Option Agreement (Received)	
September 20, 2010	Issuance of 25,000 Mega shares	
September 20, 2011	Issuance of 25,000 Mega shares	Incur \$6,000,000 in cumulative exploration expenditures

h) Costigan Lake Joint Venture

On February 15, 2006, the Company purchased a 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.

i) Orchid Lake

The Company has a 100% interest in two mineral claims totalling 7,229 hectares, located approximately 25 kilometres southwest of the Key Lake Mine/Mill complex in Saskatchewan.

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 outstanding on account of expenditures incurred under the agreement by the Company as operator on behalf of Global as optionee were due and are payable immediately. On November 28, 2008, the Company entered into a settlement and release agreement for \$150,000 with Global to settle the dispute. Terms of repayment are as follows:

- \$50,000 payable upon execution of the agreement (received)
- \$50,000 payable on or before June 1, (see subsequent event note 15c)
- \$50,000 payable on or before December 31, 2009

If Global completes one or more equity or private financing for an aggregate amount equal to or greater than \$500,000, the remaining payment obligations will be accelerated and become payable by Global to the Company within ten days of the placement financing.

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8. Mineral Properties (continued)

i) Orchid Lake (continued)

The Company entered into an option agreement on May 31, 2006 with Global Uranium Corporation (“GUC”) whereby GUC may earn up to a 60% interest on 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 as follows:

Upon execution of agreement	Issuance of 100,000 GUC shares (received)	Cash payment of \$10,000 (paid)	
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 (not received)	Cash payment of \$50,000 (not paid)	Incur \$750,000 in exploration expenditures (incurred \$968,888 to date)
May 31, 2009	Issuance of 300,000 GUC shares	Cash payment of \$100,000	Incur \$1,000,000 in cumulative 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.

j) Haultain River

The Company in 2005 and 2006 staked 100% of eight mineral claims extending southwest of the Key Lake Road permit in Saskatchewan.

k) 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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8. Mineral Properties (continued)

l) 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, Gibraltar 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.

m) 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.

n. BL-21- Nunavut- Other properties

On December 2, 2008, the Company announced that it has entered into a Memorandum of Understanding (MOU) with Nunavut Tunngavik Incorporated (NTI) to earn a 100% interest in all minerals on 27,344 hectares of the northern half of Inuit Owned Land (IOL) parcel BL-21, located 20 kilometres east of Areva’s 148 million pound Kiggavik uranium mine development project and 60 kilometres west of the Hamlet of Baker Lake, Nunavut

The Company entered into definitive agreements with Nunavut Tunngavik Incorporated (“NTI”) on March 4, 2009 which formalize the terms of the MOU between Forum and NTI detailing Forum's right to earn a 100% interest in all uranium and other minerals located on certain Inuit Owned Lands. The agreements remain subject to the acceptance of the TSX Venture Exchange. The Company paid a \$500 signing bonus.

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8. Mineral Properties (continued)

n. BL-21- Nunavut- Other properties

1. Forum will pay \$0.50 per hectare as an annual rental fee for the first year (subsequently paid), complete an initial exploration program of compilation of historical data, geological mapping and an airborne geophysical survey to a minimum of \$4.00 per hectare in the first year and issue 1 million shares of the Company within six months (issued). Shares issued will be released for trading over a 24 month period.
2. Forum will pay annual rental fees and minimum annual exploration work requirements during the term of this agreement as per NTI schedule.
3. Forum will conduct additional exploration of prospecting, mapping ground geophysics and 2,500 metres of diamond drilling within 5 years. Forum will charge a 10% Operators Fee to the project account (5% on contracts over \$100,000).
4. Upon completion of a National Instrument 43-101 measured resource of 10 million pounds U₃O₈ or 100 million pounds U₃O₈, Forum will pay a \$1 million and \$5 million cash bonus respectively. Upon completion of a National Instrument 43-101 measured resource of 500,000 ounces of gold or 5 million ounces of gold, Forum will pay a \$1 million and \$5 million cash bonus respectively. Within 30 days of production, Forum will pay a \$1 million cash bonus. Advance royalty payments of \$50,000 annually will be payable upon meeting these milestones.
5. Forum shall grant a 2% Net Smelter Return (NSR) Royalty to NTI on Forum's 100%-owned Tarzan and Nutaaq properties. Forum has the right to purchase 1% of this NSR Royalty from each of these properties for \$1 million each.
6. As a consequence of the land claims settlement between NTI and the Government of Canada, IOL Parcel BL-21 is not subject to royalties to the Crown. Instead, NTI will receive a 12% Net profits Royalty, limited to 75% of gross revenues. The value of any uranium component of the gross revenues shall be 130% of the actual value of uranium.
7. Upon completion of a Feasibility Study that recommends production, NTI will have the election to either form a joint venture and hold a 20% participating interest or, be granted a 7.5% Net Profits Royalty that will be calculated in the same manner as the 12 % Net Profits Royalty with the exception that gross revenues shall include the actual value received from any uranium component.

o. Karpinka

The Company entered into a 50/50 Joint Venture Agreement with Santoy Resources Ltd. during the three months ended May 31, 2009 in terms of 8,151 hectares of land approximately 30 kilometres southwest of the Key Lake minesite in the area of Forum's Key Lake Road project.. Forum, is the Operator of the joint venture . The Karpinka property has potential for basement-hosted uranium mineralization similar to Hathor's Roughrider discovery and Cameco's 56.5 million pound Millennium uranium deposit (Source; Indicated and Inferred Resource- Cameco 2008 Annual Financial Review).

9. Related Party Transactions

- a. At May 31, 2009, the Company owed \$64,139 (November 30, 2008 - \$28,623) to companies with directors and officers in common. These are non interest bearing and are paid under the same terms as normal accounts payable. Mirador Management accrued service (see below) does not have repayment terms.
- b. At May 31, 2009, a management services company with a director and officer in common, owed the Company \$42,052 (November 30, 2008 - \$42,052) relating to a deposit for services and fixed assets paid to the related company.

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9. Related Party Transactions (continued)

- 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, 2009	May 31, 2008
HRG Management Ltd. - Directors & Officers in common (see below)	\$ 89,392	\$ 102,972
Mirador Management – Officer in common, consulting services paid	43,500	87,000
Mirador Management – Officer in common, consulting services accrued	43,500	-
Ken Wheatley – Officer in common, geological and management services	75,000	75,000
Lang Michener- Director in common, legal services	26,558	6,904
Total	\$ 277,950	\$ 271,876

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, 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 (1 & 2)	10,621,722	\$	3,797,549	\$	381,891
Stock based compensation	-		-		537,490
Issued in exchange for mineral properties (<i>Note 8a, b and f</i>)	2,875,000		944,625		-
Future income taxes on renouncement of flow through shares issued	-		(849,720)		-
Share issuance costs	-		(147,751)		13,689
Balance, as at November 30, 2008	76,323,005	\$	24,348,254	\$	4,526,648
Units issued for cash pursuant to private placement, net of \$51,649 allocated to warrants (3 & 4)	11,576,000	\$	516,924	\$	51,649
Stock based compensation	-		-		10,994
Issued in exchange for mineral properties (<i>Note 8a, b and f</i>)	1,000,000		60,000		-
Balance, as at May 31, 2009	88,899,005	\$	24,925,178	\$	4,589,291

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10. Share Capital (continued)

1. During the year ended November 30, 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. Share issuance costs of \$28,706 were paid in conjunction with this financing.

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.

2. During year ended November 30, 2008, the Company raised a total of \$884,800 through the issuance of 3,160,000 flow-through common shares, issued at a price of \$0.28 per common share, and a total of \$294,640 through the issuance of 1,339,273 non flow through common shares issued at a price of \$0.22 per common share.

In connection with the issuance of flow-through common shares finder's fees of \$105,356 were paid and 360,960 agent warrants, valued at \$13,689, were issued. The warrants are exercisable at a price of \$0.28 for a term expiring August 22, 2009.

The agents warrants attached to the above private placement have been valued at \$13,689, and recorded as share issuance costs, based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 68%, Risk-free interest rate of 2.98%, expected life of warrants of 12 months.

3. On January 7, 2009, the Company completed the first tranche non-brokered private placement that raised total gross proceeds \$397,500. The fund raising consisted of 6,150,000 flow through common shares at a price of \$0.05 per share and 1,800,000 non-flow through units at a price of \$0.05 per unit. Each unit is comprised of one common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 for two years expiring January 6, 2011.

Finder's fees were paid on this portion of the financing in the amount of a commission of 32,000 common shares and 32,000 broker's warrants, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 within one year of the date of closing. All securities issued pursuant to the private placement are subject to a four month hold period expiring May 8, 2009.

4. On January 13, 2009, the Company completed the second tranche non-brokered private placement that raised total gross proceeds \$176,500. This fund raising consisted of 3,530,000 non-flow through units at a price of \$0.05 per unit. Each unit is comprised of one common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 for two years expiring January 12, 2011.

Finder's fees were paid on this portion of the financing in the amount of a commission of 64,000 common shares and 64,000 broker's warrants, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 within one year of the date of closing. All securities issued pursuant to the private placement are subject to a four month hold period expiring May 13, 2009.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

10. Share Capital (continued)

5. On March 25, 2009, the Company issued 1,000,000 common shares to NTI as part of the BL-21 property agreement (see Note 8n).

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, 2007	5,315,888	\$0.77
Granted	3,422,185	\$0.62
Expired	(3,308,665)	\$0.85
Balance, November 30, 2008	5,429,408	\$0.63
Granted	2,761,000	\$0.10
Balance, May 31, 2009	8,190,408	\$0.45

Of the warrants outstanding at May 31, 2009:

- a) 1,372,223 warrants are exercisable at \$0.65 per share up to November 23, 2009.
- b) 635,000 warrants are exercisable at \$0.65 per share up to November 28, 2009.
- c) 3,061,225 warrants are exercisable at \$0.66 per share up to March 1, 2010.
- d) 360,960 warrants are exercisable at \$0.28 per share up to August 22, 2009.
- e) 900,000 warrants are exercisable at \$0.10 per share up to December 31, 2010.
- f) 32,000 warrants are exercisable at \$0.05 per share up to December 31, 2010.
- g) 64,000 warrants are exercisable at \$0.10 per share up to January 10, 2010.
- h) 1,765,000 warrants are exercisable at \$0.10 per share up to January 11, 2011

Options:

The Company has a stock option plan (the "Plan") to be administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest immediately for directors, officers, employees and consultants except for investor relations which vest in equal quarterly intervals over a term of 12 months.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

10. Share Capital (continued)

Options: (continued)

Stock option transactions were as follows:

	Number of options	Weighted Average Exercise Price
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	2,095,000	0.51
Forfeited	(2,360,000)	0.51
Balance, November 30, 2008	5,320,000	\$0.47
Granted	130,000	0.15
Forfeited	(520,000)	0.49
Balance, May 31, 2009	4,930,000	\$0.49

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

10. Share Capital (continued)

Options: (continued)

The following is a summary of the Company's options as at May 31, 2009 and November 30, 2008 and the changes for the year are as follows:

Exercise Price	Outstanding November 30, 2008	Granted	Cancelled/ Expired	Exercised	Outstanding May 31, 2009	Expiry Date
\$0.21	435,000	-	35,000	-	400,000	December 2, 2009
\$0.24	280,000	-	50,000	-	230,000	May 12, 2010
\$0.24	230,000	-	-	-	230,000	August 15, 2010
\$0.35	90,000	-	-	-	90,000	December 20, 2010
\$0.36	400,000	-	50,000	-	350,000	January 24, 2011
\$0.35	660,000	-	25,000	-	635,000	July 14, 2011
\$0.66	125,000	-	25,000	-	100,000	November 27, 2011
\$0.78	550,000	-	30,000	-	520,000	March 7, 2012
\$0.82	550,000	-	-	-	550,000	April 9, 2012
\$0.55	535,000	-	35,000	-	500,000	July 20, 2012
\$0.55	485,000	-	-	-	485,000	August 14, 2012
\$0.43	50,000	-	50,000	-	-	September 14, 2012
\$0.50	835,000	-	175,000	-	660,000	March 4, 2013
\$0.50	95,000	-	45,000	-	50,000	July 8, 2013
\$0.15	-	130,000	-	-	130,000	May 7, 2014
	5,320,000	130,000	520,000	-	4,930,000	

For newly granted options to employees, 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 November 30, 2008, 5,295,000 (2007 – 5,278,250) options were exercisable as 25,000 investor relation options have not yet fully vested.

- a) During the current period 520,000 (November 30, 2008, 2,360,000) options were forfeited due to the resignation of certain directors, employees, and consultants and termination of investor relations agreements.
- b) During the year ended November 30, 2008, the Company granted a total of 2,095,000 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, 600,000 stock options exercisable on or before May 23, 2013 at a price of \$0.55 per share and 100,000 stock options exercisable on or before July 8, 2013 at a price of \$0.50 per share.

The total fair value of the options granted during the year ended November 30, 2008 was \$432,434 with \$183,957 recorded as stock-option compensation expense and \$248,477 charged to mineral property costs. Remaining investor relations vested amounts total \$79,048.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

10. Share Capital (continued)

Options: (continued)

In addition, during the year ended November 30, 2008, 550,000 options were re-priced resulting in an additional \$26,009 being charged to mineral property costs.

- c) During the period, the Company granted to certain of its employees and consultants incentive stock options to purchase up to an aggregate of 130,000 common shares exercisable on or before May 7, 2014 at a price of \$0.15 per share.

The total fair value of the options granted during the period ended May 31, 2009 was \$10,994 with \$10,994 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:

	2009	2008
Expected dividend yield	0%	0%
Expected stock price volatility	76-319%	83-111%
Risk free rate	3.01%	2.98-4.26%
Expected life of options	1-5 years	5 years

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, 2009 and 2008 are as follows:

	May 31, 2009	May 31, 2008
Oil and gas	\$ -	\$ 443,388
Uranium	13,661,867	14,418,895
	<u>\$ 13,661,867</u>	<u>\$ 14,862,283</u>

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

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

12. Supplemental Cash Flow Information

Supplemental Disclosure of Non-Cash Financing and Investing Activities include:	May 31, 2009	May 31, 2008
Accounts payable which are included in mineral properties expenditures	\$ 50,089	\$ 647,861
Amortization included in mineral properties	\$ 17,570	\$ -
Shares issued for mineral property agreements	\$ 60,000	\$ -
Stock-based compensation included in mineral properties	\$ -	\$ 226,308
Stock-based compensation	\$ 10,994	\$ 260,296
Shares received in exchange for mineral property	\$ 287,256	\$ 57,250

13. Commitments

Effective February 1, 2009, 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 \$12,174 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 can be terminated by either party with 60 days written notice. The Company has a \$42,052 deposit paid to HRG for management services (See Note 9b and 15d).

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, 2008	November 30, 2007
Statutory tax rate	31.00%	34.12%
Expected income tax recovery	(2,591,178)	(483,592)
Non-deductible differences	2,333,314	261,062
Share issuance costs	(58,360)	(67,438)
Unrecognized tax losses	316,225	289,968
Income tax benefit relating to flow-through shares	(1,255,597)	(617,723)
Income tax provision (recovery)	\$ (1,255,597)	\$ (617,723)

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

14. Income Taxes (continued)

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

	November 30, 2008	November 30, 2007
Mineral properties	\$ 208,008	\$ (1,742,589)
Operating loss carry-forwards	1,075,931	1,054,017
Property, plant and equipment	39,956	32,930
Marketable securities	(5,996)	13,989
Share issuance costs	214,521	235,776
Less: valuation allowance	(1,532,420)	-
Net future income tax asset (liability)	<u>\$ -</u>	<u>\$ (405,877)</u>

The Company has accumulated losses of \$ 4,138,195 which may be used to reduce future year's taxable income. These losses expire as follows:

Year	Amount
2008	\$ 183,358
2009	151,321
2010	90,705
2014	252,208
2015	893,645
2026	644,353
2027	866,322
2028	1,056,283
	<u>\$ 4,138,195</u>

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.

15. Subsequent Events

- a. Subsequent to May 31, 2009, the Company received \$294,212 from the sale of excess fuel and drilling supplies.
- b. On July 6, 2009, the Company closed a private placement of 5,000,000 Flow Through Common Shares at a price of \$0.10 per share to Qwest Investment Fund Management Ltd. raising \$500,000. All securities issued are subject to a four month hold period expiring November 3, 2009.
- c. Subsequent to May, 31, 2009, the Company amended the June 1, 2009 settlement agreement extending the \$50,000 due June 1, 2009 to August 1, 2009.
- d. On July 23 2009, the Company announced up to \$250,000 of flow-through shares at a price of \$0.10 per share is to be effected on a non-brokered basis. The Company may however pay finders' fees in connection with the placement in accordance with the policies of the TSX Venture Exchange.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Six Months Ended May 31, 2009 and May 31, 2008

15. Subsequent Events

- e. On June 4, 2009, the Company received TSX Venture Exchange approval for re-pricing of certain outstanding options granted to directors, officers, employees and consultants of the Company. The Company proposes to reprice all of its 4,855,000 outstanding options to reduce the exercise price to \$0.15 in order to more closely reflect the current trading range of the Company's common shares. This Company announced the repricing and Board approval on May 2, 2009. The repricing of the options to directors, officers and insiders requires shareholder approval at the Company's next annual general meeting.

Forum Uranium Corp.

(An Exploration Stage Company)

Schedule of Mineral Property Costs

Canadian Funds

For the Six Months Ended May 31, 2009 and Year Ended November 30, 2008

Property		May 31,		November 30,
		2009		2008
Brule Lake, Saskatchewan, Canada				
Stock based compensation	\$	-	\$	6,502
Licence, permit and taxes		-		4,350
Community relations		-		2,923
Deficiency deposit		-		2,400
Data processing		567		770
Management and planning		5		764
Travel, camp and other		-		414
Report writing and filing		-		-
Write-down of property		-		(139,302)
	\$	572	\$	(121,179)
Maurice Point, Saskatchewan , Canada				
Geophysical surveying	\$	10,200	\$	912,865
Prospecting		-		789,235
Travel, camp and other		-		568,024
Transportation		588		327,711
Line cutting		-		247,137
Deficiency deposit		-		193,676
Stock based compensation		-		181,482
Management and planning		1,804		60,270
Report writing and planning		9,097		50,030
Claim staking		104		43,038
Equipment		-		34,697
Analysis and assay		-		17,557
Community relations		-		16,564
Construction and access		-		11,640
Data processing		1,882		11,117
Geochemical sampling		-		4,175
License, permits and taxes		50		1,897
Exploration tax credit		-		(15,000)
Joint venture partner contribution		(49,170)		(2,882,156)
Diamond drilling		-		-
Airborne geophysics		-		-
Write-down of property		-		(316,473)
	\$	(25,445)	\$	257,486
Balance carried forward	\$	(24,873)	\$	136,307

Property	May 31, 2009	November 30, 2008
Balance carried forward	\$ (24,873)	\$ 136,307
Orchid Lake, Saskatchewan, Canada		
Diamond drilling	\$ -	\$ 198,978
Transportation	-	30,129
Geophysical survey	-	20,642
Line-cutting, gridding and surveying	-	20,540
Travel, camp and other	-	12,692
Report writing and filing	-	9,219
Community relations	-	4,123
Equipment	-	2,626
Analysis and assay	-	1,394
Data processing	-	519
Management and planning	-	482
Joint venture partner contribution	-	(160,031)
Write-down of property	-	(28,263)
	\$ -	\$ 113,050
Haultain River, Saskatchewan, Canada		
Geophysical surveying	\$ -	\$ 184,483
Prospecting	-	37,404
Travel, camp and other	-	25,532
Transportation	-	13,040
Line cutting	-	7,270
Deficiency deposit	-	6,027
Stock based compensation	-	5,245
Management and planning	5	4,482
Report writing and planning	-	2,582
Claim staking	-	2,345
Equipment	-	1,374
Analysis and assay	182	55
Community relations	-	(1,673)
Data processing	566	-
Write-down of property	-	(2,427,152)
	\$ 753	\$ (2,138,986)
Balance carried forward	\$ (24,120)	\$ (1,889,629)

Property		May 31, 2009	November 30, 2008
Balance carried forward	\$	(24,120)	\$ (1,889,629)
Costigan JV, Saskatchewan, Canada			
Diamond drilling	\$	-	\$ 10,383
Transportation		-	9,795
Travel, camp and other		-	8,270
Community relations		-	6,239
Report writing and filing		-	4,907
Management and planning		-	1,675
Analysis/assays		-	802
Geophysical surveying		-	(1,773)
Joint venture partner contribution		(156)	(13,948)
Data processing		-	-
Write-down of property		-	(72,415)
	\$	(156)	\$ (46,065)
North Thelon, Nunavut Territory, Canada			
Acquisition	\$	-	\$ 921,171
Transportation		6,389	429,330
Travel, camp and other		8,615	365,152
Diamond drilling		460	353,568
Airborne geophysics		-	242,048
Deficiency deposit		-	155,103
Geophysical survey		-	81,687
Equipment		-	65,253
Stock based compensation		-	53,430
Management and planning		32,485	52,926
Analysis and assay		3,188	50,043
License, permits and taxes		50	47,274
Report writing and planning		16,498	45,784
Construction and access		11,170	34,157
Community relations		-	31,216
Field personnel/supervision		-	27,537
Environmental consulting		-	11,460
Data processing		9,545	6,911
Claim staking		-	57
Geochemical sampling		-	(1,343)
Geological mapping		-	(1,392)
Prospecting		-	(32,928)
Joint venture partner contribution		-	(99,636)
Write-down of property		-	(1,344,788)
	\$	88,400	\$ 1,494,020
Balance carried forward	\$	64,124	\$ (441,674)

Property	May 31, 2009	November 30, 2008
Balance carried forward	\$ 64,124	\$ (441,674)
Haultain River JV, Saskatchewan, Canada		
Report writing and filing	\$ -	\$ 5,336
Community relations	-	2,916
Management and planning	5	764
Data processing	516	476
Travel, camp and other	-	414
Exploration tax credit	-	(2,076)
Joint venture partner contribution	(314)	(4,732)
Write-down of property	-	(87,625)
	\$ 207	\$ (84,527)
Henday, Saskatchewan, Canada		
Acquisition	\$ -	\$ 1,041,517
Transportation	8,402	347,163
Travel, camp and other	61,333	236,774
Diamond drilling	-	187,985
Airborne geophysics	12,936	86,718
Deficiency deposit	-	30,977
Geophysical survey	155,858	29,559
Equipment	10,508	26,080
Stock based compensation	-	19,342
Management and planning	18,969	14,595
Analysis and assay	-	6,729
License, permits and taxes	225	5,363
Report writing and planning	6,797	3,960
Construction and access	7,300	3,867
Linecutting	79,891	-
Community relations	-	2,400
Data processing	593	-
Joint venture partner contribution	(627,798)	-
Write-down of property	-	(618,446)
	\$ (264,986)	\$ 1,424,583
Titus, Saskatchewan, Canada		
Community relations	\$ -	\$ 2,916
Management and planning	5	764
Travel, camp and other	-	727
Data processing	566	501
Claim staking	-	-
Transportation	-	-
Write-down of property	-	(13,370)
	\$ 571	\$ (8,462)
Balance carried forward	\$ (200,084)	\$ 889,920

Property	May 31, 2009	November 30, 2008
Balance carried forward	\$ (200,084)	\$ 889,920
Key Lake Road, Saskatchewan, Canada		
Diamond drilling	\$ 164	\$ 957,789
Travel, camp and other	149,937	231,256
Deficiency deposit	(22,009)	277,086
Stock based compensation	-	186,234
Line cutting	70,701	127,667
Management and planning	38,490	51,909
Geophysical surveying	250,320	49,369
Technical reporting	14,556	33,443
Equipment	20,565	25,851
Claim staking	-	25,000
Report writing and planning	-	17,038
Community relations	-	15,416
Analysis and assay	-	10,769
Transportation	-	8,458
Data processing	2,560	3,953
Geochemical sampling	-	1,549
License, permits and taxes	75	743
Exploration tax credit	-	(24,137)
Write-down of property	-	(1,220,938)
	\$ 525,359	\$ 778,455
Agnico Eagle Option, Nunavut Territory, Canada		
Geophysical survey	\$ -	\$ 182,401
Transportation	1,626	164,737
Travel, camp and other	2,342	111,002
Diamond drilling	-	109,599
Prospecting	-	16,618
Management and planning	6,540	11,865
Field personnel/supervision	-	11,116
Construction and access	228	8,968
Equipment	-	8,895
Community relations	-	4,897
Report writing and planning	4,112	4,729
Stock based compensation	-	1,634
Analysis/assay	1,756	1,274
Acquisition	-	807
Data processing	2,435	146
Geochemical sampling	-	141
License, permit and taxes	-	70
Joint venture partner contribution	-	(38,159)
Write-down of property	-	(120,148)
	\$ 19,039	\$ 480,592
Balance carried forward	\$ 344,314	\$ 2,148,967

Property	May 31, 2009	November 30, 2008
Balance carried forward	\$ 344,314	\$ 2,148,967
Tanqueray Option, Nunavut Territory, Canada		
Transportation	\$ 3,600	\$ 616,549
Travel, camp and other	5,653	353,813
Geophysical survey	-	302,314
Diamond drilling	-	109,040
Prospecting	-	63,043
Management and planning	18,255	55,975
Report writing and planning	9,943	40,050
Field personnel/supervision	-	36,398
Community relations	-	33,191
Equipment	-	31,072
Construction and access	504	20,934
Acquisition	-	20,143
Data processing	5,496	15,613
Analysis/assays	2,379	10,952
Geological mapping	-	9,642
License, permits and taxes	-	7,979
Stock based compensation	-	3,617
Geochemical sampling	-	2,563
Claim staking	-	180
Joint venture partner contribution	-	(257,059)
Write-down of property	-	(301,598)
	\$ 45,830	\$ 1,174,411
General and Other Properties		
Linecutting	\$ 10,971	\$ 41,124
Community relations	-	16,840
Claim staking	22,135	-
Travel, camp and other	20,278	12,396
Data processing	2,920	6,115
Analysis/assays	182	-
License, permits and taxes	14,347	5,361
Management and planning	8,030	4,403
Geophysical survey	45,162	1,700
Report writing and filing	2,453	1,023
Equipment	3,388	259
Acquisition	60,500	(15,330)
Stock based compensation reallocation	-	(530,883)
Joint venture partner contribution	(2,769)	-
Diamond drilling	-	-
Write-down of property	-	(529,250)
	\$ 187,597	\$ (986,242)
Total exploration costs for the year (net of write-downs)	\$ 577,741	\$ 2,337,136
Balance – beginning of year	13,110,481	10,773,345
Balance – end of year	\$ 13,688,222	\$ 13,110,481



**MANAGEMENT DISCUSSION AND
ANALYSIS**

FOR THE SIX MONTH PERIOD ENDED MAY 31, 2009

AS AT JULY 29, 2009

INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the interim financial statements of the Company for the period ended May 31, 2009. The Company's interim financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The Company's reporting currency is Canadian dollars. The date of this Management's Discussion and Analysis is July 29, 2009.

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, 2008	November 30, 2007	November 30, 2006
	\$	\$	\$
Financial results			
Net loss for year	7,103,043	799,605	1,027,920
Basic and diluted loss per share	0.10	0.02	0.03
Expenditures on resource properties	10,460,726	5,830,002	3,029,099
Balance sheet data			
Cash, restricted cash and short term deposits	1,554,598	6,690,198	3,627,780
Resource properties	13,110,481	10,773,345	4,943,343
Total assets	16,240,919	19,257,981	9,103,913
Shareholders' deficit	14,784,933	17,262,703	8,643,476

RESULTS OF OPERATIONS**Current Quarter**

The Company had a \$177,407 loss for the three months ended May 31, 2009 as compared to a loss of \$388,190 for the same quarter last year. This was a decrease in cost of \$210,783 over the prior year's quarter which can be mainly attributed to reduction of investor and shareholder relations of \$116,957 as there was a reduction of promotion of the Company in foreign markets, decreased stock option compensation of \$208,186, decreased office costs of \$32,454, decreased travel of \$28,145 and corporate administrative costs due to a reduced fee (see commitments).

Management fee's earned on the joint venture properties of \$158,141 due to a retention of 100% in past joint venture properties and a decrease in interest income earned of \$38,892 as there were lower term deposit balances on hand and lower interest rate environment offset the reduction of administrative costs during the current quarter.

Cash and cash equivalent balances decreased by \$566,978 to \$571,728 at May 31, 2009. The spending for mineral properties was \$499,159 before joint venture partner recoveries contributions. The \$499,159 in resource expenditures on exploration included \$354,156 on Henday, \$60,987 on Highrock, \$29,576 on North Thelon, \$23,616 on Karpinka, \$21,233 on Tanquereay option and \$22,577 on Key Lake Road.

Year-to-date

The Company had a \$368,926 loss for the six months ended May 31, 2009 as compared to a loss of \$517,911 for the same period last year. This was a decrease in cost of \$148,985 over the prior year's six months which can be mainly attributed to reduction of investor and shareholder relations of \$178,200 as there was a reduction of promotion of the Company in foreign markets and Canada and decreased stock option compensation of \$294,302.

Management fee's earned on the joint venture properties of \$281,173 due to a retention of 100% in past joint venture properties and in interest income earned of \$89,435 as there were lower term deposit balances on hand and much lower interest rate environment.

Cash and cash equivalent balances decreased by \$982,870 to \$571,728 at May 31, 2009. The spending for mineral properties was \$1,194,365 before joint venture partner recoveries contributions. The \$695,206 in resource expenditures on exploration included \$525,359 on Key Lake Road, \$362,813 on Henday, and \$88,400 on North Thelon and \$82,495 on Highrock Lake.

SUBSEQUENT EVENTS

- a. Subsequent to May 31, 2009, the Company received \$294,212 from the sale of excess fuel and drilling supplies.
- b. On July 6, 2009, the Company closed a private placement of 5,000,000 Flow Through Common Shares at a price of \$0.10 per share to Qwest Investment Fund Management Ltd. raising \$500,000. All securities issued are subject to a four month hold period expiring November 3, 2009.
- c. Subsequent to May, 31, 2009, the Company amended the June 1, 2009 settlement agreement with Global extending the \$50,000 due June 1, 2009 to August 1, 2009.
- d. On July 23 2009, the Company announced up to \$250,000 of flow-through shares at a price of \$0.10 per share is to be effected on a non-brokered basis. The Company may however pay finders' fees in connection with the placement in accordance with the policies of the TSX Venture Exchange.
- e. On June 4, 2009, the Company received TSX Venture Exchange approval for re-pricing of certain outstanding options granted to directors, officers, employees and consultants of the Company. The Company proposes to reprice all of its 4,855,000 outstanding options to reduce the exercise price to \$0.15 in order to more closely reflect the current trading range of the Company's common shares. This Company announced the repricing and Board approval on May 2, 2009. The repricing of the options to directors, officers and insiders requires shareholder approval at the Company's next annual general meeting.

SUMMARY OF QUARTERLY RESULTS

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

	May 31, 2009	February 28, 2009	November 30, 2008	August 31, 2008	May 31, 2008	February 29, 2008	November 30, 2007	August 31, 2007
<i>In thousands \$</i>								
Financial results								
Net (gain) loss for period	177	192	6,066	520	388	129	(742)	711
Basic and diluted loss per share	0.0	0.0	0.08	0.01	0.01	0.00	0.02	0.01
Expenditures on resource properties	499	695	1,618	4,755	2,124	1,964	5,830	2,625
Balance sheet data								
Cash and short term deposits	577	1,139	1,555	2,880	3,948	6,462	6,690	6,164
Resource properties	13,688	13,800	13,110	19,617	14,862	12,737	10,773	9,503
Total assets	15,463	16,199	16,241	24,293	21,480	22,394	19,257	17,287
Shareholders' equity	15,107	15,150	14,785	22,149	20,178	20,138	17,262	16,467

LIQUIDITY

	May 31, 2009	November 30, 2008
Working capital	\$ 1,294,253	\$ 1,526,297
Deficit	(14,406,395)	(14,037,469)

TRANSACTIONS WITH RELATED PARTIES

- At May 31, 2009, the Company owed \$64,139 (November 30, 2008 - \$28,623) to companies with directors and officers in common. These are non interest bearing and are paid under the same terms as normal accounts payable. Mirador Management accrued service (see below) do not have repayment terms.
- At May 31, 2009, a management services company with a director and officer in common, owed the Company \$42,052 (November 30, 2008 - \$42,052) relating to a deposit for services and fixed assets paid to the related company.

TRANSACTIONS WITH RELATED PARTIES (continued)

- 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, 2009	May 31, 2008
HRG Management Ltd. - Directors & Officers in common (see below)	\$ 89,392	\$ 102,972
Mirador Management – Officer in common, consulting services paid	43,500	87,000
Mirador Management – Officer in common, consulting services accrued	43,500	-
Ken Wheatley – Officer in common, geological and management services	75,000	75,000
Lang Michener- Director in common, legal services	26,558	6,904
Total	\$ 277,950	\$ 271,876

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, 2009, 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 \$12,174 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 can be terminated by either party with 60 days written notice. The Company has a \$42,052 deposit paid to HRG for management services.

SHARE CAPITAL INFORMATION

The table below presents the Company's common share data as of July 29, 2008.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			93,899,005
Securities convertible into common shares			
Warrants	\$0.28	August 19, 2009	42,857
	\$0.28	August 22, 2009	318,103
	\$0.65	November 23, 2009	1,372,223
	\$0.65	November 28, 2009	635,000
	\$0.10	January 6, 2010	32,000
	\$0.10	January 12, 2010	64,000
	\$0.66	March 1, 2010	3,061,225
	\$0.10	January 6, 2011	900,000
	\$0.10	January 12, 2011	1,765,000
Options	\$0.21	December 2, 2009	400,000
	\$0.24	May 12, 2010	230,000
	\$0.24	August 15, 2010	230,000
	\$0.35	December 20, 2010	90,000
	\$0.36	January 24, 2011	350,000
	\$0.35	July 14, 2011	635,000
	\$0.66	November 27, 2011	100,000
	\$0.78	March 7, 2012	520,000
	\$0.82	April 9, 2012	550,000
	\$0.55	July 20, 2012	500,000
	\$0.55	August 14, 2012	485,000
	\$0.50	March 4, 2013	660,000
	\$0.50	July 8, 2013	50,000
	\$0.15	May 7, 201	130,000
			107,019,413

Private Placements

On July 6, 2009, the Company closed a private placement of 5,000,000 Flow Through Common Shares at a price of \$0.10 per share to Qwest Investment Fund Management Ltd. raising \$500,000. All securities issued are subject to a four month hold period expiring November 3, 2009.

On January 13, 2009, the Company completed the second tranche non-brokered private placement that raised total gross proceeds \$176,500. This fund raising consisted of 3,530,000 non-flow through units at a price of \$0.05 per unit. Each unit is comprised of one common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 for two years expiring January 12, 2011.

SHARE CAPITAL INFORMATION (continued)*Private Placements (continued)*

Finder's fees were paid on this portion of the financing in the amount of a commission of 64,000 common shares and 64,000 broker's warrants, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 within one year of the date of closing. All securities issued pursuant to the private placement are subject to a four month hold period expiring May 13, 2009.

On January 7, 2009, the Company completed the first tranche non-brokered private placement that raised total gross proceeds \$397,500. The fund raising consisted of 6,150,000 flow through common shares at a price of \$0.05 per share and 1,800,000 non-flow through units at a price of \$0.05 per unit. Each unit is comprised of one common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 for two years expiring January 6, 2011.

Finder's fees were paid on this portion of the financing in the amount of a commission of 32,000 common shares and 32,000 broker's warrants, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.10 within one year of the date of closing. All securities issued pursuant to the private placement are subject to a four month hold period expiring May 8, 2009. During the year ended November 30, 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.

During the year-ended November 30, 2008, the Company raised a total of \$884,800 through the issuance of 3,160,000 flow through common shares, issued at a price of \$0.28 per common share, and a total of \$294,640 through the issuance of 1,339,273 non flow through common shares issued at a price of \$0.22 per common share.

In connection with the private placement finder's fees of \$105,356 were paid and 360,960 agent warrants, valued at \$13,689, were issued. The warrants are exercisable at a price of \$0.28 for a term expiring August 22, 2009.

The agents warrants attached to the above private placement have been valued at \$13,689, and recorded as share issuance costs, based upon the Black Scholes model which utilizes the following assumptions: Expected dividend yield of nil, Expected stock price volatility of 68% Risk-free interest rate of 2.98%, expected life of warrants of 12 months.

SHARE CAPITAL INFORMATION (continued)Warrants

During the year ended November 30, 2008 the Company had issued 3,422,185 warrants in conjunction with the above private placements. The warrants are exercisable at a price of \$0.66 and \$0.28 respectively on or before March 1, 2010 and August 22, 2009.

Stock Options

- a) During the year ended November 30, 2008, 1,055,000 options were cancelled due to the resignation of certain directors, employees, and consultants
- b) During the year ended November 30, 2008, the Company granted a total of 2,095,000 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, 600,000 stock options exercisable on or before May 23, 2013 at a price of \$0.55 per share and 100,000 stock options exercisable on or before July 8, 2013 at a price of \$0.50 per share. The weighted average remaining contractual life of these outstanding options is 4.25 years.

The total fair value of the options granted during the year ended November 30, 2008 was \$432,434 with \$183,957 recorded as stock-option compensation expense and \$248,477 charged to mineral property costs. Remaining investor relations vested amounts total \$79,048.

In addition, during year ended November 30, 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:

	2009	2008
Expected dividend yield	0%	0%
Expected stock price volatility	76-319%	83-111%
Risk free rate	3.01%	2.98-4.26%
Expected life of options	1-2 years	5 years

- c) The Company has not re-priced any of its 4,855,000 outstanding options to the exercise price to \$0.15 as it still requires shareholder approval at the AGM (see Subsequent Events).
- d) The Company also announces that, in accordance with the Company's stock option plan, it has granted to certain of its employees and consultants incentive stock options to purchase up to an aggregate of 130,000 common shares exercisable on or before May 7, 2014 at a price of \$0.15 per share.

RESOURCE PROPERTIES

Property	November 30, 2008 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	Write-down of Properties	May 31, 2009 Total
North Thelon	\$ 2,512,800	\$ -	\$ 88,400	\$ -	\$ -	2,601,200
Tanqueray Option	1,206,393	-	45,830	-	-	1,252,223
Agnico Eagle Option	480,592	-	19,039	-	-	499,631
Henday	3,019,470	-	362,813	(627,798)	-	2,754,485
Key Lake Road	3,662,816	-	525,359	-	-	4,188,175
Highrock Lake	178,990	-	82,495	-	-	261,485
Maurice Point	1,545,130	-	23,726	(49,170)	-	1,519,686
Costigan JV	289,658	-	-	(156)	-	289,502
Orchid Lake	113,050	-	-	-	-	113,050
BL 21	-	60,500	17,918	-	-	78,418
Karpinka	-	-	23,616	-	-	23,616
Other properties	101,582	-	5,169	-	-	106,751
Total mineral properties	\$ 13,110,481	\$ 60,500	\$ 1,194,365	\$ (677,124)	\$ -	\$ 13,688,222

Property	November 30, 2007 Total	Acquisition Cost	Deferred Exploration	JV Partner Recovery	Write-down of Properties	November 30, 2008 Total
North Thelon	\$ 1,018,780	\$ 921,228	\$ 2,017,216	\$ (99,636)	\$ (1,344,788)	\$ 2,512,800
Tanqueray Option	31,983	20,323	1,712,744	(257,059)	(301,598)	1,206,393
Agnico Eagle Option	-	807	638,092	(38,159)	(120,148)	480,592
Henday	1,594,887	-	2,043,029	-	(618,446)	3,019,470
Key Lake Road	2,884,360	25,000	1,974,394	-	(1,220,938)	3,662,816
Highrock Lake	196,284	9,670	17,784	-	(44,748)	178,990
Maurice Point	1,287,643	43,038	3,413,077	(2,882,156)	(316,472)	1,545,130
Costigan JV	335,723	-	40,298	(13,948)	(72,415)	289,658
Orchid Lake	-	-	301,344	(160,031)	(28,263)	113,050
Haultain River	2,138,985	-	288,166	-	(2,427,151)	-
Haultain River JV	84,529	-	7,830	(4,732)	(87,627)	-
Other properties	1,200,171	(24,999)	(436,418)	-	(637,172)	101,582
Total mineral properties	\$ 10,773,345	\$ 995,067	\$ 12,017,556	\$ (3,455,721)	\$ (7,219,766)	\$ 13,110,481

Due to market conditions, the Company has conducted a comprehensive review on the carrying value of each resource property. Using various criteria, a \$7,219,766 write-down of mineral properties has been taken.

The Company has investigated ownership of its mineral interests as at November 30, 2008 and, to the best of its knowledge, ownership of its interests are in good standing.

RESOURCE PROPERTIES (continued)

PROJECT	INTEREST	COMMODITY	LOCATION	AREA (Hectares)
North Thelon	100%	Uranium	Nunavut	101,174
Baker Lake (Tanqueray option) *	60%	Uranium	Nunavut	118,000
Agnico-Eagle Option *	51%	Uranium	Nunavut	21,497
BL - 21	100%	Uranium	Nunavut	27,344
Key Lake Road	100%	Uranium	Saskatchewan	83,290
Maurice Point	100%	Uranium	Saskatchewan	37,714
Henday Lake	100%	Uranium	Saskatchewan	7,204
Orchid Lake	100%	Uranium	Saskatchewan	7,229
Costigan Lake JV	65%	Uranium	Saskatchewan	743
Haultain River JV	50%	Uranium	Saskatchewan	10,148
Haultain River	100%	Uranium	Saskatchewan	28,274
Highrock Lake	100%	Uranium	Saskatchewan	3,117
Karpinka JV	50%	Uranium	Saskatchewan	8,151
Merritt Coal Bed Methane	100%	Coal/Natural Gas in coal	Merritt, British Columbia	Freehold (505) Coal License Applications (996)

- *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 PROJECT

Current activity and future plans

Mapping, prospecting, till and outcrop sampling will be performed on high-priority areas identified by Forum's 2007 and 2008 geological, geophysical and diamond drilling programs. Work will be conducted where diamond drilling intersected 79.5 metres of anomalous uranium and strong illite alteration on the Tarzan showing along the structural trend hosting the Kiggavik deposits. This summer's work program will also focus on Inuit-owned land package BL-21 located near Kiggavik where Forum finalized an exploration agreement with Nunavut Tunngavik Inc. in March, 2009. Uranium occurrences found in the late 70's and early 80's on this Inuit-owned land package will be further investigated by utilizing knowledge gained from the adjacent Kiggavik deposits and applying the latest exploration technologies.

Forum completed an aggressive, multifaceted exploration campaign in 2008 which included an airborne survey, ground gravity surveys, mapping, prospecting, till sampling and limited diamond drilling over this large property. Forum is utilizing the same exploration method that was instrumental in the discovery of the major deposits in this region by Areva.

RESOURCE PROPERTIES (continued)***NORTH THELON PROJECT (continue)***

Current activity and future plans (continued)

Drilling

A total of 12 holes for 2474m were completed and tested six different areas in this first pass drill campaign. A total of 270 composite and selective geochemical core samples were collected, as well as 158 spectral clay chips.

The most prospective areas drilled were the large gravity targets found on the Tarzan A and B grids. These gravity lows line up on the N45 trend that hosts the Jane occurrence and the Andrew Lake and End deposits. The Tarzan A gravity target measures 1.2 km by 0.7 km in area and is located 4.6 km southwest of Areva's Jane uranium occurrence where drilling intersected 1 metre grading 8% U₃O₈. (Source: GSC World Mineral Occurrence Database) The Tarzan B gravity targets measure 500m by 250m and 1.0 km by 0.6 km in area and are located 11km southwest of the Jane.

Only three holes were drilled into each of these two large gravity targets. Tarzan A drilling (TZ-01, TZ-02, TZ-03) returned extensive alteration including intense de-silicification, quartz flooding, hematite re-mobilization and clay replacement. Spectral clay sampling shows illite is often the dominate clay in this alteration. Illite alteration halos with anomalous geochemistry may be indicative of a fertile hydrothermal system, and is a common feature around the known uranium deposits of this region. Tarzan B drilling (TZ-04, TZ-05, TZ-06) saw similar massive alteration. Spectral clay sampling again shows illite as the dominate clay type. The alteration zones were encountered near-surface and extended to the bottom of the drill holes. Due to technical issues most drill holes did not exceed 250m and as such the bottom of this massive alteration system remains untested. Radiometric peaks of 5-6 times the surrounding rock were observed in both areas.

Lab results have shown TZ-04 on the Tarzan B grid to have the most anomalous geochemistry. Variable uranium enrichment occurs nearly continuously from 12 to 146m (22ppm U over 79.5m from 45 to 124.5m) and numerous pathfinder elements (up to 120ppm Pb over 11.2m and 801ppm B over 12.7m) are also variably enriched. TZ-05 returned localized uranium enrichment from 185.3 to 195m (14ppm U), and TZ-02 on the Tarzan A grid has local uranium enrichment from 84.1 to 93m (21ppm U).

Drillhole RW-01 was drilled on a large gravity low on the western edge of the Ranger West grid on the Agnico-Eagle option. This gravity low is on the same N070° trend that continues to Areva's End deposit. Hole RW-01 intersected spotty bleaching and increasingly brecciated core near the bottom of the hole. Once again, technical issues forced drilling to be halted and this target remains untested at depth.

Other drill-holes tested the Cathy grid (CA-01) on the Agnico-Eagle option, the mineralized showings at Graphite and RD-7 (GR-01, RD7-01 respectively) on the Tanqueray option and the FOR-62 showing (BD-01, BD-02) on 100% Forum ground. No significant alteration or uranium mineralization was encountered in these holes. Detailed gravity surveys are recommended for these showings.

RESOURCE PROPERTIES (continued)***NORTH THELON PROJECT (continue)***

Current activity and future plans (continued)

Geophysical Surveys

Forum commissioned Fugro Airborne Surveys to fly two large blocks of RESOLVE electromagnetic/magnetic surveys for a total of 7891 line kilometres covering most of the North Thelon Project area. The apparent resistivity and magnetic surveys proved invaluable in identifying geological, structural and alteration features.

MWH Geo-Surveys Ltd conducted 11 ground gravity survey grids in 7 areas across the North Thelon Project area. The resulting Bouguer gravity grids highlighted alteration zones and structural trends which were used in developing drill targets, both for the 2008 and the upcoming 2009 drill programs. This method of geophysics was successfully used by Urangesellschaft / Cogema (now Areva) in the discovery of some of the deposits located on the adjacent Kiggavik project.

Geological Mapping and Prospecting

Widespread regional mapping and prospecting continued with follow-up from the 2007 program. Detailed mapping was conducted in areas of structural complexity and known surface uranium showings. Prospectors located several more uranium showings on Forum's 100% owned Tarzan property and on ground optioned from Agnico-Eagle and Tanqueray Resources Ltd. with values up to 2720 ppm uranium.

Two soil sampling grids were completed, the first located east of the Tarzan B gravity/drilling grid to test a major N070° lineament. Geochemical results showed a weak enrichment of uranium (up to 12ppm) and pathfinder elements flanking the edge of a large magnetic high near the center of the grid. This could reflect an underlying alteration zone that is present at the contact of granites (magnetic high) on the north and metasediments (magnetic low) on the south. The second grid was located in the north-eastern portion of the project area and situated over the previously mentioned major NE trending lineament. Geochemical results from this grid outline weakly enriched uranium (up to 7ppm) and pathfinder elements at the junction of a N70° lineament and a northwest-trending structure.

RESOURCE PROPERTIES (continued)***NORTH THELON PROJECT (continued)***

Terms of agreement

The Company acquired all of Northern's right, title and interest in and to all agreements and property interests related to the North Thelon JV. As consideration for the acquisition, the Company:

- Issued to Northern, 2,700,000 common shares (issued during the period) of the Company at a price of \$0.34 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.
- Granted to Northern a 5% net profits royalty on the mineral properties that are currently held 100% by the North Thelon JV; and
- Effective as of the closing date, released Northern from and assumed any and all obligations of Superior which were then outstanding under the Agreements or which may arise under the Agreements following the closing date.

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 submitted a project description to the Nunavut Impact Review Board in November, 2008 to commence permitting, environmental assessment and public consultation for the development of the Kiggavik deposits.

During the summer of 2007, the NTJV completed a \$1.8 million exploration program 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

RESOURCE PROPERTIES (continued)***NORTH THELON PROJECT (continued)***

Historical Informatio (continued)

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% U_3O_8 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% U_3O_8 . A gravity survey has identified gravity lows which may indicate zones of alteration.
- Pyro Lake – An historical occurrence in regolithic metawacke and metavolcanic rocks at the unconformity with overlying Thelon conglomerate. Grades of 0.13% U_3O_8 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% U_3O_8 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% U_3O_8 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.

RESOURCE PROPERTIES (continued)***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 134 million pound Kiggavik uranium deposit which is undergoing a full feasibility study.

Follow-up ground gravity surveys were 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. Two holes were drilled on the property and no significant alteration or uranium mineralization was encountered. Follow-up gravity surveys are recommended.

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") whereby the Company can 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.

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 (see below paragraph)	Incur \$200,000 in exploration expenditures (see below paragraph)
August 14, 2009	Issuance of 50,000 Forum common shares	Incur \$300,000 in exploration expenditures (for cumulative expenditures totalling \$500,000)
August 14, 2010	Issuance of 50,000 Forum common shares	Incur \$500,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000)
August 14, 2011	Issuance of 50,000 Forum shares	Incur \$1,000,000 in exploration expenditures) for cumulative expenditures totalling \$2,000,000)
August 14, 2012	Issuance of 50,000 Forum shares	Incur \$2,000,000 in exploration expenditures (for cumulative expenditures totalling \$4,000,000)

On August 13, 2008, the Company finalized an agreement with Tanqueray Resources Ltd. ("Tanqueray") to assume Northern's obligations under the Property Option Agreement dated August 14, 2007 respecting the Baker Lake project located in Nunavut. As a result, Forum can earn a 60% interest in uranium and diamonds only on the Baker Lake project by making \$4,000,000 in expenditures and issuing a total of 375,000 (issued 75,000 shares during the period) common shares over 5 years. This is an addition of 125,000 common shares of the Company in substitution for Northern's share payment obligations under the Property Option Agreement.

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

Terms of Agreement (continued)

Forum 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 100% owned 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)

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 was flown over the property and ground gravity surveys were done on areas of interest. Two holes were drilled and follow-up drilling is recommended in the Ranger West area.

Terms of Agreement

On February 29, 2008, the Company entered into a joint venture agreement with Agnico-Eagle Mines Limited ("Agnico") whereby the Company can earn a 51% interest in certain mineral claims consisting of 53,119 acres located around the Thelon Basin in the Nunavut Territory.

RESOURCE PROPERTIES (continued)***AGNICO-EAGLE OPTION (continued)***

Terms of Agreement (continued)

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 (incurred \$654,258 to date)
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)

Historical Information

The Properties consist of 36 claims, comprising 21,497 hectares, which cover favourable host rocks and structural trends that could lead to Kiggavik-style uranium deposits. . Historical showings of uranium grading up to 0.22% U₃O₈ have been reported from assessment files in the Nunavut Mining Recorder's Office.

BL 21 EXPLORATION AGREEMENTCurrent Activities and Future Plans

Forum completed a program of mapping, prospecting, till and outcrop sampling on historical showings on this Inuit Owned Land Parcel. A major structure, the Ukaliq Fault, runs through the property parallel to the northeast trending Kiggavik structure that hosts the Kiggavik deposits. Results are expected in July 2009.

Terms of Agreement

On December 2, 2008, the Company announced that it has entered into a Memorandum of Understanding (MOU) with Nunavut Tunngavik Incorporated (NTI) to earn a 100% interest in all minerals on 27,344 hectares of the northern half of Inuit Owned Land (IOL) parcel BL-21, located 20 kilometres east of Areva's 134 million pound Kiggavik uranium mine development project and 60 kilometres west of the Hamlet of Baker Lake, Nunavut

RESOURCE PROPERTIES (continued)***BL 21 EXPLORATION AGREEMENT (continued)***

Terms of Agreement (continued)

The Company entered into definitive agreements with Nunavut Tunngavik Incorporated (“NTI”) on March 4, 2009 which formalize the terms of the MOU between Forum and NTI detailing Forum's right to earn a 100% interest in all uranium and other minerals located on certain Inuit Owned Lands. The agreements remain subject to the acceptance of the TSX Venture Exchange

1. The Company paid \$0.50 per hectare as an annual rental fee for the first year and must complete an initial exploration program of compilation of historical data, geological mapping and an airborne geophysical survey to a minimum of \$4.00 per hectare in the first year and issue 1 million shares (subsequently issued) of the Company. Shares issued will be released for trading over a 24 month period.
2. Forum will pay annual rental fees and minimum annual exploration work requirements during the term of this agreement as per NTI schedule.
3. Forum will conduct additional exploration of prospecting, mapping ground geophysics and 2,500 metres of diamond drilling within 5 years. Forum will charge a 10% Operators Fee to the project account (5% on contracts over \$100,000).
4. Upon completion of a National Instrument 43-101 measured resource of 10 million pounds U_3O_8 or 100 million pounds U_3O_8 , Forum will pay a \$1 million and \$5 million cash bonus respectively. Upon completion of a National Instrument 43-101 measured resource of 500,000 ounces of gold or 5 million ounces of gold, Forum will pay a \$1 million and \$5 million cash bonus respectively. Within 30 days of production, Forum will pay a \$1 million cash bonus. Advance royalty payments of \$50,000 annually will be payable upon meeting these milestones.
5. Forum shall grant a 2% Net Smelter Return (NSR) Royalty to NTI on Forum's 100%-owned Tarzan and Nutaaq properties. Forum has the right to purchase 1% of this NSR Royalty from each of these properties for \$1 million each.
6. As a consequence of the land claims settlement between NTI and the Government of Canada, IOL Parcel BL-21 is not subject to royalties to the Crown. Instead, NTI will receive a 12% Net profits Royalty, limited to 75% of gross revenues. The value of any uranium component of the gross revenues shall be 130% of the actual value of uranium.
7. Upon completion of a Feasibility Study that recommends production, NTI will have the election to either form a joint venture and hold a 20% participating interest or, be granted a 7.5% Net Profits Royalty that will be calculated in the same manner as the 12 % Net Profits Royalty with the exception that gross revenues shall include the actual value received from any uranium component.

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

Current activity and future plans

The Company completed a winter exploration program on the northern half of its 100% owned Key Lake Road project. The main part of the program will concentrate on a major structure/lithographic unit (the Costco trend) that is sub-parallel to the Key Lake structure that hosts the 200 million pound Key Lake uranium deposit

Forum Uranium Corp. completed line-cutting, ground EM and ground gravity surveys on six separate grids on the Costco area of the Key Lake Road project, as well as one grid on the Highrock Lake project which lies just south of the Key Lake deposits on the same basal graphitic unit. High priority targets were identified on five of the six grids and will be drilled this upcoming winter drill season. In addition, a soil gas hydrocarbon survey was completed on the Romulus grid along the Key Lake Road Shear Zone.

A 28 hole drill program comprising 4,463 metres (m) was completed in the fall of 2007 and winter of 2008 on targets along the Key Lake Road Shear Zone, in search for basement-style mineralization similar to Cameco's 56.5 million pound Millennium uranium deposit (Source; Indicated and Inferred Resource- Cameco 2008 Annual Financial Review). Low grade mineralization and good alteration was intersected in the DD, Rainbow, Millison and Romulus conductive and structural 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 Mudjatic-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.

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

Historical Information

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 56.5 million pound Millennium uranium deposit (Source; Indicated and Inferred Resource- Cameco 2008 Annual Financial Review).

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.

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.

HENDAY PROPERTY

Current activity and future plans

The Company received geochemical results from 21 drill-holes (4,971 metres drilled) completed in April, 2008. Illite alteration halos with anomalous boron, nickel and lead geochemistry may be indicative of a fertile hydrothermal system, and is a common feature around all the known uranium deposits in this part of the Athabasca Basin (Midwest, Sue, McLean, Collins Bay and Cigar Lake). The Henday property is located on the trend hosting the Midwest lake deposits and the newly discovered Roughrider Zone by Hathor Exploration Ltd.

The Company's drill holes successfully identified an illitic alteration halo with associated tectonization, quartz dissolution and anomalous geochemistry. In drill-hole RL-46, the alteration halo extends both upwards into the sandstone and downwards into the basement for a total of 50m in thickness (115 to 155m). The sandstone showed anomalous geochemistry just above the unconformity. A second drill-hole, RL-51 located 70m away, also intersected 32 metres of the alteration halo and returned anomalous geochemistry in the lower sandstone.

The main part of the halo appears to be located under the north end of Mallen Lake, which straddles the western border of Areva's McLean Lake project, but ice conditions did not allow for further drill testing of the target. Graphite was intersected near the bottom of the hole, with the up-dip extension lying further east under Mallen Lake. The alteration halo is also located only 2 km north of AREVA's Mallen Lake showing where drill intercepts of 5.9% U₃O₈ over 0.3 m have been reported in previous drilling.

Drill holes on other targets on the project tested the intersection of structures with known graphitic conductors. Anomalous geochemistry and tectonized sandstone was intersected in five of the holes as well, with values of 225 ppm U over 2.9 m in RL-36 and 313 ppm U over 0.4 m in RL-42.

RESOURCE PROPERTIES (continued)***HENDAY PROPERTY (continued)***

Current activity and future plans (continued)

Hathor Exploration Limited entered into an option agreement on the Henday property and have completed ground electromagnetic and gravity surveys and an airborne magnetic survey as part of its option. High-priority drill targets have been identified as a result of these surveys and a drill program is planned for the 2010 winter drill season.

Terms of Agreement

The Company entered into an Option Agreement on its 100% owned Henday project in the Athabasca Basin, Saskatchewan with Hathor Exploration Limited (“Hathor”) on February 27, 2009. Hathor’s first year commitment is to complete a \$500,000 in exploration. The Company will be Operator of the exploration programs up until Hathor earns its 60% interest.

Upon execution of agreement and TSX approval	Issuance of 150,000 Hathor shares (received in addition 15,000 shares in Max Minerals Ltd.)	
February 27, 2010		Incur \$500,000 in exploration expenditures to earn 20% interest (incurred \$340,549)
February 27, 2011		Incur \$1,500,000 in exploration expenditures to earn a further 20% interest (total 40%)
February 27, 2012		Incur \$1,500,000 in exploration expenditures to earn a further 20% interest (total 60%)
		Complete feasibility study to earn a further 10% (total 70%)

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 Midwest A (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

RESOURCE PROPERTIES (continued)***HENDAY PROPERTY (continued)***

Historical Information (continued)

1.7%). Areva's Mallen Lake occurrence is located on the southern boundary of the Henday property where drilling intersected 5.9% uranium over 0.3 metres in basement rocks.

Prior to Forum's acquisition of the property, 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.

MAURICE POINT PROJECT

Current activity and future plans

Forum Uranium Corp. and option earn-in partner Mega Uranium Ltd., completed re-staking of certain ground adjacent to Cameco's Maurice Bay uranium deposit during July, 2009. A total of 10 holes for 2,321 metres were completed in the winter of 2008 on 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 56.5 million pound Millennium uranium deposit (Source; Indicated and Inferred Resource-Cameco 2008 Annual Financial Review). 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 and a strong gravity anomaly found.

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.

On September 20, 2007, the Company entered into an option agreement with Mega Uranium Ltd. ("Mega").

On January 13, 2009, the Company entered into an Amendment to the Property Option Agreement with Mega for earning a 55% interest in Maurice Point property. The terms of the amended agreement are as follows:

Upon execution of agreement	Issuance of 25,000 Mega shares (received)	
September 20, 2008	Issuance of 25,000 Mega shares (received)	Incur \$2,000,000 in exploration expenditures (incurred \$3,911,669 to date)
September 20, 2009	\$25,000 payment to the Company upon signing of the amendment to Property Option Agreement	
September 20, 2010	Issuance of 25,000 Mega shares	
September 20, 2011	Issuance of 25,000 Mega shares	Incur \$6,000,000 in cumulative exploration expenditures

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

Terms of Agreement (continued)

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.

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.

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 ara around McKenzie Point is an important drill target.

HIGHROCK LAKE

Current activity and future plans

Forum Uranium Corp. completed line-cutting, ground EM and ground gravity surveys one grid on the Highrock Lake project which lies just south of the Key Lake deposits on the same basal graphitic unit. High priority drill targets have been established as a result of these surveys.

The Highrock property is strategically located along the geological continuation of the formation hosting the 195 million pound Key Lake uranium deposits. A limited program of overburden drilling was conducted in the early 1980's and the property has not received a serious drilling campaign during the current uranium cycle. The Highrock property has exceptional potential to host a basement-style uranium deposit similar to Cameco's 50 million pound Millennium uranium deposit and Hathor's

RESOURCE PROPERTIES (continued)***HIGHROCK LAKE***

Current activity and future plans (continued)

Roughrider Zone further to the north. A recent Aeroquest AeroTEM III magnetic/electromagnetic survey has identified several targets that are often associated with uranium mineralization. Ground gravity geophysical surveys are recommended for the winter of 2009.

Forum acquired all of Seagrove's right, title and interest in and to the Highrock Lake Claim by issuing 100,000 common shares (issued during the period) 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 (paid during the period). Seagrove shall retain a 1% NSR and Forum shall have the option to buyback 0.5% of the NSR for \$1 million.

KARPINKA JOINT VENTURE

Forum entered into a 50/50 Joint Venture Agreement with Santoy Resources Ltd. 8,151 hectares of land approximately 30 kilometres southwest of the Key Lake minesite in the area of Forum's Key Lake Road project.. Forum, is the Operator of the joint venture . The Karpinka property has potential for basement-hosted uranium mineralization similar to Hathor's Roughrider discovery and Cameco's 56.5 million pound Millennium uranium deposit (Source; Indicated and Inferred Resource- Cameco 2008 Annual Financial Review).

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.

CHANGES IN ACCOUNTING POLICIES

The Company implemented the following accounting policy changes during the year ended November 30, 2008.

- 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.

CHANGES IN ACCOUNTING POLICIES (continued)**d) 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.

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 applies to 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 November 30, 2011. The Company has begun assessing the adoption of IFRS for 2011, but has not yet determined the impact the transition to IFRS will have on the Company's financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS (continued)

d) Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 – *Goodwill and Intangible Assets* which replaced Handbook Section 3062 – *Goodwill and Other Intangible Assets*. This revision aligned Canadian GAAP with IFRS and established standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The Company does not expect the adoption of this standard to have any impact on the Company's financial statements.

e) Business Combinations; Consolidated Financial Statements and Non-Controlling Interests

In January 2008, the CICA issued Handbook Sections 1582 – *Business Combinations*; 1601 – *Consolidated Financial Statements*; and 1602 – *Non-Controlling Interests*. These sections replace the former CICA Handbook Section 1581 – *Business Combinations* and CICA 1600 – *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections also provide the Canadian equivalent to IFRS 3 – *Business Combinations* and IAS 27 – *Consolidated and Separate Financial Statements*.

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

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.

CRITICAL ACCOUNTING ESTIMATES (continued)

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.

RISKS AND UNCERTAINTIES (continued)

- f) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. The Company's CEO and CFO have confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at May 31, 2009 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the six months ended May 31, 2009. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at May 31, 2009.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting during the six months ended May 31, 2009 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.forumuranium.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.