



FORUM URANIUM CORP.
(An Exploration Stage Company)

Interim Financial Statements
For the Nine Months Ended
August 31, 2009 and 2008
(un-audited)

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

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.

Forum Uranium Corp.

(An Exploration Stage Company)

Interim Balance Sheets

As at August 31, 2009 and November 30, 2008

(in Canadian Funds)

| | August 31, 2009 (unaudited) | November 30, 2008 (audited) |
|---|-----------------------------------|-----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,598,026 | \$ 1,554,598 |
| Available for sale investments (Note 5) | 249,850 | 46,126 |
| Receivables | 25,232 | 74,106 |
| Exploration advances receivable | - | 150,000 |
| Due from joint venture and option partner (Note 7) | 159,265 | 254,845 |
| Allowance for doubtful option partner receivable (Note 7) | (100,000) | - |
| Due from related party (Note 9b) | 45,766 | 42,052 |
| Prepaid expenses and deposits | 196,002 | 860,556 |
| | 2,174,141 | 2,982,283 |
| Mineral properties (Note 8) | 13,577,636 | 13,110,481 |
| Property and equipment (Note 6) | 112,992 | 148,155 |
| | \$ 15,864,769 | \$ 16,240,919 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 143,132 | \$ 1,340,484 |
| Due to related parties (Note 9a) | 27,637 | 28,623 |
| Joint venture exploration advances payable (Note 7) | 113,918 | 86,879 |
| | 284,687 | 1,455,986 |
| Shareholders' Equity: | | |
| Share capital (Note 10) | 25,694,138 | 24,348,254 |
| Contributed surplus (Note 10) | 4,595,936 | 4,526,648 |
| Accumulated other comprehensive income- Statement 3 | (91,776) | (52,500) |
| Deficit - Statement 2 | (14,618,216) | (14,037,469) |
| | 15,580,082 | 14,784,933 |
| | \$ 15,864,769 | \$ 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 Loss and Deficit

For the Three and Nine Month Periods ended August 31, 2009 and 2008

(in Canadian Funds)

| | Three months ended | | Nine months ended | |
|---|---------------------|--------------|----------------------|--------------|
| | August 31 | | August 31 | |
| | 2009 | 2008 | 2009 | 2008 |
| Expenses: | | | | |
| Consulting fees | \$ 33,813 | \$ 96,744 | \$ 122,055 | \$ 159,648 |
| Office and miscellaneous | 40,563 | 71,794 | 121,203 | 181,503 |
| Bad debts | 100,000 | - | 100,000 | - |
| Investor relations and shareholder information | 16,885 | 97,269 | 57,599 | 316,183 |
| Corporate administrative services (Note 9 & 13) | 11,164 | 39,657 | 56,260 | 103,715 |
| Salaries and wages | 11,018 | 30,699 | 55,811 | 60,881 |
| Management fees (Note 9) | 10,875 | 21,750 | 50,750 | 65,250 |
| Travel and promotion | 9,771 | 17,699 | 25,062 | 71,776 |
| Interest | 16,436 | - | 16,436 | - |
| Transfer agent and filing fees | 2,072 | 1,550 | 14,193 | 18,946 |
| Property investigations | (6,506) | - | 9,029 | 11,100 |
| Amortization (Note 6 & 12) | 2,936 | 15,127 | 8,808 | 41,911 |
| Stock-based compensation (Note 10c) | (5,709) | 128,703 | 5,285 | 388,999 |
| Directors fees | - | 9,000 | (4,500) | 24,000 |
| | 243,318 | 529,992 | 637,991 | 1,443,912 |
| Other (Income) expenses: | | | | |
| Operator's management fee | (31,224) | 7,821 | (56,392) | (298,520) |
| Interest income | (274) | (18,250) | (507) | (107,918) |
| Recovery (Write-down) of available for sale investmentsn (Note 10) | - | - | (345) | - |
| | (31,498) | (10,429) | (57,244) | (406,438) |
| Net Loss for the period | 211,820 | 519,563 | 580,747 | 1,037,474 |
| Deficit, Beginning of period | 14,406,396 | 7,452,337 | 14,037,469 | 6,934,426 |
| Deficit, End of period | \$14,618,216 | \$ 7,971,900 | \$ 14,618,216 | \$ 7,971,900 |
| Loss per Share - Basic and Diluted | \$ 0.00 | \$ 0.01 | \$ 0.01 | \$ 0.02 |
| Weighted Average Shares Outstanding | 92,763,016 | 70,929,095 | 88,285,675 | 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 Comprehensive Loss

For the Three and Nine Month Periods ended August 31, 2009 and 2008

(in Canadian Funds)

| | Three months ended | | Nine months ended | |
|---|--------------------|------------|-------------------|--------------|
| | August 31 | | August 31 | |
| | 2009 | 2008 | 2009 | 2008 |
| Net loss for the Period | \$ 211,820 | \$ 519,563 | \$ 580,747 | \$ 1,037,474 |
| Unrealized loss on available for sale securities (Note 5) | 101,625 | 8,605 | 39,276 | 23,820 |
| Comprehensive loss for the period | \$ 313,445 | \$ 528,168 | \$ 620,023 | \$ 1,061,294 |

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 Nine Month Periods ended August 31, 2009 and 2008

(in Canadian Funds)

| | Three months ended August 31 | | Nine months ended August 31 | |
|--|---------------------------------|--------------------|--------------------------------|--------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Cash Flows Provided by (Used in): | | | | |
| Operating Activities: | | | | |
| Loss for the period | \$ (211,820) | \$ (519,563) | \$ (580,747) | \$ (1,037,474) |
| Item not affecting cash: | | | | |
| Amortization | 2,936 | 15,127 | 8,808 | 41,911 |
| Marketable securities received in exchange for mineral property interest | (5) | - | 287,251 | (57,250) |
| Stock-based compensation | (5,709) | 128,703 | 5,285 | 388,999 |
| | (214,598) | (375,733) | (279,403) | (663,814) |
| Changes in non-cash working capital items: | | | | |
| Accounts payable and accrued liabilities | 586,976 | (635,435) | (92,174) | (1,381,409) |
| Accounts receivable | 284,323 | 69,794 | 48,874 | (32,457) |
| Due to related parties | 40,216 | 8,062 | 4,700 | 8,062 |
| Prepays and deposits | 10,710 | (206,457) | 664,554 | (597,726) |
| | 707,628 | (1,139,769) | 346,552 | (2,667,344) |
| Cash used in operating activities | | | | |
| Financing Activities: | | | | |
| Proceeds from private placements | 795,000 | 1,182,240 | 1,369,000 | 4,182,240 |
| Advances to related parties | - | - | - | (28,480) |
| Commitment to issue shares | - | (92,400) | - | (92,400) |
| Share issuance costs | (32,415) | (97,357) | (37,842) | (126,063) |
| | 762,585 | 992,483 | 1,331,158 | 3,935,297 |
| Cash provided by (used in) financing activities | | | | |
| Investing Activities: | | | | |
| Acquisition of equipment | - | (10,302) | - | (46,634) |
| Acquisition of mineral properties | 6,375 | (7,398) | 66,875 | (50,437) |
| Contributions of joint venture and option partners received | 18,444 | 290,928 | (6,556) | 340,998 |
| Exploration tax credit recovery | - | - | - | 15,000 |
| Deficiency deposit recovery | 363,379 | - | 363,379 | - |
| Joint venture recovery of exploration costs | 63,762 | (52,867) | 453,630 | 3,356,000 |
| Prepaid exploration advances | - | 604,848 | 50,000 | 296,386 |
| Mineral property expenditures | (995,875) | (1,745,875) | (2,661,610) | (8,989,333) |
| | (543,915) | (920,666) | (1,734,282) | (5,078,020) |
| Cash used in investing activities | | | | |
| Change in cash and cash equivalents during the period | \$ 926,298 | \$ (1,067,952) | \$ (56,572) | \$ (3,810,067) |
| Cash and cash equivalents - beginning of period | \$ 571,728 | \$ 3,948,083 | \$ 1,554,598 | \$ 6,690,198 |
| Cash and cash equivalents - end of period | \$ 1,498,026 | \$ 2,880,131 | \$ 1,498,026 | \$ 2,880,131 |

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 Nine Months Ended August 31, 2009 and August 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 nine month period ended August 31, 2009, the Company reported a loss of \$580,747 and an accumulated deficit of \$14,618,216. 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 15b). 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

These interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and follow the same accounting policies and methods of their application as the most recent annual financial statements except that the Company has adopted the following guidelines

New Accounting Policies

a) Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective January 2009, the CICA approved EIC-173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This guidance clarified that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has not had an impact on the Company’s interim financial statements other than the allowance on doubtful option partner receivable.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

2. Significant Accounting Policies

b) Mining Exploration Costs

Effective March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

This standard is effective of the Company beginning on March 1, 2009. The adoption of this EIC did not have an impact on the Company's interim financial statements.

These interim financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual financial statements and accordingly, these interim financial statements should be read in conjunction with the audited annual financial statements and notes thereto of the Company as of November 30, 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

4. Management of Financial Risk

Currency Risk

As at August 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.

Liquidity Risk

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at August 31, 2009, the Company had a cash balance of \$1,598,026 (November 30, 2008 - \$1,554,598) to settle current liabilities of \$284,687 (November 30, 2008 - \$1,455,986). See Subsequent Event Note 15a.

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 \$15,980 annually.
- 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

5. Available for Sale Investments

Marketable securities consist of the following holdings:

| Company | Shares | Market Value | | Original Cost | |
|------------------------------------|---------|--------------|-----------------|---------------|---------|
| | | | August 31, 2009 | | |
| Hathor Exploration Limited (V-HAT) | 150,000 | \$ | 208,500 | \$ | 285,000 |
| Global Uranium Corporation (V-GU) | 200,000 | | 6,000 | | 76,000 |
| Mega Uranium Ltd. (T-MGA) | 25,000 | | 29,250 | | 44,250 |
| Max Minerals (V-MJM) | 15,000 | | 3,900 | | 2,250 |
| Hidefield Gold PLC (L: HIF) | 100,000 | | 2,200 | | 12,000 |
| | 490,000 | \$ | 249,850 | \$ | 419,500 |

| 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 |

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

The Company determined there was a loss on available for sale investment for the period ended August 31, 2009 of \$39,276 (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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

6. Property and Equipment

| | Cost | Accumulated Amortization | August 31, 2009 Net Book Value |
|-----------------------|-------------------|-----------------------------|-----------------------------------|
| Exploration equipment | \$ 221,916 | \$ 131,139 | \$ 90,777 |
| Computer equipment | 43,034 | 30,337 | 12,697 |
| Vehicle | 12,500 | 6,737 | 5,763 |
| Office equipment | 5,315 | 1,560 | 3,755 |
| | <u>\$ 282,765</u> | <u>\$ 169,773</u> | <u>\$ 112,992</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> |

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

| Resource property | August 31, 2009 | August 31, 2008 |
|---|-------------------|-------------------|
| Due from joint venture and option partners | | |
| Tanqueray Resources Ltd. - North Thelon | \$ 52,658 | \$ - |
| Mega Uranium Ltd - Maurice Point | 6,607 | 23,014 |
| Santoy Resources Ltd. - | - | - |
| Hathor Exploration Ltd. - Haultain River | - | 5,113 |
| Global Uranium Ltd. - Orchid Lake * | 100,000 | 296,485 |
| | <u>\$ 159,265</u> | <u>\$ 324,612</u> |
| Joint venture exploration advances payable | | |
| Hathor Exploration Ltd - Henday | \$ 27,574 | \$ - |
| NVI Mining Ltd. – Costigan Lake | 86,344 | - |
| | <u>\$ 113,918</u> | <u>\$ -</u> |

* The Company has established an allowance for doubtful accounts in the amount of \$100,000.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

8. Mineral Properties

| Property | November 30, | | | | | August 31, |
|--------------------------|---------------|---------------------|-------------------------|------------------------|------------------------|---------------|
| | 2008 Total | Acquisition Cost | Deferred Exploration | JV Partner Recovery | Deficiency Recovery | 2009 Total |
| North Thelon | \$ 2,512,800 | \$ - | \$ 135,857 | \$ - | \$ - | \$ 2,648,657 |
| Tanqueray Option | 1,206,393 | 6,375 | 88,724 | - | - | 1,301,492 |
| Agnico Eagle Option | 480,592 | - | 28,727 | - | - | 509,319 |
| Henday | 3,019,470 | - | 406,218 | (681,986) | - | 2,743,702 |
| Key Lake Road | 3,662,816 | - | 581,911 | - | (228,984) | 4,015,743 |
| Highrock Lake | 178,990 | - | 94,322 | - | - | 273,312 |
| Maurice Point | 1,545,130 | - | 37,882 | (30,528) | (139,195) | 1,413,289 |
| Costigan JV | 289,658 | - | - | (156) | - | 289,502 |
| Orchid Lake | 113,050 | - | - | - | - | 113,050 |
| BL 21 | - | 60,500 | 37,266 | - | - | 97,766 |
| Karpinka | - | - | 27,733 | - | - | 27,733 |
| Other properties | 101,582 | - | 42,489 | - | - | 144,071 |
| Total mineral properties | \$ 13,110,481 | \$ 66,875 | \$ 1,481,129 | \$ (712,670) | \$ (368,179) | \$ 13,577,636 |

| Property | November 30, | | | | | November 30, |
|--------------------------|---------------|---------------------|-------------------------|------------------------|-----------------------------|---------------|
| | 2007 Total | Acquisition Cost | Deferred Exploration | JV Partner Recovery | Write-down of Properties | 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.

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

8. Mineral Properties

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 Diamonds Inc. "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.

The Company entered into a joint venture agreement effective July 12, 2006 with Northern to form a 50/50 joint venture with the Company as operator. Northern'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.

b) Tanqueray Option

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.

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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

8. Mineral Properties (continued)

b) Tanqueray Option (continued)

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

| | | |
|-----------------------------|--|---|
| Upon execution of agreement | Issuance of 50,000 Forum common shares (issued) | |
| August 14, 2008 | Issuance of 75,000 Forum common shares (issued) | Incur \$200,000 in exploration expenditures (completed) |
| August 14, 2009 | Issuance of 75,000 Forum common shares (issued 75,000) | Incur \$300,000 in exploration expenditures (for cumulative expenditures totalling \$500,000, completed) |
| August 14, 2010 | Issuance of 75,000 Forum common shares | Incur \$500,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000, completed) |
| August 14, 2011 | Issuance of 75,000 Forum shares | Incur \$1,000,000 in exploration expenditures (for cumulative expenditures totalling \$2,000,000, \$1,809,514 costs incurred to date) |
| August 14, 2012 | Issuance of 75,000 Forum shares | Incur \$2,000,000 in exploration expenditures (for cumulative expenditures totalling \$4,000,000) |

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 (completed) |
| February 29, 2010 | Incurring \$500,000 in exploration expenditures (for cumulative expenditures totalling \$750,000, incurred \$719,689 to date) |
| 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.

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

8. Mineral Properties (continued)

d) Henday Lake (continued)

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 \$394,737 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%) |

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.

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Notes to Financial Statements

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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 (completed) |
| September 20, 2009 | \$25,000 payment to the Company upon signing of the amendment to Property Option Agreement (Received) | |
| September 20, 2010 | Issuance of 25,000 Mega shares | |
| September 20, 2011 | Issuance of 25,000 Mega shares | Incur \$6,000,000 in cumulative exploration expenditures (incurred \$2,205,367 to date) |

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.

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.

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 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.

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For the Nine Months Ended August 31, 2009 and August 31, 2008

8. Mineral Properties (continued)

i) Orchid Lake (continued)

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 October 1, 2009 (see Note 5)
- \$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.

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

The Company holds 100% interest in the Merritt Property (the “Property”) specifically known as Fee Lot 166, adjacent to the town of Merritt, BC and coal license applications known as the Normanandale, Diamondvale and Merritt Extension Merritt basin.

l) BL-21- Nunavut

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.

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For the Nine Months Ended August 31, 2009 and August 31, 2008

8. Mineral Properties (continued)

l) BL-21- Nunavut (continued)

The terms of the agreement are:

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.

m) Karpinka Joint Venture

The Company entered into a 50/50 Joint Venture Agreement with Virginia Energy Limited (formerly Santoy Resources Ltd). on May 1, 2009 in terms of 8,151 hectares of land approximately 30 kilometres southwest of the Key Lake mine-site in the area of Forum's Key Lake Road project.. The Company is the Operator of the joint venture.

The initial partner contribution of \$20,872 represents cost of staking and recording fees. The agreement has standard double dilution provisions for non-contributing parties and if any parties interest falls below 20%, their interest will automatically convert to 2% Net Smelter Return with 1% purchase-able at any time before commercial production commences for \$1 million.

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Notes to Financial Statements

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For the Nine Months Ended August 31, 2009 and August 31, 2008

9. Related Party Transactions

- a. At August 31, 2009, the Company owed \$27,637 (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 August 31, 2009, a management services company with a director and officer in common, owed the Company \$45,766 (November 30, 2008 - \$42,052) relating to a deposit for services and fixed assets paid to the related company. These deposits are non interest bearing and are held as long as service arrangement is in place (see Note 13).
- 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:

| | August 31, 2009 | | August 31, 2008 |
|---|-------------------|-----------|-----------------|
| HRG Management Ltd. - Directors & Officers in common (see below) | \$ 122,751 | \$ | 209,590 |
| Mirador Management – Officer in common, consulting services paid | 90,250 | | 130,500 |
| Mirador Management – Officer in common, consulting services accrued | 18,500 | | - |
| Ken Wheatley – Officer, geological and management services | 112,500 | | 112,500 |
| Lang Michener- Director, legal services | 28,000 | | 11,865 |
| Total | \$ 372,001 | \$ | 464,455 |

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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For the Nine Months Ended August 31, 2009 and August 31, 2008

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 |
| Units issued for cash pursuant to private placement, net of \$9,817 allocated to warrants (6 & 7) | 7,950,000 | | 762,585 | | 9,817 |
| Stock based compensation | - | | - | | 7,822 |
| Issued in exchange for mineral properties (<i>5 and Note 8n</i>) | 1,075,000 | | 66,375 | | - |
| Balance, as at August 31, 2009 | 96,924,005 | \$ | 25,694,138 | \$ | 4,595,936 |

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

10. Share Capital (continued)

1. 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. 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.

The agents warrants attached to the above private placement have been valued at \$1,135, 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 147%, Risk-free interest rate of 3.01%, expected life of warrants of 24 months.

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.

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

10. Share Capital (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

The agents warrants attached to the above private placement have been valued at \$2,713, 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 319%, Risk-free interest rate of 3.01%, expected life of warrants of 24 months.

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).
6. On July 2, 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.
7. On August 17, 2009, the Company closed a private placement of 2,950,000 Flow Through Common Shares at a price of \$0.10 per share. raising \$272,402 net of share issuance costs of \$22,598 and issuance of 164,500 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.

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 | 2,925,500 | \$0.10 |
| Expired | (360,960) | \$0.28 |
| Balance, August 31, 2009 | 7,993,948 | \$0.45 |

Of the warrants outstanding at August 31, 2009, the following are stock warrants:

- 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) 900,000 warrants are exercisable at \$0.10 per share up to December 31, 2010.
- e) 1,765,000 warrants are exercisable at \$0.10 per share up to January 11, 2011

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Notes to Financial Statements

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For the Nine Months Ended August 31, 2009 and August 31, 2008

10. Share Capital (continued)

Warrants (continued)

Of the warrants outstanding at August 31, 2009, the following are broker warrants:

- a) 77,000 warrants are exercisable at \$0.10 per share up to August 10, 2010.
- b) 87,500 warrants are exercisable at \$0.10 per share up to August 17, 2010.
- c) 32,000 warrants are exercisable at \$0.05 per share up to December 31, 2010.
- d) 64,000 warrants are exercisable at \$0.10 per share up to January 10, 2010.

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.

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, August 31, 2009 | 4,930,000 | \$0.49 |

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Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

10. Share Capital (continued)

Options: (continued)

The following is a summary of the Company's options as at August 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 August 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.

- 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.
- 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.

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For the Nine Months Ended August 31, 2009 and August 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 August 31, 2009 was \$10,994 with \$5,285 recorded as stock-option compensation expense, \$2,537 capitalized to mineral properties and \$3,171 to be expensed upon options vesting. During the three months ended August 31, 2009, non-vested options and mineral property capitalized amounts were adjusted and reclassified.

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 |

- d) 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 re-price 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 re-pricing and Board approval on May 2, 2009. The re-pricing of the options to directors, officers and insiders requires shareholder approval at the Company's next annual general meeting (see Subsequent Event Note 15b).

11. Segmented information

The Company operates in the oil and gas, and the uranium segments. Mineral property costs by operating segment as at August 31, 2009 and 2008 are as follows:

| | August 31, 2009 | August 31, 2008 |
|-------------|----------------------|----------------------|
| Oil and gas | \$ - | \$ 443,388 |
| Uranium | 13,575,099 | 19,173,782 |
| | <u>\$ 13,575,099</u> | <u>\$ 19,617,170</u> |

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

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For the Nine Months Ended August 31, 2009 and August 31, 2008

12. Supplemental Cash Flow Information

| Supplemental Disclosure of Non-Cash Financing and Investing Activities include: | August 31, 2009 | August 31, 2008 |
|---|--------------------|--------------------|
| Accounts payable which are included in mineral properties expenditures | \$ 95,433 | \$ 1,558,953 |
| Amortization included in mineral properties | \$ 26,355 | \$ - |
| Shares issued for mineral property agreements | \$ 66,375 | \$ 1,367,625 |
| Stock-based compensation included in mineral properties | \$ - | \$ 248,477 |
| Stock-based compensation | \$ 5,285 | \$ 388,999 |
| Shares received in exchange for mineral property | \$ 287,256 | \$ - |

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 \$45,766 (November 30, 2008 - \$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) |

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For the Nine Months Ended August 31, 2009 and August 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.

Forum Uranium Corp.

(An Exploration Stage Company)

Notes to Financial Statements

Canadian Funds (unaudited)

For the Nine Months Ended August 31, 2009 and August 31, 2008

15. Subsequent Events

- a. On October 27, 2009, the Company completed a non-brokered private placement for 11,251,000 units at a price of \$0.08 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.20 per share expiring April 22, 2011. If the closing price of the common shares is higher than \$0.40 for a period of 20 consecutive trading days at any time after four months and one day after the closing date, the Company can accelerate the exercise of the warrants on the 30th day after the Company gives notice of such acceleration. The gross proceeds raised were \$900,080. The proceeds will be used for the exploration of its mineral properties and for general working capital. Finders' fees of 630,000 units at a deemed price of \$0.08 per share. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.20 per share expiring April 22, 2011, and 630,000 compensation options exercisable into one common share units at a price of \$0.08 per share expiring April 22, 2011.
- b. On October 27, 2009, the Company's shareholders approved re-pricing of all stock options to \$0.15.

Forum Uranium Corp.

(An Exploration Stage Company)

Schedule of Mineral Property Costs

Canadian Funds

For the Nine Months Ended August 31, 2009 and Year Ended November 30, 2008

| Property | August 31, 2009 | November 30, 2008 |
|--|----------------------------|------------------------------|
| North Thelon, Nunavut Territory, Canada | | |
| Acquisition | \$ - | \$ 921,171 |
| Transportation | 11,430 | 429,330 |
| Travel, camp and other | 8,559 | 365,152 |
| Diamond drilling | 460 | 353,568 |
| Airborne geophysics | - | 242,048 |
| Deficiency deposit | - | 155,103 |
| Geophysical survey | - | 81,687 |
| Equipment | 25 | 65,253 |
| Stock based compensation | - | 53,430 |
| Management and planning | 38,828 | 52,926 |
| Analysis and assay | 3,188 | 50,043 |
| License, permits and taxes | 9,439 | 47,274 |
| Report writing and planning | 19,407 | 45,784 |
| Construction and access | 11,170 | 34,157 |
| Community relations | 53 | 31,216 |
| Field personnel/supervision | - | 27,537 |
| Environmental consulting | 5,500 | 11,460 |
| Data processing | 10,720 | 6,911 |
| Claim staking | - | 57 |
| Geochemical sampling | - | (1,343) |
| Geological mapping | 17,078 | (1,392) |
| Prospecting | - | (32,928) |
| Joint venture partner contribution | - | (99,636) |
| Write-down of property | - | (1,344,788) |
| | \$ 135,857 | \$ 1,494,020 |
| Tanqueray Option, Nunavut Territory, Canada | | |
| Transportation | \$ 6,906 | \$ 616,549 |
| Travel, camp and other | 12,224 | 353,813 |
| Geophysical survey | - | 302,314 |
| Diamond drilling | - | 109,040 |
| Prospecting | - | 63,043 |
| Management and planning | 26,019 | 55,975 |
| Report writing and planning | 13,273 | 40,050 |
| Field personnel/supervision | - | 36,398 |
| Community relations | 65 | 33,191 |
| | \$ 58,487 | \$ 1,610,373 |
| Balance carried forward | \$ 194,344 | \$ 3,104,393 |

| Property | August 31, 2009 | November 30, 2008 |
|---|--------------------|----------------------|
| Balance carried forward | \$ 194,344 | \$ 3,104,393 |
| Tanqueray Option, Nunavut Territory, Canada | | |
| Balance carried over | \$ 58,487 | \$ 1,610,373 |
| Equipment | 30 | 31,072 |
| Construction and access | 504 | 20,934 |
| Acquisition | - | 20,143 |
| Data processing | 5,711 | 15,613 |
| Analysis/assays | 2,379 | 10,952 |
| Geological mapping | 11,517 | 9,642 |
| License, permits and taxes | 10,096 | 7,979 |
| Stock based compensation | - | 3,617 |
| Geochemical sampling | - | 2,563 |
| Claim staking | - | 180 |
| Acquisition | 6,375 | - |
| Joint venture partner contribution | - | (257,059) |
| Write-down of property | - | (301,598) |
| | \$ 95,099 | \$ 1,174,411 |
| Agnico Eagle Option, Nunavut Territory, Canada | | |
| Geophysical survey | \$ - | \$ 182,401 |
| Transportation | 865 | 164,737 |
| Travel, camp and other | 3,750 | 111,002 |
| Diamond drilling | - | 109,599 |
| Prospecting | - | 16,618 |
| Management and planning | 8,436 | 11,865 |
| Field personnel/supervision | - | 11,116 |
| Construction and access | 228 | 8,968 |
| Equipment | 7 | 8,895 |
| Community relations | 15 | 4,897 |
| Report writing and planning | 4,932 | 4,729 |
| Stock based compensation | - | 1,634 |
| Analysis/assay | 1,756 | 1,274 |
| Acquisition | - | 807 |
| Data processing | 2,485 | 146 |
| Geochemical sampling | - | 141 |
| Geological mapping | 4,322 | - |
| License, permit and taxes | 1,932 | 70 |
| Joint venture partner contribution | - | (38,159) |
| Write-down of property | - | (120,148) |
| | \$ 28,728 | \$ 480,592 |
| Balance carried forward | \$ 259,684 | \$ 3,149,023 |

| Property | August 31, 2009 | November 30, 2008 |
|--|--------------------|----------------------|
| Balance carried forward | \$ 259,684 | \$ 3,149,023 |
| Henday, Saskatchewan, Canada | | |
| Acquisition | \$ - | \$ 1,041,517 |
| Transportation | 10,982 | 347,163 |
| Travel, camp and other | 66,349 | 236,774 |
| Diamond drilling | - | 187,985 |
| Airborne geophysics | 41,545 | 86,718 |
| Deficiency deposit | - | 30,977 |
| Geophysical survey | 155,858 | 29,559 |
| Equipment | 11,055 | 26,080 |
| Stock based compensation | - | 19,342 |
| Management and planning | 22,355 | 14,595 |
| Analysis and assay | - | 6,729 |
| License, permits and taxes | 218 | 5,363 |
| Report writing and planning | 8,272 | 3,960 |
| Construction and access | 7,300 | 3,867 |
| Linecutting | 81,691 | - |
| Community relations | - | 2,400 |
| Data processing | 593 | - |
| Joint venture partner contribution | (681,986) | - |
| Write-down of property | - | (618,446) |
| | \$ (275,768) | \$ 1,424,583 |
| Key Lake Road, Saskatchewan, Canada | | |
| Diamond drilling | \$ 543 | \$ 957,789 |
| Deficiency deposit | (228,984) | 277,086 |
| Travel, camp and other | 156,241 | 231,256 |
| Stock based compensation | 2,537 | 186,234 |
| Line cutting | 71,659 | 127,667 |
| Management and planning | 47,872 | 51,909 |
| Geophysical surveying | 250,320 | 49,369 |
| Technical reporting | 15,761 | 33,443 |
| Equipment | 29,370 | 25,851 |
| Claim staking | 164 | 25,000 |
| Report writing and planning | - | 17,038 |
| Community relations | - | 15,416 |
| Analysis and assay | - | 10,769 |
| Transportation | - | 8,458 |
| Data processing | 6,826 | 3,953 |
| Geochemical sampling | - | 1,549 |
| License, permits and taxes | 75 | 743 |
| Geophysical survey | 543 | - |
| Exploration tax credit | - | (24,137) |
| Write-down of property | - | (1,220,938) |
| | \$ 352,927 | \$ 778,455 |
| Balance carried forward | \$ 336,843 | \$ 5,352,061 |

| Property | August 31, 2009 | November 30, 2008 |
|---|--------------------|----------------------|
| Balance carried forward | \$ 336,843 | \$ 5,352,061 |
| Highrock Lake, Saskatchewan, Canada | | |
| Acquisition | \$ - | \$ 9,670 |
| Community relations | - | 8,140 |
| License, permits and taxes | 25 | 4,711 |
| Management and planning | 3,839 | 1,957 |
| Data processing | 1,077 | 1,109 |
| Report writing and planning | 9,303 | 953 |
| Travel, camp and other | 20,285 | 863 |
| Airborne geophysics | - | 50 |
| Geophysical survey | 45,163 | - |
| Linecutting | 11,145 | - |
| Equipment | 2,942 | - |
| Diamond drilling | 543 | - |
| Write-down of property | - | (44,747) |
| | \$ 94,322 | \$ (17,294) |
| Maurice Point, Saskatchewan , Canada | | |
| Geophysical surveying | \$ 10,200 | \$ 912,865 |
| Prospecting | - | 789,235 |
| Travel, camp and other | 28 | 568,024 |
| Transportation | 3,073 | 327,711 |
| Line cutting | - | 247,137 |
| Deficiency deposit | (139,196) | 193,676 |
| Stock based compensation | - | 181,482 |
| Management and planning | 1,893 | 60,270 |
| Report writing and planning | 9,125 | 50,030 |
| Claim staking | 11,632 | 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 | (30,528) | (2,882,156) |
| Diamond drilling | - | - |
| Airborne geophysics | - | - |
| Write-down of property | - | (316,473) |
| | \$ (131,841) | \$ 257,486 |
| Balance carried forward | \$ 299,324 | \$ 5,592,253 |

| Property | August 31, 2009 | November 30, 2008 |
|--|----------------------------|----------------------|
| Balance carried forward | \$ 299,324 | \$ 5,592,253 |
| 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) |
| Write-down of property | - | (72,415) |
| | \$ (156) | \$ (46,065) |
| 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 |
| Write-down of property | - | (28,263) |
| Joint venture partner contribution | - | (160,031) |
| | \$ - | \$ 113,050 |
| BL 21 | | |
| Acquisition | \$ 60,500 | \$ - |
| License, permit and taxes | 13,672 | - |
| Transportation | 11,889 | - |
| Management and planning | 5,102 | - |
| Geological mapping | 2,561 | - |
| Travel, camp and other | 2,105 | - |
| Report writing and filing | 1,792 | - |
| Data processing | 120 | - |
| Community relations | 18 | - |
| Equipment | 8 | - |
| | \$ 97,767 | \$ - |
| Balance carried forward | \$ 396,935 | \$ 5,659,238 |

| Property | August 31, 2009 | November 30, 2008 |
|--|----------------------------|------------------------------|
| Balance carried forward | \$ 396,935 | \$ 5,659,238 |
| Karpinka, Saskatchewan, Canada | | |
| Claim staking | \$ 21,971 | \$ - |
| Travel, camp and other | 4,145 | - |
| Management and planning | 3,302 | - |
| Geochemical sampling | 2,841 | - |
| Data processing | 728 | - |
| Geological mapping | 603 | - |
| Equipment | 496 | - |
| Linecutting | 319 | - |
| Report writing and filing | 41 | - |
| License, permits and taxes | 13 | - |
| Joint venture partner contribution | (6,727) | - |
| | \$ 27,732 | \$ - |
| General and Other Properties | | |
| Geochemical sampling | \$ 20,832 | \$ - |
| Geophysical surveying | - | 186,133 |
| Linecutting | - | 48,394 |
| Travel, camp and other | 6,816 | 38,620 |
| Prospecting | - | 37,404 |
| Community relations | - | 15,782 |
| Transportation | - | 13,040 |
| Management and planning | 4,184 | 9,220 |
| Deficiency deposit | 4,800 | 8,427 |
| Report writing and filing | 303 | 7,988 |
| Data processing | 4,653 | 6,753 |
| License, permits and taxes | 744 | 5,000 |
| Claim staking | - | 2,345 |
| Equipment | 288 | 1,633 |
| Analysis and assay | 182 | 55 |
| Exploration tax credit | - | (2,076) |
| Joint venture partner contribution | (314) | (4,732) |
| Acquisition | - | (25,000) |
| Stock based compensation | - | (519,136) |
| Write-down of property | - | (3,151,952) |
| | \$ 42,488 | \$ (3,322,102) |
| Total exploration costs for the year (net of write-downs) | \$ 467,155 | \$ 2,337,136 |
| Balance – beginning of year | 13,110,481 | 10,773,345 |
| Balance – end of year | \$ 13,577,636 | \$ 13,110,481 |



**MANAGEMENT DISCUSSION AND
ANALYSIS**

FOR THE NINE MONTH PERIOD ENDED AUGUST 31, 2009

AS AT OCTOBER 27, 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 August 31, 2009 and the annual financial statements for the year ended November 30, 2008. 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 October 27, 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.

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 \$211,820 loss for the three months ended August 31, 2009 as compared to a loss of \$519,563 for the same quarter last year. This was a decrease in cost of \$307,743 over the prior year's quarter which can be mainly attributed to reduction of investor and shareholder relations of \$80,384 as there was a reduction of promotion of the Company in foreign markets, decreased stock option compensation of \$134,412, decreased office costs of \$31,231, decreased salaries and management fees of \$30,556, corporate administrative costs of \$28,493 due to a reduced monthly fee (see commitments) and travel of \$7,928.

The reduction of administrative costs in the quarter were offset by the a reduction of management fees earned on the joint venture properties of \$39,045 due to reduction of activity on joint venture properties, a decrease in interest income earned of \$17,976 as there were lower term deposit balances on hand and lower interest rate environment offset the reduction of administrative costs during the current quarter, interest charges of \$16,436 relating to extension of payment terms for fuel purchases in 2008 and \$100,000 bad debt reserve for Option settlement agreement that has not been met during the quarter .

During this quarter the company is seeing the effect of a cost reduction program which was initiated in November 2008, which program reviewed operations to make cost reduction decisions. During this quarter the company is continuing to review other areas of reducing costs. Some of the areas of cost reduction are as follows:

- Commitment for administrative services with HRG reduced by \$96,000 annually due to reduced exploration activity.
- Investor relations program reduced by \$250,000 annually to align this area with current market conditions.
- The Company has entered into various joint venture agreements and other programs to enable the Company to retain essential exploration personnel and minimize the company requirement to fully fund the 2009 exploration plan.
- Eliminating director fees.

Cash and cash equivalent balances increased by \$1,026,298 to \$1,598,026 at August 31, 2009. The spending for mineral properties was \$233,764 before joint venture partner recoveries contributions and deficiency deposit recoveries. The \$233,764 in resource expenditures on exploration included \$56,552 on Key Lake Road, \$47,457 on North Thelon, \$43,405 on Henday, and \$42,894 on Tanquereay option. Joint venture partner recoveries were \$35,546 and deficiency deposits recoveries were \$368,179 for the three month period ending August 31, 2009.

RESULTS OF OPERATIONS (continued)**Year-to-date**

The Company had a \$580,747 loss for the nine months ended August 31, 2009 as compared to a loss of \$1,037,474 for the same period last year. This was a decrease in cost of \$456,727 over the prior year's nine months which can be mainly attributed to reduction of investor and shareholder relations of \$258,584 as there was a reduction of promotion of the Company in foreign markets and Canada, decreased stock option compensation of \$383,714 decreased office costs of \$60,300, corporate administrative costs due to a reduced fee (\$47,455, see commitments), decreased consulting fees of \$37,593, and travel of \$46,714.

Management fee's earned on the joint venture properties of \$242,128 due to a retention of 100% in past joint venture properties, interest income earned reduction of \$107,411 as there were lower term deposit balances on hand and much lower interest rate environment and interest charges of \$16,436.

Cash and cash equivalent balances increased by \$43,428 to \$1,598,026 at August 31, 2009. The spending for mineral properties was \$1,481,129 before joint venture partner recoveries contributions and deficiency deposit recoveries. The resource expenditures on exploration included \$581,911 on Key Lake Road, \$406,218 on Henday, and \$135,857 on North Thelon and \$94,322 on Highrock Lake and other projects (\$262,821). Joint venture partner recoveries were \$712,670 and deficiency deposits recoveries were \$368,179 for the nine month period ending August 31, 2009.

SUBSEQUENT EVENTS

- a. On October 27, 2009, the Company completed a non-brokered private placement for 11,251,000 units at a price of \$0.08 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.20 per share expiring April 22, 2011. If the closing price of the common shares is higher than \$0.40 for a period of 20 consecutive trading days at any time after four months and one day after the closing date, the Company can accelerate the exercise of the warrants on the 30th day after the Company gives notice of such acceleration. The gross proceeds raised were \$900,080. The proceeds will be used for the exploration of its mineral properties and for general working capital. Finders' fees of 630,000 units at a deemed price of \$0.08 per share. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.20 per share expiring April 22, 2011, and 630,000 compensation options exercisable into one common share units at a price of \$0.08 per share expiring April 22, 2011.
- b. On October 27, 2009, the Company's shareholders approved re-pricing of all stock options to \$0.15.

SUMMARY OF QUARTERLY RESULTS

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

| | August 31, 2009 | May 31, 2009 | February 28, 2009 | November 30, 2008 | August 31, 2008 | May 31, 2008 | February 29, 2008 | November 30, 2007 |
|-------------------------------------|-----------------------|--------------------|-------------------------|----------------------|-----------------------|--------------------|-------------------------|----------------------|
| <i>In thousands \$</i> | | | | | | | | |
| Financial results | | | | | | | | |
| Net (gain) loss for period | 212 | 177 | 192 | 6,066 | 520 | 388 | 129 | (742) |
| Basic and diluted loss per share | 0.0 | 0.0 | 0.0 | 0.08 | 0.01 | 0.01 | 0.00 | 0.02 |
| Expenditures on resource properties | 287 | 499 | 695 | 1,618 | 4,755 | 2,124 | 1,964 | 5,830 |
| Balance sheet data | | | | | | | | |
| Cash and short term deposits | 1,598 | 577 | 1,139 | 1,555 | 2,880 | 3,948 | 6,462 | 6,690 |
| Resource properties | 13,578 | 13,688 | 13,800 | 13,110 | 19,617 | 14,862 | 12,737 | 10,773 |
| Total assets | 15,865 | 15,463 | 16,199 | 16,241 | 24,293 | 21,480 | 22,394 | 19,257 |
| Shareholders' equity | 15,580 | 15,107 | 15,150 | 14,785 | 22,149 | 20,178 | 20,138 | 17,262 |

LIQUIDITY

| | August 31, 2009 | November 30, 2008 |
|-----------------|--------------------|----------------------|
| Working capital | \$ 1,889,454 | \$ 1,526,297 |
| Deficit | (14,618,216) | (14,037,469) |

GOING CONCERN

These Company's' 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 (see Subsequent Events). 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. The financial representations 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.

TRANSACTIONS WITH RELATED PARTIES

- a. At August 31, 2009, the Company owed \$27,637 (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 (see Subsequent Events).
- b. At August 31, 2009, a management services company with a director and officer in common, owed the Company \$45,766 (November 30, 2008 - \$42,052) relating to a deposit for services and fixed assets paid to the related company. These deposits are non interest bearing and are held as long as service arrangement is in place (see Commitments).
- c. The following related party transactions were in the normal course of operations and are measured at fair value being their exchange amounts and consists of the following items:

| | August 31, 2009 | August 31, 2008 |
|--|-------------------|-------------------|
| HRG Management Ltd. - Directors & Officers in common (see below) | \$ 122,751 | \$ 209,590 |
| Mirador Management – Officer in common, consulting services paid | 90,250 | 130,500 |
| Mirador Management – Officer in common, consulting services accrued | 18,500 | - |
| Ken Wheatley – Officer in common, geological and management services | 112,500 | 112,500 |
| Lang Michener- Director in common, legal services | 28,000 | 11,865 |
| Total | \$ 372,001 | \$ 464,455 |

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 \$45,766 deposit paid to HRG for management services.

SHARE CAPITAL INFORMATION

The table below presents the Company's common share data as of October 27, 2009.

| | Price | Expiry date | Number of common shares |
|---|--------|-------------------|-------------------------|
| Common shares, issued and outstanding | | | 108,805,005 |
| Securities convertible into common shares | | | |
| Stock Warrants | \$0.65 | November 23, 2009 | 1,372,223 |
| | \$0.65 | November 28, 2009 | 635,000 |
| | \$0.66 | March 1, 2010 | 3,061,225 |
| | \$0.10 | January 6, 2011 | 900,000 |
| | \$0.10 | January 12, 2011 | 1,765,000 |
| | \$0.20 | April 22, 2011 | 5,940,500 |
| Broker Warrants | \$0.10 | January 6, 2010 | 32,000 |
| | \$0.10 | January 12, 2010 | 64,000 |
| | \$0.10 | August 10, 2010 | 77,000 |
| | \$0.10 | August 10, 2010 | 87,500 |
| | \$0.20 | April 22, 2011 | 315,000 |
| Broker Option | \$0.08 | April 22, 2011 | 630,000 |
| Stock Options | \$0.15 | December 2, 2009 | 400,000 |
| | \$0.15 | May 12, 2010 | 230,000 |
| | \$0.15 | August 15, 2010 | 230,000 |
| | \$0.15 | December 20, 2010 | 90,000 |
| | \$0.15 | January 24, 2011 | 350,000 |
| | \$0.15 | July 14, 2011 | 635,000 |
| | \$0.15 | November 27, 2011 | 100,000 |
| | \$0.15 | March 7, 2012 | 520,000 |
| | \$0.15 | April 9, 2012 | 550,000 |
| | \$0.15 | July 20, 2012 | 500,000 |
| | \$0.15 | August 14, 2012 | 485,000 |
| | \$0.15 | March 4, 2013 | 660,000 |
| | \$0.15 | July 8, 2013 | 50,000 |
| | \$0.15 | May 7, 201 | 130,000 |
| | | | 128,299,453 |

SHARE CAPITAL INFORMATION (continued)*Private Placements*

On October 27, 2009, the Company completed a non-brokered private placement for 11,251,000 units at a price of \$0.08 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.20 per share expiring April 22, 2011. If the closing price of the common shares is higher than \$0.40 for a period of 20 consecutive trading days at any time after four months and one day after the closing date, the Company can accelerate the exercise of the warrants on the 30th day after the Company gives notice of such acceleration. The gross proceeds raised were \$900,080. The proceeds will be used for the exploration of its mineral properties and for general working capital. Finders' fees of 630,000 units at a deemed price of \$0.08 per share. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.20 per share expiring April 22, 2011, and 630,000 compensation options exercisable into one common share units at a price of \$0.08 per share expiring April 22, 2011.

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.

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.

SHARE CAPITAL INFORMATION (continued)

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.

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.

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.

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.

SHARE CAPITAL INFORMATION (continued)

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) On October 27, 2009, the Company re-priced 4,855,000 outstanding options to the exercise price to \$0.15 as approved by shareholders at the AGM.
- 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, | | | | | August 31, |
|---------------------------------|----------------------|--------------------|---------------------|---------------------|---------------------|----------------------|
| | 2008 | Acquisition | Deferred | JV Partner | Deficiency | |
| | Total | Cost | Exploration | Recovery | Recovery | 2009 |
| | | | | | | Total |
| North Thelon | \$ 2,512,800 | \$ - | \$ 135,857 | \$ - | \$ - | 2,648,657 |
| Tanqueray Option | 1,206,393 | 6,375 | 88,724 | - | - | 1,301,492 |
| Agnico Eagle Option | 480,592 | - | 28,727 | - | - | 509,319 |
| Henday | 3,019,470 | - | 406,218 | (681,986) | - | 2,743,702 |
| Key Lake Road | 3,662,816 | - | 581,911 | - | (228,984) | 4,015,743 |
| Highrock Lake | 178,990 | - | 94,322 | - | - | 273,312 |
| Maurice Point | 1,545,130 | - | 37,882 | (30,528) | (139,195) | 1,413,289 |
| Costigan JV | 289,658 | - | - | (156) | - | 289,502 |
| Orchid Lake | 113,050 | - | - | - | - | 113,050 |
| BL 21 | - | 60,500 | 37,266 | - | - | 97,766 |
| Karpinka | - | - | 27,733 | - | - | 27,733 |
| Other properties | 101,582 | - | 42,489 | - | - | 144,071 |
| Total mineral properties | \$ 13,110,481 | \$ 66,875 | \$ 1,481,129 | \$ (712,670) | \$ (368,179) | \$ 13,577,636 |

RESOURCE PROPERTIES (continued)

| 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.

| 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 | 100% | Uranium | Saskatchewan | 28,274 |
| Highrock Lake | 100% | Uranium | Saskatchewan | 3,117 |
| Karpinka JV | 50% | Uranium | Saskatchewan | 8,151 |

- *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

Approximately 900 grab samples were collected over the Company's North Thelon Project during uranium exploration conducted by Forum in 2007 and 2008. Of the 255 samples collected in the Nutaq area, 155 samples grade from 0.1% to 3.8% total rare earth oxides (TREO). These rare earth elements are accompanied by elevated levels of zirconium, niobium and tantalum. A selected list of rare earth assays is shown below in Table 1.

During the 2009 field season, further geological mapping and sampling at Nutaq was conducted for geochemical, petrographic and mineralogical analysis to better determine the nature of the rare earth mineralization. Samples from this program have been sent to the Saskatchewan Research Council (SRC) for complete analysis of rare earth elements by SRC's Rare Element Analysis Package. The percentage distribution of light and heavy rare earth elements, as a percentage of total rare earth elements will be determined once these results are received by month end. Forum anticipates that further exploration for rare earth deposits on the property will be conducted as part of its uranium exploration program in 2010.

Table 1: Rare earth and rare metal oxide values (%) from selected Nutaq area uranium prospecting samples. All values are derived from ICP-OES total digestion analysis.

| Sample Number | 50042 | 55250 | 50170 | 50575 | 50583 | |
|-------------------------------|---|--------------|--------------|--------------|--------------|--------------|
| Light Rare Earth Elements (%) | La ₂ O ₃ | 0.960 | 0.931 | 0.982 | 0.246 | 0.103 |
| | Ce ₂ O ₃ | 1.569 | 1.593 | 1.091 | 0.523 | 0.206 |
| | Pr ₂ O ₃ | 0.205 | 0.167 | 0.159 | 0.046 | 0.018 |
| | Nd ₂ O ₃ | 0.598 | 0.582 | 0.515 | 0.196 | 0.076 |
| | Pm ₂ O ₃ | + | + | + | + | + |
| | Sm ₂ O ₃ | 0.086 | 0.084 | 0.062 | 0.025 | 0.015 |
| Heavy Rare Earth Elements (%) | Eu ₂ O ₃ | 0.021 | 0.018 | 0.016 | 0.006 | 0.006 |
| | Gd ₂ O ₃ | 0.063 | 0.036 | 0.034 | 0.017 | 0.018 |
| | Tb ₂ O ₃ | 0.010 | 0.003 | 0.004 | 0.006 | 0.009 |
| | Dy ₂ O ₃ | 0.041 | 0.010 | 0.014 | 0.007 | 0.023 |
| | Ho ₂ O ₃ | 0.007 | 0.001 | 0.004 | - | 0.006 |
| | Er ₂ O ₃ | 0.021 | 0.006 | 0.008 | 0.005 | 0.016 |
| | Tm ₂ O ₃ | * | * | * | * | * |
| | Yb ₂ O ₃ | 0.012 | 0.001 | 0.004 | 0.001 | 0.021 |
| | Lu ₂ O ₃ | * | * | * | * | * |
| | Y ₂ O ₃ | 0.217 | 0.023 | 0.055 | 0.027 | 0.165 |
| | Total Rare Earth Oxides (TREO) % | 3.809 | 3.455 | 2.949 | 1.106 | 0.682 |
| Other Rare Metal Oxides (%) | ZrO ₂ | 0.034 | 0.031 | 0.065 | 0.197 | 4.822 |
| | Nb ₂ O ₅ | 0.031 | 0.024 | 0.035 | 0.006 | 0.295 |
| | Ta ₂ O ₅ | 0.000 | 0.001 | 0.000 | 0.001 | 0.019 |

+ Not analyzed. Promethium (Pm) is not a naturally occurring element and so is not included in exploration assay suites.

* Not analyzed. As these samples were originally uranium prospecting samples they were processed at the Geoanalytical Laboratory of the Saskatchewan Research Council utilizing their "Multi Element Uranium Exploration Package ICP 1" which does not include all of the rare earth elements. Future REE prospecting samples will be analyzed for the complete suite.

- Values below detection limits of the "Multi Element Uranium Exploration Package ICP 1"

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 100% interest in the project when it 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.

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.

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 75,000 Forum common shares (issued) | Incur \$200,000 in exploration expenditures (see below paragraph) |
| August 14, 2009 | Issuance of 75,000 Forum common shares (issued) | Incur \$300,000 in exploration expenditures (for cumulative expenditures totalling \$500,000, completed) |
| August 14, 2010 | Issuance of 75,000 Forum common shares | Incur \$500,000 in exploration expenditures (for cumulative expenditures totalling \$1,000,000, completed) |
| August 14, 2011 | Issuance of 75,000 Forum shares | Incur \$1,000,000 in exploration expenditures) for cumulative expenditures totalling \$2,000,000, \$1,809,514 incurred to-date) |
| August 14, 2012 | Issuance of 75,000 Forum shares | Incur \$2,000,000 in exploration expenditures (for cumulative expenditures totalling \$4,000,000) |

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 (completed) |
| February 29, 2010 | Incurring \$500,000 in exploration expenditures (for cumulative expenditures totalling \$750,000, incurred \$719,689 to date) |
| 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.

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

An extensive program of mapping, prospecting, and surveying (soil gas hydrocarbon sampling) will be undertaken over areas of interest along the Key Lake Road Shear Zone and other favourable structural trends. Forum field crews will focus on the Romulus 2, Karpinka, Costco and Highrock Lake target areas. The Key Lake Road project covers over 100 km of prospective trends for mineralization.

Forum will drill high priority targets in the Costco area where a large gravity anomaly was identified by Forum and historical drilling by Denison in 1979 identified over 150 metres of basement alteration, which was subsequently never followed up. The drill program will take place during the upcoming winter drill season in search for a basement deposit modeled after the recent discovery by Hathor as well as Cameco's 56.5 million pound Millennium uranium deposit (Source; Indicated and Inferred Resource- Cameco 2008 Annual Financial Review).

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 concentrated 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 Mudjatik-Wollaston Tectonic Transition Zone, a northeast trending structural zone on the eastern rim of the Athabasca Basin along which the district's most productive uranium mines occur. Over 95% of known Canadian uranium deposits and all current uranium producing mines in Canada are located on this trend.

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

Historical Information

The property can be accessed by Saskatchewan Provincial Hwy 914 which services the Key Lake mill. Several areas for drilling were identified along the Key Lake Road Shear Zone - the DD, Rainbow, Hobo, Millison and Molly Zones.

The Company has identified over 200 kilometres of prospective electromagnetic conductors and mapped and prospected the prolific Key Lake Road Shear Zone over the past three years in search for shallow basement-style unconformity deposits similar to Cameco's 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

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.

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.

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

Current activity and future plans (continued)

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.

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 \$394,737) |
| 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%) |

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

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 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.

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

Current activity and future plans (continued)

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.

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") and amended 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:

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

Terms of Agreement (continued)

| | | |
|-----------------------------|---|---|
| Upon execution of agreement | Issuance of 25,000 Mega shares (received) | |
| September 20, 2008 | Issuance of 25,000 Mega shares (received) | Incur \$2,000,000 in exploration expenditures (completed) |
| September 20, 2009 | \$25,000 payment to the Company upon signing of the amendment to Property Option Agreement (received) | |
| September 20, 2010 | Issuance of 25,000 Mega shares | |
| September 20, 2011 | Issuance of 25,000 Mega shares | Incur \$6,000,000 in cumulative exploration expenditures (incurred \$2,205,367 to date) |

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.

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

Historical Information (continued)

The Uranium Ridge showings had previously been investigated during the 1950s and 1960s, where radioactivity reportedly occurred in shear-hosted basement rocks at the intersection of northwest- and northeast-trending faults/fractures. Sampling by the Company of the Uranium Ridge occurrence ranges in value from 0.257 % to 1.01 % U₃O₈. Further prospecting in the McKenzie Point area in 2005 discovered the Beach Zone with assays of 7.31 %, 2.2 %, 2.16 %, 2.06%, 1.55%, 0.935%, 0.871% and 0.388 % U₃O₈ (average 1.6% U₃O₈ for the middle six samples). The West Beach zone also has significant uranium mineralization associated with graphitic rocks, immediately west of the Beach zone. Collectively this area around McKenzie Point is an important drill target.

HIGHROCK LAKE

Current activity and future plans

Forum Uranium Corp. completed line-cutting, ground EM and ground gravity surveys on two grids 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 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.

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 Virginia Energy Limited (formerly 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.

RECENT ACCOUNTING PRONOUNCEMENTS

a) Credit Risk and Fair Value of Financial Assets and Financial Liabilities

Effective January 2009, the CICA approved EIC-173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This guidance clarified that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has not had an impact on the Company’s interim financial statements other than the allowance on doubtful option partner receivable.

b) Mining Exploration Costs

Effective March 27, 2009, the CICA approved EIC-174 “Mining Exploration Costs.” This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This standard is effective of the Company beginning on March 1, 2009. The adoption of this EIC did not have an impact on the Company’s interim 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.

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.
- 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.

RISKS AND UNCERTAINTIES (continued)

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 August 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 August 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 August 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 August 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.