# FORUM URANIUM CORP.

***(An Exploration Stage Company)***

**INTERIM FINANCIAL STATEMENTS**
**For the Three Month Periods Ended**
**February 28, 2011 and 2010**

Canadian Funds

## NOTICE OF NO REVIEW BY AUDITOR

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

*Statement 1*

# Forum Uranium Corp.

*(An Exploration Stage Company)*

## Interim Balance Sheets

**As at**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

| **ASSETS** | | **February 28, 2011** | | November 30, 2010 *(Audited)* |
|---|---|---|---|---|
| **Current** | | | | |
| Cash and cash equivalents | **$** | **1,459,311** | $ | 1,050,949 |
| Marketable securities *(Note 6)* | | **454,235** | | 354,256 |
| Receivables | | **177,595** | | 142,108 |
| Due from joint venture and option partners *(Note 8)* | | **83,524** | | 130,297 |
| Due from related parties *(Note 10 b)* | | **52,715** | | 44,000 |
| Prepaid expenses and deposits | | **40,113** | | 76,723 |
| | | **2,267,493** | | 1,798,333 |
| **Equipment** *(Note 7)* | | **61,027** | | 66,264 |
| **Mineral Properties** *(Note 9)* | | **16,226,876** | | 15,574,407 |
| | **$** | **18,555,396** | $ | 17,439,004 |

| **LIABILITIES** | | | | |
|---|---|---|---|---|
| **Current** | | | | |
| Accounts payable and accrued liabilities | **$** | **535,302** | $ | 131,237 |
| Amounts due to related parties *(Note 10a)* | | **13,361** | | 22,851 |
| Due to joint venture and option partners *(Note 8)* | | **205,482** | | 116,344 |
| | | **754,145** | | 270,432 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share Capital – *Statement 5 - (Note 11)* | | **28,026,985** | | 27,058,534 |
| Contributed Surplus – Options – *Statement 5 (Note 11)* | | **3,496,336** | | 3,350,422 |
| Contributed Surplus – Warrants – *Statement 5 (Note 11)* | | **1,768,764** | | 1,888,116 |
| Accumulated other comprehensive income – *Statement 5* | | **95,612** | | 104,966 |
| Deficit - *Statement 5* | | **(15,586,446)** | | (15,233,466) |
| | | **17,801,251** | | 17,168,572 |
| | **$** | **18,555,396** | $ | 17,439,004 |

**Nature of Operations and Going Concern** *(Note 1)*
**Commitments** (*Note 13*)
**Subsequent Events** *(Note 14)*

Approved by the Board of Directors

*"Richard Mazur"*
Richard Mazur
Director

*"Anthony Balme"*
Anthony Balme
Director

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

# Forum Uranium Corp.

*Statement 2*

*(An Exploration Stage Company)*

## Interim Statements of Comprehensive Loss

**For the three month periods ended February 28,**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

| | | 2011 | | 2010 |
|---|---|---|---|---|
| **Loss for the period:** | $ | **352,980** | $ | 138,485 |
| **Other comprehensive income** | | | | |
| Unrealized loss on available for sale securities | | **(9,354)** | | (39,225) |
| **Comprehensive loss for the period** | $ | **343,626** | $ | 99,260 |

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

Statement 3

# Forum Uranium Corp.

*(An Exploration Stage Company)*

**Interim Statements of Loss and Deficit**
**For the three month periods ended February 28,**
*(Unaudited – Prepared by Management)*
*Canadian Funds*

| | | 2011 | | 2010 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Stock-based compensation | $ | **210,969** | $ | 112,424 |
| Office and miscellaneous | | **59,220** | | 36,166 |
| Professional fees | | **50,799** | | 26,231 |
| Management fees | | **32,500** | | 18,750 |
| Wages and salaries | | **22,003** | | 18,182 |
| Investor relations and shareholder information | | **17,238** | | 19,964 |
| Transfer agent and regulatory fees | | **12,583** | | 8,235 |
| Property investigation | | **11,319** | | 33,955 |
| Travel and promotion | | **7,831** | | 7,925 |
| Consulting fees | | **5,340** | | 4,500 |
| Corporate administrative fees | | **3,000** | | 16,665 |
| Amortization | | **934** | | 1,753 |
| Bad debt recovery | | **-** | | (100,000) |
| | | **433,736** | | 204,750 |
| **Other (income) expense** | | | | |
| Interest income | | **(2,462)** | | (1,275) |
| Gain on shares issued in exchange for debt settlement | | **(39,333)** | | - |
| Operator's Management fee | | **(38,961)** | | (64,990) |
| | | **(80,756)** | | (66,265) |
| **Net loss for the period** | | **352,980** | | 138,485 |
| Deficit - beginning of period | | **15,233,466** | | 14,622,346 |
| **Deficit – end of period** | $ | **15,586,446** | $ | 14,760,831 |

| | | | | |
|---|---|---|---|---|
| **Weighted Average Shares Outstanding** | | **124,420,321** | | 91,721,980 |
| **Loss per Share – Basic and Diluted** | $ | **0.00** | $ | 0.00 |

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

# Forum Uranium Corp.

*Statement 4*

*(An Exploration Stage Company)*

## Interim Statements of Cash Flows

**For the three month periods ended February 28,**
*(Unaudited – Prepared by Management)*
*Canadian Funds*

| **Cash Resources Provided By (Used In)** | | **2011** | | 2010 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Loss for the period: | **$** | **(352,980)** | **$** | (138,485) |
| Items not affected by cash: | | | | |
| Amortization | | **934** | | 1,753 |
| Shares received in exchange for debt settlement | | **(109,333)** | | |
| Stock based compensation | | **210,969** | | 112,425 |
| Changes in non-cash working capital items (*Note 12*) | | **(80,293)** | | (1,035,288) |
| Net cash provided by (used in) operating activities | | **(330,703)** | | 1,010,981 |
| **Financing activities** | | | | |
| Proceeds from exercise of warrants | | **466,900** | | - |
| Proceeds from private placements | | **-** | | 722,000 |
| Proceeds from exercise of options | | **56,000** | | - |
| Share issuance costs | | **-** | | (29,640) |
| Net cash provided by financing activities | | **522,900** | | 692,360 |
| **Investing activities** | | | | |
| Contributions of joint venture and option partners received | | **135,911** | | (1,312) |
| Joint venture recovery of exploration costs | | **412,119** | | - |
| Mineral property expenditures | | **(331,865)** | | (655,760) |
| Restricted cash | | **-** | | 54,462 |
| Prepaid exploration advances | | **-** | | (847,241) |
| Net cash provided by (used in) investing activities | | **216,165** | | (1,449,851) |
| **Net increase in cash** | | **408,362** | | 253,490 |
| Cash and cash equivalents - beginning of period | | **1,050,949** | | 2,106,784 |
| **Cash and cash equivalents - end of period** | **$** | **1,459,311** | **$** | 2,360,274 |

| **Supplementary disclosure of cash flow information:** | | **2011** | | 2010 |
|---|---|---|---|---|
| **Cash paid for interest** | **$** | **Nil** | **$** | Nil |
| **Cash paid for income taxes** | **$** | **Nil** | **$** | Nil |

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

## Forum Uranium Corp.

*(An Exploration Stage Company)*

*Statement 5*

### Interim Statement of Shareholders' Equity

**For the three month period ended February 28, 2011**

*(Unaudited – Prepared by Management)*

*Canadian Funds*

| | Share capital (Number of Shares) | Share capital (Amount) $ | Contributed Surplus – Warrants $ | Contributed Surplus – Options $ | Accumulated Other Comprehensive Income $ | Deficit $ | Total $ |
|---|---|---|---|---|---|---|---|
| November 30, 2009 | 108,841,005 | 25,974,135 | 1,896,287 | 3,131,705 | (21,431) | (14,622,346) | 16,358,351 |
| Units issued for cash pursuant to private placements *(Note 11)* | 11,571,666 | 1,221,950 | - | - | - | - | 1,221,950 |
| Broker warrants exercised | 793,650 | 79,365 | - | - | - | - | 79,365 |
| Stock options exercised | 843,150 | 87,030 | - | - | - | - | 87,030 |
| Shares issued in exchange for mineral property | 75,000 | 6,750 | - | - | - | - | 6,750 |
| Share issuance costs | - | (44,292) | 12,009 | - | - | - | (32,283) |
| Stock-based compensation | - | - | - | 311,383 | - | - | 311,383 |
| Fair value of options exercised | - | 92,666 | - | (92,666) | - | - | - |
| Fair value of warrants exercised | - | 20,180 | (20,180) | | | | - |
| Future income tax recovery on renouncement of flow through shares | - | (379,250) | - | - | - | - | (379,250) |
| Other comprehensive income | - | - | - | - | 126,397 | - | 126,397 |
| Net loss for the year | - | - | - | - | - | (611,120) | (611,120) |
| November 30, 2010 | 122,124,471 | 27,058,534 | 1,888,116 | 3,350,422 | 104,966 | (15,233,466) | 17,168,572 |
| Warrants exercised | 3,317,500 | 466,900 | - | - | - | - | 466,900 |
| Stock options exercised | 370,000 | 56,000 | - | - | - | - | 56,000 |
| Shares issued in exchange for mineral property | 750,000 | 210,000 | - | - | - | - | 210,000 |
| Stock-based compensation | - | - | - | 262,113 | - | - | 262,113 |
| Fair value of options exercised | - | 116,199 | - | (116,199) | - | - | - |
| Fair value of warrants exercised | - | 119,352 | (119,352) | - | - | - | - |
| Other comprehensive income | - | - | - | - | (9,354) | - | (9,354) |
| Net loss for the period | - | - | - | - | - | (352,980) | (352,980) |
| **February 28, 2011** | **126,561,971** | **28,026,985** | **1,768,764** | **3,496,336** | **95,612** | **(15,586,446)** | **17,801,251** |

The accompanying notes are an integral part of these financial statements

## 1. Nature of Operations and Going Concern

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

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

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its mineral projects by issuance of share capital and/or through joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. As at February 28, 2011, the Company has an accumulated a deficit of $15,586,446 and has a working capital of $1,513,348. Subsequent to February 28, 2011, the Company announced a brokered private placement to issue up to 6,667,000 units (the "units") of the Company at a price of $0.15 per unit and up to 22,223,000 flow-through common shares (the "flow-through shares") at a price of $0.18 per flow-through share for aggregate gross proceeds of up to $5,000,190. (*See Note 14*). However, there can be no assurance that management's future financing actions will be successful.

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

## 2. Basis of Presentation and Consolidation

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

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

## 3. Recent Accounting Pronouncements

Business Combinations; Consolidated Financial Statements and Non-Controlling Interests

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

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

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## 4. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in Note 1.

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

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## 5. Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

*Interest rate risk*

The Company has non-material exposure at February 28, 2011 to interest rate risk through its financial instruments.

## 5. Management of Financial Risk - *continued*

*Currency Risk*

As at February 28, 2011, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's measurement currency. The Company has no operations in foreign jurisdictions at this time and as such has no currency risk associated with its operations.

*Credit risk*

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

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

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

*Liquidity Risk*

The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at February 28, 2011, the Company had a cash balance of $1,459,311 (November 30, 2010 - $1,050,949) to settle current liabilities of $754,145 (November 30, 2010 - $270,432). Further information relating to liquidity risk is disclosed in Note 1.

*Sensitivity analysis*

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

- Cash and cash equivalents include deposits, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by $14,593 annually.

- The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

## 6. Marketable Securities

Marketable securities consist of the following holdings:

| **Company** | Shares | | **Market Value February 28, 2011** | | Original Cost |
|---|---|---|---|---|---|
| Hathor Exploration Limited (V-HAT) | 100,000 | **$** | **310,000** | $ | 190,000 |
| Mega Uranium Ltd. (T-MGA) | 25,000 | | **24,250** | | 44,250 |
| Standard Exploration Ltd. (V-SDE)** | 15,000 | | **6,300** | | 3,250 |
| U308 Corp. (V-UWE)* | 3,105 | | **3,354** | | - |
| Minera IRL Ltd. (L : MIRL) | 2,380 | | **3,665** | | 12,000 |
| Pitchblack Resources Inc. (V-PIT)*** | 266,666 | | **106,666** | | - |
| | 412,151 | **$** | **454,235** | $ | 249,500 |

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

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

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

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

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

*** During the three-month period ended February 28, 2011, the Company received 266,666 shares in Pitchblack Resources Inc. in exchange for a debt settlement of $70,000. The Company recognized a gain on the settlement of the debt related to the fair value of the shares received in the amount of $39,333.

## 7. Equipment

| | | Cost | | Accumulated Amortization | | **February 28, 2011 Net Book Value** |
|---|---|---|---|---|---|---|
| Exploration equipment | $ | 220,916 | | 168,826 | **$** | **52,090** |
| Computer equipment | | 44,279 | | 38,028 | | **6,251** |
| Office equipment | | 5,315 | | 2,629 | | **2,686** |
| | $ | 270,510 | | 209,483 | **$** | **61,027** |

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

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

| **Resource property** | | **February 28, 2011** | | November 30, 2010 |
|---|---|---|---|---|
| **Due from joint venture and option partners** | | | | |
| Pitchblack Resources Inc. - North Thelon | **$** | **-** | $ | 70,000 |
| Hathor Exploration Ltd. – Haultain River | | **80,159** | | 60,227 |
| Virginia Energy Resources Inc - Karpinka | | **3,365** | | 70 |
| | **$** | **83,524** | $ | 130,297 |
| **Joint venture exploration advances payable** | | | | |
| Mega Uranium Ltd. | **$** | **139,195** | $ | 50,000 |
| NVI Mining Ltd. – Costigan Lake | | **66,287** | | 66,344 |
| | **$** | **205,482** | $ | 116,344 |

## 9. Resource Properties

The Company has investigated ownership of its mineral interests as at February 28, 2011 and, to the best of its knowledge, ownership of its interests is in good standing.

| | November 30, 2010 Total $ | Acquisition Cost $ | Deferred Exploration $ | JV Partner Recovery $ | Write-Down $ | **February 28, 2011 Total $** |
|---|---|---|---|---|---|---|
| North Thelon | 2,925,166 | - | 49,645 | - | - | **2,974,811** |
| Tanqueray Option | 1,488,177 | 230,000 | 1,050 | - | - | **1,719,227** |
| Agnico Eagle Option | 637,061 | - | 3,604 | - | - | **640,665** |
| Henday Lake | 2,723,829 | - | 566,896 | (546,111) | - | **2,744,614** |
| Key Lake Road | 5,005,953 | - | 187,959 | - | - | **5,193,912** |
| Highrock Lake | 394,051 | - | (21,112) | - | - | **372,939** |
| North West Athabasca | - | - | 901 | - | - | **901** |
| Maurice Point | 1,446,201 | - | 24,809 | 139,195 | - | **1,610,205** |
| Costigan Lake JV | 320,681 | - | 118 | (44) | - | **320,755** |
| Orchid Lake | 113,050 | - | - | - | - | **113,050** |
| Ukaliq (BL 21) | 295,542 | - | 8,632 | - | - | **304,174** |
| Karpinka JV | 62,026 | - | 10,319 | (5,159) | - | **67,186** |
| Other properties | 162,670 | - | 1,767 | - | - | **164,436** |
| Total resource properties | 15,574,407 | 230,000 | 834,588 | (412,119) | - | **16,226,876** |

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

**9. Resource Properties –** *continued*

**a) North Thelon**

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

**b) Tanqueray Option**

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

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

| | | |
|---|---|---|
| Upon execution of agreement | Issuance of 50,000 Forum common shares (issued) | |
| August 14, 2008 | Issuance of 75,000 Forum common shares (issued) | Incur $200,000 in exploration expenditures (completed) |
| August 14, 2009 | Issuance of 75,000 Forum common shares (issued) | Incur $300,000 in exploration expenditures (completed) |
| August 14, 2010 | Issuance of 75,000 Forum common shares (issued) | Incur $500,000 in exploration (completed) |
| August 14, 2011 | Issuance of 75,000 Forum shares | Incur $1,000,000 in exploration expenditures for cumulative expenditures totalling $2,000,000, ($1,974,629 costs incurred to period end) |
| August 14, 2012 | Issuance of 75,000 Forum shares | Incur $2,000,000 in exploration expenditures (for cumulative expenditures totalling $4,000,000) |

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

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

**9. Resource Properties -** *continued*

**c) Agnico Eagle Option**

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

| | |
|---|---|
| February 28, 2009 | Incurring $250,000 in exploration expenditures (completed) |
| December 31, 2010 | Incurring $500,000 in exploration expenditures (for cumulative expenditures totalling $750,000, completed) |
| December 31, 2011 | Incurring $750,000 in exploration expenditures (for cumulative expenditures totalling $1,500,000, incurred $814,220 to period end) |
| December 31, 2012 | Incurring $1,500,000 in exploration expenditures ( for cumulative expenditures totalling $3,000,000) |

**d) Henday Lake**

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

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

| | | |
|---|---|---|
| Upon execution of agreement and TSX approval | Issuance of 150,000 Hathor shares (received in addition 15,000 shares in Max Minerals Ltd.) | |
| February 27, 2010 | | Incur $500,000 in exploration expenditures to earn 20% interest (completed) |
| February 27, 2011 | | Incur $1,500,000 in exploration expenditures to earn a further 20% interest (total 40%) (completed) |
| February 27, 2012 | | Incur $1,500,000 in exploration expenditures to earn a further 20% interest (total 60%) (Incurred $299,815 up until period end). Complete feasibility study to earn a further 10% (total 70%) |

**9. Resource Properties** - *continued*

**e) Key Lake Road**

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

**f) Highrock Lake**

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

**g) Maurice Point**

The Company entered into agreements on September 30, 2007 and January 13, 2009, 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.

The terms of the agreements are as follows:

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

On March 11, 2011, Mega elected to terminate their right to earn an interest in the property. The Company plans to continue to explore the property.

**h) Costigan Lake**

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

**9. Resource Properties -** *continued*

**i) Orchid Lake**

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

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

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

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

ii. Forum will pay annual rental fees and minimum annual exploration work requirements during the term of this agreement as follows:

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

iii. Forum will conduct additional exploration of prospecting, mapping ground geophysics and 2,500 metres of diamond drilling within 5 years. Forum will charge a 10% Operators Fee to the project account (5% on contracts over $100,000).

iv. Upon completion of a National Instrument 43-101 measured resource of 10 million pounds U3O8 or 100 million pounds U3O8, Forum will pay a $1 million and $5 million cash bonus respectively. Upon completion of a National Instrument 43-101 measured resource of 0.5 million ounces of gold or 5 million ounces of gold, Forum will pay a $1 million and $5 million cash bonus respectively. Within 30 days of production, Forum will pay a $1 million cash bonus. Advance royalty payments of $50,000 annually will be payable upon meeting these milestones.

**9. Resource Properties -** *continued*

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

v. Forum shall grant a 2% Net Smelter Return (NSR) Royalty to NTI on Forum's 100%-owned Tarzan and Nutaaq properties (both part of North Thelon, Note 8a). Forum has the right to purchase l% of his NSR Royalty from each of these properties for $1 million each.

vi. NTI will receive a 12% Net profits Royalty, limited to 75% of gross revenues. The value of any uranium component of the gross revenues shall be 130% of the actual value of uranium.

vii. Upon completion of a Feasibility Study that recommends production, NTI will have the election to either form a joint venture and hold a 20% participating interest or, be granted a 7.5% Net Profits Royalty that will be calculated in the same manner as the 12 % Net Profits Royalty with the exception that gross revenues shall include the actual value received from any uranium component.

**k) Karpinka Joint Venture**

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

**l) North West Athabasca**

Subsequent to February 28, 2011, the Company entered into an option agreement with Cameco Corporation ("Cameco") whereby the Company and Mega Uranium Ltd. ("Mega") may jointly earn a 60% interest in the North West Athabasca project located in the Western Athabasca Basin. Cameco currently owns an 87.5% participating interest and Areva a 12.5% participating interest in the North West Athabasca project.

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

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**10. Related Party Transactions**

a) At February 28, 2011, the Company owed $13,361 (November 30, 2010 - $22,851) to companies with directors and officers in common. These are non-interest bearing and are paid under the same terms as normal accounts payable.

**10. Related Party Transactions** - *continued*

b) At February 28, 2011, White Label Corporate Services Inc, a management services company with officers in common, owed the Company $44,000 (November 30, 2010 - $44,000) relating to a deposit for services. A company with directors in common also owed the Company $8,175 for services paid on their behalf. These related party transactions were in the normal course of operations and are non-interest bearing and are paid under the same terms as normal accounts payable. (*Note 13*)

c) During the year-ended November 30, 2010, HRG Management Ltd, a management services company with a director and officer in common, owed the Company $183,189 which was written off during the year due to the unlikely collectability of the amount (November 30, 2009: $40,647) relating to a deposit for services, cash advances and fixed assets. Upon dissolution and a final accounting of HRG, it is anticipated that the Company will recoup some of the receivable written off, but the amounts are not known at this time. (*Note 13*) The following related party transactions were in the normal course of operations and are measured at fair value being their exchange amounts:

| | | **February 28, 2011** | | February 28, 2010 |
|---|---|---|---|---|
| White Label Corporate Services Inc. – Officers in common | **$** | **66,000** | $ | - |
| HRG Management Ltd. - Directors & Officers in common (see below) | | **-** | | 48,774 |
| Mirador Management – Officer in common, management services (paid & accrued) | | **37,500** | | 37,500 |
| Ken Wheatley – Officer, geological and management services | | **37,500** | | 37,500 |
| Lang Michener- Director, legal services | | **1,306** | | 1,998 |
| **Total** | **$** | **142,306** | $ | 125,772 |

**11. Share Capital**

*Authorized share capital:* Unlimited Common shares without par value

*Share issuances:*

a) On December 22, 2009, the Company completed a non-brokered private placement for 6,016,666 flow-through common shares at a price of $0.12 for gross proceeds of $722,000. Proceeds are restricted to exploration expenditures on the Company's properties. The Company paid finders' fees of $25,200 and 210,000 compensation warrants exercisable into one common share at a price of $0.20 per share expiring December 16, 2010. The Company renounced the flow through shares associated with the December 22, 2009, July 2, 2009 and August 17, 2009 private placements resulting in a future income tax recovery of $379,250.

b) On July 9, 2010, the Company closed a $499,950 private placement by issuing 5,555,000 flow-through common shares at a price of $0.09. Share issuance costs incurred for the financing totalled $3,400.

c) During the three-month period ended February 28, 2011, the Company had 3,317,500 warrants exercised for total proceeds of $466,900. In addition, 52,500 warrants expired without exercise.

**11. Share Capital** - *continued*

d) During the three-month period ended February 28, 2011, the Company had 370,000 stock options exercised for total proceeds of $56,000. In addition, 40,000 stock options were forfeited due to the resignation of an employee.

*Warrants*

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

| | Number of Warrants | Weighted Average Exercise Price |
|---|---|---|
| Balance - November 30, 2008 | 5,429,408 | $0.63 |
| Granted | 8,866,000 | $0.17 |
| Exercised | (36,000) | $0.10 |
| Expired | (2,368,183) | $0.59 |
| Balance - November 30, 2009 | 11,891,225 | $0.29 |
| Granted | 210,000 | $0.20 |
| Exercised | (793,650) | $0.10 |
| Expired | (3,191,075) | $0.64 |
| Balance – November 30, 2010 | 8,116,500 | $0.18 |
| Exercised | (3,317,500) | $0.13 |
| Expired | (52,500) | $0.20 |
| **Balance – February 28, 2011** | **4,746,500** | **$0.20** |

Of the warrants outstanding at February 28, 2011, the following are stock warrants:

a) 4,431,500 warrants are exercisable at $0.20 per share up to April 22, 2011
b) 315,000 broker warrants are exercisable at $0.20 per share up to April 22, 2011

*Stock Options*

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

### 11. Share Capital - *continued*

Options (continued):

A summary of the Company's stock option transactions is as follows:

| | Number of options | Weighted Average Exercise Price |
|---|---|---|
| Balance - November 30, 2008 | 5,320,000 | $0.47 |
| Granted | 1,010,000 | 0.11 |
| Forfeited | (520,000) | 0.15 |
| Balance - November 30, 2009 | 5,810,000 | $0.14 |
| Granted | 3,000,000 | 0.17 |
| Exercised | (843,150) | 0.10 |
| Expired | (860,000) | 0.15 |
| Forfeited | (356,850) | 0.15 |
| Balance – November 30, 2010 | 6,750,000 | $0.16 |
| Granted | 1,025,000 | $0.30 |
| Exercised | (370,000) | $0.15 |
| Forfeited | (40,000) | $0.15 |
| **Balance – February 28, 2011** | **7,365,000** | **$0.18** |

As February 28, 2011, the following stock options are outstanding:

| Number | Price per share | Expiry date | Options exercisable |
|---|---|---|---|
| 575,000 | $0.15 | July 14, 2011 | 575,000 |
| 90,000 | $0.15 | November 27, 2011 | 90,000 |
| 520,000 | $0.15 | March 12, 2012 | 520,000 |
| 550,000 | $0.15 | April 9, 2012 | 550,000 |
| 430,000 | $0.15 | July 20, 2012 | 430,000 |
| 485,000 | $0.15 | August 14, 2012 | 485,000 |
| 545,000 | $0.15 | March 4, 2013 | 545,000 |
| 50,000 | $0.15 | July 8, 2013 | 50,000 |
| 80,000 | $0.15 | May 7, 2014 | 80,000 |
| 250,000 | $0.15 | October 27, 2014 | 250,000 |
| 500,000 | $0.15 | December 3, 2014 | 500,000 |
| 885,000 | $0.20 | February 10, 2015 | 885,000 |
| 495,000 | $0.15 | June 30, 2015 | 495,000 |
| 885,000 | $0.15 | November 4, 2015 | 885,000 |
| 1,025,000 | $0.30 | February 2, 2016 | 1,025,000 |
| **7,365,000** | | | **7,365,000** |

**11. Share Capital** - *continued*

Options *(continued)*:

a) On December 3, 2009, the Company granted to certain of its directors and officers incentive stock options to purchase up to an aggregate of 500,000 common shares exercisable on or before December 3, 2014 at a price of $0.15 per share. The total fair value of the options granted was $47,283 recorded as stock-option compensation expense.

b) On February 10, 2010, the Company granted to certain of its directors and officers incentive stock options to purchase up to an aggregate of 1,080,000 common shares exercisable on or before May 5, 2015 at a price of $0.20 per share. The total fair value of the options granted was $114,399 with $64,085 recorded as stock-option compensation expense and $50,314 capitalized to mineral properties. During the current year, 93,150 stock options were exercised and 91,850 were forfeited due to resignation of an employee and officer of the Company.

c) On June 30, 2010, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 535,000 common shares exercisable on or before June 30, 2015 at a price of $0.15 per share. The total fair value of the options granted was $37,540 with $31,927 recorded as stock-option compensation expense and $5,613 capitalized to mineral properties.

d) On November 4, 2010, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 885,000 common shares exercisable on or before November 4, 2015 at a price of $0.15 per share. The total fair value of the options granted was $110,049 with $55,957 recorded as stock-option compensation expense and $54,092 capitalized to mineral properties.

e) On February 2, 2011, the Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 1,025,000 common shares exercisable on or before February 2, 2011 at a price of $0.30 per share. The total fair value of the options granted was $262,113 with $210,969 recorded as stock-option compensation expense and $51,144 capitalized to mineral properties.

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

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

## 12. Supplemental Disclosure of Cash Flow Information

| Changes in non-cash working capital: | | **February 28, 2011** | | February 28, 2010 |
|---|---|---|---|---|
| (Increase) decrease in: | | | | |
| Receivables | **$** | **(35,487)** | **$** | (177,313) |
| Due from related parties | | **(18,204)** | | (10,627) |
| Prepaid expenses | | **36,612** | | (8,487) |
| Accounts payable and accrued liabilities | | **(63,214)** | | 1,231,715 |
| | **$** | **(80,293)** | **$** | 1,035,288 |

| Supplemental Disclosure of Non-Cash Financing and Investing Activities include: | | **February 28, 2011** | | February 28, 2010 |
|---|---|---|---|---|
| Accounts payable which are included in mineral properties expenditures | **$** | **467,279** | $ | 1,292,066 |
| Amortization included in mineral properties | **$** | **4,305** | $ | 5,898 |
| Shares issued pursuant to mineral property agreements | **$** | **210,000** | $ | - |
| Stock-based compensation included in mineral properties | **$** | **51,144** | $ | 50,314 |

## 13. Commitments

On May 1, 2009, the Company entered into a services agreement with HRG whereby 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. The Company also contributed additional fees for office equipment leases. HRG was a management company jointly owned by the Company and certain other public companies, all of which shared office space and staff on a cost recovery basis. The Company shares one director and an officer in common with HRG.

During the year ended November 30, 2010, HRG provided written notice of termination to the Company and the agreement was terminated on October 31, 2010. HRG owed the Company $183,189 which was written off during the year due to the unlikely collectability of the amount which related to a deposit, cash advances for services and fixed assets.

The Company entered into a new services agreement with White Label Corporate Services Inc. ("WLM") on November 1, 2010 and has agreed to pay a monthly corporate administration fee of $22,000 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. The agreement can be terminated by either party prior to expiration with 60 days written notice. The Company shares two officers in common with WLM.

## 14. Subsequent Events

Subsequent to February 28, 2011:

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

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

ii. The Company announced that it has engaged Dundee Securities Ltd. as lead agent (“Dundee” or the “Lead Agent”) to sell, on a best efforts basis, up to 6,667,000 units (the "units") of the Company at a price of $0.15 per unit and up to 22,223,000 flow-through common shares (the "flow-through shares") at a price of $0.18 per flow-through share for aggregate gross proceeds of up to $5,000,190. The units will be comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share of the Company at a price of $0.25 for a period of 36 months following the date of issue.

   The Company has granted Dundee an option to offer up to an additional 15% of the private placement, in any combination of units and/or flow-through shares, at the respective issue prices, exercisable in whole or in part at any time up to 48 hours prior to the closing date.

   The Company has agreed to pay Dundee a commission of 6.5% of the gross proceeds from the sale of the flow-through shares and units and to issue warrants ("Agent’s Warrants") equal to 6.5% of the number of flow-through shares and units issued. Each Agent’s Warrant will entitle the holder, on exercise, to purchase one additional common share of the Company at a price of $0.15 for a period of 24 months from the completion of the private placement.

   The private placement is expected to close on or about May 4, 2011. All securities issued in connection with the private placement will be subject to a minimum four month hold period. The private placement is subject to all required approvals, including the approval of the TSX Venture Exchange.