



**FORUM URANIUM CORP.**  
*(An Exploration Stage Company)*

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**For the six-month period ended May 31, 2013**

*(Unaudited – Prepared by Management)*

Canadian Funds

**NOTICE OF NO REVIEW BY AUDITOR**

The attached interim condensed financial statements that follow have been prepared by management of Forum Uranium Corp. and have not been reviewed by the Company's auditors.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Interim Condensed Statements of Financial Position

Canadian Funds

(Unaudited)

Statement 1

<b>Assets</b>	<b>May 31, 2013</b>	<b>November 30, 2012</b>
<b>Current</b>		
Cash and cash equivalents (Note 12)	\$ 1,803,700	\$ 509,324
Short-term investments	-	400,000
Marketable securities (Note 6)	24,837	39,175
Receivables	63,978	69,556
Due from joint venture and option partners (Note 8)	-	5,105
Prepaid expenses and deposits	81,625	21,115
	<u>1,974,140</u>	<u>1,044,275</u>
<b>Equipment (Note 7)</b>	<b>25,738</b>	<b>30,812</b>
<b>Exploration and evaluation assets (Note 9)</b>	<b>3,176,446</b>	<b>2,916,446</b>
	<u>\$ 5,176,324</u>	<u>\$ 3,991,533</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 115,935	\$ 304,588
Amounts due to related parties (Note 10a)	12,182	17,370
Due to joint venture and option partners (Note 8)	203,787	66,287
	<u>331,904</u>	<u>388,245</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock – Statement 5 (Note 11)	34,964,121	32,378,172
Contributed surplus – Options – Statement 5 (Note 11)	4,199,618	3,774,969
Contributed surplus – Warrants – Statement 5 (Note 11)	2,111,146	1,915,674
Accumulated other comprehensive income – Statement 5	(88,786)	(74,448)
Deficit - Statement 5	(36,341,679)	(34,391,079)
	<u>4,844,420</u>	<u>3,603,288</u>
	<u>\$ 5,176,324</u>	<u>\$ 3,991,533</u>

**Nature of Operations and Going Concern (Note 1)**

**Commitments (Notes 13)**

**Subsequent Events (Note 14)**

Approved and authorized by the Board of Directors on July 29, 2013:

"Richard Mazur"

Richard Mazur  
Director

"Larry Okada"

Larry Okada  
Director

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

**Forum Uranium Corp.***(An Exploration Stage Company)***Interim Condensed Statements of Loss and Comprehensive Loss***Canadian Funds**(Unaudited)**Statement 2*

	<b>Three-month period ended May 31, 2013</b>	Three-month period ended May 31, 2012	<b>Six-month period ended May 31, 2013</b>	Six-month period ended May 31, 2012
Loss for the period	<b>\$ 1,011,685</b>	\$ 979,365	<b>\$ 1,950,601</b>	\$ 1,435,057
Unrealized (gain) loss on available for sale securities	<b>12,615</b>	24,861	<b>14,338</b>	8,111
Comprehensive loss for the period	<b>\$ 1,024,300</b>	\$ 1,004,226	<b>\$ 1,964,939</b>	\$ 1,443,168

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

**Forum Uranium Corp.***(An Exploration Stage Company)***Interim Condensed Statements of Operations***Canadian Funds**(Unaudited)*

Statement 3

	<b>Three-month period ended May 31, 2013</b>	Three-month period ended May 31, 2012	<b>Six-month period ended May 31, 2013</b>	Six-month period ended May 31, 2012
<b>Expenses</b>				
Amortization <i>(Note 7)</i>	\$ 2,537	\$ 612	\$ 5,074	\$ 7,250
Consulting fees	-	7,500	-	15,090
Directors fees	12,000	12,153	24,000	24,153
Exploration and evaluation <i>(Note 9)</i>	859,356	879,900	1,209,896	1,453,970
Investor relations and shareholder information	35,461	46,561	73,187	66,262
Management fees	51,250	41,250	92,500	82,500
Office and administration	51,361	63,100	98,045	100,709
Professional fees	42,107	61,463	102,215	107,311
Property investigation	3,866	2,900	4,554	2,900
Salaries and wages	18,914	24,282	34,186	46,385
Share-based compensation <i>(Note 11)</i>	8,527	3,783	424,649	19,673
Transfer agent and regulatory fees	6,907	3,572	34,563	27,517
Travel and promotion	8,732	9,165	13,065	16,145
	<b>1,101,018</b>	1,156,241	<b>2,115,934</b>	1,969,865
<b>Other items</b>				
Bad debt recovery	-	-	(50,000)	-
Deferred flow-through share premium	(87,663)	(140,815)	(113,563)	(458,607)
Interest income	(1,670)	(4,603)	(1,699)	(11,452)
Operator's Management fee	-	(31,458)	(71)	(64,749)
<b>Loss for the period</b>	<b>\$ 1,011,685</b>	\$ 979,365	<b>\$ 1,950,601</b>	\$ 1,435,057
<b>Loss per share</b>				
- Basic and diluted	<b>\$ 0.06</b>	\$ 0.09	<b>\$ 0.13</b>	\$ 0.13
<b>Weighted average number of common shares outstanding</b>				
	<b>18,145,422</b>	10,652,365	<b>14,759,640</b>	10,652,365

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

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

Statement 4

**Interim Condensed Statements of Cash Flows****For the six-month period ended May 31,***Canadian Funds**(Unaudited)*

<b>Cash Resources Provided By (Used In)</b>	<b>2013</b>	<b>2012</b>
<b>Operating Activities</b>		
Loss for the period:	\$ (1,950,601)	\$ (1,435,057)
Items not affected by cash:		
Amortization	5,074	7,250
Deferred flow through share premium	(113,563)	(458,607)
Share-based compensation	424,649	19,673
Changes in non-cash working capital items <i>(Note 12)</i> :	(243,667)	(40,634)
Net cash used in operating activities	<u>(1,878,108)</u>	<u>(1,907,375)</u>
<b>Financing Activities</b>		
Proceeds from private placements	3,129,100	-
Share issuance costs	(234,116)	-
Net cash provided by financing activities	<u>2,894,984</u>	<u>-</u>
<b>Investing Activities</b>		
Contributions of joint venture partners received	137,500	-
Exploration and evaluation asset acquisition	(260,000)	(40,000)
Short-term investments	400,000	(11,908)
Net cash used in investing activities	<u>277,500</u>	<u>(51,908)</u>
<b>Change in cash and cash equivalents</b>	<b>1,294,376</b>	<b>(1,959,283)</b>
Cash and cash equivalents - beginning of period	509,324	2,223,271
<b>Cash and Cash Equivalents - end of period</b>	<b>\$ 1,803,700</b>	<b>\$ 263,988</b>

Supplemental Disclosure of Cash Flow Information *(Note 12)*

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

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

Statement 5

**Interim Condensed Statements of Changes in Equity****For the six-month period ended May 31, 2013***Canadian Funds**(Unaudited)*

	Capital Stock (Number of Shares)	Capital Stock (Amount) \$	Contributed Surplus – Warrants \$	Contributed Surplus – Options \$	Accumulated Other Comprehensive Income \$	Deficit \$	Total \$
November 30, 2011	10,652,365	32,378,172	1,915,674	3,687,967	(64,034)	(32,160,013)	5,757,766
Share-based compensation	-	-	-	19,673	-	-	19,673
Other comprehensive income	-	-	-	-	(8,111)	-	(8,111)
Net loss for the period	-	-	-	-	-	(1,435,057)	(1,435,057)
May 31, 2012	10,652,365	32,378,172	1,915,674	3,707,640	(72,145)	(33,595,070)	4,334,271
Share-based compensation	-	-	-	67,329	-	-	67,329
Other comprehensive income	-	-	-	-	(2,303)	-	(2,303)
Net loss for the period	-	-	-	-	-	(796,008)	(796,008)
November 30, 2012	10,652,365	32,378,172	1,915,674	3,774,969	(74,448)	(34,391,078)	3,603,289
Units issued for cash	8,363,720	3,015,537	-	-	-	-	3,015,537
Share-based compensation	-	-	-	424,649	-	-	424,649
Other comprehensive income	-	-	-	-	(14,338)	-	(14,338)
Share issuance costs	-	(429,588)	195,472	-	-	-	(234,116)
Net loss for the period	-	-	-	-	-	(1,950,601)	(1,950,601)
<b>May 31, 2013</b>	<b>19,016,085</b>	<b>34,964,121</b>	<b>2,111,146</b>	<b>4,199,618</b>	<b>(88,786)</b>	<b>(36,341,679)</b>	<b>4,844,420</b>

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

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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### 1. Nature of Operations and Going Concern

Forum Uranium Corp. (“the Company”) is engaged in the acquisition and exploration of uranium and rare earth projects. The head office is located at Suite 1158 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7. During the six-month period ended May 31, 2013, the Company completed a 15 for 1 share consolidation (*See Note 11*). All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation, unless otherwise noted.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets and deferred costs represent expenditures incurred to date, less amounts written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon raising financing, the sale or joint venturing of the exploration and evaluation assets, and/or the attainment of profitable operations.

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. 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 fund its mineral projects by the issuance of capital stock or through joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. At May 31, 2013, the Company has working capital of \$1,642,236, incurred losses for the six-month period of \$1,950,601 and has an accumulated deficit of \$36,341,679.

During the six-month period ended May 31, 2013, the Company closed a private placement in four tranches and raised \$2,629,100 through the issuance of 4,916,000 units and 2,271,250 flow-through common shares and also closed another private placement raising \$500,000 through the issuance of 1,176,470 flow-through common shares. The flow-through shares were sold at a price of \$0.40 and \$0.425 respectively per share. The units were sold at a price of \$0.35 per unit and are comprised of one common share and one share purchase warrant of the Company (*See Note 11*). Management plans to continue to secure the necessary financing through a combination of the issue of new equity instruments and entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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### 2. Basis of Preparation

#### *Statement of Compliance*

These unaudited interim condensed financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting and IFRS 1 – First-time Adoption of IFRS.

These interim condensed financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements. The condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2012 prepared in accordance with IFRS applicable to annual financial statements.

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### 3. Critical Accounting Estimates and Judgments

The preparation of these unaudited interim condensed financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on the planned exploration budgets and drill results of exploration programs.
  - ii) The inputs used in accounting for share-based compensation expense included in profit and loss calculated using the Black-Scholes option pricing model.
  - iii) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.
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# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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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 exploration and evaluation assets 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 5.

In the management of capital, the Company includes the components of shareholders' equity.

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.

There were no changes in the Company's approach to capital management during the six-month period ended May 31, 2013 compared to the year ended November 30, 2012. The Company is not subject to externally imposed capital requirements.

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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 May 31, 2013 to interest rate risk through its financial instruments.

#### *Currency Risk*

As at May 31, 2013, 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 cash and receivable balances. The Company has no significant concentrations of credit risk arising from its operations. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments, issued by Canadian financial institutions with which it keeps its bank accounts, with maturities of one year or less from the original date of acquisition, selected based on the expected timing of expenditures for operations.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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

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.

#### *Short-term Investments*

As of May 31, 2013, the Company had \$Nil (November 30, 2012 - \$400,000) invested into Guaranteed Investment Certificates ("GICs") with a Canadian financial institution. The Company's investments in GICs have original maturity dates of greater than three months but not more than one year.

#### *Liquidity Risk*

The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2013, the Company had a cash balance of \$1,803,700 (November 30, 2012 - \$509,324) and short-term investments of \$Nil (November 30, 2012 - \$400,000) to settle current liabilities of \$331,904 (November 30, 2012 - \$388,245). Further information relating to liquidity risk is disclosed in Note 1.

#### *Market Price Risk*

The only significant market price risks to which the Company is exposed to is interest rate risk and price volatility on its marketable securities. The Company's bank account earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates.

#### *Sensitivity analysis*

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

- Cash and cash equivalents and short-term investments, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by \$18,037 annually.
  - The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.
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# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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### 6. Marketable Securities

Marketable securities consist of the following holdings:

<b>Company</b>	<b>Shares</b>	<b>Market Value May 31, 2013</b>
Mega Uranium Ltd. (T-MGA)	25,000	\$ 2,875
Standard Exploration Ltd. (V-SDE)	15,000	750
U308 Corp. (V-UWE)	3,105	450
Minera IRL Ltd. (L : MIRL)	2,380	762
Pitchblack Resources Inc. (V-PIT)	266,666	20,000
	<b>312,151</b>	<b>\$ 24,837</b>

  

<b>Company</b>	<b>Shares</b>	<b>Market Value November 30, 2012</b>
Mega Uranium Ltd. (T-MGA)	25,000	\$ 3,500
Standard Exploration Ltd. (V-SDE)	15,000	975
U308 Corp. (V-UWE)	3,105	605
Minera IRL Ltd. (L : MIRL)	2,380	2,095
Pitchblack Resources Inc. (V-PIT)	266,666	32,000
	<b>312,151</b>	<b>\$ 39,175</b>

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

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# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 7. Equipment

Net carrying costs at May 31, 2013 and November 30, 2012 are as follows:

	Computer Equipment	Office Equipment	Exploration Equipment	Total
<b>Cost</b>				
Balance as November 30, 2012	\$ 44,279	\$ 5,315	\$ 220,916	\$ 270,510
<b>Balance as at May 31, 2013</b>	\$ 44,279	\$ 5,315	\$ 220,916	\$ 270,510
<b>Accumulated amortization</b>				
Balance as at November 30, 2012	\$ 42,400	\$ 3,505	\$ 193,793	\$ 239,698
Additions (Amortization)	676	180	4,218	5,074
<b>Balance as at May 31, 2013</b>	\$ 43,076	\$ 3,685	\$ 198,011	\$ 244,772
<b>Net book value</b>				
At May 31, 2013	\$ 1,203	\$ 1,630	\$ 22,905	\$ 25,738
At November 30, 2012	\$ 1,879	\$ 1,810	\$ 27,123	\$ 30,812

### 8. Due to (from) Joint Venture and Option Partners

	May 31, 2013	November 30, 2012
<b>Due from joint venture and option partners</b>		
Anthem Resources Inc.	\$ -	\$ 267
Mega Uranium Ltd. – North West Athabasca	-	4,838
	\$ -	\$ 5,105
<b>Joint venture exploration advances payable</b>		
Areva Resources Canada	\$ 137,500	\$ -
NVI Mining Ltd. – Costigan Lake	66,287	66,287
	\$ 203,787	\$ 66,287

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 9. Exploration and Evaluation Assets

The Company has investigated ownership of its mineral interests as at May 31, 2013 and, to the best of its knowledge, ownership of its interests is in good standing.

	Balance – November 30, 2012	Acquisition Costs – Cash	Balance – May 31, 2013
North Thelon, (Nunavut)	\$ 921,171	\$ -	\$ 921,171
Tanqueray, (Nunavut)	263,268	-	263,268
Agnico, (Nunavut)	807	-	807
Henday Lake, (Sask.)	1,476,300	-	1,476,300
Key Lake Road, (Sask.)	44,516	-	44,516
Highrock Lake, (Sask.)	47,104	-	47,104
NW Athabasca, (Sask.)	70,000	260,000	330,000
Maurice Point, (Sask.)	18,155	-	18,155
Ukaliq, (Nunavut)	75,125	-	75,125
<b>Totals</b>	<b>\$ 2,916,446</b>	<b>\$ 260,000</b>	<b>\$ 3,176,446</b>

The following table shows the activity by category of expenditures from December 1, 2012 to May 31, 2013

<b>Exploration and Evaluation Expenditures:</b>	
Acquisition	\$ 260,000
Aircraft	\$ 51,928
Camp and accommodation	86,541
Claim staking	25,841
Compliance reporting	10,631
Construction	71,038
Data comp and reproduction	15,865
Drilling	536,337
Equipment rental	58,693
Field personnel	32,634
Fuel	30,352
Geophysics	48,616
Joint venture partner recovery	(701)
Lab and assays	59,522
License/permits/taxes	14,162
Management and planning	99,747
Prospecting	1,808
Technical reporting	15,337
Travel	51,545
Exploration expenditures for the period	\$ 1,209,896
<b>Total Acquisition and Exploration Expenditures for the period</b>	<b>\$ 1,469,896</b>
Exploration and acquisition incurred to November 30, 2012	18,565,671
<b>Cumulative exploration and acquisition expenditures – May 31, 2013</b>	<b>\$ 20,035,567</b>

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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### 9. Exploration and Evaluation Assets– *continued*

#### a) North Thelon

The Company acquired a 100% interest in the exploration and evaluation assets located in Nunavut by issuing 180,000 shares at \$5.10 per share. The property is subject to a 5% net profits royalty and assuming certain other obligations.

#### b) Tanqueray Option

On October 20, 2010, the Company entered into an agreement with Tanqueray Resources Ltd (“Tanqueray”), whereby Tanqueray sold to the Company a 100% interest in certain mineral claims selected as having uranium exploration potential in the Baker Lake Project located in Nunavut for the following considerations:

- The Company made a \$20,000 cash payment to Tanqueray;
- The Company issued 50,000 common shares, valued at \$4.20 per share, of Forum to Tanqueray;
- The Company forgave Tanqueray’s indebtedness to Forum of \$52,658;
- The Company acquired Tanqueray’s camp to conduct its exploration activities, and;
- The Company will offer Tanqueray the right and option 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.

On May 31, 2012, the Company entered into a royalty amending agreement granting the Company the right to purchase one half of the net smelter royalty (“NSR”) thereby reducing the NSR to 1% by paying \$1,000,000 to the original property holders.

#### c) Agnico Eagle Option

On February 29, 2008 and amended June 1, 2010 and on May 1, 2012, 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 for incurring and funding in the aggregate of \$2,250,000 in exploration expenditures by December 31, 2012 and the aggregate of \$3,000,000 by December 31, 2013. The Company is currently in negotiations with Agnico to extend the terms of required exploration expenditures not yet met by the Company due to unfavorable market conditions affecting the Company’s ability to raise funds and ability to meet the exploration commitments. As at May 31, 2013, the option is currently in good standing and subject to the ongoing negotiations with Agnico.

#### 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 exploration and evaluation assets in Northern Saskatchewan known as the Henday Lake Property. As consideration, the Company issued 234,333 common shares of the Company valued at \$6.30 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.

# Forum Uranium Corp.

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## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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### 9. Exploration and Evaluation Assets- *continued*

#### d) Henday Lake - *continued*

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. Hathor has incurred the required \$3,500,000 in exploration expenditures under the terms of the agreement and earned their 60% interest in the property. On May 10, 2012, the Company received a letter from Rio Tinto Canada Uranium Corporation ("Rio") notifying the Company of Rio's intent to elect to acquire the additional 10% interest in the Henday property previously held by Hathor.

#### 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. During the year-ended November 30, 2011, the Company wrote off \$2,071,519 due to the disposal of certain mineral claims.

#### 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 6,667 common shares valued at \$4.95 per share (issued) and a cash deficiency payment to Saskatchewan Industry and Resources totalling \$37,404 (paid). Seagrove retains a 1% NSR and Forum has the option to buy-back 0.5% of the NSR for \$1 million.

#### g) Maurice Point

By agreements dated September 30, 2007 and January 13, 2009, the Company entered into an agreement with Mega Uranium Ltd. ("Mega") which allows Mega to earn up to a 70% interest in the Maurice Point uranium project located in the Athabasca Basin in Saskatchewan. On March 31, 2011, Mega, after completing all the terms of the agreement until 2010, elected to terminate the agreement. As a consequence, the Company retains a 100% interest in the project.

#### 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. The Company acts as the 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. The Company wrote off costs relating to this property during the year ended November 30, 2011, but still maintains its ownership interest.

#### i) Orchid Lake

The Company has a 100% interest in one mineral claim staked during 2005, located southwest of the Key Lake Mine/Mill complex in Saskatchewan. The Company wrote off costs relating to this property during the year ended November 30, 2011, but still maintains its ownership interest.



# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 9. Exploration and Evaluation Assets- *continued*

#### 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 details 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, 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).
- 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)	1 <sup>st</sup> anniversary	\$4.00 (completed)
3-5	\$2.25 (paid year 3&4)	2 <sup>nd</sup> to 4 <sup>th</sup> anniversary	\$10.00 (Year 3 completed)
6-10	\$3.00	5 <sup>th</sup> to 9 <sup>th</sup> anniversary	\$20.00
11-15	\$4.00	10 <sup>th</sup> to 14 <sup>th</sup> anniversary	\$30.00
16-20	\$4.00	15 <sup>th</sup> to 19 <sup>th</sup> 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.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 9. Exploration and Evaluation Assets- continued

- v. Forum shall grant a 2% Net Smelter Return (NSR) Royalty to NTI on Forum's 100%-owned Tarzan and Nutaq properties (both part of North Thelon, Note 8a). Forum has the right to purchase 1% of this 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.

During the year-ended November 30, 2011, the Company wrote off \$166,789 due to the disposal of certain mineral claims.

#### k) Karpinka Joint Venture

The Company entered into a 50/50 Joint Venture Agreement with Virginia Energy Resources Inc. on May 1, 2009 for land near the Key Lake mine-site in the area of Forum's Key Lake Road project. The Company is the operator of this joint venture. The initial partner contribution of \$20,872 represents the 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. The Company wrote off costs relating to this property during the year ended November 30, 2011, but still maintains its ownership interest.

#### l) North West Athabasca

On March 2, 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 in Saskatchewan. Cameco currently owns an 87.5% participating interest and Areva a 12.5% participating interest in the project.

The Company and Mega may jointly earn a 60% interest in the property by committing to the following:

March 7, 2011	\$60,000 upon signing of the agreement (paid)	-
March 7, 2012	Option payment - \$80,000 (paid)	-
March 7, 2013	Option payment - \$110,000 (paid)	Incur \$250,000 in exploration (incurred)
March 7, 2014	Option payment - \$150,000 (paid)	-
June 7, 2013 (15 months from date of agreement)		Incur \$750,000 in exploration (incurred)
On or before the 4 <sup>th</sup> anniversary	-	Incur \$3,000,000 in exploration

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

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### 9. Exploration and Evaluation Assets- *continued*

#### l) North West Athabasca - *continued*

On September 24, 2012, the Company entered into a letter agreement with Mega whereby they have agreed to fund \$1 million in option expenditures on the property. The Company will have the ability to satisfy its exploration obligation and pay its proportionate share of option expenditures at any time up until June 30, 2013. Should the Company fail to pay its proportionate share of the option expenditures at June 30, 2013, it will have been deemed to have elected not to contribute to the exploration program under the terms of the March 2011 joint venture agreement and will have its participating interest decreased in accordance with that agreement. During the six-month period ended May 31, 2013, the Company has fulfilled its \$1 million dollar obligation in option expenditures under the terms of the September 24, 2012 agreement.

#### m) Kipawa West

On July 11, 2011, the Company entered into an option agreement with Aurizon Mines to earn up to a 65% interest in Aurizon's Rare Earth property in south-western Quebec, located 95 km northeast of North Bay, Ontario. The Company can earn a 50% interest by completing the following:

July 11, 2012	Incur \$200,000 in exploration (incurred)
July 11, 2013	Incur \$150,000 (including a minimum 1,000 metres of drilling) (incurred total of \$12,713 to date)

The Company has the option to earn a further 15% interest, totalling a 65% interest in the project by establishing a NI 43-101 resource estimate on the property within four years of the agreement date. The Company will be the operator during the earn-in period. Upon completion of its earn-in, the Company and Aurizon will form a joint venture with the Company as operator.

The Company is currently in negotiations with Aurizon to extend the terms of required exploration expenditures due to unfavorable market conditions affecting the Company's ability to raise funds to meet the exploration commitments.

#### n) Clearwater

During the six-month period ended May 31, 2013, the Company staked three claims totalling 9,910 hectares on trend to the southwest of the Alpha Minerals/Fission Energy Patterson lake discovery in the Western Athabasca Basin.

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### 10. Related Party Transactions

- a) At May 31, 2013, the Company owed \$12,182 (November 30, 2012 - \$17,370) to companies with directors and officers in common. These are non-interest bearing and are paid under the same terms as normal accounts payable.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 10. Related Party Transactions - continued

- b) The following related party transactions were in the normal course of operations and all of the costs recorded are based on fair value:

	May 31, 2013	May 31, 2012
White Label Corporate Services Inc. – CFO and Corporate Secretary – administrative services	\$ 100,500	\$ 118,500
Mirador Management – President & CEO - management services	92,500	82,500
Ken Wheatley – Vice President of Exploration - geological and management services	82,500	82,500
McMillan LLP- Director in common - legal services	37,130	8,965
<b>Totals</b>	<b>\$ 312,630</b>	<b>\$ 292,465</b>

#### *Compensation of key management personnel (except those shown above)*

Management fees, directors and audit committee fees	\$ 33,000	\$ 24,000
Share-based compensation	\$ 341,294	Nil
	<b>\$ 374,294</b>	<b>\$ 24,000</b>

### 11. Capital Stock and Contributed Surplus

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

*Share issuances:*

- a) During the six-month period ended May 31, 2013, the Company completed a consolidation of its common shares on the basis on one (1) "new" common share for fifteen (15) "old" common shares as approved by shareholders at the Company's Annual and Special Meeting held on December 14, 2012. Effective Thursday, January 3, 2013, the common shares of the Company commenced trading on the TSX Venture Exchange on a consolidated basis under the same stock symbol "FDC".
- b) During the six-month period ended May 31, 2013, the Company closed a private placement in two tranches and raised \$2,033,150 through the issuance of 4,379,000 units and 1,251,250 flow-through common shares. The flow-through shares were sold at a price of \$0.40 per share. The flow-through shares were valued at \$500,500 with a deferred share premium valued at \$62,563, that during the six-month period ended May 31, 2013, was realized through operations. The units were sold at a price of \$0.35 per unit and are comprised of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share at a price of \$0.49 per common share at any time prior to February 5, 2015 and February 22, 2015.

The Company paid cash commissions of \$84,896 and 353,220 finder warrants entitling them to acquire up to 353,220 common shares at a price of \$0.35 per common share until February 5, 2015 and February 22, 2015. All securities issued pursuant to this financing are subject to a four month hold period expiring June 6, 2013 and June 23, 2013.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 11. Capital Stock and Contributed Surplus - continued

- c) During the six-month period ended May 31, 2013, the Company closed their remaining private placement in two final tranches and raised \$595,950 through the issuance of 537,000 units and 1,020,000 flow-through common shares. The flow-through shares were sold at a price of \$0.40 per share. The flow-through shares were valued at \$408,000 with a deferred share premium valued at \$51,000 that was realized through operations. The units were sold at a price of \$0.35 per unit and are comprised of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share at a price of \$0.49 per common share at any time prior to March 5, 2015 and March 21, 2015.

The Company paid cash commissions of \$85,991 and 106,190 finder warrants entitling them to acquire up to 106,190 common shares at a price of \$0.35 per common share until March 5, 2015 and March 21, 2015. All securities issued pursuant to this financing are subject to a four month hold period expiring July 6, 2013 and July 22, 2013.

- d) During the six-month period ended May 31, 2013, the Company raised \$500,000 through the issuance of 1,176,470 flow-through common shares at a price of \$0.425 per flow through share.

The Company paid finder's fees of \$35,000 and issued 82,353 finder warrants exercisable at a price of \$0.425 for a period of two years expiring April 23, 2015. All securities are subject to a four month hold period expiring August 24, 2013.

#### Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance - November 30, 2012	394,575	\$3.15
Expired	(139,007)	\$2.25
Issued	5,457,763	\$0.48
<b>Balance - May 31, 2013</b>	<b>5,713,331</b>	<b>\$0.62</b>

Of the warrants outstanding at May 31, 2013, the following are outstanding and exercisable:

- 255,568 warrants are exercisable at \$3.75 per share up to May 4, 2014.
- 263,000 warrants exercisable at \$0.49 per share up to February 5, 2015.
- 63,770 broker warrants exercisable at \$0.35 per share up to February 5, 2015.
- 4,116,000 warrants exercisable at \$0.49 per share up to February 22, 2015.
- 289,450 broker warrants exercisable at \$0.35 per share up to February 22, 2015.
- 442,000 warrants exercisable at \$0.49 per share up to March 5, 2015.
- 57,190 broker warrants exercisable at \$0.35 per share up to March 5, 2015.
- 95,000 warrants exercisable at \$0.49 per share up to March 21, 2015.
- 49,000 broker warrants exercisable at \$0.35 per share up to March 21, 2015.
- 82,353 broker warrants exercisable at \$0.425 per share up to April 23, 2015.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 11. Capital Stock and Contributed Surplus - continued

#### 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.

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

	Number of options	Weighted Average Exercise Price
Balance - November 30, 2011	562,000	\$2.40
Forfeited/Cancelled	(142,000)	\$2.25
Granted	162,000	\$1.50
Balance - November 30, 2012	582,000	\$2.12
Granted	1,000,000	\$0.45
Forfeited/Cancelled	(582,000)	\$2.25
<b>Balance - May 31, 2013</b>	<b>1,000,000</b>	<b>\$1.35</b>

As May 31, 2013, the following stock options are outstanding and exercisable:

Number	Price per share	Expiry date	Options exercisable
500,000	\$0.45	February 22, 2018	470,750
500,000	\$0.45	March 1, 2018	495,000
<b>1,000,000</b>			<b>965,750</b>

- The Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 500,000 common shares exercisable on or before February 22, 2018 at a price of \$0.45 per share.
- The Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 500,000 common shares exercisable on or before March 1, 2018 at a price of \$0.45 per share.

During the six-month period ended May 31, 2013, the total fair value of the stock options granted was \$424,649 (May 31, 2012 - \$19,673) based upon the vesting schedule of the stock options granted.

# Forum Uranium Corp.

(An Exploration Stage Company)

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

Canadian Funds

(Unaudited)

### 11. Capital Stock and Contributed Surplus - continued

#### Stock Options - continued

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 year was determined using a Black-Scholes option pricing model with the following assumptions:

	2013	2012
Expected dividend yield	0%	0%
Expected stock price volatility	166.81%	125.90%
Risk free rate	1.25%	1.39%
Expected life of options	5 years	5 years
Forfeiture rate	0%	0%

### 12. Supplemental Disclosure of Cash Flow Information

Changes in non-cash working capital:	May 31, 2013	May 31, 2012
(Increase) decrease in:		
Receivables	\$ 15,740	\$ 77,539
Due from related parties	(5,188)	6,402
Contributions of joint venture and option partners	(5,057)	50,491
Prepaid expenses	(60,509)	216,903
Accounts payable and accrued liabilities	(188,653)	(391,969)
	\$ (243,667)	\$ 40,634

Cash and cash equivalents consist of the following:

	May 31, 2013	May 31, 2012
Cash	\$ 1,454,751	\$ 509,325
Restricted cash *	348,949	-
	\$ 1,803,700	\$ 509,325

\* In conjunction with the flow through private placements during the six-month period ended May 31, 2013 (See Note 11), the Company has restricted cash that is required to be spent on qualified mineral exploration expenditures.

Supplemental Disclosure of Non-Cash Financing and Investing Activities include:	May 31, 2013	May 31, 2012
Unrealized loss on marketable securities	\$ 14,338	\$ 8,111

# Forum Uranium Corp.

*(An Exploration Stage Company)*

## Notes to the Interim Condensed Financial Statements

For the six-month period ended May 31, 2013

*Canadian Funds*

*(Unaudited)*

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### 13. Commitments

The Company entered into a services agreement with White Label Corporate Services Inc. ("WLM") on November 1, 2010 and has agreed to pay a monthly corporate administration fee of \$19,750 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. Effective August 1, 2012, the monthly corporate administration fee has been reduced to \$16,700. 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.

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### 14. Subsequent Events

Subsequent to May 31, 2013:

- a) The Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 800,000 common shares exercisable on or before June 5, 2018 at a price of \$0.40 per share.
- b) The Company announced that it has acquired a 100% interest in the 1,381 hectare Highrock South property located 15 km south of the Cameco/Areva Key Lake uranium processing facility on the eastern side of Saskatchewan's Athabasca Basin.

The Company will acquire a 100% right, title and interest in and to the Highrock South property by paying \$2,500 in cash and issuing 25,000 Forum common shares at a value of \$0.30 per share, in addition to granting a 2% NSR to the Vendor. The transaction is subject to approval by the TSX Venture Exchange.

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**MANAGEMENT DISCUSSION AND  
ANALYSIS**

**For the Six-Month Period Ended  
May 31, 2013**

**As at July 26, 2013**

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## Introduction

The following interim management's discussion and analysis (MD&A) of the Company has been prepared as of July 26, 2013. This MD&A should be read in conjunction with the a condensed interim financial statements of Forum Uranium Corp. and the notes thereto for the six-month period ended May 31, 2013, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Standards Board. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

Addition information related to the company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Description of Business

Forum Uranium Corp. (the "Company") 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's head office is located in Vancouver, British Columbia, Canada. The Company is in the business of acquiring, exploring and developing uranium and rare earth projects. There has been no determination whether these properties contain reserves which are economically recoverable.

The recoverability of values assigned to these 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.

## Highlights to the six-month period May 31, 2013

- a) The Company completed a consolidation of its common shares on the basis on one (1) "new" common share for fifteen (15) "old" common shares as approved by shareholders at the Company's Annual and Special Meeting held on December 14, 2012. Effective Thursday, January 3, 2013, the common shares of the Company commenced trading on the TSX Venture Exchange on a consolidated basis under the same stock symbol "FDC".
- b) The Company closed a private placement in two tranches and raised \$2,033,150 through the issuance of 4,379,000 units and 1,251,250 flow-through common shares. The flow-through shares were sold at a price of \$0.40 per share. The units were sold at a price of \$0.35 per unit and are comprised of one common share and one share purchase warrant of the Company.

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**Highlights to the six-month period May 31, 2013 - continued**

Each warrant entitles the holder to purchase one additional common share at a price of \$0.49 per common share at any time prior to February 5, 2015 and February 22, 2015.

The Company paid cash commissions of \$84,896 and 353,220 finder warrants entitling them to acquire up to 353,220 common shares at a price of \$0.35 per common share until February 5, 2015 and February 22, 2015. All securities issued pursuant to this financing are subject to a four month hold period expiring June 6, 2013 and June 23, 2013.

- c) The Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 500,000 common shares exercisable on or before February 22, 2018 at a price of \$0.45 per share.
- d) The Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 500,000 common shares exercisable on or before March 1, 2018 at a price of \$0.45 per share.
- e) The Company closed their remaining private placement in two final tranches and raised \$595,950 through the issuance of 537,000 units and 1,020,000 flow-through common shares. The flow-through shares were sold at a price of \$0.40 per share. The flow-through shares were valued at \$408,000 with a deferred share premium valued at \$51,000. The units were sold at a price of \$0.35 per unit and are comprised of one common share and one share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share at a price of \$0.49 per common share at any time prior to March 5, 2015 and March 21, 2015.

The Company paid cash commissions of \$85,991 and 106,190 finder warrants entitling them to acquire up to 106,190 common shares at a price of \$0.35 per common share until March 5, 2015 and March 21, 2015. All securities issued pursuant to this financing are subject to a four month hold period expiring July 6, 2013 and July 22, 2013.

- f) The Company cancelled 581,333 stock options previously granted to officers, directors, employees and consultants.
- g) The Company announced that it has raised \$500,000 through the issuance of 1,176,470 flow-through common shares at a price of \$0.425 per flow through share.

The Company paid finder's fees of \$35,000 and issued 82,353 finder warrants exercisable at a price of \$0.425 for a period of two years expiring April 23, 2015. All securities are subject to a four month hold period expiring August 24, 2013. Proceeds from this financing will be used for work on the Company's Clearwater project and the NW Athabasca project.

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### Highlights subsequent to the six-month period May 31, 2013

- a) The Company granted to certain of its directors, officers and consultants incentive stock options to purchase up to an aggregate of 800,000 common shares exercisable on or before June 5, 2018 at a price of \$0.40 per share.
- b) The Company announced that it has acquired a 100% interest in the 1,381 hectare Highrock South property located 15 km south of the Cameco/Areva Key Lake uranium processing facility on the eastern side of Saskatchewan's Athabasca Basin.

The Company will acquire a 100% right, title and interest in and to the Highrock South property by paying \$2,500 in cash and issuing 25,000 Forum common shares at a value of \$0.30 per share, in addition to granting a 2% NSR to the Vendor. The transaction is subject to approval by the TSX Venture Exchange.

### Results of Operations

#### *Three-month period ended May 31, 2013*

The Company's loss for the three-month period ended May 31, 2013 (the "Current Period") was \$1,011,685 or \$0.06 loss per share as compared with a loss of \$979,365 or \$0.09 per share for the three-month period ended May 31, 2012 (the "Comparative Period").

General and administrative expenses were \$55,223 lower in the Current Period at \$1,101,018 compared with \$1,156,241 in the Comparative Period. This decrease was mainly due lower exploration and expenditures on mineral properties (\$859,356 versus \$879,900) due to less exploration work on the Company's exploration and evaluation assets, lower investor and shareholder relations (\$35,461 versus \$46,561) due to lower promotional showcasing of the Company in light of the uncertain stock market conditions and the Company's efforts to help reduce costs, lower office and administration (\$51,361 versus \$63,100) due to general overhead reduction because of uncertain stock market conditions and the Company making a concerted effort to reduce costs and lower professional fees (\$42,107 versus \$61,463) due to lower legal fees incurred due to reduced share capital activity and reduced mineral property activity requiring legal opinions.

The Company also recognized deferred flow through share premium income of \$87,663 related to the premium share price paid on flow through shares on the Company's February and March 2012 private placements.

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## **Results of Operations - continued**

### *Six-month period ended May 31, 2013*

The Company's loss for the six-month period ended May 31, 2013 (the "Current Period") was \$1,950,601 or \$0.13 loss per share as compared with a loss of \$1,435,057 or \$0.13 per share for the six-month period ended May 31, 2012 (the "Comparative Period").

General and administrative expenses were \$146,069 higher in the Current Period at \$2,115,934 compared with \$1,969,865 in the Comparative Period. This increase was mainly due to increases in share-based compensation costs (\$424,649 versus \$19,673) due to the granting of stock options of officers, directors, employees, and consultants. These increases were partial offset by lower exploration and expenditures on mineral properties (\$1,209,896 versus \$1,453,970) due to less exploration work on the Company's exploration and evaluation assets.

The Company also recovered \$50,000 in a partial bad debt repayment from a prior year and also recognized deferred flow through share premium income of \$113,563 related to the premium share price paid on flow through shares on the Company's February and March 2012 private placements and offset the amount to share capital.

### **Financing and Investing Activities**

The Company raised \$3,129,100 in proceeds from a private placement during the six-month period ended May 31, 2013 and paid \$234,116 in share issuance costs.

The Company paid \$260,000 in acquisition costs for their North West Athabasca property under the terms under the agreement with Cameco Corporation and received \$137,500 in joint venture partner contributions.

**Summary of Quarterly results (unaudited)**

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

	May 31, 2013 <i>(IFRS)</i>	February 28, 2013 <i>(IFRS)</i>	November 30, 2012 <i>(IFRS)</i>	August 31, 2012 <i>(IFRS)</i>	May 31, 2012 <i>(IFRS)</i>	February 29, 2012 <i>(IFRS)</i>	November 30, 2011 <i>(IFRS)</i>	August 31, 2011 <i>(IFRS)</i>
<i>In thousands \$</i>								
<b>Financial results</b>								
Net loss (income) for period	1,011	939	300	496	979	456	1,071	1,787
Basic and diluted loss per share	0.06	0.07	0.03	0.05	0.09	0.04	0.10	0.17
<b>Balance sheet data</b>								
Cash and short term deposits	1,804	919	909	872	1,264	2,359	3,211	4,833
Resource properties	3,176	3,176	2,916	2,916	2,916	2,876	2,876	2,955
Total assets	5,176	5,341	3,992	3,942	4,446	5,848	6,722	8,569
Shareholders' equity	4,844	4,947	3,603	3,705	4,136	5,136	5,560	7,677

## Resource Properties

The Company has investigated ownership of its mineral interests as at May 31, 2013 and, to the best of its knowledge, ownership of its interests is in good standing.

PROJECT	INTEREST	COMMODITY	LOCATION	AREA (Hectares)
North Thelon	100%	Uranium	Nunavut	159,182
Agnico-Eagle Option *	51%	Uranium	Nunavut	21,497
Ukaliq Agreement *	100%	Uranium	Nunavut	30,205
NW Athabasca	30%	Uranium	Saskatchewan	10,161
Key Lake Road	100%	Uranium	Saskatchewan	56,507
Maurice Point	100%	Uranium	Saskatchewan	33,777
Clearwater	100%	Uranium	Saskatchewan	9,910
Henday Lake	40%	Uranium	Saskatchewan	7,204
Orchid Lake	100%	Uranium	Saskatchewan	7,229
Costigan Lake JV	65%	Uranium	Saskatchewan	743
Haultain River	100%	Uranium	Saskatchewan	9,681
Highrock Lake	100%	Uranium	Saskatchewan	3,117
Karpinka JV	50%	Uranium	Saskatchewan	8,151
Kipawa West*	65%	Rare Earth	Quebec	7,061

\* The Company has to earn their interest in the properties by fulfilling the terms of the option agreements. See individual resource property descriptions for earn in terms.

Richard Mazur, P.Geo., President & CEO of the Company, is the Qualified Person who prepared this information that forms the basis for the scientific and technical information contained in this MD&A.

### North Thelon Project (Includes North Thelon, Agnico-Eagle Option and Ukaliq Exploration Agreement with Nunavut Tunngavik Inc. ("NTI"))

The North Thelon project is a large property (over 190,000 hectares) that surrounds Areva's Kiggavik deposits (134 million lbs U3O8 @ 0.46%) on the north, east and south sides. The only other company actively exploring in the Kiggavik area is Cameco Corp. which has three important discoveries to the west of the Kiggavik deposits. Areva has submitted a project description and an Environmental Assessment Study to the Nunavut Impact Review Board for the development of a uranium mine with a plan to produce approximately 8 million pounds of uranium per year over a 17 year mine life.

A number of historical and new showings with grades of up to 8.75% U3O8 have been discovered by the Company on the North Thelon Project since exploration of the Property commencing in 2006. The program successfully identified further gravity targets (zones of alteration), refined the geology and structural knowledge and collected soil samples for geochemistry from high priority areas on the Property.

A 2,036 metre drill program, gravity surveys and soil sampling were completed in 2011. Several targets were investigated by the drill program which focused on gravity targets along the major structures on strike from Areva's Kiggavik deposits and Cameco's new uranium discoveries.

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### **Resource Properties - continued**

Intense alteration and anomalous geochemistry were intersected on three of nine targets drilled-Tarzan, on 100% owned Company ground, BL-32, located in the middle of the Cameco ground on NTI lands, and Judge on the Agnico-Eagle Option. Anomalous geochemistry at BL-32 includes 13ppm uranium over 49 metres, 406ppm vanadium over 30 metres and 1186ppm boron over 250 metres, including up to 2.69% boron over 10 metres. Anomalous geochemical results at Tarzan includes 20ppm uranium over 79.5 metres, 326ppm boron over 156 metres and 53ppm lead over 131 metres. Geochemistry at Judge returned uranium values of 20ppm over 12.5 metres, 512ppm boron over 102 metres and 115ppm nickel over 54 metres in JD-01, and 16ppm uranium over 10 metres, 362ppm boron over 161 metres and 115ppm nickel over 54 metres in JD-02. These three targets require further drilling to follow-up on these indications of a strong uranium mineralizing system.

The North Thelon Project area covers a large area of promising but underexplored ground with numerous drill targets already developed during the extensive 2007 to 2012 field programs. It is the Company's vision to make discoveries and develop new deposits on its property to add to the existing 134 million pounds of contained uranium in the Kiggavik Deposits. The Company has mobilized its camp, fuel and supplies to be in a position to initiate a drill program for the summer of 2013.

The Company is currently in negotiations with Agnico to extend the terms of required exploration expenditures not yet met by the Company due to unfavorable market conditions affecting the Company's ability to raise funds and ability to meet the exploration commitments.

### **Henday Property**

Rio Tinto plc acquired the 60% interest in the Henday joint venture after its acquisition of Hathor Exploration Ltd. in January 2012. Rio Tinto also exercised its option to earn a further 10% interest in the project upon completion of a bankable feasibility study. Rio Tinto is the operator of the joint venture and is reviewing the technical data on the project after their acquisition of the asset.

A total of 17 holes for 3,774 metres were drilled on the Mallen Zone (13 holes), the King target (3 holes) and the Jen target (1 hole) during the past 2011 winter drill season. The 2011 drill program has extended the zone of intense alteration and elevated radioactivity over an area of 350 metres by 150 metres in a northwest-southeast direction. The 500m by 600m resistivity anomaly that outlines a large zone of alteration remains to be tested by wide spaced drilling to the west and south, as the alteration remains open in these directions. Anomalous radioactivity was noted in most of the drill holes within the basement lithologies. The results remain encouraging for the presence of uranium mineralization and further drilling is recommended. The unconformity in the Mallen Lake area is shallow at 110m, easily reached by open pit methods. Several drill-holes intersected uranium mineralization in 2010 within basement lithologies (up to 0.16% uranium) and the clean geochemistry suggests that the uranium model is similar to Rio Tinto's Roughrider zone.



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### **Resource Properties - continued**

Another target was drilled as part of the program. The Jen target lies at the intersection of an east-northeast structure and a major north-east trending fault. Bleaching within the sandstone lithologies from the top of the hole down to the unconformity at 216m, along with localized tectonics and quartz dissolution were encountered, as well as graphite (at 240m) and a sooty pyrite fracture at 252m with elevated radiometrics (652cps on downhole gamma probe). This type of alteration and associated radioactivity is common around unconformity deposits in the Athabasca Basin. Further drilling is recommended on the Jen and other targets.

### **Key Lake Road Project**

**(includes Key Lake Road, Haultain River, Highrock Lake, Orchid Lake, Karpinka JV, and Costigan Lake JV)**

A gravity survey on the Karpinka joint venture property with Virginia Energy was completed during the winter of 2012. Two significant targets have been identified as a result of this survey. The Company plans to complete required assessment work on the properties to keep them in good standing.

The Company was notified by the Province of Saskatchewan that the English River First Nation ("ERFN") had requested Crown mineral rights under the terms of the Treaty Land Entitlement Agreement with the Province over portions of the Romulus target area. Subsequently, ERFN requested land rights only for reserve creation over a small portion of ground that the Company has mineral rights. In this regard, the Government of Saskatchewan, in consultation with the Company has submitted a land access agreement to ERFN and the Government of Canada for their review.

### **NW Athabasca Joint Venture**

The Company and NexGen Energy (successor of Mega Uranium's interest in the property) jointly earned a 60% interest in the NW Athabasca project in 2013 by completing \$4 million in exploration and making \$400,000 in property option payments from Cameco Corporation. Cameco owns a 27.5% participating interest and Areva a 12.5% participating interest in the NW Athabasca project. The Company and NexGen have entered into a 50/50 Joint Venture Agreement to manage the joint venture with the Company as Operator. The Company has a direct 30% interest in the project.

The 10, 161 hectare North West Athabasca project, includes the historical 1.5 million pound Maurice Bay uranium deposit grading 0.6% U<sub>3</sub>O<sub>8</sub> to a depth of 50 metres (Saskatchewan Industry and Resources, Miscellaneous Report 2003-7) in the Western Athabasca Basin. The Maurice Bay deposit contains a historical resource of 1.5 million pounds uranium. This is an historical estimate and does not conform to NI 43-101 standards and therefore, cannot be relied upon. Numerous shallow targets for basement and sandstone-hosted unconformity style mineralization are under-explored or untested and are amenable to open pit mining.

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### **Resource Properties - continued**

The Western Athabasca has not seen the same intensity of exploration as the Eastern Athabasca. The NW Athabasca project is regarded as underexplored with high quality basement and unconformity targets at relatively shallow depths. Recent discoveries, such as the Alpha/Fission discovery at Patterson Lake South attest to the potential in the Western Athabasca Basin. Other significant uranium deposits have been discovered and mined in the Western Athabasca. UEX Corporation is continuing exploration of its Shea Creek deposit with a current indicated resource of 2,067,900 tonnes grading 1.48% U<sub>3</sub>O<sub>8</sub> for 67.66 million pounds uranium and an inferred resource of 1,272,200 tonnes grading 1.01% U<sub>3</sub>O<sub>8</sub> for 28.19 million pounds uranium (Source: UEX Corporation Website). The decommissioned Cluff Lake uranium mine produced 62.5 million pounds of uranium during its mine life (Source: Cameco Website).

Most of the work on the NW Athabasca project was done in the late 70's and early 80's. Historic work concentrated exploration on mineralization with a surface expression. The Company focused exploration on the highly prospective basement-hosted targets like Cameco's Millennium and Rio Tinto's Roughrider deposit. Gravity surveys were completed by the Company and Mega (now NexGen) during the winter of 2011 in five high priority areas totalling approximately 2,500 gravity stations. A total of 22 holes for 3,011 metres were completed in the winter of 2012 on 5 targets.

Seven out of nine holes drilled on the Opie zone encountered varying grades of uranium mineralization at shallow depths (45 to 100 metres true depth) within a zone of strong red (hematite) hydrothermal alteration (2 to 30m true width) in basement rocks (Figure 1). Interpretation of drill intercepts indicate that the mineralized zone strikes approximately east-west and dips 60° to the south. It remains open to the east, west and down dip and lies within a much larger white (clay) alteration zone which is spatially coincident with the gravity anomaly.

Grades of 0.142% U<sub>3</sub>O<sub>8</sub> over 7.6 metres, including 0.46% U<sub>3</sub>O<sub>8</sub> over 0.7 metres were encountered. Uranium mineralization was intersected in several holes on the Barney gravity target approximately 1.5 km west of the Maurice Bay deposit in a second drill campaign in November, 2012 totalling 2,683 metres in 17 drillholes. Uranium mineralization was encountered in four drillholes grading up to 0.132% U<sub>3</sub>O<sub>8</sub> over 7 metres, including 1.01% U<sub>3</sub>O<sub>8</sub> over 0.2 metres at a depth of 130 metres. This mineralization lies on the northeast side of a gravity low within a large alteration zone associated with hydrothermal hematite, strongly elevated boron and, to a lesser extent, copper and nickel. The mineralization is trending nearly east-west and remains open to the west. Uranium mineralization was also intersected at the historical Zone 2A between the Opie and Barney Zones grading 2.48% U<sub>3</sub>O<sub>8</sub> over 1.5 metres.

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### Resource Properties - continued

Forum completed a successful drill program of 17 holes totaling 3,449 metres with encouraging results on three near surface targets on the NW Athabasca Joint Venture project from February to April, 2013. Uranium mineralization was intersected in 8 of 17 holes. Three targets were drilled in the vicinity of the Maurice Bay deposit.

1. Six holes totaling 1,352 metres were drilled at Barney and Barney South to follow-up on uranium mineralization encountered over significant widths at shallow depths in four holes within a strong alteration envelope in basement rocks.
2. Nine holes totaling 1,751 metres were drilled at Otis West, a gravity anomaly south of the Maurice Bay Deposit previously untested by Forum. Historic drill holes were typically stopped at the unconformity.
3. Two holes totaling 346 metres were drilled at Zone A on the north side of the Maurice Bay deposit.

### Zone A

Zone A lies on the north side of the Maurice Bay deposit and is hosted mainly within basement rocks along a major NW trending fault. Basement-style uranium mineralization was intersected in historical drill hole MAU-543 over 6 metres grading 5.6% U<sub>3</sub>O<sub>8</sub> from 113 metres to 119 metres. The mineralization within holes NWA-65 and NWA-66 appears to be associated with this fault which has a strike length of at least 1 kilometre.

### Significant assay results from the Zone A Drill holes.

<u>Hole Number</u>	<u>From</u> (Metres)	<u>To</u> (Metres)	<u>Width**</u> (Metres)	<u>Grade</u> (% U <sub>3</sub> O <sub>8</sub> )
NWA-65	80.5	83.5	3.0	0.14%
NWA-66	88.5	91.5	3.0	1.34%
includes	90.0	91.5	1.5	1.86%
includes	91.0	91.5	0.5	2.48%

### \*\* Down-hole width

Previous drill holes on Zone A completed in 1978 (MAU-543 and MAU-545) intersected 6m of 5.65% U<sub>3</sub>O<sub>8</sub> from 113 to 119m and 3m of 1.08% U<sub>3</sub>O<sub>8</sub> from 113 to 116m respectively, giving the high-grade portion of the mineralized zone an interpreted vertical extent of at least 30.5 metres. Further exploration along the strike of this structure is strongly recommended.

**Resource Properties - continued**

**Otis West**

Of the two gravity anomalies located immediately south of the Maurice Bay deposit, only the western anomaly was tested due to positive results (Otis West). Holes NWA-56 to 64 were drilled on the south side of the gravity low along a major offset/fault striking east-west, with five of the holes on the western side hitting radioactivity.. Mineralization is hosted mainly within basement rocks along a major fault (the Otis fault) parallel to the Maurice Bay fault. This zone was intersected in diamond drillholes NWA-60 and 61 and by drillholes NWA-56, 63 and 64 on a section 50 metres further east. The mineralization shows a vertical extent of 110 metres and remains open to the east. Very strong boron values in the overlying sandstone (up to 1.18%) are associated with this mineralization. Boron is a strong pathfinder indicator for economic uranium deposits in the Athabasca Basin.

Future drill programs will continue drilling along the Otis Fault to the east.

**Significant assay results from the Otis West Drill holes.**

<u>Hole Number</u>	<u>From</u> (Metres)	<u>To</u> (Metres)	<u>Width**</u> (Metres)	<u>Grade</u> (% U <sub>3</sub> O <sub>8</sub> )
NWA-56	101.5 104.0	102.0 104.5	0.5 0.5	0.185% 0.123%
NWA-60	125.5 145.5	129.0 146.0	3.5 0.5	0.166% 0.101%
NWA-61	96.8	97.3	0.5	0.243%
<b>NWA-63</b>	<b>131.0</b>	<b>170.5</b>	<b>39.5</b>	<b>0.152%</b>
	<b>incl. 143.5</b>	<b>168.0</b>	<b>24.5</b>	<b>0.211%</b>
	<b>incl. 144.0</b>	<b>144.5</b>	<b>0.5</b>	<b>1.803%</b>
NWA-64	186.5	194.5	7.0	0.055%

**\*\* Down-hole width**

**Barney**

Drilling continued on the Barney Zone, where uranium mineralization was encountered over significant widths in four holes within a strong alteration zone delineated in the basement rocks at shallow depths in 2012. The 2013 program tested the western extension of this mineralization, a major NNW striking airborne EM conductor and the south end of the Barney gravity low. Five holes were drilled on the Barney target to follow up on mineralization encountered in four holes in Barney North and to further test the gravity low on Barney South. Drill hole NWA-53 intersected 0.5m of 2.32% U<sub>3</sub>O<sub>8</sub> from 169 to 169.5m in a graphitic shear. Follow-up drilling is recommended for up-dip extensions and on strike to the east.

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## **Resource Properties - continued**

### **Maurice Point Property**

Prospecting and mapping was conducted on the Maurice Point project in the spring of 2012.. The property has enough assessment work incurred to keep the claims in good standing for three years. The earning of its interest in the NW Athabasca JV on the nearby Maurice Bay deposit enhances the potential of the Maurice Point property.

### **Clearwater**

The Company staked three claims in December 2012 totalling 9,910 hectares on trend to the southwest of the Alpha Minerals/Fission Energy Patterson lake discovery in the Western Athabasca Basin. An initial compilation of available geological, geochemical and geophysical data on this new project was completed. Of particular note is that the highest lake sediment value in the area lies on Forum's southwest claim with a value of 8.3 ppm U. Most values are between 1 to 3 ppm U and the lake sediment sample taken down-ice from the Patterson lake boulder field was 3.2 ppm U.

Historic electromagnetic (EM) surveys stopped at Forum's claim boundary, however EM conductors from these historic surveys trend in the direction of Forum's ground. The Company's northernmost claim, staked immediately southwest of the Alpha/Fission ground is interpreted to be on strike with the fertile conductive trend that hosts the newly discovered high-grade uranium mineralization on the Patterson Lake South project.

An Aeroquest Airborne helicopter-borne time domain electromagnetic survey was flown on 200 metre line spacings for a total of 647 line kilometres over Forum's 99 square kilometre property. Preliminary results from the survey confirm that the fertile conductive trend that hosts the high-grade uranium discovery on the Patterson Lake South project (the "Patterson Lake Conductor") extends on to Forum's property. As a result, Forum increased the survey to fly the property in more detail for better resolution of the conductive corridor.

Plans are to conduct an airborne radiometric survey, radon surveys, further ground geophysical and geochemical surveys and a detailed prospecting survey in search for uranium boulders and outcrop.

### **Kipawa West**

The Company entered into an option agreement to earn up to a 65% interest in Aurizon Mines Ltd.'s Rare Earth property in southwestern Quebec, located 95 km northeast of North Bay, Ontario. The property comprises three blocks of claims that have been optioned from Aurizon. The West, Central and East Blocks cover 120 claims for 6,960 hectares. The Company can earn a 50% interest by completing \$200,000 in exploration as a firm commitment within 12 months and a further \$150,000 in exploration, including a minimum of 1,000 metres of drilling, within 24 months of the date of the agreement. The Company has the option to earn a further 15% interest, totaling a 65% interest in the project by establishing an NI 43-101 resource estimate on the property within four years of the agreement date.

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**Resource Properties - continued**

The Company is Operator during the earn-in period. Forum is currently negotiating the terms of the agreement with Hecla Mining Company, successor to Aurizon Mines Ltd. .

The property adjoins Matamec Exploration's Zeus project in association with the Kipawa Alkaline Complex. Aurizon's prospecting activities along the Kipawa Alkaline Complex have identified areas of rare earth mineralization similar to Matamec's Kipawa deposit.

In its exploration work in 2010 along the south part of the West Block, Aurizon discovered many boulders containing anomalous rare earth elements ranging from 1.34% to 16.77% Total Rare Earth Oxides (TREO). Heavy Rare Earth Oxide (HREO) to TREO ratio ranges from 0.8% to 57% in an area covered by thin glacial till. To the north of this boulder field, a grab sample from an outcrop reported 3.12% TREO and a 34% HREO to TREO ratio. Other areas evaluated by Aurizon have identified rare earth targets for further follow-up. The Company completed a program of prospecting, mapping and soil sampling this September to identify the source of these boulders, followed by a drill program.

The Company's prospecting, rock geochemical and soil geochemical program in September, 2011 confirmed the high heavy rare earths values previously reported on the Property and isolated a target area of 1 km by 1 km for further investigation. The Company also confirmed the the existence of eudialyte, the heavy rare earth bearing mineral that will be processed at Matamec's deposit, on its property. The Company conducted a surface exploration program during the summer of 2012 consisting of prospecting, mapping and soil sampling.

Matamec (Source: Company Website) reports an NI 43-101 compliant resource of 15,161,000 indicated tonnes grading 0.434% TREO and 3,843,000 inferred tonnes grading 0.403% TREO at a cut-off of \$72.24 per tonne. The Kipawa deposit is a good source of heavy rare earth oxide through the production of a mixed TREO concentrate grading 1.11% TREO. Matamec reported on a positive Preliminary Economic Assessment in a news release dated January 30, 2012 and is conducting a feasibility study with joint venture partner Toyotsu Rare Earth Canada Inc. The recent announcement in a news release dated April 17, 2013 announcing the discovery by drilling of further heavy rare earth mineralization to the east of the Kipawa deposit, verifies the potential on Forum's property.

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## **Liquidity and Capital Resources**

As of May 31, 2013, the Company had \$1,803,700 in cash and short-term investments. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company therefore financings have been the sole source of funds.

At May 31, 2013 the Company had working capital of \$1,642,236. In the opinion of management this working capital is sufficient to support the Company's general administrative and corporate operating requirements on an ongoing basis for the next twelve months and should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will likely have to go to the market to achieve this.

Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets such that the company has sufficient liquidity to support its growth strategy.

## **Liquidity Outlook**

The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. Capital expenditures are not expected to have any material impact on liquidity.

Management believes that even with the recent financing in February, March, and April 2013, the Company will likely need external financings for the following year in order to fund further exploration. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required. The outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.



### Related Party Transactions

- a) At May 31, 2013, the Company owed \$12,182 (November 30, 2012 - \$17,370) to companies with directors and officers in common. These are non-interest bearing and are paid under the same terms as normal accounts payable.
- b) The following related party transactions were in the normal course of operations and all of the costs recorded are based on fair value:

	May 31, 2013	May 31, 2012
White Label Corporate Services Inc. – CFO and Corporate Secretary – administrative services	\$ 100,500	\$ 118,500
Mirador Management – President & CEO - management services	92,500	82,500
Ken Wheatley – Vice President of Exploration - geological and management services	82,500	82,500
McMillan LLP- Director in common - legal services	37,130	8,965
<b>Totals</b>	<b>\$ 312,630</b>	<b>\$ 292,465</b>

### *Compensation of key management personnel (except those shown above)*

Management fees, directors and audit committee fees	\$ 33,000	\$ 24,000
Share-based compensation	\$ 341,294	\$ Nil
	<b>\$ 374,294</b>	<b>\$ 24,000</b>

### Commitments

The Company entered into a services agreement with White Label Corporate Services Inc. (“WLM”) on November 1, 2010 and has agreed to pay a monthly corporate administration fee of \$19,750 that includes office rent, administration, accounting, corporate secretarial, chief financial officer, executive assistant, IT computer maintenance and other related services. Effective August 1, 2012, the monthly corporate administration fee has been reduced to \$16,700. 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.



## Share Capital Information

The table below presents the Company's common share data as of July 26, 2013.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			19,016,085
Securities convertible into common shares:			
Warrants:			
	\$3.75	May 4, 2014	255,568
	\$0.49	February 5, 2015	263,000
	\$0.49	February 22, 2015	4,116,000
	\$0.49	March 5, 2015	442,000
	\$0.35	February 5, 2015	63,770
	\$0.35	February 22, 2015	289,450
	\$0.35	March 5, 2015	57,190
	\$0.35	March 21, 2015	49,000
	\$0.49	March 21, 2015	95,000
	\$0.43	April 23, 2015	82,353
Options:			
	\$0.45	February 22, 2018	500,000
	\$0.45	March 1, 2018	500,000
	\$0.40	June 5, 2018	800,000
			<b>26,529,416</b>

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

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## **New Standards Not Yet Adopted**

IFRS 7, Financial Instruments: Disclosures – In December 2011, the IASB amended IFRS 7 (Financial Instruments: Disclosures) requiring additional disclosures on offsetting of financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after January 1, 2013. This standard also requires additional disclosures about the initial application of IFRS 9. This amendment is effective for annual periods beginning on or after January 1, 2015 (or otherwise when IFRS 9 is first applied). IAS 32, Financial Instruments: Presentation was amended in December 2011 relating to application guidance on the offsetting of financial assets and financial liabilities. This standard is effective for annual periods beginning on or after January 1, 2014. There will be no significant impact to the Company upon implementation of the issued standard.

In November 2009, the IASB published IFRS 9, “Financial Instruments, “which covers the classification and measurement of financial assets as part of its project to replace IAS 39, “Financial Instruments: Recognition and Measurement.” In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

IFRS 10, “Consolidated Financial Statements”, requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, “Consolidation - Special Purpose Entities”, and parts of IAS 27, “Consolidated and Separate Financial Statements”. The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 11, “Joint Arrangements”, IFRS 12, “Disclosure of Interests in Other Entities”, IAS 27 (2011), “Separate Financial Statements” and IAS 28 (2011), “Investments in Associates and Joint Ventures”.

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### **New Standards Not Yet Adopted - *continued***

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers". The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 12, "Disclosure of Interests in Other Entities", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 12, "Disclosure of Interests in Other Entities", establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

In June 2011, the IASB issued amendments to IAS 1, "Presentation of Financial Statements" to: (a) require companies to group together items within other comprehensive income ("OCI") that may be reclassified to the statement of operations; and (b) require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The amendments also reaffirm existing requirements that items in OCI and income or loss should be presented as either a single statement or two separate statements. The amended standard is effective for annual periods beginning on or after July 1, 2012.

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### *Amendments to Other Standards*

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements, and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10, 11, 12 and 13.

### **Financial and Other Instruments**

#### *Financial assets*

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

*Fair value through profit or loss* - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss.

*Loans and receivables* - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

*Held-to-maturity investments* - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss.

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## **Financial and Other Instruments - continued**

*Available-for-sale* - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized as other comprehensive income or loss directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment or sold, the accumulated fair value adjustments included in equity are recognized in the statement of income or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

### *Financial liabilities*

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

*Fair value through profit or loss* - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the income statement.

*Other financial liabilities:* This category includes amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and cash equivalents and short-term investments as fair value through profit and loss and marketable securities as available for sale. The Company's receivables, due from joint venture and option partners and due from related parties are classified as loans and receivables. The Company's accounts payable and accrued liabilities, due to joint venture and option partners and due to related parties are classified as other financial liabilities.

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## **Financial and Other Instruments - continued**

### *Fair value hierarchy*

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and cash equivalents, short term investments and marketable securities constitutes a level 1 fair value measurement. The fair value of the Company's receivables, due to and from related parties, due to and from joint venture and option partners, and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature.

### **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 May 31, 2013 to interest rate risk through its financial instruments.

#### *Currency Risk*

As at May 31, 2013, 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.

#### *Short-term Investments*

As of May 31, 2013, the Company had \$Nil (November 30, 2012 - \$400,000) invested into Guaranteed Investment Certificates ("GICs") with a Canadian financial institution. The Company's investments in GICs have original maturity dates of greater than three months but not more than one year.

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

### *Credit risk*

The Company has cash and receivable balances. 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 of one year 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 manages liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2013, the Company had a cash balance of \$1,803,700 (November 30, 2012 - \$509,324) and short-term investments of \$Nil (November 30, 2012 - \$400,000) to settle current liabilities of \$331,904 (November 30, 2012 - \$388,245).

### *Market Price Risk*

The only significant market price risks to which the Company is exposed to is interest rate risk and price volatility on its marketable securities. The Company's bank account earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates.

### *Sensitivity analysis*

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

- Cash and cash equivalents and short-term investments, which are at variable interest rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by \$18,037 annually.
- The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

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### **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. Exploration and evaluation costs of mineral resource interests are expensed to the statement of operations and acquisition costs are capitalized to the statement of financial position. These acquisition costs will be amortized against revenue from future production or written off if the interest is deemed impaired, abandoned or sold.

The policy is consistent with other junior exploration companies which have not established mineral reserves objectively. 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 acquisition 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 engaged in the business of acquiring, exploring and developing mineral properties with the expectation of locating economic deposits of minerals. All of the properties are without proven uranium deposits and there is no assurance that the Company's exploration programs will result in proven uranium deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties. There have been no changes to any of the known and unknown risks and uncertainties during the year ended November 30, 2012. Please refer to the Company's MD&A for the year ended November 30, 2012 for a complete list of known and unknown risks and certainties.



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## 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.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Forum's general and administrative expenses and mineral property costs is provided in the Company's six-month period ended May 31, 2013 interim condensed statement of loss contained in its interim condensed financial statements for the six-month period ended May 31, 2013. These statements are available on the Company's website at [www.forumuranium.com](http://www.forumuranium.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

## Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

### **Nature of the Securities**

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

### **Proposed Transactions**

At the present time, there are no proposed transactions that are required to be disclosed.

### **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 the Company has approved the audited financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### **Additional Information**

Additional information is available on the Company's website at [www.forumuranium.com](http://www.forumuranium.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

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## Forward Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements