



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended November 30, 2020

(Express in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Forum Energy Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Forum Energy Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, cash flows, and shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that at November 30, 2020, the Company has working capital of \$842,007 and the Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing to complete its strategic objectives. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.


As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

March 18, 2021

Forum Energy Metals Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	<i>Note</i>	November 30, 2020	November 30, 2019
ASSETS			
Current assets			
Cash	4	\$ 1,308,527	\$ 131,308
Marketable securities	5	14,727	7,901
Receivables		4,811	26,032
Prepaid expenses		11,046	38,038
		1,339,111	203,279
Equipment	6	10,588	2,316
Exploration and evaluation assets	7	1,057,988	2,671,010
		\$ 2,407,687	\$ 2,876,605
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	8	\$ 257,968	\$ 518,819
Due to joint venture partner	7	100,000	-
Promissory notes	9	47,425	79,806
Flow-through share premium liability	11	91,711	-
		497,104	598,625
Loan	10	40,000	-
		537,104	598,625
Shareholders' equity			
Capital stock	11	46,661,116	45,214,204
Contributed surplus - warrants	11	2,408,576	2,339,652
Contributed surplus - options	11	5,469,521	5,325,114
Deficit		(52,668,630)	(50,600,990)
		1,870,583	2,277,980
		\$ 2,407,687	\$ 2,876,605
Nature of operations and going concern	1		
Subsequent events	17		

Approved and authorized by the Board of Directors on March 18, 2021.

"Richard Mazur"
Richard Mazur
Director

"Larry Okada"
Larry Okada
Director

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

Forum Energy Metals Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	<i>Note</i>	Year ended November 30,	
		2020	2019
EXPENSES			
Amortization	6	\$ 2,728	\$ 928
Consulting fees	12	138,729	223,212
Director fees	12	27,000	30,000
Exploration and evaluation expenditures	7	225,650	297,152
Investor relations and shareholder information	12	136,506	122,201
Management fees earned	7	(113,201)	-
Media relations		9,423	106,673
Office and administration		57,781	69,924
Professional fees		97,785	123,675
Salaries and wages	12	17,039	(12,053)
Share-based compensation	11	144,407	257,400
Transfer agent and regulatory fees		44,509	24,272
Travel and promotion		4,829	2,144
		(793,185)	(1,245,528)
Flow-through share premium recovery	11	33,289	6,250
Foreign exchange loss		(7,325)	-
Gain on settlement of trade and other payables	8	169,055	-
Part XII.6 tax		-	(2,581)
Unrealized gain (loss) on marketable securities	5	6,826	(7,816)
Write-off of exploration and evaluation assets	7	(1,476,300)	(62,963)
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		\$ (2,067,640)	\$ (1,312,638)
Basic and diluted loss per common share		\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding		114,321,538	104,161,699

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

Forum Energy Metals Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended November 30,	
	2020	2019
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Loss for the year	\$ (2,067,640)	\$ (1,312,638)
Items not affecting cash:		
Amortization	2,728	928
Share-based compensation	144,407	257,400
Flow-through share premium recovery	(33,289)	(6,250)
Gain on settlement of trade and other payables	(169,055)	-
Unrealized (gain) loss on marketable securities	(6,826)	7,816
Write-off of exploration and evaluation assets	1,476,300	62,963
Foreign exchange on promissory notes	1,494	2,084
Change in non-cash working capital items:		
Receivables	21,221	(4,450)
Due from joint venture and option partners	-	38,128
Prepaid expenses	26,992	2,057
Trade and other payables	(102,796)	361,203
Due to joint venture partner	100,000	-
	(606,464)	(590,759)
INVESTING ACTIVITIES:		
Acquisition of exploration and evaluation assets	(33,278)	(25,000)
Option payments received on exploration and evaluation assets	170,000	-
	136,722	(25,000)
FINANCING ACTIVITIES:		
Proceeds from private placements	1,726,039	629,000
Share issuance costs	(110,453)	(16,767)
Proceeds from exercise of warrants	5,250	-
Proceeds from exercise of stock options	20,000	-
Proceeds from loan	40,000	-
Repayment of promissory notes	(33,875)	-
	1,646,961	612,233
CHANGE IN CASH FOR THE YEAR	1,177,219	(3,526)
CASH, BEGINNING OF THE YEAR	131,308	134,834
CASH, END OF THE YEAR	\$ 1,308,527	\$ 131,308
Non-cash investing and financing activities		
Fair value of broker warrants issued	\$ 68,924	\$ 5,809
Acquisition of equipment included in trade and other payables	11,000	-
Supplemental information		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

Forum Energy Metals Corp.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of shares	Capital Stock	Contributed Surplus - warrants	Contributed Surplus - options	Other Comprehensive Loss	Deficit	Total
Balance, November 30, 2019	108,738,904	\$ 45,214,204	\$ 2,339,652	\$ 5,325,114	\$ -	\$ (50,600,990)	\$ 2,277,980
Private placements	16,067,316	1,726,039	-	-	-	-	1,726,039
Share issuance costs - cash	-	(110,453)	-	-	-	-	(110,453)
Share issuance costs - broker warrants	-	(68,924)	68,924	-	-	-	-
Flow-through premium	-	(125,000)	-	-	-	-	(125,000)
Exercise of warrants	87,500	5,250	-	-	-	-	5,250
Exercise of stock options	200,000	20,000	-	-	-	-	20,000
Share-based compensation	-	-	-	144,407	-	-	144,407
Loss and comprehensive loss for the year	-	-	-	-	-	(2,067,640)	(2,067,640)
Balance, November 30, 2020	125,093,720	\$ 46,661,116	\$ 2,408,576	\$ 5,469,521	\$ -	\$ (52,668,630)	\$ 1,870,583

	Number of shares	Capital Stock	Contributed Surplus - warrants	Contributed Surplus - options	Other Comprehensive Loss	Deficit	Total
Balance, November 30, 2018	96,408,904	\$ 44,614,030	\$ 2,333,843	\$ 5,067,714	\$ (9,921)	\$ (49,278,431)	\$ 2,727,235
Private placements	12,330,000	629,000	-	-	-	-	629,000
Share issuance costs - cash	-	(16,767)	-	-	-	-	(16,767)
Share issuance costs - broker warrants	-	(5,809)	5,809	-	-	-	-
Flow-through premium	-	(6,250)	-	-	-	-	(6,250)
Share-based compensation	-	-	-	257,400	-	-	257,400
Reclassification on adoption of IFRS 9	-	-	-	-	9,921	(9,921)	-
Loss and comprehensive loss for the year	-	-	-	-	-	(1,312,638)	(1,312,638)
Balance, November 30, 2019	108,738,904	\$ 45,214,204	\$ 2,339,652	\$ 5,325,114	\$ -	\$ (50,600,990)	\$ 2,277,980

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Forum Energy Metals Corp. (“Forum “or “the Company”) is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) and trade under the symbol FMC. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is engaged in the business of evaluating, and if deemed appropriate, acquiring and exploring natural resource properties. 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 represent deferred acquisition costs 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 the Company raising capital, the sale or entering into a joint venture of the Company’s exploration and evaluation assets, and/or the attainment of profitable operations.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. At November 30, 2020, the Company has working capital of \$842,007 (which amount includes \$1,038,174 restricted to flow-through purposes, resulting in an unrestricted working capital deficit of \$196,167). Subsequent to November 30, 2020, the Company completed two private placements for gross proceeds of \$2,000,000 and exercised options and warrants for gross proceeds \$478,090 (Note 17). Management estimates that its working capital and subsequent financings may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company’s business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2021. The Company continues to operate its business, and in response to Canadian Federal and Provincial, and US Federal and State emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company’s ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

These consolidated 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 International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of measurement

These consolidated financial statements 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 consolidated 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.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the parent company’s functional currency as well as the functional currency of its subsidiaries.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS 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) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, preliminary economic assessment, accessibility of facilities and existing permits.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Critical accounting estimates and judgments (continued)

i) Critical accounting estimates (continued)

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company as well as the functional currency of the Company's US subsidiaries is the Canadian dollar.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All significant inter-company transactions, balances, and unrealized foreign exchange translation gains or losses have been eliminated.

Name of subsidiary	Place of incorporation	Ownership interest at November 30, 2020	Principal activity
Forum Energy Metals U.S. LLC	Wyoming	100%	Dormant mineral exploration company
Lumina Cobalt US Holdings I Corp.	British Columbia	100%	Holding company
Lumina Cobalt (U.S.) Corp.	Delaware	100%	Dormant mineral exploration company

Foreign currency translation

In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

Marketable Securities

Marketable securities consisting of common shares of public companies are classified as available-for-sale and are reported at market value. At the end of each reporting period, management determines if there has been a change in the market value of each individual security and records an adjustment to market value, with the offsetting debit or credit to the consolidated loss and comprehensive loss.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on the declining balance, as to 30% in respect of exploration equipment, and 20% in respect of office equipment.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Exploration and evaluation assets

Exploration and evaluation costs of mineral resource interests are expensed to the statement of loss and comprehensive loss 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 mineral interest is deemed impaired, abandoned or sold.

The amounts shown for exploration and evaluation assets represent acquisition costs incurred to date, less amounts written off, and do not necessarily reflect present or future values. The recoverability of amounts shown for mineral interests is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects as well as future profitable production or proceeds from the disposition thereof.

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Ownership in exploration and evaluation assets involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is amortized on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. As at November 30, 2020 and 2019, the Company had no provisions for environmental rehabilitation.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of stock-based compensation previously recorded in contributed surplus. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments or stock options granted to non-employees are accounted for as equity settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based compensation transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Flow-through shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through share and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company renounces the expenditures, at which point the liability is reversed and recorded as other income on the consolidated statements of loss and comprehensive loss. The Company records a deferred tax liability when the Company makes the expenditures. At the time of recognition of the deferred tax liability, an offsetting entry is made to tax expense.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial instruments

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

New and amended accounting standards adopted

The Company adopted the requirements of IFRS 16 – Leases (“IFRS 16”) as of December 1, 2019. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the leased asset. For assets that meet the definition of a lease, IFRS 16 requires a single, on-balance sheet accounting model similar to finance lease accounting, with exceptions for short-term leases, leases of low value assets, and mineral exploration leases. The Company does not have any leases that fall within the application of IFRS 16.

New accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of November 30, 2020 and have not been applied in preparing these consolidated financial statements. In addition, none of these standards are applicable to the Company.

4. Cash

	November 30, 2020	November 30, 2019
Cash	\$ 270,353	\$ 131,308
Flow-through funds	1,038,174	-
Total	\$ 1,308,527	\$ 131,308

At November 30, 2020, the Company has restricted cash of \$1,038,174 (2019 – \$Nil) in respect of the unspent balance from the flow-through private placements (Note 11).

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

5. Marketable Securities

Company	Shares	November 30,	
		2020	2019
		FMV	FMV
Mega Uranium Ltd. (T-MGA)	25,000	\$ 3,000	\$ 2,376
Southern Energy Corp. (V-SOU)	3,000	75	83
U308 Corp. (V-UWE)	155	-	8
Minera IRL Ltd. (C-MIRL)	2,380	369	310
Troilus Gold Corp. (T-TLG)	6,666	7,533	4,000
Vanadian Energy Corp. (V-VEC)	75,000	3,750	1,124
Total		\$ 14,727	\$ 7,901

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

During the year ended November 30, 2020, the Company recognized an unrealized gain of \$6,826 (2019 – loss of \$7,816) through the statement of loss and comprehensive loss.

6. Equipment

	Office furniture and equipment		Exploration equipment		Total
Cost					
At November 30, 2018	\$ 5,315	\$ 199,316	\$ 204,631		
Additions	-	-	-		
At November 30, 2019	5,315	199,316	204,631		
Additions	-	11,000	11,000		
Write-off	(5,315)	(18,648)	(23,963)		
At November 30, 2020	\$ -	\$ 191,668	\$ 191,668		
Accumulated depreciation					
At November 30, 2018	\$ 4,839	\$ 196,548	\$ 201,387		
Additions	95	833	928		
At November 30, 2019	4,934	197,381	202,315		
Depreciation	381	2,347	2,728		
Write-off	(5,315)	(18,648)	(23,963)		
At November 30, 2020	\$ -	\$ 181,080	\$ 181,080		
Carrying amounts					
At November 30, 2019	\$ 381	\$ 1,935	\$ 2,316		
At November 30, 2020	\$ -	\$ 10,588	\$ 10,588		

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

	November 30, 2019	Additions	Recoveries	Write-off	November 30, 2020
Saskatchewan					
Clearwater	\$ -	\$ -	\$ -	\$ -	\$ -
Costigan	-	-	-	-	-
Fir Island	147,000	-	-	-	147,000
Glennie	-	12,853	-	-	12,853
Henday	1,476,300	-	-	(1,476,300)	-
Highrock	57,854	-	-	-	57,854
Janice Lake	530,000	-	(170,000)	-	360,000
Love Lake	-	-	-	-	-
Maurice Point	-	-	-	-	-
NW Athabasca	200,000	-	-	-	200,000
The Highlands	-	13,088	-	-	13,088
Wollaston	-	7,337	-	-	7,337
Idaho					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 2,671,010	\$ 33,278	\$ (170,000)	\$ (1,476,300)	\$ 1,057,988

	November 30, 2018	Additions	Recoveries	Write-off	November 30, 2019
Saskatchewan					
Clearwater	\$ -	\$ -	\$ -	\$ -	\$ -
Costco	44,516	-	-	(44,516)	-
Costigan	-	-	-	-	-
Fir Island	147,000	-	-	-	147,000
Henday	1,476,300	-	-	-	1,476,300
Highrock	57,854	-	-	-	57,854
Janice Lake	505,000	25,000	-	-	530,000
Love Lake	-	-	-	-	-
Maurice point	18,447	-	-	(18,447)	-
NW Athabasca	200,000	-	-	-	200,000
Waterbury/ Waterbury South/ Hook	-	-	-	-	-
Nunavut					
North Thelon	-	-	-	-	-
Ukaliq	-	-	-	-	-
Idaho					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 2,708,973	\$ 25,000	\$ -	\$ (62,963)	\$ 2,671,010

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects

a) Clearwater

The Company holds a 75% interest in the Clearwater uranium project. In August 2014, the Company and Vanadian Energy Corp. ("Vanadian") entered into an option agreement whereby Vanadian earned a 25% interest in the Clearwater project in 2017. On April 30, 2020, the Company and Vanadian entered into a joint venture agreement to further explore the Clearwater project. The Company will act as operator.

b) Costco

The Company held a 100% interest in the Costco uranium project. During the year ended November 30, 2019, the Company elected to write off all capitalized costs totalling \$44,516 and during the year ended November 30, 2020, the Company allowed these claims to lapse.

c) Costigan

The Company holds a 65% interest in the Costigan uranium project and Nyrstar Myra Falls Ltd. holds the remaining 35% interest, subject to a 10% net profits interest ("NPI") royalty. The Company acts as operator.

d) Fir Island

The Company holds a 100% interest in the Fir Island uranium project, subject to a 1.5% net smelter return ("NSR") royalty, of which the Company can buy back 1% by paying \$1,000,000.

On November 7, 2019, as amended October 26, 2020, the Company entered into an option agreement with Orano Canada Inc. ("Orano") whereby the Company granted Orano a series of options to acquire up to a 70% interest in the project pursuant to the following terms:

Interest	Date	Exploration expenditures
To earn the initial 20%	On or before December 31, 2019	\$500,000 (incurred)
	On or before February 28, 2021 ⁽¹⁾	\$1,000,000 (incurred)
To earn a further 31% (51% total)	On or before December 31, 2021	\$1,500,000
To earn a further 9% (60% total)	On or before December 31, 2022	\$1,500,000
To earn a further 10% (70% total)	On or before December 31, 2023	\$1,500,000
		\$6,000,000

(1) Amended on October 26, 2020 from December 31, 2020

The Company will act as operator until such time as Orano has earned a 51% interest in the project, after which time Orano will act as operator. While the Company is the operator it is entitled to a management fee of 10% on incurred expenditures. During the year ended November 30, 2020, the recorded management fees of \$113,201.

As at November 30, 2020, the Company had received cash advances in excess of exploration work incurred of \$100,000 and this amounts is shown as due to joint venture partner on the consolidated statement of financial position as at November 30, 2020.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

e) Glennie

In September 2020, the Company acquired by staking the Glennie gold-copper project.

f) Henday

The Company holds a 40% interest in the Henday uranium project, subject to a 2.0% NSR royalty, of which the Company can buy back 1% by paying the greater of US\$800,000 or CDN\$1,000,000 at the time of buy back.

In February 2009, the Company entered into an option agreement with Hathor Exploration Limited ("Hathor") pursuant to which Hathor earned a 60% interest in the Henday project.

In January 2012, Rio Tinto Canada Uranium ("Rio") acquired Hathor and in May 2012, the Company received a letter from Rio notifying the Company of their intent to elect to acquire the additional 10% interest by funding a bankable feasibility study. In November 2015, the agreement was amended, pursuant to which Rio can acquire the additional 10% by financing \$20,000,000 in exploration or delivering a feasibility study on the project, whichever occurs first, at which time Rio would hold a 70% and the Company a 30% interest in the project.

During the year ended November 30, 2020, the Company elected to write off all capitalized costs totalling \$1,476,300 in respect of the property but retains a 40% interest in the property.

g) Highrock

The Company holds a 100% interest in the Highrock uranium project, subject to a 1.0% NSR royalty, of which the Company can buy back 0.5% by paying \$1,000,000. The Company also holds a 100% interest in the Highrock South project, subject to payment of a 2.0% NSR royalty to the vendor.

h) Janice Lake

The Company holds a 100% interest in the Janice Lake copper-silver project. On February 5, 2018, as amended March 18, 2019 and September 13, 2020, the Company entered into an option agreement with Transition Metals Corp. ("Transition") pursuant to which the Company earned a 100% interest in the Janice Lake project in September 2020.

The terms of the agreement were as follow:

Date	Cash payments	Exploration expenditures
On execution of the agreement	\$25,000 (paid)	-
On or before August 5, 2018	-	\$250,000 (incurred)
On or before February 5, 2019	\$25,000 (paid)	-
On or before February 5, 2020	\$50,000 (paid by Rio Tinto)	-
On or before February 5, 2021	\$50,000 (waived – see below)	-
On or before February 5, 2022	\$100,000 (waived – see below)	-
	<u>\$250,000</u>	<u>\$250,000</u>

In addition, the Company issued Transition 8,000,000 common shares valued at \$480,000 in February 2018 on closing of the agreement.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

h) Janice Lake (continued)

In connection with the announcement on September 8, 2020 by Nova Royalty Corp. (“Nova”) of the acquisition of a 1% NSR royalty on the Janice Lake project, the Company reached agreement with Transition (the September 13, 2020 amendment) whereby:

- Transition waived the two final option payments of \$150,000.
- Transition retains a 1% NSR royalty, of which the Company has the option to repurchase 0.375% at any time prior to commercial production for \$750,000.
- Transition had an addition 1% NSR royalty which it sold to Nova, of which the Company has the option to repurchase 0.375% at any time prior to commercial production for \$750,000.

Transition is also entitled to \$1,000,000 on completion of a feasibility study on the property and \$5,000,000 due within 12 months of the property achieving commercial production.

On May 8, 2019, as amended February 1, 2021, the Company entered into an option to joint venture agreement with Rio Tinto Exploration Canada Inc. (“Rio Tinto”) pursuant to which Rio Tinto can earn up to a 80% interest. Rio Tinto is the operator.

The initial 51% interest in the project is pursuant to the following terms:

Date	Cash payments to Forum in respect of the grant of exploration rights	Cash payment to Forum in respect of the option agreement	Assumption of payments due by Forum to Transition	Exploration expenditures
On or before June 22, 2019	\$50,000 (1)	\$60,000 (1)	-	-
On or before February 5, 2020	-	\$60,000 (2)	\$50,000 (3)	-
On or before May 8, 2020	-	\$50,000 (4)	-	-
On or before August 5, 2020	-	\$60,000 (5)	-	-
Prior to November 8, 2020	-	-	-	\$3,000,000 (6)
On or before February 8, 2021	-	\$60,000 (7)	\$50,000 (8)	-
On or before May 8, 2021	-	\$50,000	-	-
On or before February 8, 2022	-	-	\$100,000 (8)	-
On or before May 8, 2022	-	\$100,000	-	-
Prior to May 8, 2023	-	-	-	\$7,150,000
	\$50,000	\$440,000	\$200,000	\$10,150,000

- (1) received May 2019
(2) received January 2020
(3) paid January 2020
(4) received April 2020
(5) received July 2020
(6) incurred
(7) received January 2021
(8) waived

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

h) Janice Lake (continued)

Upon having earned the initial 51% interest, Rio Tinto has the option to earn an additional 29% interest in consideration for the following:

Date	Cash payments to Forum in respect of the option of interest	Exploration expenditures
On or before 10 days after providing election of exercise notice to Forum	\$50,000	-
On or before May 8, 2024	\$50,000	-
On or before May 8, 2025	\$50,000	-
On or before May 8, 2026	-	\$20,000,000
	\$150,000	\$20,000,000

Upon having earned an interest in the project, Rio Tinto may elect to form a joint venture, with the joint venture parties holding their interest's pro-rata at that time.

i) Love Lake

In May 2019, the Company acquired by staking the Love Lake nickel-copper-platinum-palladium-gold project.

j) Maurice Point

The Company holds a 100% interest in the Maurice Point uranium project.

During the year ended November 30, 2019, the Company elected to write off all capitalized costs totalling \$18,447 in respect of the property but retains a 100% interest in the property.

k) North West Athabasca

The Company holds a 40% interest in the North West Athabasca uranium project.

The Company is party to a joint venture agreement with NexGen Energy Ltd. ("NexGen"), Cameco Corporation ("Cameco") and Orano. The Company holds a 39.43% interest in the project, NexGen holds a 28.14%, Cameco holds a 19.93%, and Orano holds a 12.5% interest. Pursuant to the agreement, the Company acts as operator.

l) The Highlands

In January 2020, the Company acquired by staking The Highlands palladium-copper-nickel project.

m) Wollaston

In April 2020, the Company acquired by staking the Wollaston uranium project.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

n) Waterbury/ Waterbury South/ Hook

In November 2017, the Company acquired by staking three uranium claims groups. During the year ended November 30, 2020, the Company allowed these claims to lapse.

Nunavut

o) North Thelon

The Company held a 100% interest in the North Thelon uranium project. During the year ended November 30, 2020, the Company allowed these claims to lapse.

p) Ukaliq

In January 2009, the Company entered into agreements, as amended, with Nunavut Tunngavik Incorporated ("NTI") allowing the Company to earn a 100% interest in all uranium and other minerals located on certain Inuit Owned Lands. On March 4, 2020, the Company terminated the agreement.

Idaho and Oregon

q) Quartz Gulch and Juneau-Standard

In September 2018, the Company acquired a 100% interest in the Quartz Gulch cobalt property in Idaho and the Juneau-Standard cobalt property in Oregon, by way of a share purchase agreement, pursuant to which the Company acquired 100% of the issued and outstanding shares of Lumina Cobalt US Holdings I Corp. ("Lumina Holdings") from Lumina Cobalt Corp. ("Lumina"), such that upon completion of the transaction Lumina Holdings became a wholly-owned subsidiary of the Company, in consideration for the following:

Date	US\$
On closing of the agreement	\$15,000 (paid)
On or before September 25, 2019	\$25,000
On or before September 25, 2020	\$35,000
	\$75,000

In addition, the Company issued Lumina 3,000,000 common shares valued at \$135,000 in September 2018 on closing of the agreement.

In September 2019, the due date of the promissory note was extended to June 26, 2020.

In June 2020, the promissory notes were collectively replaced by 12 individual promissory notes dated the first day of each month starting with July 2020 and ending with June 2021 in the amount of \$6,775 each, for a total of \$81,300 (Note 9).

Lumina retains a 2% NSR royalty, of which the Company has the option to buyback 1% for US\$1,000,000.

During the year ended November 30, 2019, the Company allowed the Juneau-Standard claims to lapse.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the year ended November 30, 2020:

	Saskatchewan													Nunavut	Idaho	Total
	Clearwater	Costco	Costigan	Fir Island	Glennie	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	The Highlands	Wollaston	North Thelon	Quartz Gulch	
Aircraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,184	\$ -	\$ -	\$ -	\$ 4,789	\$ -	\$ -	\$ 11,973
Camp and accommodation	-	-	-	81,772	-	-	-	-	9,034	-	-	-	500	-	-	91,306
Camp costs	-	-	-	118,236	-	-	-	-	2,842	-	-	-	-	-	-	121,078
Community relations	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	1,000
Drilling	-	-	-	293,100	-	-	-	25,000	-	-	-	-	-	-	-	318,100
Field personnel	-	-	-	36,522	-	-	-	-	-	-	-	-	-	-	-	36,522
Fuel	-	-	-	43,226	-	-	-	-	14,992	-	-	-	-	-	-	58,218
Geological evaluations	-	1,825	-	47,389	6,396	-	550	2,031	59,603	325	-	-	2,848	-	-	120,967
Labs and assays	-	-	-	-	-	-	-	-	14,464	-	-	-	-	-	-	14,464
Leases	-	-	-	22,351	-	-	-	-	-	-	-	-	-	-	-	22,351
License/permit/taxes	-	-	-	914	-	-	-	-	200	-	-	-	200	300	28,176	29,790
Linecutting/grid	-	-	-	6,678	-	-	-	-	-	-	-	-	-	-	-	6,678
Surveying	-	-	-	9,200	-	-	-	-	194,749	-	-	-	-	-	-	203,949
Technical reporting	-	-	-	30,174	348	-	-	-	1,217	-	-	-	-	-	-	31,739
Travel	-	-	-	34,130	-	-	-	527	10,181	-	-	-	-	-	-	44,838
	-	1,825	-	723,692	6,744	-	550	27,558	315,466	325	-	-	8,337	300	28,176	1,112,973
Recoveries from joint venture partner	-	-	-	(887,323)	-	-	-	-	-	-	-	-	-	-	-	(887,323)
Total	\$ -	\$ 1,825	\$ -	\$(163,631)	\$ 6,744	\$ -	\$ 550	\$ 27,558	\$ 315,466	\$ 325	\$ -	\$ -	\$ 8,337	\$ 300	\$ 28,176	\$ 225,650

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the year ended November 30, 2019:

	Saskatchewan									Nunavut		Idaho	Total		
	Clearwater	Costco	Costigan	Fir Island	Henday	Highrock	Janice Lake	Karpinka	Love Lake	Maurice Point	NW Athabasca	North Thelon		Ukaliq	Quartz Gulch
Camp and accommodation	\$ -	-	-	-	-	-	2,415	-	914	-	-	-	-	-	3,329
Claim staking	-	-	-	-	-	-	-	-	19,832	4,675	-	-	-	-	24,507
Camp costs	770	733	-	733	-	733	-	733	-	770	(37)	(37)	-	-	4,398
Drilling	-	-	-	-	-	-	8,455	-	7,282	-	-	-	-	-	15,737
Fuel	-	-	-	-	-	-	-	-	108	-	-	-	-	-	108
Geophysics	-	-	-	-	-	-	-	-	4,894	-	-	-	-	-	4,894
Labs and assays	-	-	-	-	-	-	399	-	-	-	-	-	-	-	399
License/permit/taxes	-	-	-	1,398	-	-	-	-	-	-	-	-	-	28,415	29,813
Linecutting/grid	-	-	-	55,800	-	-	-	-	-	-	-	-	-	-	55,800
Geological evaluations	-	3,479	-	18,501	-	3,375	39,472	999	55,661	3,274	699	699	-	-	126,159
Proispecting	-	-	-	-	-	-	1,069	-	-	-	-	-	2,796	-	3,865
Surveying	-	-	-	365,682	-	-	-	-	551	-	-	-	-	-	366,233
Technical reporting	-	-	-	-	-	-	26,247	-	13,284	-	-	-	-	-	39,531
TMEI grant	-	-	-	-	-	-	(50,000)	-	-	-	-	-	-	-	(50,000)
Travel	-	-	-	-	-	-	12,966	-	19,413	-	-	-	-	-	32,379
	770	4,212	-	442,114	-	4,108	41,023	1,732	121,939	8,719	662	662	2,796	28,415	657,152
Recoveries from joint venture partners	-	-	-	(250,000)	-	-	(110,000)	-	-	-	-	-	-	-	(360,000)
Total	\$ 770	\$ 4,212	\$ -	\$ 192,114	\$ -	\$ 4,108	\$ (68,977)	\$ 1,732	\$121,939	\$ 8,719	\$ 662	\$ 662	\$ 2,796	\$ 28,415	\$297,152

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

8. Trade and Other Payables

	November 30, 2020	November 30, 2019
Trade and other payables in Canada	\$ 189,530	\$ 263,649
Due to related parties (Note 12)	68,438	255,170
Total	\$ 257,968	\$ 518,819

In May 2020, certain officers and directors of the Company forgave debt of \$169,055 and accordingly the Company recorded a gain on settlement of \$169,055 for the year ended November 30, 2020.

9. Promissory Notes

	November 30, 2020	November 30, 2019
Opening balance	\$ 79,806	\$ 77,722
Repayments	(33,875)	-
Foreign exchange	1,494	2,084
Closing balance	\$ 47,425	\$ 79,806

In September 2018, the Company acquired a 100% interest in the Quartz Gulch property in Idaho and the Juneau-Standard property in Oregon (Note 7). In consideration, the Company, among other things, issued US\$60,000 of non-interest bearing promissory notes (US\$25,000 with a due date of September 25, 2019 and US\$35,000 with a due date of September 25, 2020).

In September 2019, the due date of the US\$25,000 promissory note was extended to June 26, 2020.

In June 2020, the promissory notes were collectively replaced by 12 individual promissory notes dated the first day of each month starting with July 2020 and ending with June 2021 in the amount of \$6,775 each, for a total of \$81,300.

During the year ended November 30, 2020, the Company paid \$33,875 to settle the first five promissory notes leaving a balance owing as at November 30, 2020 of \$47,425.

10. Loan

In May 2020, the Company received \$40,000 in respect of the Canada Emergency Business Account (“CEBA”) loan (the “Loan”). CEBA was implemented by banks and credit unions in collaboration with Export Development Canada to provide assistance and support to enterprises impacted by the coronavirus (COVID-19) pandemic. The Loan is non-interest bearing. The Loan has an early payment incentive trigger amount, such that if the Company repays 75% of the amount of the Loan on or before December 31, 2022, the repayment of the remaining 25% of the Loan will be forgiven. If 75% of the Loan is not repaid on or before December 31, 2022, the remaining balance of the Loan may be extended from January 1, 2023 to December 31, 2025 (the “Extension Period”). During the term of the Extension Period, the Loan will bear interest of 5% per annum.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock

A. Authorized

The Company has an unlimited number of common shares without par value authorized for issuance.

B. Issued and outstanding

During the year ended November 30, 2020, the Company completed the following transactions:

- On May 11, 2020, the Company completed a private placement through the issuance of 5,350,648 units at a price of \$0.06 per unit for gross proceeds of \$321,039. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.10 per share until May 11, 2025.
- On June 19, 2020 and July 15, 2020, the Company completed a private placement in two tranches through the issuance of 4,050,000 flow-through units at a price of \$0.10 per flow-through unit for gross proceeds of \$405,000. Each flow-through unit consists of one flow-through common share and one-half of one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.14 for a period of three years. The Company recorded a flow-through premium liability of \$25,000 on issuance of these flow-through units.

The Company paid finder's fees of \$29,450 cash and other share issue costs of \$1,003.

The Company issued 294,500 broker warrants valued at \$21,433. The broker warrants are exercisable at \$0.10 per share for a period of three years. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.45%; a volatility of 139-143%; an expected life of 3 years; a forfeiture rate of zero; and an expected dividend of zero.

- On July 30, 2020, the Company issued 87,500 common shares on the exercise of warrants for gross proceeds of \$5,250.
- On August 10, 2020, the Company issued 200,000 common shares on the exercise of stock options for gross proceeds of \$20,000.
- On October 16, 2020, the Company completed a private placement through the issuance of 6,666,668 flow-through units at a price of \$0.15 per flow-through unit for gross proceeds of \$1,000,000. Each flow-through unit consists of one flow-through common share and one-half of one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.20 until October 16, 2022. The Company recorded a flow-through premium liability of \$100,000 on issuance of these flow-through units.

The Company paid finder's fees of \$80,000 cash.

The Company issued 533,334 broker warrants valued at \$47,491. The broker warrants are exercisable at \$0.15 per share until October 16, 2022. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.45%; a volatility of 139%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock (continued)

B. Issued and outstanding (continued)

During the year ended November 30, 2019, the Company completed the following transactions:

- On February 12, 2019, the Company completed a private placement through the issuance of 11,080,000 units at a price of \$0.05 per unit for gross proceeds of \$554,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.10 per share until April 1, 2024.

The Company paid finder's fees of \$9,908 cash.

The Company issued 198,160 broker warrants valued at \$3,348. The broker warrants are exercisable at \$0.05 per share until April 1, 2020. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; a volatility of 154%; an expected life of 1 years; a forfeiture rate of zero; and an expected dividend of zero.

- On August 21, 2019, the Company completed a private placement through the issuance of 1,250,000 flow-through shares at a price of \$0.06 per share for gross proceeds of \$75,000. The Company recorded a flow-through premium liability of \$6,250 on issuance of these flow-through units.

The Company paid finder's fees of \$6,859 cash.

The Company issued 87,500 broker warrants valued at \$2,461. The broker warrants are exercisable at \$0.06 per share until August 22, 2020. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; a volatility of 144%; an expected life of 1 years; a forfeiture rate of zero; and an expected dividend of zero.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock (continued)

C. Warrants

The continuity of share purchase warrants for the year ended November 30, 2020, is as follows:

Expiry date	Exercise price	Balance, November 30, 2019	Granted	Exercised	Expired	Balance, November 30, 2020				
April 1, 2020	\$ 0.05	198,160	-	-	(198,160)	-				
June 22, 2020	\$ 0.12	1,975,000	-	-	(1,975,000)	-				
August 22, 2020	\$ 0.06	87,500	-	(87,500)	-	-				
March 5, 2021 *	\$ 0.10	1,425,000	-	-	-	1,425,000				
April 4, 2021 **	\$ 0.10	680,000	-	-	-	680,000				
October 16, 2022	\$ 0.20	-	3,333,334	-	-	3,333,334				
October 16, 2022	\$ 0.15	-	533,334	-	-	533,334				
June 19, 2023	\$ 0.14	-	1,250,000	-	-	1,250,000				
June 19, 2023	\$ 0.10	-	200,000	-	-	200,000				
July 15, 2023	\$ 0.14	-	775,000	-	-	775,000				
July 15, 2023	\$ 0.10	-	94,500	-	-	94,500				
April 1, 2024	\$ 0.10	11,080,000	-	-	-	11,080,000				
May 11, 2025	\$ 0.10	-	5,350,648	-	-	5,350,648				
		15,445,660	11,536,816	(87,500)	(2,173,160)	24,721,816				
Weighted average exercise price	\$	0.10	\$	0.14	\$	0.06	\$	0.11	\$	0.12

* In February 2020, the Company amended the expiry date from March 5, 2020 to March 5, 2021.

** In February 2020, the Company amended the expiry date from April 4, 2020 to April 4, 2021.

As at November 30, 2020, the weighted average remaining contractual life of the share purchase warrants outstanding was 3.02 years.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock (continued)

C. Warrants (continued)

The continuity of share purchase warrants for the year ended November 30, 2019, is as follows:

Expiry date	Exercise price	Balance, November 30, 2018	Granted	Exercised	Expired	Balance, November 30, 2019
December 19, 2018	\$ 0.12	11,000,000	-	-	(11,000,000)	-
December 22, 2018	\$ 0.08	175,000	-	-	(175,000)	-
December 30, 2018	\$ 0.12	200,000	-	-	(200,000)	-
January 13, 2019	\$ 0.12	2,405,000	-	-	(2,405,000)	-
August 23, 2019	\$ 0.055	133,000	-	-	(133,000)	-
March 5, 2020	\$ 0.10	1,425,000	-	-	-	1,425,000
April 1, 2020	\$ 0.05	-	198,160	-	-	198,160
April 4, 2020	\$ 0.10	680,000	-	-	-	680,000
June 22, 2020	\$ 0.12	1,975,000	-	-	-	1,975,000
August 22, 2020	\$ 0.06	-	87,500	-	-	87,500
April 1, 2024	\$ 0.10	-	11,080,000	-	-	11,080,000
		17,993,000	11,365,660	-	(13,913,000)	15,445,660
Weighted average exercise price	\$ 0.12	\$ 0.10	\$ -	\$ 0.12	\$ 0.10	

D. 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 TSX-V on the last trading day preceding the grant date. Options vest immediately for directors, officers, employees and consultants, and in equal quarterly intervals over a term of 12 months for investor relations. The Plan further provides that at any such time the TSX-V rules differ from specific terms of the Plan, then the rules of the Exchange shall apply.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock (continued)

D. Stock options (continued)

The continuity of stock options for the year ended November 30, 2020, is as follows:

Expiry date	Exercise price	Balance, November 30, 2019	Granted	Exercised	Cancelled / Expired	Balance, November 30, 2020
September 5, 2020	\$ 0.10	200,000	-	(200,000)	-	-
November 1, 2020	\$ 0.10	175,000	-	-	(175,000)	-
December 2, 2020	\$ 0.10	960,000	-	-	-	960,000
March 1, 2021	\$ 0.10	880,000	-	-	(50,000)	830,000
January 4, 2022	\$ 0.10	150,000	-	-	(150,000)	-
September 14, 2021	\$ 0.15	-	200,000	-	-	200,000
September 12, 2022	\$ 0.10	1,905,000	-	-	(150,000)	1,755,000
February 12, 2024	\$ 0.10	250,000	-	-	-	250,000
June 5, 2024	\$ 0.10	5,000,000	-	-	(100,000)	4,900,000
June 26, 2024	\$ 0.10	205,000	-	-	-	205,000
August 26, 2024	\$ 0.10	200,000	-	-	-	200,000
February 10, 2025	\$ 0.10	-	400,000	-	-	400,000
May 12, 2025	\$ 0.10	-	1,150,000	-	-	1,150,000
		9,925,000	1,750,000	(200,000)	(625,000)	10,850,000
Weighted average exercise price	\$ 0.10	\$ 0.11	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10

As at November 30, 2020, 10,650,000 outstanding stock options were exercisable.

As at November 30, 2020, the weighted average remaining contractual life of the stock options outstanding was 2.75 years.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock (continued)

D. Stock options (continued)

The continuity of stock options for the year ended November 30, 2019, is as follows:

Expiry date	Exercise price	Balance, November 30, 2018	Granted	Exercised	Cancelled / Expired	Balance, November 30, 2019		
September 5, 2020	\$ 0.10	-	200,000	-	-	200,000		
February 7, 2019	\$ 0.10	285,000	-	-	(285,000)	-		
November 1, 2020	\$ 0.10	175,000	-	-	-	175,000		
December 2, 2020	\$ 0.10	960,000	-	-	-	960,000		
March 1, 2021	\$ 0.10	920,000	-	-	(40,000)	880,000		
January 4, 2022	\$ 0.10	150,000	-	-	-	150,000		
September 12, 2022	\$ 0.10	1,930,000	-	-	(25,000)	1,905,000		
February 12, 2024	\$ 0.10	-	250,000	-	-	250,000		
June 5, 2024	\$ 0.10	-	5,000,000	-	-	5,000,000		
June 26, 2024	\$ 0.10	-	205,000	-	-	205,000		
August 26, 2024	\$ 0.10	-	200,000	-	-	200,000		
		4,420,000	5,855,000	-	(350,000)	9,925,000		
Weighted average exercise price	\$	0.10	\$	0.10	\$	0.10	\$	0.10

E. Share-based compensation

During the year ended November 30, 2020, the Company recorded share-based compensation of \$144,407 (2019 - \$257,400).

On September 14, 2020, the Company granted 200,000 stock options to an investor relations consultant valued at \$10,859 or \$0.05 per option, of which \$2,297 was recorded as share-based compensation for the year ended November 30, 2020. These options vest 25% in three months and 25% every three months thereafter. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.24%; an expected volatility of 107%; an expected life of 1 years; a forfeiture rate of zero; and an expected dividend of zero.

On May 12, 2020, the Company granted 1,150,000 stock options to directors, officers, employees and consultants at a fair value of \$105,084 or \$0.09 per option, all of which was recorded as share-based compensation for the year ended November 30, 2020. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 152%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On February 10, 2020, the Company granted 400,000 stock options to a director and a consultant at a fair value of \$32,706 or \$0.08 per option, all of which was recorded as share-based compensation for the year ended November 30, 2020. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 151%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

11. Capital Stock (continued)

E. Share-based compensation (continued)

On September 5, 2019, the Company granted 200,000 stock options to an investor relations consultant at a fair value of \$5,759 or 0.03 per option. These options vest 25% in three months and 25% every three months thereafter. During the year ended November 30, 2020, the Company recorded share-based compensation of \$4,320 (2019 - \$1,439). The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 148%; an expected life of 1 year; a forfeiture rate of zero; and an expected dividend of zero.

On August 26, 2019, the Company granted 200,000 stock options to a consultant at a fair value of \$10,499 or \$0.05 per option, all of which was recorded as share-based compensation for the year ended November 30, 2019. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 146%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On June 26, 2019, the Company granted 205,000 stock options to two consultants at a fair value of \$9,920 or \$0.05 per option, all of which was recorded as share-based compensation for the year ended November 30, 2019. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 150%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On June 5, 2019, the Company granted 5,000,000 stock options to directors, officers, employees and consultants at a fair value of \$228,241 or \$0.05 per option, all of which was recorded as share-based compensation for the year ended November 30, 2019. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 165%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On February 12, 2019, the Company granted 250,000 stock options to a director at a fair value of \$8,738 or \$0.04 per option, all of which was recorded as share-based compensation for the year ended November 30, 2019. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 1.75%; an expected volatility of 154%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

12. Related Party Transactions

Compensation of key management personnel

Key management personnel includes members of the Board of Directors, the Chief Executive Officer, the VP Exploration, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended November 30, 2020 and 2019 were as follows:

		Year ended November 30,	
		2020	2019
Consulting fees			
Rick Mazur	Chief Executive Officer	\$ 63,625	\$ 135,212
Jackie Collins	Corporate Secretary	40,000	52,000
Jeannine Webb	Former Chief Financial Officer	35,104	36,000
Director fees			
Anthony Balme	Chairman	15,000	30,000
Larry Okada	Director	6,000	-
Michael Steeves	Director	6,000	-
Exploration and evaluation expenditures			
Ken Wheatley	VP Exploration	83,659	137,504
Investor relations and shareholder information			
Craig Christy	Former VP Corporate Development	20,000	29,100
Professional fees			
McMillan LLP	Director in common - legal services	5,495	52,877
David Cowan	Director - legal services	21,935	-
Share-based compensation		125,525	224,198
Total		\$ 422,343	\$ 696,891

Amounts due to related parties

		November 30,	November 30,
		2020	2019
Rick Mazur	Fees	\$ 35,213	\$ 73,048
Rick Mazur	Expenses	-	4,237
Jackie Collins	Fees	11,806	20,500
Jeannine Webb	Fees	-	13,500
Anthony Balme	Fees	7,500	15,000
Larry Okada	Fees	-	12,000
Michael Steeves	Fees	-	12,000
David Cowan	Fees	3,920	12,000
Ken Wheatley	Fees	9,999	69,612
Craig Christy	Fees	-	7,875
McMillan LLP	Fees	-	15,398
Total		\$ 68,438	\$ 255,170

In May 2020, certain officers and directors of the Company forgave debt of \$169,055 (Note 8).

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

13. Segmented Information

The Company operates in one business and two geographical segments being the exploration of mineral properties in Canada and the United States. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and have been disclosed in Note 7.

14. Financial Instruments and Financial Risk Management

Financial instruments

Financial instruments are classified into one of the following categories: FVTPL; FVTOCI; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		November 30, 2020	November 30, 2019
Cash	FVTPL	\$ 1,308,527	\$ 131,308
Marketable Securities	FVTPL	14,727	7,901
Receivables	Amortized cost	4,811	26,032
Trade and other payables	Amortized cost	257,968	518,819
Promissory notes	Amortized cost	47,425	79,806
Loan	Amortized cost	40,000	-

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The carrying values for receivables, trade and other payables, and promissory notes approximate their fair value due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value of cash and marketable securities is determined based on Level 1 of the fair value hierarchy. The carrying values of the loan is measured at amortized cost.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

14. Financial Instruments and Financial Risk Management (continued)

Financial risk management

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.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high credit quality financial institutions in business and savings accounts. The Company's receivables primarily include balances receivable from government agencies. The Company is exposed to some risk on amounts due from these government agencies; however, to date the Company has been successful on collecting on its receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, market and commodity prices. These fluctuations may be significant.

i) Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant. The interest rates on the promissory notes and the loan are fixed.

ii) Foreign exchange risk

At November 30, 2020, all of the Company's cash was held in Canadian dollars. The Company has operations in the United States, but no foreign currency in that jurisdiction at this time and as such has no currency risk associated with its operations.

iii) Market price risk

The Company is exposed to price volatility on its marketable securities. The fair value of its portfolio is not material and any market price risk is considered insignificant.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

14. Financial Instruments and Financial Risk Management (continued)

Financial risk management (continued)

Market Risk (continued)

iv) Commodity Price Risk:

While the value of the Company's exploration and evaluation assets is related to the price of energy metals such as uranium, copper, and cobalt and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect to its operational activities.

Historically, the price of energy metals has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to energy metals.

15. 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 14.

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 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 year ended November 30, 2020 compared to the year ended November 30, 2019. The Company is not subject to externally imposed capital requirements.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

16. Income Tax

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended November ,	
	2020	2019
Loss for the year	\$ (2,067,640)	\$ (1,312,638)
Expected income tax recovery	\$ (558,000)	\$ (342,000)
Change in statutory, foreign tax, foreign exchange rates and other	(39,000)	(57,000)
Permanent differences	48,000	69,000
Impact of flow-through shares	90,000	20,000
Share issue costs	(30,000)	(5,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(10,000)	135,000
Change in unrecognized deductible temporary differences	499,000	180,000
Total	\$ -	\$ -

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

	November 30,	November 30,
	2020	2019
Deferred tax assets		
Exploration and evaluation assets	\$ 5,043,000	\$ 4,580,000
Equipment	131,000	130,000
Share issue costs	31,000	14,000
Marketable securities	18,000	19,000
Non-capital losses available for future periods	3,261,000	3,242,000
Total unrecognized deferred tax assets	\$ 8,484,000	\$ 7,985,000

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	November 30,	
	2020	Expiry date range
Temporary differences		
Exploration and evaluation assets	\$ 18,704,000	no expiry date
Equipment	484,000	no expiry date
Share issue costs	115,000	2041 to 2044
Marketable securities	133,000	no expiry date
Non-capital losses available for future periods	12,090,000	See below
Non-capital loss summary		
Canada	\$ 12,033,000	2026 to 2039
United States	57,000	2021 to 2034

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2020
(Expressed in Canadian Dollars)

17. Subsequent Events

Subsequent to November 30, 2020, the Company completed the following transactions:

- On December 3, 2020, 960,000 stock options expired unexercised.
- On December 22, 2020, the Company completed a private placement through the issuance of 15,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.15 for a period of two years. The Company paid finder's fees of \$34,580 cash and issued 345,800 broker warrants entitling the holder thereof to purchase one common share at a price of \$0.10 for a period of one year.
- In January and February 2021, the Company issued 3,505,897 common shares on the exercise of warrants for gross proceeds of \$355,590.
- In January and February 2021, the Company issued 1,225,000 common shares on the exercise of stock options for gross proceeds of \$122,500.
- In February 2021, the Company granted 100,000 stock options to an officer of the Company exercisable at a price of \$0.36 until February 23, 2026.
- On March 11, 2021, the Company completed a private placement through the issuance of 1,351,351 flow-through units at a price of \$0.37 per flow-through unit for gross proceeds of \$500,000. Each flow-through unit consists of one flow-through common share and one share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.42 until March 11, 2024.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended November 30, 2020

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Forum Energy Metals Corp. (the "Company" or "Forum") for the year ended November 30, 2020 and up to the date of this MD&A, and should be read in conjunction with the accompanying audited consolidated financial statements for the year ended November 30, 2020, together with the notes thereto (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is March 18, 2021.

Description of Business

Forum is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol FMC. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company is engaged in the business of evaluating, and if deemed appropriate, acquiring and exploring natural resource properties.

The Company has three 100% owned energy metal projects to be drilled in 2021 by the Company and its major mining company partners for copper/silver, uranium and nickel/platinum/palladium in Saskatchewan, Canada's Number One Rated mining province for exploration and development. Forum has a portfolio of nine uranium projects in the Athabasca basin and a strategic land position in the Idaho Cobalt Belt.

COVID-19

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2021. The Company continues to operate its business, and in response to Canadian Federal and Provincial, and US Federal and State emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

Resource Properties

As at November 30, 2020 and the date of this MD&A, the Company had an ownership in the following exploration and evaluation assets:

PROJECT	INTEREST	COMMODITY	LOCATION
Glennie	100%	Gold-Copper	Saskatchewan
Janice Lake	100%	Copper-Silver	Saskatchewan
Love Lake	100%	Palladium-Copper-Nickel	Saskatchewan
The Highlands	100%	Palladium-Copper-Nickel	Saskatchewan
Clearwater	75%	Uranium	Saskatchewan
Costigan	65%	Uranium	Saskatchewan
Fir Island	100%	Uranium	Saskatchewan
Grease River	100%	Uranium	Saskatchewan
Henday	40%	Uranium	Saskatchewan
Highrock	100%	Uranium	Saskatchewan
Maurice Point	100%	Uranium	Saskatchewan
NW Athabasca	39.43%	Uranium	Saskatchewan
Wollaston	100%	Uranium	Saskatchewan
Quartz Gulch	100%	Cobalt	Idaho

During the year ended November 30, 2020, and up to the date of this MD&A, the Company completed work on the following exploration and evaluation assets:

Fir Island

The Company holds a 100% interest in the Fir Island uranium project, subject to a 1.5% net smelter return ("NSR") royalty, of which the Company can buy back 1% by paying \$1,000,000. The Fir Island claims are located on the northeast margin of the Athabasca Basin, Saskatchewan. Six Fir Island claims totalling 20,463 hectares are well located on the northern extension of the Centennial shear zone that transects the Athabasca Basin and manifests itself as the Black Lake fault on the property.

On November 7, 2019, as amended October 26, 2020, the Company entered into an option agreement with Orano Canada Inc. ("Orano") whereby the Company granted Orano a series of options to acquire up to a 70% interest in the project. Under the terms of the agreement, Orano is to spend a total of \$6,000,000 on the property on or before December 31, 2023 as follows:

- \$1,500,000 on or before February 28, 2021 to earn the initial 20% interest;
- \$1,500,000 on or before December 31, 2021 to earn a total 51% interest;
- \$1,500,000 on or before December 31, 2022 to earn a total 60% interest; and
- \$1,500,000 on or before December 31, 2023 to earn a total 70% interest.

Under the terms of the agreement, the Company will act as operator until such time as Orano has earned a 51% interest in the project, after which time Orano will become operator.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

In March 2020, the Company completed a drill program of six holes totalling 1,819 metres. Drilling confirmed the presence of the uranium bearing structure a further one kilometre ("km") south of five holes previous drilled by Forum.

As announced March 3, 2021, two drill rigs have commenced drilling on a 5,000 metre, 24 hole drill program, which is being funded by Orano. Previous drilling in 2015 and 2020 identified two prospective structures transecting the project, defined by gravity, resistivity, and soil sampling anomalies. The 2021 drill program will further investigate these structures that exhibit strong alteration, elevated geochemical indicators, and an abundance of dravite; a boron-rich clay that is present around most uranium deposits on the eastern side of the Athabasca Basin.

Janice Lake

The Company holds a 100% interest in the Janice Lake copper-silver project. The Janice Lake project is located 55 km southeast of the Key lake processing facility in Saskatchewan. The property consists of 24 mining claims covering the full extent of the 52 km long sedimentary basin prospective for copper and silver for a total of 39,943 hectares. Numerous surface copper showings were discovered by historical prospecting over a 10 km trend and the remaining 42 km trend remains under prospected or covered by thin overburden. The Janice Lake copper occurrences are comparable to the supergiant Udokan sedimentary copper project in Siberia.

On May 8, 2019, as amended February 1, 2021, the Company entered into an option to joint venture agreement with Rio Tinto Exploration Canada Inc. ("Rio Tinto") pursuant to which Rio Tinto can earn up to a 80% interest. Under the terms of the agreement, Rio Tinto is to spend a total of \$30,150,000 on the property prior to May 8, 2026 as follows:

- \$3,000,000 on or before November 8, 2023 (incurred);
- \$7,150,000 on or before May 8, 2023 to earn a 51% interest; and
- \$20,000,000 on or before May 8, 2026 to earn a total 70% interest.

Rio Tinto is the operator.

The property is subject to a 1% NSR royalty, of which the Company has the option to repurchase 0.375% at any time prior to commercial production for \$750,000. The project is also subject to an additional 1% NSR royalty, of which the Company has the option to repurchase 0.375% at any time prior to commercial production for \$750,000.

In the winter of 2020, Rio Tinto completed a 110 km winter haul road to the site. During the summer of 2020, Rio Tinto built an 80 person drill camp at Burbidge Lake in the centre of the property for the 2021 winter drill program. Rio Tinto completed a program of mapping and prospecting over the full 52 km extent of the property, geophysical and geochemical orientation surveys over the Jansem deposit and 818 metres of Rotary Air Blast drilling in 25 short holes through overburden covered targets on the property.

As announced February 16, 2021, Rio Tinto commenced drilling with two rigs, to test the Rafuse target, a 2.8 km long priority target of surface copper mineralization followed by potential drilling at the Jansem, Juno and Roberts showing areas that were developed during Rio Tinto's rotary air blast drilling, mapping, prospecting and geophysical program this past summer.

Drilling of nine holes at Rafuse in 1969 to a maximum depth of 62 metres returned up to 17 metres of 0.68% copper and two holes drilled in 1993 by Noranda to a maximum depth of 128 metres returned 21.7 metres of 0.19% copper. It is clear that past historical drilling did not go deep enough nor far enough along strike to evaluate the possibility of multiple layers of shallow copper mineralization amenable to open pit mining.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

Drilling at Juno and Roberts are follow-up targets from positive rotary air blast drill results encountered during the past summer RAB drill program (up to 1.5m of 0.62% copper and 9.3 g/t silver at Juno).

Further drilling at Jansem is also planned to follow up on thick intervals of surface copper mineralization outlined by drilling in 2019 (up to 51.8 meters grading 0.57% copper).

Love Lake

Forum acquired, by staking, the Love Lake nickel-copper-palladium-platinum (Ni-Cu-PGM) project located approximately 60 km northeast of Forum's Janice Lake project in north-eastern Saskatchewan along Highway 905 to the Rabbit Lake Mine. The project consists of 13 claims totalling 32,075 hectares and covers mafic-intrusive rocks of the Peter Lake Domain with historic occurrences of nickel, copper, zinc, platinum, palladium and gold.

The Ni-Cu-PGM occurrences are associated with the 2.5 billion year old Swan River mafic complex which includes the Love Lake Complex in the Peter Lake Domain where Forum has focused its exploration. Forum staked a 20 km by 12 km area of historic copper-nickel platinum group metal showings. The property is prospective for nickel-copper magmatic sulphide deposits in feeder zones, Lac de lles-type structural platinum/palladium deposits and reef-type platinum/palladium deposits. Grab samples in Trench #4 in the What Lake area returned 0.33% Cu, 1.33% Ni, 2.73 g/t platinum, 2.68 g/t palladium, 70 ppb gold and 0.43%Cu, 0.23% Ni, 3.58 g/t platinum, 4.27 g/t palladium, 200 ppb gold. An area to the west of the What Lake occurrence discovered copper mineralization by trenching over a 1.4 km strike length. Two historical drill holes intersected 0.23% copper over 31.7 metres and 0.29% copper over 36.6 metres.

Forum compiled all geological, geophysical and geochemical data and conducted a mapping, sampling and prospecting program of the property in September 2019. A 4,412 line km high resolution airborne magnetic survey over the Love Lake Complex identified three potential feeder zones – the Road, Korvin and What Lake Anomalies and two other massive sulphide targets. Follow-up geological mapping, prospecting and geochemical sampling over these potential feeder zones in 2020 have determined that the Love Lake Complex is highly prospective for magmatic Ni-Cu-PGM deposits. Forum plans to conduct electromagnetic surveys over these five areas of the Love Lake Complex with a view to complete drilling of the most prospective electromagnetic targets in 2021.

New Projects

The Highlands

In January 2020, Forum staked eight claims totalling 22,407 hectares over ground prospective for palladium-copper-nickel deposits in the Peter Lake Geological Domain to the northeast of the Love Lake project in northern Saskatchewan.

Wollaston project

In April 2020, Forum staked thirteen claims totalling 11,067 hectares over ground prospective for uranium in the northeastern area of the Athabasca Basin in close vicinity to the McClean Lake and Rabbit Lake uranium processing facilities. Historic geophysics and prospecting on the project have outlined over 30 km of conductive trends and several radioactive boulder trains, the sources of which remain undiscovered. Historic drilling has not tested the property adequately. A \$175,000 gravity survey is planned this spring over three new target areas identified by the Company.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

Glennie

In September 2020, Forum staked five claims totalling 21,422 hectares along a conductive trend that identifies a structural corridor east of Lac La Ronge that hosts numerous gold and copper showings in the Glennie Geological Domain. Compilation of the survey and historical data has been completed and a summer prospecting program is planned.

Grease River

In March 2021, Forum staked two claims totalling 10,528 hectares along a structural corridor prospective for unconformity type uranium deposits along the north margin of the Athabasca Basin.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

The following table shows the exploration and evaluation expenditures by property for the year ended November 30, 2020:

	Saskatchewan													Nunavut	Idaho	Total
	Clearwater	Costco	Costigan	Fir Island	Glennie	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	The Highlands	Wollaston	North Thelon	Quartz Gulch	
Aircraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,184	\$ -	\$ -	\$ -	\$ 4,789	\$ -	\$ -	\$ 11,973
Camp and accommodation	-	-	-	81,772	-	-	-	-	9,034	-	-	-	500	-	-	91,306
Camp costs	-	-	-	118,236	-	-	-	-	2,842	-	-	-	-	-	-	121,078
Community relations	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	1,000
Drilling	-	-	-	293,100	-	-	-	25,000	-	-	-	-	-	-	-	318,100
Field personnel	-	-	-	36,522	-	-	-	-	-	-	-	-	-	-	-	36,522
Fuel	-	-	-	43,226	-	-	-	-	14,992	-	-	-	-	-	-	58,218
Geological evaluations	-	1,825	-	47,389	6,396	-	550	2,031	59,603	325	-	-	2,848	-	-	120,967
Labs and assays	-	-	-	-	-	-	-	-	14,464	-	-	-	-	-	-	14,464
Leases	-	-	-	22,351	-	-	-	-	-	-	-	-	-	-	-	22,351
License/permit/taxes	-	-	-	914	-	-	-	-	200	-	-	-	200	300	28,176	29,790
Linecutting/grid	-	-	-	6,678	-	-	-	-	-	-	-	-	-	-	-	6,678
Surveying	-	-	-	9,200	-	-	-	-	194,749	-	-	-	-	-	-	203,949
Technical reporting	-	-	-	30,174	348	-	-	-	1,217	-	-	-	-	-	-	31,739
Travel	-	-	-	34,130	-	-	-	527	10,181	-	-	-	-	-	-	44,838
	-	1,825	-	723,692	6,744	-	550	27,558	315,466	325	-	-	8,337	300	28,176	1,112,973
Recoveries from joint venture partner	-	-	-	(887,323)	-	-	-	-	-	-	-	-	-	-	-	(887,323)
Total	\$ -	\$ 1,825	\$ -	\$(163,631)	\$ 6,744	\$ -	\$ 550	\$ 27,558	\$ 315,466	\$ 325	\$ -	\$ -	\$ 8,337	\$ 300	\$ 28,176	\$ 225,650

Qualified Person

Richard J. Mazur, P.Geo., President & CEO of the Company, is the Qualified Person has reviewed and approved the exploration information and resource disclosures contained in this MD&A.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

Selected Annual Information

	November 30, 2020	November 30, 2019	November 30, 2018
	\$	\$	\$
Revenue	-	-	-
Net loss	(2,067,640)	(1,312,638)	(1,180,250)
Net loss per share, basic and diluted	(0.02)	(0.01)	(0.01)
Total assets	2,407,687	2,876,605	2,962,573
Total liabilities	537,104	598,625	235,338

Results of Operations

The consolidated net loss for the year ended November 30, 2020 was \$2,067,640 (2019 - \$1,312,638).

The significant changes between the current year and the comparative year are discussed below.

Consulting fees for the year ended November 30, 2020 totalled \$138,729 compared to \$223,212 in the comparative year. The decrease in consulting fees is due to management of the Company agreeing to temporarily reduce their fees during the year ended November 30, 2020. Management fees were reinstated in December 2020.

Exploration and evaluation expenditures for the year ended November 30, 2020 totalled \$225,650 (2019 - \$297,152) and relates to exploration work primarily on the Company's Love Lake project off-set by recoveries on the Company's Fir Island project.

Investor relations and shareholder information expenses for the year ended November 30, 2020 were \$136,506 and are comparable to the prior year expenses of \$122,201.

Management fees earned for the year ended November 30, 2020 were \$113,201 (2019 - \$Nil) and relate to fees charged to Orano on the Fir Island project as the Company is the operator.

During the year ended November 30, 2020, the Company recorded share-based compensation of \$144,407 (2019 - \$257,400) on stock options granted during the year.

In May 2020, certain officers, directors, and consultants of the Company forgave debt of \$169,055 and accordingly the Company recorded a gain on settlement of \$169,055 for the year ended November 30, 2020.

During the year ended November 30, 2020, the Company elected to write off all capitalized costs totalling \$1,476,300 in respect of the Henday property. During the year ended November 30, 2019, the Company elected to write off all capitalized costs totalling \$44,516 in respect of the Costco property and also elected to write off all capitalized costs totalling \$18,447 in respect of the Maurice Point property.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

Summary of Quarterly Results

	Three Months Ended November 30, 2020	Three Months Ended August 31, 2020	Three Months Ended May 31, 2020	Three Months Ended February 29, 2020
	\$	\$	\$	\$
Cash	1,308,527	382,402	275,970	511,993
Exploration and evaluation assets	1,057,988	2,671,010	2,671,010	2,671,010
Total assets	2,407,687	3,184,398	3,075,014	3,270,766
Shareholders' equity	1,870,583	2,990,358	2,899,786	2,160,322
Net income (loss)	(1,942,072)	(285,666)	279,196	(119,098)
Net income (loss) per share, basic and diluted	(0.02)	(0.00)	0.00	(0.00)

	Three Months Ended November 30, 2019	Three Months Ended August 31, 2019	Three Months Ended May 31, 2019	Three Months Ended February 28, 2019
	\$	\$	\$	\$
Cash	131,308	173,329	198,464	45,832
Exploration and evaluation assets	2,671,010	2,733,973	2,733,973	2,733,973
Total assets	2,876,605	2,964,247	3,015,653	2,854,979
Shareholders' equity	2,876,605	2,627,354	2,730,991	2,493,300
Net loss	(347,765)	(415,798)	(306,402)	(242,673)
Net loss per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)

Fourth Quarter

The Company began the fourth quarter with \$382,402 cash. During the fourth quarter, the Company spent \$39,303 on operating activities, net of working capital changes, spent \$12,853 from investing activities, and received \$899,675 on financing activities, to end the quarter and the year with \$1,308,527 of cash.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

Liquidity and Capital Resources

Forum began the fiscal year with \$131,308 cash. During the year ended November 30, 2020, the Company spent \$606,464 on operating activities, net of working capital changes, received \$136,722 from investing activities, and received \$1,646,961 from financing activities, to end at November 30, 2020 with \$1,308,527 cash.

During the year ended November 30, 2020, the Company completed the following transactions:

- On May 11, 2020, the Company completed a private placement through the issuance of 5,350,648 units at a price of \$0.06 per unit for gross proceeds of \$321,039. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.10 per share until May 11, 2025.
- On June 19, 2020 and July 15, 2020, the Company completed a private placement in two tranches through the issuance of 4,050,000 flow-through units at a price of \$0.10 per flow-through unit for gross proceeds of \$405,000. Each flow-through unit consists of one flow-through common share and one-half of one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.14 for a period of three years.
- On October 16, 2020, the Company completed a private placement through the issuance of 6,666,668 flow-through units at a price of \$0.15 per flow-through unit for gross proceeds of \$1,000,000. Each flow-through unit consists of one flow-through common share and one-half of one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.20 until October 16, 2022.

At November 30, 2020, the Company has working capital of \$842,007 (which amount includes \$1,038,174 restricted to flow-through purposes, resulting in an unrestricted working capital deficit of \$196,167).

Subsequent to November 30, 2020, the Company completed the following transactions:

- On December 22, 2020, the Company completed a private placement through the issuance of 15,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder thereof to purchase one common share at a price of \$0.15 for a period of two years.
- In January and February 2021, the Company issued 3,505,897 common shares on the exercise of warrants for gross proceeds of \$355,590.
- In January and February 2021, the Company issued 1,225,000 common shares on the exercise of stock options for gross proceeds of \$122,500.
- On March 11, 2021, the Company completed a private placement through the issuance of 1,351,351 flow-through units at a price of \$0.37 per flow-through unit for gross proceeds of \$500,000. Each flow-through unit consists of one flow-through common share and one share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.42 until March 11, 2024.

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

Management estimates that its working capital and subsequent financings may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Related Party Transactions

Compensation of key management personnel

Key management personnel includes members of the Board of Directors, the Chief Executive Officer, the VP Exploration, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended November 30, 2020 and 2019 were as follows:

		Year ended November 30,	
		2020	2019
Consulting fees			
Rick Mazur	Chief Executive Officer	\$ 63,625	\$ 135,212
Jackie Collins	Corporate Secretary	40,000	52,000
Jeannine Webb	Former Chief Financial Officer	35,104	36,000
Director fees			
Anthony Balme	Chairman	15,000	30,000
Larry Okada	Director	6,000	-
Michael Steeves	Director	6,000	-
Exploration and evaluation expenditures			
Ken Wheatley	VP Exploration	83,659	137,504
Investor relations and shareholder information			
Craig Christy	Former VP Corporate Development	20,000	29,100
Professional fees			
McMillan LLP	Director in common - legal services	5,495	52,877
David Cowan	Director - legal services	21,935	-
Share-based compensation			
		125,525	224,198
Total		\$ 422,343	\$ 696,891

Forum Energy Metals Corp.
Management's Discussion and Analysis
For the year ended November 30, 2020

Amounts due to related parties

		November 30, 2020	November 30, 2019
Rick Mazur	Fees	\$ 35,213	\$ 73,048
Rick Mazur	Expenses	-	4,237
Jackie Collins	Fees	11,806	20,500
Jeannine Webb	Fees	-	13,500
Anthony Balme	Fees	7,500	15,000
Larry Okada	Fees	-	12,000
Michael Steeves	Fees	-	12,000
David Cowan	Fees	3,920	12,000
Ken Wheatley	Fees	9,999	69,612
Craig Christy	Fees	-	7,875
McMillan LLP	Fees	-	15,398
Total		\$ 68,438	\$ 255,170

In May 2020, certain officers and directors of the Company forgave debt of \$169,055.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets are described in Note 7 to the Financial Report.

Outstanding Share Data as at the date of this MD&A

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Share Purchase Warrants	Stock Options
Balance as at November 30, 2020	125,093,720	24,721,816	10,850,000
Private placement	15,000,000	15,000,000	-
Broker warrants	-	345,800	-
Private placement	1,351,351	1,351,351	-
Exercise of warrants	3,505,897	(3,505,897)	-
Exercise of options	1,225,000	-	(1,225,000)
Options expired	-	-	(960,000)
Options granted	-	-	100,000
Balance as at the date of this MD&A	146,175,968	37,913,070	8,765,000

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

New and Amended Accounting Standards Adopted

The Company adopted the requirements of IFRS 16 – Leases (“IFRS 16”) as of December 1, 2019. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the leased asset. For assets that meet the definition of a lease, IFRS 16 requires a single, on-balance sheet accounting model similar to finance lease accounting, with exceptions for short-term leases, leases of low value assets, and mineral exploration leases. The Company does not have any leases that fall within the application of IFRS 16.

New Accounting Standards Not Yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of November 30, 2020 and have not been applied in preparing the Financial Report. In addition, none of these standards are applicable to the Company.

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS 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) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, preliminary economic assessment, accessibility of facilities and existing permits.

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company as well as the functional currency of the Company's US subsidiaries is the Canadian dollar.

Financial Instruments

Financial instruments are classified into one of the following categories: FVTPL; FVTOCI; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		November 30, 2020	November 30, 2019
Cash	FVTPL	\$ 1,308,527	\$ 131,308
Marketable Securities	FVTPL	14,727	7,901
Receivables	Amortized cost	4,811	26,032
Trade and other payables	Amortized cost	257,968	518,819
Promissory notes	Amortized cost	47,425	79,806
Loan	Amortized cost	40,000	-

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The carrying values for receivables, trade and other payables, and promissory notes approximate their fair value due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value of cash and marketable securities is determined based on Level 1 of the fair value hierarchy. The carrying values of the loan is measured at amortized cost.

Financial Risk Management

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.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high credit quality financial institutions in business and savings accounts. The Company's receivables primarily include balances receivable from government agencies. The Company is exposed to some risk on amounts due from these government agencies; however, to date the Company has been successful on collecting on its receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, market and commodity prices. These fluctuations may be significant.

i) Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant. The interest rates on the promissory notes and the loan are fixed.

ii) Foreign exchange risk

At November 30, 2020, all of the Company's cash was held in Canadian dollars. The Company has operations in the United States, but no foreign currency in that jurisdiction at this time and as such has no currency risk associated with its operations.

Forum Energy Metals Corp.

Management's Discussion and Analysis

For the year ended November 30, 2020

iii) Market price risk

The Company is exposed to price volatility on its marketable securities. The fair value of its portfolio is not material and any market price risk is considered insignificant.

iv) Commodity Price Risk:

While the value of the Company's exploration and evaluation assets is related to the price of energy metals such as uranium, copper, and cobalt and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect to its operational activities.

Historically, the price of energy metals has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to energy metals.

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. 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.

Additional Information

Additional information is available on the Company's website at www.forumenergymetals.com or on SEDAR at www.sedar.com.