



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 28, 2021**

*(Unaudited – Expressed in Canadian Dollars)*

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### **NOTICE TO READER**

These condensed interim consolidated financial statements of Forum Energy Metals Corp. have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

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**Forum Energy Metals Corp.**  
**Condensed Interim Consolidated Statements of Financial Position**  
*(Unaudited - Expressed in Canadian Dollars)*

	<i>Note</i>	February 28, 2021	November 30, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4	\$ 2,558,744	\$ 1,308,527
Marketable securities	5	18,033	14,727
Receivables		26,301	4,811
Due from joint venture partner	7	226,163	-
Prepaid expenses		58,858	11,046
		2,888,099	1,339,111
<b>Equipment</b>	6	9,762	10,588
<b>Exploration and evaluation assets</b>	7	1,004,306	1,057,988
		\$ 3,902,167	\$ 2,407,687
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	8	\$ 164,178	\$ 257,968
Due to joint venture partner		-	100,000
Promissory notes	9	27,100	47,425
Flow-through share premium liability		89,473	91,711
		280,751	497,104
<b>Loan</b>	10	40,000	40,000
		320,751	537,104
<b>Shareholders' equity</b>			
Capital stock	11	48,640,496	46,661,116
Obligation to issue shares	11	5,000	-
Contributed surplus - warrants	11	2,441,301	2,408,576
Contributed surplus - options	11	5,407,970	5,469,521
Deficit		(52,913,351)	(52,668,630)
		3,581,416	1,870,583
		\$ 3,902,167	\$ 2,407,687
<b>Nature of operations and going concern</b>	1		
<b>Subsequent events</b>	15		

Approved and authorized by the Board of Directors on April 22, 2021.

*"Richard Mazur"*  
Richard Mazur  
Director

*"Larry Okada"*  
Larry Okada  
Director

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

**Forum Energy Metals Corp.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
*(Unaudited - Expressed in Canadian Dollars)*

	<i>Note</i>	Three months ended	
		February 28, 2021	February 29, 2020
<b>EXPENSES</b>			
Amortization	6	\$ 826	\$ 164
Consulting fees	12	68,500	41,627
Director fees	12	7,500	7,500
Exploration and evaluation expenditures	7	25,150	(37,513)
Investor relations and shareholder information		62,049	87,082
Management fees earned	7	(29,651)	-
Office and administration		10,943	7,021
Professional fees		17,605	4,779
Share-based compensation	11	29,280	1,440
Transfer agent and regulatory fees		58,063	6,977
Travel and promotion		-	1,162
		(250,265)	(120,239)
<b>Flow-through share premium recovery</b>		2,238	-
<b>Unrealized gain on marketable securities</b>	5	3,306	1,141
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		\$ (244,721)	\$ (119,098)
<b>Basic and diluted loss per common share</b>		\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		137,264,071	108,738,904

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

**Forum Energy Metals Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
*(Unaudited - Expressed in Canadian Dollars)*

	Three months ended	
	February 28, 2021	February 29, 2020
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING ACTIVITIES:</b>		
Loss for the period	\$ (244,721)	\$ (119,098)
Items not affecting cash:		
Amortization	826	164
Share-based compensation	29,280	1,440
Flow-through share premium recovery	(2,238)	-
Unrealized gain on marketable securities	(3,306)	(1,141)
Foreign exchange on promissory notes	-	837
Change in non-cash working capital items:		
Receivables	(21,490)	(14,919)
Due from joint venture partner	(226,163)	-
Prepaid expenses	(47,812)	2,420
Trade and other payables	(93,790)	(23,549)
Due to joint venture partner	(100,000)	534,531
	(709,414)	380,685
<b>INVESTING ACTIVITIES:</b>		
Acquisition of exploration and evaluation assets	(6,318)	-
Option payments received on exploration and evaluation assets	60,000	-
	53,682	-
<b>FINANCING ACTIVITIES:</b>		
Proceeds from private placements	1,500,000	-
Share issuance costs	(46,816)	-
Obligation to issue shares	5,000	-
Proceeds from exercise of warrants	350,590	-
Proceeds from exercise of stock options	117,500	-
Repayment of promissory notes	(20,325)	-
	1,905,949	-
<b>INCREASE IN CASH FOR THE PERIOD</b>	1,250,217	380,685
<b>CASH, BEGINNING OF THE PERIOD</b>	1,308,527	131,308
<b>CASH, END OF THE PERIOD</b>	\$ 2,558,744	\$ 511,993
<b>Non-cash investing and financing activities</b>		
Fair value of broker warrants issued	\$ 34,854	\$ -
<b>Supplemental information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

## Forum Energy Metals Corp.

### Condensed Interim Consolidated Statements of Shareholders' Equity

(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Capital Stock	Obligation to issue shares	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
<b>Balance, November 30, 2020</b>	125,093,720	\$ 46,661,116	\$ -	\$ 2,408,576	\$ 5,469,521	\$ (52,668,630)	\$ 1,870,583
Private placements	15,000,000	1,500,000	-	-	-	-	1,500,000
Share issuance costs - broker warrants	-	(34,854)	-	34,854	-	-	-
Share issuance costs - cash	-	(46,816)	-	-	-	-	(46,816)
Exercise of warrants	3,455,897	352,719	-	(2,129)	-	-	350,590
Exercise of stock options	1,175,000	208,331	-	-	(90,831)	-	117,500
Share-based compensation	-	-	-	-	29,280	-	29,280
Obligation to issue shares	-	-	5,000	-	-	-	5,000
Loss and comprehensive loss for the period	-	-	-	-	-	(244,721)	(244,721)
<b>Balance, February 28, 2021</b>	144,724,617	\$ 48,640,496	\$ 5,000	\$ 2,441,301	\$ 5,407,970	\$ (52,913,351)	\$ 3,581,416

	Number of shares	Capital Stock	Obligation to issue shares	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
<b>Balance, November 30, 2019</b>	108,738,904	\$ 45,214,204	\$ -	\$ 2,339,652	\$ 5,325,114	\$ (50,600,990)	\$ 2,277,980
Share-based compensation	-	-	-	-	1,440	-	1,440
Loss and comprehensive loss for the period	-	-	-	-	-	(119,098)	(119,098)
<b>Balance, February 29, 2020</b>	108,738,904	\$ 45,214,204	\$ -	\$ 2,339,652	\$ 5,326,554	\$ (50,720,088)	\$ 2,160,322

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

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

*(Unaudited - Expressed in Canadian Dollars)*

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### 1. Nature of Operations and Going Concern

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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 condensed interim 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 February 28, 2021, the Company has working capital of \$2,607,348 (which amount includes \$1,013,024 restricted to flow-through purposes, resulting in an unrestricted working capital deficit of \$1,594,324). Subsequent to February 28, 2021, the Company completed a private placement for gross proceeds of \$500,000 (Note 15). Management estimates that its working capital and subsequent financing 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 condensed interim 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 Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

*(Unaudited - Expressed in Canadian Dollars)*

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### 2. Basis of Preparation

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#### Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2020.

#### Basis of measurement

These condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

*(Unaudited - Expressed in Canadian Dollars)*

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### 2. Basis of Preparation (continued)

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#### 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 Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

### 3. Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended November 30, 2020.

#### New accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of February 28, 2021 and have not been applied in preparing these condensed interim consolidated financial statements. In addition, none of these standards are applicable to the Company.

### 4. Cash

	February 28, 2021	November 30, 2020
Cash	\$ 1,545,720	\$ 270,353
Flow-through funds	1,013,024	1,038,174
Total	\$ 2,558,744	\$ 1,308,527

At February 28, 2021, the Company has restricted cash of \$1,013,024 (November 30, 2020 - \$1,038,174) in respect of the unspent balance from the flow-through private placements. These funds are restricted for use to advance the Company's exploration and evaluation assets.

### 5. Marketable Securities

Company	Shares	February 28, 2021 FMV	November 30, 2020 FMV
Mega Uranium Ltd. (T-MGA)	25,000	\$ 4,875	\$ 3,000
Southern Energy Corp. (V-SOU)	3,000	105	75
U308 Corp. (V-UWE)	155	-	-
Minera IRL Ltd. (C-MIRL)	2,380	345	369
Troilus Gold Corp. (T-TLG)	6,666	6,333	7,533
Vanadian Energy Corp. (V-VEC)	75,000	6,375	3,750
Total		\$ 18,033	\$ 14,727

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

During the three months ended February 28, 2021, the Company recognized an unrealized gain of \$3,306 (2020 - \$1,441) through the statement of loss and comprehensive loss.

## Forum Energy Metals Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

#### 6. Equipment

	Exploration equipment		Total	
<b>Cost</b>				
At November 30, 2020	\$	11,000	\$	11,000
Additions		-		-
At February 28, 2021	\$	11,000	\$	11,000
<b>Accumulated depreciation</b>				
At November 30, 2020	\$	412	\$	412
Depreciation		826		826
At February 28, 2021	\$	1,238	\$	1,238
<b>Carrying amounts</b>				
At November 30, 2020	\$	10,588	\$	10,588
At February 28, 2021	\$	9,762	\$	9,762

#### 7. Exploration and Evaluation Assets

	November 30, 2020	Additions	Recoveries	Write-off	February 28, 2021
<b>Saskatchewan</b>					
Clearwater	\$ -	\$ -	\$ -	\$ -	\$ -
Costigan	-	-	-	-	-
Fir Island	147,000	-	-	-	147,000
Glennie	12,853	-	-	-	12,853
Grease River	-	6,318	-	-	6,318
Henday	-	-	-	-	-
Highrock	57,854	-	-	-	57,854
Janice Lake	360,000	-	(60,000)	-	300,000
Love Lake	-	-	-	-	-
Maurice Point	-	-	-	-	-
NW Athabasca	200,000	-	-	-	200,000
The Highlands	13,088	-	-	-	13,088
Wollaston	7,337	-	-	-	7,337
<b>Idaho</b>					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 1,057,988	\$ 6,318	\$ (60,000)	\$ -	\$ 1,004,306

Details on the Company's exploration and evaluation assets are found in Note 7 of the November 30, 2020 consolidated financial statements, except as noted below.

##### *Grease River*

In February 2021, the Company acquired by staking the Grease River uranium project in Saskatchewan.

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

### 7. Exploration and Evaluation Assets (continued)

#### Fir Island

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. 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 three months ended February 28, 2021, the recorded management fees of \$29,651.

During the three months ended February 28, 2021, the Company incurred exploration expenditures on the Fir Island project of \$326,163, of which \$226,163 had not yet been funded and this amount is shown as due from joint venture partner on the consolidated statement of financial position as at February 28, 2021.

The following table shows the activity by category of exploration expenditures for the three months ended February 28, 2021:

	Saskatchewan													Idaho	Total
	Clearwater	Costigan	Fir Island	Glennie	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	The Highlands	Wollaston	Quartz Gulch	
Camp costs	\$ -	\$ -	\$ 568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451	\$ -	\$ -	\$ -	\$ 451	\$ -	\$ 1,470
Claim staking	-	-	-	-	-	-	-	-	-	300	-	-	-	-	300
Community relations	-	-	1,417	-	-	-	-	-	-	-	-	-	-	-	1,417
Drilling	-	-	247,744	-	-	-	-	-	-	-	-	-	-	-	247,744
Field personnel	-	-	8,400	-	-	-	-	-	-	-	-	-	-	-	8,400
Fuel	-	-	934	-	-	-	-	-	-	-	-	-	-	-	934
Geological evaluations	-	-	750	-	-	-	-	-	9,150	-	-	-	-	-	9,900
License/permit/taxes	-	-	1,817	-	-	-	-	-	1,003	-	-	-	-	-	2,820
Management fees	-	-	29,651	-	-	-	-	-	-	-	-	-	-	-	29,651
Salaries	-	-	25,200	-	-	-	-	476	10,214	-	500	-	1,909	-	38,299
Supplies	-	-	2,142	-	-	-	-	-	-	-	-	-	-	-	2,142
Surveying	-	-	435	-	-	-	-	-	584	-	-	-	-	-	1,019
Technical reporting	-	-	-	-	-	-	-	-	112	-	-	-	-	-	112
Travel	-	-	7,105	-	-	-	-	-	-	-	-	-	-	-	7,105
Subtotal	-	-	326,163	-	-	-	-	476	21,514	300	500	-	2,360	-	351,313
Recoveries from joint venture partner	-	-	(326,163)	-	-	-	-	-	-	-	-	-	-	-	(326,163)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 476</b>	<b>\$ 21,514</b>	<b>\$ 300</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 2,360</b>	<b>\$ -</b>	<b>\$ 25,150</b>

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

### 8. Trade and Other Payables

	February 28, 2021	November 30, 2020
Trade and other payables in Canada	\$ 145,880	\$ 189,530
Due to related parties (Note 12)	18,298	68,438
Total	\$ 164,178	\$ 257,968

### 9. Promissory Notes

	February 28, 2021	November 30, 2020
Opening balance	\$ 47,425	\$ 79,806
Repayments	(20,325)	(33,875)
Foreign exchange	-	1,494
Closing balance	\$ 27,100	\$ 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. Subsequent to February 28, 2021, the Company settled the Loan (Note 15).

### 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 three months ended February 28, 2021, 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 until December 21, 2022.

The Company paid finder’s fees of \$34,580 cash and other share issue costs of \$12,235.

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

### 11. Capital Stock (continued)

#### B. Issued and outstanding

The Company issued 345,800 broker warrants valued at \$34,854. The broker warrants are exercisable at \$0.10 per share until December 31, 2022. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.23%; a volatility of 97%; an expected life of 1 years; a forfeiture rate of zero; and an expected dividend of zero.

- During the three months ended February 28, 2021, the Company issued 3,455,897 common shares on the exercise of warrants for gross proceeds of \$350,590.
- During the three months ended February 28, 2021, the Company issued 1,175,000 common shares on the exercise of stock options for gross proceeds of \$117,500.
- During the three months ended February 28, 2021, the Company received \$5,000 related to stock options that were exercised in March 2021 (Note 15). These funds have been recorded as an obligation to issue shares on the statement of financial position as at February 28, 2021.

#### C. Warrants

The continuity of share purchase warrants for the three months ended February 28, 2021, is as follows:

Expiry date	Exercise price	Balance, November 30, 2020	Granted	Exercised	Expired	Balance, February 28, 2021				
March 5, 2021	\$ 0.10	1,425,000	-	(1,425,000)	-	-				
April 4, 2021	\$ 0.10	680,000	-	(630,000)	-	50,000				
December 21, 2021	\$ 0.10	-	345,800	(5,250)	-	340,550				
October 16, 2022	\$ 0.20	3,333,334	-	-	-	3,333,334				
October 16, 2022	\$ 0.15	533,334	-	-	-	533,334				
December 21, 2022	\$ 0.15	-	15,000,000	(100,000)	-	14,900,000				
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	-	(21,980)	-	72,520				
April 1, 2024	\$ 0.10	11,080,000	-	(932,000)	-	10,148,000				
May 11, 2025	\$ 0.10	5,350,648	-	(341,667)	-	5,008,981				
		24,721,816	15,345,800	(3,455,897)	-	36,611,719				
Weighted average exercise price	\$	0.12	\$	0.15	\$	0.10	\$	-	\$	0.13

As at February 28, 2021, the weighted average remaining contractual life of the share purchase warrants outstanding was 2.50 years.

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

### 11. Capital Stock (continued)

#### 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.

The continuity of stock options for the three months ended February 28, 2021, is as follows:

Expiry date	Exercise price	Balance, November 30, 2020	Granted	Exercised	Cancelled / Expired	Balance, February 28, 2021
December 2, 2020	\$ 0.10	960,000	-	-	(960,000)	-
March 1, 2021	\$ 0.10	830,000	-	(780,000)	-	50,000
September 14, 2021	\$ 0.15	200,000	-	-	-	200,000
September 12, 2022	\$ 0.10	1,755,000	-	(125,000)	-	1,630,000
February 12, 2024	\$ 0.10	250,000	-	-	-	250,000
June 5, 2024	\$ 0.10	4,900,000	-	(270,000)	-	4,630,000
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
February 23, 2026	\$ 0.36	-	100,000	-	-	100,000
		10,850,000	100,000	(1,175,000)	(960,000)	8,815,000
Weighted average exercise price	\$ 0.10	\$ 0.36	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10

As at February 28, 2021, 8,665,000 outstanding stock options were exercisable.

As at February 28, 2021, the weighted average remaining contractual life of the stock options outstanding was 3.04 years.

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

*(Unaudited - Expressed in Canadian Dollars)*

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### 11. Capital Stock (continued)

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#### E. Share-based compensation

During the three months ended February 28, 2021, the Company recorded share-based compensation of \$29,280 (2020 - \$1,440).

On February 23, 2021, the Company granted 100,000 stock options to an officer of the Company at a fair value of \$25,376 or \$0.25 per option, all of which was recorded as share-based compensation for the three months ended February 28, 2021. 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 0.54%; an expected volatility of 95%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

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 \$3,904 was recorded as share-based compensation for the three months ended February 28, 2021. These options vest 25% in three months and 25% every three months thereafter.



# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - 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 three months ended February 28, 2021 and 2020 were as follows:

		Three months ended	
		February 28, 2021	February 29, 2020
<b>Consulting fees</b>			
Rick Mazur	Chief Executive Officer	\$ 36,000	\$ 20,627
Jackie Collins	Corporate Secretary	15,000	12,000
Golden Oak *	Chief Financial Officer	17,500	-
Jeannine Webb	Former Chief Financial Officer	-	9,000
		68,500	41,627
<b>Director fees</b>			
Anthony Balme	Chairman	7,500	7,500
		7,500	7,500
<b>Exploration and evaluation expenditures</b>			
Ken Wheatley	VP Exploration	30,000	30,939
		30,000	30,939
<b>Investor relations and shareholder information</b>			
Craig Christy	Former VP Corporate Development	-	15,000
		-	15,000
<b>Professional fees</b>			
McMillan LLP	Director in common - legal services	5,006	244
David Cowan	Director - legal services	11,235	-
		16,241	244
<b>Share-based compensation</b>		25,376	-

\* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by Dan O'Brien, the Chief Financial Officer of the Company. Golden Oak provides the services of a Chief Financial Officer and accounting staff to the Company.

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

### 12. Related Party Transactions (continued)

*Amounts due to related parties*

		February 28, 2021	November 30, 2020
Rick Mazur	Fees	\$ -	\$ 35,213
Jackie Collins	Fees	-	11,806
Anthony Balme	Fees	-	7,500
David Cowan	Fees	3,920	3,920
Ken Wheatley	Expenses	10,264	9,999
McMillan LLP	Expenses	3,824	-
Golden Oak	Expenses	290	-
Total		\$ 18,298	\$ 68,438

### 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: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		February 28, 2021	November 30, 2020
Cash	FVTPL	\$ 2,558,744	\$ 1,308,527
Marketable Securities	FVTPL	18,033	14,727
Receivables	Amortized cost	26,301	4,811
Trade and other payables	Amortized cost	164,178	257,968
Promissory notes	Amortized cost	27,100	47,425
Loan	Amortized cost	40,000	40,000

# Forum Energy Metals Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended February 28, 2021

*(Unaudited - Expressed in Canadian Dollars)*

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### 14. Financial Instruments and Financial Risk Management (continued)

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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.

#### Financial risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended November 30, 2020.

### 15. Subsequent Events

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Subsequent to February 28, 2021, the Company completed the following transactions:

- On March 10, 2021, the Company commenced trading on the OTCQB Venture Market in the United States under the symbol FDCFF.
- 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.
- In March and April 2021, the Company issued 2,061,000 common shares on the exercise of warrants for gross proceeds of \$262,100.
- In March and April 2021, the Company issued 195,000 common shares on the exercise of stock options for gross proceeds of \$19,500.
- In April 2021, the Company settled the Loan (Note 10) through a payment of \$30,000 cash and forgiveness of \$10,000 in accordance with the terms of the Loan.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
QUARTERLY HIGHLIGHTS**

**For the three months ended February 28, 2021**

# **Forum Energy Metals Corp.**

## **Management's Discussion and Analysis**

### **For the three months ended February 28, 2021**

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The following is management's discussion and analysis – quarterly highlights (“MD&A”) of the results of operations and financial condition of Forum Energy Metals Corp. (the “Company” or “Forum”) for the three months ended February 28, 2021 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended November 30, 2020 (the “Annual MD&A”).

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended November 30, 2020, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the three months ended February 28, 2021 (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 April 22, 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.

On March 10, 2021, the Company commenced trading on the OTCQB Venture Market in the United States under the symbol FDCFF.

#### **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 three months ended February 28, 2021**

**Resource Properties**

As at February 28, 2021 and the date of this MD&A, the Company had an ownership in the following exploration and evaluation assets:

<b>PROJECT</b>	<b>INTEREST</b>	<b>COMMODITY</b>	<b>LOCATION</b>
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 three months ended February 28, 2021, and up to the date of this MD&A, the Company completed work on the following exploration and evaluation assets:

*Janice Lake*

As announced April 14, 2021, Rio Tinto Exploration Canada completed winter drilling on the Janice Lake copper/silver project in Saskatchewan. The first set of assay results are expected in May. Nine holes for a total of 2,330 metres were drilled on the Rafuse target, a 2.8 kilometre long priority target of surface copper mineralization that was developed during Rio Tinto's mapping, prospecting and geophysical program this past summer.

Due to winter in northern Saskatchewan having a late start and an early spring, the drill program was cut short. The two drills were left at the 80-person camp in preparation for a potential resumption of the drill program in June. The scope of the drill program and the planned geological, geophysical and geochemical surface exploration program will be finalized once assay results are received.

Three drill fences at 200 metre spacings for a total strike length of 650 metres were tested on the Rafuse target. Historic drilling of nine holes in 1969 at Rafuse only tested to a maximum depth of 62 metres; these returned up to 17 metres of 0.68% copper. Two holes drilled by Noranda (1993) to a maximum depth of 128 metres returned 21.7 metres of 0.19% copper. The nine holes drilled by Rio Tinto went to an average depth of 259 metres, investigating the down-dip extent of the surface mineralization.

# **Forum Energy Metals Corp.**

## **Management's Discussion and Analysis**

### **For the three months ended February 28, 2021**

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#### *Fir Island*

As announced March 3, 2021, the Company commenced a 5,000 metre, 24 hole drill program on the Fir Island project, which is being funded by Orano Canada Inc. ("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.

As announced April 12, 2021, the Company completed a diamond drill program on its Fir Island project. Ten holes for 3,051 metres were completed, short of the 5,000 metres planned due to a slow start-up caused by poor ice conditions. The program continued drilling on the Cathy Fault / resistivity anomaly with eight holes and tested a smaller resistivity low to the southwest. Infill drilling on land tested the Cathy Fault on approximately 500 metre sections. The offset of the unconformity continued along its length and the holes returned strong tectonization, quartz dissolution and remobilization, strong alteration, and confirmed the presence of dravite clays in both sandstone and basement lithologies (dravite is a common indicator around most uranium deposits on the east side of the Athabasca Basin). A total of 361 core samples were collected and sent to the Saskatchewan Research Council (SRC) for geochemical analysis; results should be available by the end of April. Approximately 500 samples were collected for clay analysis and are currently being processed.

#### *Love Lake*

As announced April 20, 2021, the Company plans a large-scale airborne electromagnetic ("EM") survey on the Love Lake project located approximately 60 km northeast of Forum's Janice Lake project in north-eastern Saskatchewan along Highway 905 to the Rabbit Lake/ McClean Lake uranium mills. Further processing of the airborne gradient magnetic survey and whole rock geochemical analysis of the outcrop samples collected in 2020 identified five high priority target areas to be flown by an airborne EM survey in May 2021.

Discovery International Geophysics Inc. has been contracted using the HeliSAM system (a Time Domain Electromagnetic system) on five grids at 100m line spacings for a total of 588 line-km and 9 EM ground loops. The HeliSam survey is capable of detecting magmatic nickel-copper-PGM deposits to significant depths and will bring the project to a drill-ready state. Forum is currently making arrangements for a drill program in the late summer, the scale of which will be dependent upon the results of the EM survey.

#### *Wollaston*

As announced April 7, 2021, the Company started a gravity survey on its Wollaston Uranium Project, located 10km south of Cameco's Rabbit Lake uranium mill and immediately east of the allweather road to Orano's McClean Lake uranium processing plant. The gravity survey is designed to detect areas of alteration within north-south bends along a number of EM conductors on the project. Alteration halos may be formed during the creation of uranium deposits along EM conductors. The Wollaston Project lies immediately outside the Athabasca sandstone basin so the alteration halos will be limited to the basement lithologies, creating a much tighter target for drilling. Approximately 2,000 readings at 100m x 100m spacings on two priority grids will be taken.

#### *New Projects*

##### *Grease River*

In February 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 three months ended February 28, 2021**

The following table shows the exploration and evaluation expenditures by property for the three months ended February 28, 2021:

	Saskatchewan													Idaho	Total
	Clearwater	Costigan	Fir Island	Glennie	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	The Highlands	Wollaston	Quartz Gulch	
Camp costs	\$ -	\$ -	\$ 568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451		\$ -	\$ -	\$ 451	\$ -	\$ 1,470
Claim staking	-	-	-	-	-	-	-	-	-	300	-	-	-	-	300
Community relations	-	-	1,417	-	-	-	-	-	-	-	-	-	-	-	1,417
Drilling	-	-	247,744	-	-	-	-	-	-	-	-	-	-	-	247,744
Field personnel	-	-	8,400	-	-	-	-	-	-	-	-	-	-	-	8,400
Fuel	-	-	934	-	-	-	-	-	-	-	-	-	-	-	934
Geological evaluations	-	-	750	-	-	-	-	-	9,150	-	-	-	-	-	9,900
License/permit/taxes	-	-	1,817	-	-	-	-	-	1,003	-	-	-	-	-	2,820
Management fees	-	-	29,651	-	-	-	-	-	-	-	-	-	-	-	29,651
Salaries	-	-	25,200	-	-	-	-	476	10,214	-	500	-	1,909	-	38,299
Supplies	-	-	2,142	-	-	-	-	-	-	-	-	-	-	-	2,142
Surveying	-	-	435	-	-	-	-	-	584	-	-	-	-	-	1,019
Technical reporting	-	-	-	-	-	-	-	-	112	-	-	-	-	-	112
Travel	-	-	7,105	-	-	-	-	-	-	-	-	-	-	-	7,105
Subtotal	-	-	326,163	-	-	-	-	476	21,514	300	500	-	2,360	-	351,313
Recoveries from joint venture partner	-	-	(326,163)	-	-	-	-	-	-	-	-	-	-	-	(326,163)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 476</b>	<b>\$ 21,514</b>	<b>\$ 300</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 2,360</b>	<b>\$ -</b>	<b>\$ 25,150</b>

**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 three months ended February 28, 2021**

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#### **Trends**

The Company is an exploration company. At this time, issues of seasonality or market fluctuations have had a minor impact on the expenditure patterns. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net income (loss) for each quarter. The Company's treasury, in part, determines the levels of exploration.

The level of the Company's exploration and evaluation expenditures is largely determined by the strength of resource capital and commodity markets and its ability to obtain investor support for its projects.

#### **Results of Operations**

The consolidated net loss for the three months ended February 28, 2021 was \$244,721 (2020 - \$119,098).

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

Consulting fees for the three months ended February 28, 2021 totalled \$68,500 compared to \$41,627 in the comparative period. The increase in consulting fees is due to management of the Company agreeing to temporarily reduce their fees in the prior period. Fees were reinstated in December 2020.

Exploration and evaluation expenditures for the three months ended February 28, 2021 totalled \$25,150 (2020 – recovery of 37,513) and relates to exploration work primarily on the Company's Love Lake project.

Investor relations and shareholder information expenses for the three months ended February 28, 2021 were \$62,049 and are comparable to the prior period expenses of \$87,082.

Management fees earned for the three months ended February 28, 2021 were \$29,651 (2020 - \$Nil) and relate to fees charged to Orano on the Fir Island project as the Company is the operator.

During the three months ended February 28, 2021, the Company recorded share-based compensation of \$29,651 (2020 - \$1,440) on stock options granted during the period.

Transfer agent and regulatory fees for the three months ended February 28, 2021 were \$58,063 compared to \$6,988 in the prior period. The increase is primarily due to the cost of the Company's listing on the OTCQB Venture Market in the United States.

#### **Liquidity and Capital Resources**

Forum began the fiscal period with \$1,308,527 cash. During the three months ended February 28, 2021, the Company spent \$709,414 on operating activities, net of working capital changes, received \$53,682 from investing activities, and received \$1,905,949 from financing activities, to end at February 28, 2021 with \$2,558,744 cash.

During the three months ended February 28, 2021, 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 until December 21, 2022. The Company paid finder's fees of \$34,580 cash and other share issue costs of \$12,235.

**Forum Energy Metals Corp.**  
**Management's Discussion and Analysis**  
**For the three months ended February 28, 2021**

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- During the three months ended February 28, 2021, the Company issued 3,455,897 common shares on the exercise of warrants for gross proceeds of \$350,590.
- During the three months ended February 28, 2021, the Company issued 1,175,000 common shares on the exercise of stock options for gross proceeds of \$117,500.

At February 28, 2021, the Company has working capital of \$2,555,001 (which amount includes \$1,013,024 restricted to flow-through purposes, resulting in an unrestricted working capital deficit of \$1,541,977).

Subsequent to February 28, 2021, the Company completed the following transactions:

- 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.
- In March and April 2021, the Company issued 2,061,000 common shares on the exercise of warrants for gross proceeds of \$262,100.
- In March and April 2021, the Company issued 195,000 common shares on the exercise of stock options for gross proceeds of \$19,500.
- In April 2021, the Company settled its CEBA loan through a payment of \$30,000 cash and forgiveness of \$10,000 in accordance with the terms of the loan.

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.

# Forum Energy Metals Corp.

## Management's Discussion and Analysis

### For the three months ended February 28, 2021

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#### Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

#### 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 February 28, 2021	144,724,617	36,611,719	8,815,000
Private placement	1,351,351	1,351,351	-
Exercise of warrants	2,061,000	(2,061,000)	-
Exercise of options	195,000	-	(195,000)
Balance as at the date of this MD&A	148,331,968	35,902,070	8,620,000

#### Forward Looking Information

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ

**Forum Energy Metals Corp.**  
**Management's Discussion and Analysis**  
**For the three months ended February 28, 2021**

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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](http://www.forumenergymetals.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).