



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

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

	<i>Note</i>	May 31, 2024	November 30, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 8,820,612	\$ 1,424,079
Marketable securities	4	56,193	46,785
Receivables		107,366	31,600
Due from joint venture partners	7	55,661	6,660
Prepaid expenses	5	549,729	781,752
		9,589,561	2,290,876
Equipment	6	184,937	127,059
Exploration and evaluation assets	7	990,716	990,716
Reclamation deposit		40,250	40,250
		\$ 10,805,464	\$ 3,448,901
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	8	\$ 900,151	\$ 451,589
Flow-through share premium liability	9	3,282,285	820,647
		4,182,436	1,272,236
Shareholders' equity			
Capital stock	10	65,172,028	58,679,649
Contributed surplus - warrants	10	2,888,685	2,690,530
Contributed surplus - options	10	7,223,913	6,844,415
Deficit		(68,661,598)	(66,037,929)
		6,623,028	2,176,665
		\$ 10,805,464	\$ 3,448,901
Nature of operations and going concern	1		
Subsequent events	14		

Approved and authorized by the Audit Committee of the Board of Directors on July 25, 2024.

"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)

	Note	Three months ended May 31,		Six months ended May 31,	
		2024	2023	2024	2023
EXPENSES					
Amortization	6	\$ 17,071	\$ 825	\$ 27,722	\$ 1,650
Consulting fees	11	119,000	96,000	217,000	192,000
Director fees	11	7,500	7,500	15,000	15,000
Exploration and evaluation expenditures	7	1,680,188	673,553	2,000,172	2,260,966
Exploration and evaluation recoveries	7	-	(50,625)	(83,750)	(94,807)
Management fees earned	7	-	-	(979)	-
Marketing, promotion and travel	11	290,542	94,251	542,290	203,352
Office and administration		65,642	58,752	133,021	101,991
Professional fees		70,457	31,091	147,285	63,939
Share-based compensation	10 & 11	53,289	3,609	400,883	49,437
Transfer agent and regulatory fees		13,801	6,783	69,589	48,957
		(2,317,490)	(921,739)	(3,468,233)	(2,842,485)
Flow-through share premium recovery	9	583,172	108,680	700,524	570,055
Foreign exchange loss		(2,638)	(739)	(6,676)	(2,379)
Gain on settlement of trade and other payables		-	-	-	108,055
Interest income		96,781	11,396	184,137	22,360
Part XII.6 tax		-	-	(9,079)	(22,084)
Unrealized loss on marketable securities	4	(6,456)	(8,244)	(24,342)	(23,247)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		\$ (1,646,631)	\$ (810,646)	\$ (2,623,669)	\$ (2,189,725)
Basic and diluted loss per common share		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		286,356,458	191,797,470	281,874,766	188,717,676

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)

	Six months ended May 31,	
	2024	2023
CASH AND CASH EQUIVALENTS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Loss for the period	\$ (2,623,669)	\$ (2,189,725)
Items not affecting cash:		
Amortization	27,722	1,650
Share-based compensation	400,883	49,437
Flow-through share premium recovery	(700,524)	(570,055)
Gain on settlement of trade and other payables	-	108,055
Shares received from JV partners	(33,750)	(76,125)
Unrealized loss on marketable securities	24,342	23,247
Change in non-cash working capital items:		
Receivables	(75,766)	144,435
Prepaid expenses	232,023	(552,963)
Trade and other payables	448,562	(536,712)
Due from/to joint venture partner	(49,001)	50,480
	<u>(2,349,178)</u>	<u>(3,548,276)</u>
INVESTING ACTIVITIES:		
Purchase of equipment	(85,600)	-
Option payments received on exploration and evaluation assets	-	6,318
Reclamation deposit	-	(40,250)
	<u>(85,600)</u>	<u>(33,932)</u>
FINANCING ACTIVITIES:		
Proceeds from private placements	10,364,014	3,627,337
Share issuance costs	(815,803)	(247,408)
Proceeds from exercise of warrants	235,600	-
Proceeds from exercise of stock options	47,500	-
	<u>9,831,311</u>	<u>3,379,929</u>
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	7,396,533	(202,279)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	1,424,079	1,881,274
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 8,820,612	\$ 1,678,995
Non-cash investing and financing activities		
Fair value of broker warrants issued	\$ 198,155	\$ 85,629
Supplemental information		
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	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
Balance, November 30, 2023	224,409,119	\$ 58,679,649	\$ 2,690,530	\$ 6,844,415	\$ (66,037,929)	\$ 2,176,665
Private placements	60,015,435	10,364,014	-	-	-	10,364,014
Share issuance costs - cash	-	(815,803)	-	-	-	(815,803)
Share issuance costs - broker warrants	-	(198,155)	198,155	-	-	-
Flow-through premium	-	(3,162,162)	-	-	-	(3,162,162)
Exercise of warrants	2,356,000	235,600	-	-	-	235,600
Exercise of options	475,000	68,885	-	(21,385)	-	47,500
Share-based compensation	-	-	-	400,883	-	400,883
Loss and comprehensive loss for the period	-	-	-	-	(2,623,669)	(2,623,669)
Balance, May 31, 2024	287,255,554	\$ 65,172,028	\$ 2,888,685	\$ 7,223,913	\$ (68,661,598)	\$ 6,623,028

	Number of shares	Capital Stock	Contributed Surplus - warrants	Contributed Surplus - options	Deficit	Total
Balance, November 30, 2022	172,265,930	\$ 54,115,782	\$ 2,476,225	\$ 6,680,960	\$ (60,672,965)	\$ 2,600,002
Private placements	29,531,540	3,498,661	128,676	-	-	3,627,337
Share issuance costs - cash	-	(247,408)	-	-	-	(247,408)
Share issuance costs - broker warrants	-	(85,629)	85,629	-	-	-
Flow-through premium	-	(533,238)	-	-	-	(533,238)
Share-based compensation	-	-	-	49,437	-	49,437
Loss and comprehensive loss for the period	-	-	-	-	(2,189,725)	(2,189,725)
Balance, May 31, 2023	201,797,470	\$ 56,748,168	\$ 2,690,530	\$ 6,730,397	\$ (62,862,690)	\$ 3,306,405

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 six months ended May 31, 2024

(Unaudited – 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 and trade under the symbol FMC and on the OTCQB Venture Market in the United States under the symbol FDCFF. 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 May 31, 2024, the Company had working capital of \$5,407,125. Subsequent to May 31, 2024, the Company completed a private placement for gross proceeds of \$956,343 (Note 14). However, additional financing may 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.

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 six months ended May 31, 2024
(Unaudited – Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

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

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, 2023.

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 Accounting Standards 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 six months ended May 31, 2024

(Unaudited – 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 Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

3. Material Accounting Policy Information

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, 2023.

New accounting policy

The following amendments to existing standards have been adopted by the Company commencing December 1, 2023:

IAS 1, Presentation of Financial Statements

The amendments changed the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policies are material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The adoption of these amendments did not materially impact these condensed interim consolidated financial statements of the Company.

New accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as of May 31, 2024 and have not been applied in preparing these condensed interim consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity.

The Company has not early adopted this revised standard and its adoption is not expected to have a material impact on the Company’s consolidated financial statements.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

4. Marketable Securities

Company	May 31, 2024		November 30, 2023	
	Shares	FMV	Shares	FMV
Mega Uranium Ltd. (T-MGA)	25,000	\$ 9,875	25,000	\$ 9,875
Minera IRL Ltd. (C-MIRL)	2,380	60	2,380	24
Sassy Gold Corp. (C-SASY)	400,000	18,000	400,000	16,000
Southern Energy Corp. (V-SOU)	375	92	375	86
Traction Uranium Corp. (V-TRAC)	375,000	24,375	125,000	16,875
Troilus Gold Corp. (T-TLG)	6,666	2,666	6,666	2,800
Vanadian Energy Corp. (V-VEC)	75,000	1,125	75,000	1,125
Total		\$ 56,193		\$ 46,785

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

During the six months ended May 31, 2024, the Company recognized an unrealized loss of \$24,342 (2023 – \$23,247) through the statement of loss and comprehensive loss.

5. Prepaid expenses

	May 31, 2024	November 30, 2023
Prepaid exploration and evaluation expenditures	\$ 438,250	\$ 614,877
Prepaid insurance	23,541	17,309
Prepaid marketing, promotion and travel	82,346	144,251
Prepaid other	5,592	5,315
Total	\$ 549,729	\$ 781,752

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

6. Equipment

	Exploration equipment
Cost	
At November 30, 2023	\$ 153,015
Additions	85,600
At May 31, 2024	\$ 238,615
Accumulated depreciation	
At November 30, 2023	\$ 25,956
Amortization	27,722
At May 31, 2024	\$ 53,678
Carrying amounts	
At November 30, 2023	\$ 127,059
At May 31, 2024	\$ 184,937

7. Exploration and Evaluation Assets

	November 30, 2023	Additions	Recoveries	Write-off	May 31, 2024
Nunavut					
Aberdeen	\$ 197,010	\$ -	\$ -	\$ -	\$ 197,010
Nutaaq	10,215	-	-	-	10,215
Saskatchewan					
Clearwater	-	-	-	-	-
Costigan	-	-	-	-	-
Fir Island	147,000	-	-	-	147,000
Fisher	11,000	-	-	-	11,000
Grease River	-	-	-	-	-
Henday	-	-	-	-	-
Highrock	-	-	-	-	-
Janice Lake	150,000	-	-	-	150,000
Love Lake	-	-	-	-	-
Maurice Point	-	-	-	-	-
NW Athabasca	201,451	-	-	-	201,451
Still Nickel	6,847	-	-	-	6,847
Wollaston	7,337	-	-	-	7,337
Idaho					
Quartz Gulch	259,856	-	-	-	259,856
	\$ 990,716	\$ -	\$ -	\$ -	\$ 990,716

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Details on the Company's exploration and evaluation assets are found in Note 7 of the November 30, 2023 consolidated financial statements, except as noted below.

Grease River

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

On February 3, 2023, as amended, the Company entered into an option agreement with Traction Uranium Corp. ("Traction") whereby Traction can earn a 100% interest in the Grease River project.

The agreement is a staged earn-in as follows:

- 51% interest
 - payment of \$25,000 cash on or before February 10, 2023 (received in February 2023);
 - payment of a further \$50,000 cash on or before December 31, 2023 (received in January 2024 and recorded as exploration and evaluation recoveries on the statement of loss and comprehensive loss for the six months ended May 31, 2024);
 - payment of a further \$75,000 cash on or before December 31, 2024;
 - payment of a further \$100,000 cash on or before December 31, 2025;
 - 125,000 Traction shares on or before March 1, 2023 (received in March 2023);
 - a further 250,000 Traction shares on or before December 31, 2023 (received in January 2024, valued at \$33,750, and recorded as exploration and evaluation recoveries on the statement of loss and comprehensive loss for the six months ended May 31, 2024);
 - a further 500,000 Traction shares on or before December 31, 2024;
 - a further 750,000 Traction shares on or before December 31, 2025;
 - completing \$500,000 in exploration expenditures by December 31, 2023 (\$463,429 incurred – the unfunded amount has been added to the 2024 funding amount);
 - completing a further \$1,036,571 in exploration expenditures by December 31, 2024; and
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2025.
- 19% interest (70% total)
 - payment of \$200,000 cash on or before December 31, 2026;
 - payment of a further \$500,000 cash on or before December 31, 2027;
 - 1,000,000 Traction shares on or before December 31, 2026;
 - a further 1,500,000 Traction shares on or before December 31, 2027;
 - completing \$1,500,000 in exploration expenditures by December 31, 2026; and
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2027.
- final 30% interest (100% total)
 - payment of \$1,000,000 cash on or before December 31, 2028;
 - 3,000,000 Traction shares on or before December 31, 2028; and
 - completing \$3,000,000 in exploration expenditures by December 31, 2028.

Forum will be the operator until Traction earns a 51% interest. While the Company is the operator it is entitled to a management fee of 10% on incurred expenditures. During the six months ended May 31, 2024, the recorded management fees of \$979. During the six months ended May 31, 2024, the Company incurred exploration expenditures on the Grease River project of \$234,368, which was funded by Traction. As at May 31, 2024, there was \$55,661 owing from Traction and recorded as due from joint venture partner.

If Traction earns a 100% interest, Traction is required to (i) grant Forum a 2% NSR royalty, (ii) pay Forum an additional \$1,000,000 upon completion of a preliminary economic assessment, (iii) pay Forum an additional \$2,000,000 upon completion of a feasibility study, and (iv) pay Forum an additional \$5,000,000 upon commencement of commercial production.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

North West Athabasca

The Company holds a 43.32% 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 “Joint Venture”). The Company holds a 43.32% interest in the project, NexGen holds a 26.33%, Cameco holds a 18.65%, and Orano holds a 11.70% interest. Pursuant to the agreement, the Company acts as operator.

On May 29, 2024, the Company entered into an option agreement with Global Uranium Corp. (“Global”) whereby Global has the right to acquire up to 75% of the Company’s interest in the Joint Venture.

Global has an initial right (the “Initial Option”) to acquire 51% of the Company’s interest by completing the following:

- payment of \$50,000 cash on or before December 31, 2025;
- payment of \$75,000 cash on or before December 31, 2026;
- payment of \$100,000 cash on or before December 31, 2027;
- issuing 100,000 shares of Global on signing, subject to regulatory approval (received subsequent to May 31, 2024);
- issuing 200,000 shares of Global on or before December 31, 2025;
- issuing 300,000 shares of Global on or before December 31, 2026;
- issuing 400,000 shares of Global on or before December 31, 2027;
- staged payments to the Company equal to the amounts the Company would be entitled to contribute for exploration under the Joint Venture on account of the 2025-2028 operating years totalling a minimum of \$3,900,000 and up to a maximum of \$9,000,000 to be applied to the corresponding cash calls, depending on the participation of the minority partners in the Joint Venture in any approved exploration program.

Forum will remain operator of the Joint Venture during the Initial Option period.

Upon exercise of the Initial Option, Global shall become a party to the Joint Venture agreement and shall agree to be bound by all of the terms and conditions thereof. Global shall also have the right (the “Second Option”) to acquire a further 24% interest in the Company’s interest (for a total of 75%) by making payments to the Company equal to the amounts the Company would be entitled to contribute on account of the 2029-2031 operating years totalling a minimum of \$4,760,000 and up to a maximum of \$11,000,000, depending on the participation of the minority partners in the Joint Venture in any approved exploration program.

In circumstances where Global has exercised the Initial Option it shall assume the obligations to make certain milestone payments to the Company. In this regard, if there is a preliminary economic assessment prepared with respect to the project or any part thereof, Global shall pay the Company \$1,000,000. Further, if there is a feasibility study prepared with respect to the project or any part thereof Global shall pay the Company a further \$1,000,000 and shall issue to the Company 1,000,000 common shares of Global.

In circumstances where the option agreement is terminated in accordance with certain provisions thereof, the amount remaining due on account of the 2025 operating year, to a maximum of \$3,000,000, shall be a mandatory payment due and payable to the Company.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the six months ended May 31, 2024:

	Nunavut	Saskatchewan						Idaho			Total			
	Aberdeen	Fir Island	Fisher	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca		Still Nickel	Wollaston	Quartz Gulch
Aircraft	\$ 133,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,463	\$ -	\$ -	\$ -	\$ 145,391
Camp & accomodation	13,541	-	-	-	-	-	-	-	-	-	-	-	-	13,541
Camp costs	562,202	-	-	-	-	-	-	-	-	-	-	750	-	562,952
Claim staking	-	-	-	-	-	-	-	-	175	2,940	-	-	-	3,115
Communication	5,255	-	-	-	-	-	-	-	-	-	-	-	-	5,255
Community relations	276,651	-	-	1,670	-	-	-	-	-	244	-	817	-	279,382
Consulting	2,385	-	350	350	-	-	-	525	-	-	475	-	-	4,085
Deficiency deposit refund	-	-	(6,664)	(51,799)	-	-	-	-	-	-	-	-	-	(58,463)
Drilling	369,116	-	-	-	-	-	-	-	-	-	-	-	-	369,116
Environmental	8,982	-	-	-	-	-	-	-	-	-	-	-	-	8,982
Equipment	20,906	-	-	-	-	-	-	-	-	-	-	-	-	20,906
Field personnel	59,209	-	-	-	-	-	-	-	-	-	-	-	-	59,209
Fuel	259,471	-	-	-	-	-	-	-	-	-	-	(25,000)	-	234,471
Geological evaluations	83,276	-	-	261,891	-	-	-	-	-	-	-	-	-	345,167
Geophysics	19,100	-	-	6,150	-	-	-	-	-	-	-	-	-	25,250
Grants	(178,025)	-	-	-	-	-	-	-	-	-	-	-	-	(178,025)
Labs and assays	2,738	-	-	-	-	-	-	-	-	-	-	-	-	2,738
License/permit/taxes	211	-	-	140	-	-	-	-	-	-	-	-	-	351
Management Fees	-	-	-	979	-	-	-	-	-	-	-	-	-	979
Rentals	549	-	-	-	-	-	-	-	-	435	-	-	-	984
Safety	6,633	-	-	-	-	-	-	-	-	-	-	-	-	6,633
Salaries	176,153	666	390	14,987	1,241	1,007	-	450	150	16,998	3,567	1,900	-	217,509
Software	7,543	-	-	-	-	-	-	-	-	-	-	-	-	7,543
Supplies	30,478	-	-	-	-	-	-	-	-	-	-	-	-	30,478
Surveying	58,934	-	-	-	-	-	-	-	-	-	-	-	-	58,934
Transportation	15,044	-	-	-	-	-	-	-	-	-	-	-	-	15,044
Travel	49,271	-	-	-	-	-	-	-	-	3,742	-	-	-	53,013
Subtotal	1,983,551	666	(5,924)	234,368	1,241	1,007	-	975	325	35,822	4,042	(21,533)	-	2,234,540
Recoveries from joint venture partner	-	-	-	(234,368)	-	-	-	-	-	-	-	-	-	(234,368)
Total	\$ 1,983,551	\$ 666	\$ (5,924)	\$ -	\$ 1,241	\$ 1,007	\$ -	\$ 975	\$ 325	\$ 35,822	\$ 4,042	\$ (21,533)	\$ -	\$ 2,000,172

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the six months ended May 31, 2023:

	Nunavut	Saskatchewan										Idaho	Total	
	Aberdeen	Fir Island	Fisher	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	Still Nickel	Wollaston		Quartz Gulch
Aircraft	\$ 192,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,104
Camp and accommodation	-	-	-	-	-	-	-	-	-	-	-	171,853	-	171,853
Camp costs	-	-	-	-	-	-	-	1,056	-	1,056	-	1,431	-	3,543
Claims staking	-	-	3,252	-	-	-	-	-	-	-	-	-	-	3,252
Communication	-	-	-	-	-	-	-	-	-	-	-	1,534	-	1,534
Community relations	288,084	-	-	-	-	-	-	-	-	5,615	-	15,319	-	309,018
Consulting	1,200	300	450	300	750	-	-	3,075	-	-	150	2,250	-	8,475
Drilling	143,460	-	-	-	-	-	-	-	-	-	-	730,134.00	-	873,594
Equipment	-	-	-	-	-	-	-	-	-	-	-	9,171	-	9,171
Field personnel	20,747	-	-	-	-	-	-	-	-	-	-	44,362	-	65,109
Fuel	-	-	-	-	-	-	-	-	-	(39,606)	-	60,332	-	20,726
Geological evaluations	7,050	-	-	-	-	-	-	-	-	-	1,200	5,197	-	13,447
Labs & Assays	-	-	12,698	-	-	-	-	-	-	-	3,272	23,348	-	39,318
License/permit/taxes	3,400	-	-	52,300	-	-	-	-	-	-	-	497	-	56,197
Linecutting/Grid	-	-	-	-	-	-	-	-	-	-	-	30,892	-	30,892
Rentals	-	-	-	-	-	-	-	-	-	-	-	26,031	-	26,031
Salaries	34,954	444	4,613	643	-	3,256	587	3,589	587	1,350	2,693	48,454	-	101,170
Software	11,614	-	-	-	-	-	-	-	-	-	-	1,820	-	13,434
Supplies	-	-	-	-	-	-	-	-	-	-	-	4,736	-	4,736
Surveying	-	-	-	-	-	253	-	-	-	-	-	310,095	-	310,348
Technical reporting	9,708	3,050	-	-	-	-	-	14,250	-	-	-	-	-	27,008
Transportation	-	-	-	-	-	-	-	-	-	-	-	3,574	-	3,574
Travel	2,626	-	-	-	-	-	-	-	-	-	-	34,352	-	36,978
Subtotal	714,947	3,794	21,013	53,243	750	3,509	587	21,970	587	(31,585)	7,315	1,525,382	-	2,321,512
Recoveries from joint venture partner	-	(3,794)	-	(53,243)	-	(3,509)	-	-	-	-	-	-	-	(60,546)
Total	\$714,947	\$ -	\$21,013	\$ -	\$ 750	\$ -	\$ 587	\$ 21,970	\$ 587	\$ (31,585)	\$ 7,315	\$ 1,525,382	\$ -	\$ 2,260,966

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

8. Trade and Other Payables

	May 31, 2024	November 30, 2023
Trade and other payables in Canada	\$ 693,606	\$ 181,071
Provision	200,000	200,000
Due to related parties (Note 11)	6,545	70,518
Total	\$ 900,151	\$ 451,589

During the year ended November 30, 2022, the Company recorded an environmental provision of \$50,000 for work to be completed on its North West Athabasca project in northern Saskatchewan. During the year ended November 30, 2023, the Company re-estimated this provision to be \$200,000.

9. Flow-through share premium liability

	May 31, 2024	November 30, 2023
Opening balance	\$ 820,647	\$ 248,633
December 2022 flow-through private placement	-	358,971
April/May 2023 flow-through private placement	-	174,267
June 2023 flow-through private placement	-	1,111,082
December 2023 flow-through private placement	3,162,162	-
Flow-through share premium recovery	(700,524)	(1,072,306)
Closing balance	\$ 3,282,285	\$ 820,647

At May 31, 2024, the Company has an obligation to incur \$9,324,333 on eligible expenditures in respect of the pursuant to the terms of the flow-through private placements. These funds are for use to advance the Company's exploration and evaluation assets and must be spent by December 31, 2024.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

10. 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 six months May 31, 2024, the Company completed the following transactions:

- On December 12, 2023, the Company completed a private placement through the issuance of 48,648,648 flow-through units at a price of \$0.185 per flow-through unit for gross proceeds of \$9,000,000 and the issuance of 11,366,787 non-flow-through units at a price of \$0.12 per non-flow-through unit for gross proceeds of \$1,364,014. Each flow-through unit and each non-flow-through unit consists of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of \$0.185 until December 12, 2025. The Company recorded a flow-through premium liability of \$3,162,162 on issuance of these flow-through units.

The Company paid cash commissions of \$588,289 and issued 3,321,326 broker warrants valued at \$198,155. The broker warrants entitle the holder to purchase one common share at a price of \$0.12 until December 12, 2025. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.23%; a volatility of 83%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero. The Company paid other share issue costs of \$227,514.

- During the six months ended May 31, 2024, the Company issued 475,000 common shares on the exercise of stock options for gross proceeds of \$47,500. The Company recorded an allocation of \$21,385 from contributed surplus-options to capital stock on the exercise of these stock options.
- During the six months ended May 31, 2024, the Company issued 2,356,000 common shares on the exercise of warrants for gross proceeds of \$235,600.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

10. Capital Stock (continued)

C. Warrants

The continuity of share purchase warrants for the six months ended May 31, 2024 is as follows:

Expiry date	Exercise price	Balance, November 30, 2023	Granted	Exercised	Expired	Balance, May 31, 2024				
March 11, 2024	\$ 0.42	1,351,351	-	-	(1,351,351)	-				
April 1, 2024	\$ 0.10	8,410,000	-	(2,356,000)	(6,054,000)	-				
December 16, 2024	\$ 0.17	5,762,693	-	-	-	5,762,693				
December 16, 2024	\$ 0.13	778,777	-	-	-	778,777				
December 21, 2024	\$ 0.17	2,569,250	-	-	-	2,569,250				
December 21, 2024	\$ 0.13	359,695	-	-	-	359,695				
April 27, 2025	\$ 0.15	900,000	-	-	-	900,000				
April 27, 2025	\$ 0.16	3,613,334	-	-	-	3,613,334				
April 27, 2025	\$ 0.10	294,000	-	-	-	294,000				
May 11, 2025	\$ 0.10	4,383,981	-	-	-	4,383,981				
May 19, 2025	\$ 0.15	2,904,320	-	-	-	2,904,320				
May 19, 2025	\$ 0.16	5,100,000	-	-	-	5,100,000				
May 19, 2025	\$ 0.10	453,600	-	-	-	453,600				
December 12, 2025	\$ 0.185	-	30,007,717	-	-	30,007,717				
December 12, 2025	\$ 0.12	-	3,321,326	-	-	3,321,326				
		36,881,001	33,329,043	(2,356,000)	(7,405,351)	60,448,693				
Weighted average exercise price	\$	0.15	\$	0.18	\$	0.10	\$	0.16	\$	0.17

As at May 31, 2024, the weighted average remaining contractual life of the share purchase warrants outstanding was 1.21 years.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

10. Capital Stock (continued)

D. Stock options

On December 15, 2022, the Company's shareholders approved a new Omnibus Long-term Incentive Plan (the "New Incentive Plan"). The New Incentive Plan governs the granting of stock options, restricted share units (RSU), or deferred share units (DSU) to directors, officers, employees and consultants of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time and supersedes the current stock option plan (the "Superseded Option Plan"). Any stock options currently outstanding under the Superseded Option Plan will remain outstanding, however new stock option grants will be subject to the New Incentive Plan. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

The continuity of stock options for the six months ended May 31, 2024 is as follows:

Expiry date	Exercise price	Balance, November 30, 2023	Granted	Exercised	Expired/Cancelled	Balance, May 31, 2024				
June 5, 2024	\$ 0.10	3,825,000	-	(425,000)	-	3,400,000				
June 26, 2024	\$ 0.10	5,000	-	-	-	5,000				
August 26, 2024	\$ 0.10	200,000	-	-	-	200,000				
February 10, 2025	\$ 0.10	360,000	-	-	-	360,000				
March 11, 2025	\$ 0.15	-	100,000	-	-	100,000				
May 12, 2025	\$ 0.10	350,000	-	-	-	350,000				
February 23, 2026	\$ 0.36	100,000	-	-	-	100,000				
April 23, 2026	\$ 0.35	1,400,000	-	-	-	1,400,000				
December 16, 2026	\$ 0.17	3,600,000	-	-	-	3,600,000				
January 24, 2027	\$ 0.20	200,000	-	-	-	200,000				
October 3, 2027	\$ 0.15	3,850,000	-	-	-	3,850,000				
December 1, 2027	\$ 0.13	500,000	-	-	-	500,000				
July 5, 2028	\$ 0.10	2,850,000	-	(50,000)	-	2,800,000				
December 29, 2028	\$ 0.13	-	3,300,000	-	-	3,300,000				
January 22, 2029	\$ 0.16	-	200,000	-	-	200,000				
February 12, 2029	\$ 0.15	-	300,000	-	-	300,000				
April 2, 2029	\$ 0.15	-	600,000	-	-	600,000				
		17,240,000	4,500,000	(475,000)	-	21,265,000				
Weighted average exercise price	\$	0.15	\$	0.14	\$	0.10	\$	-	\$	0.15

As at May 31, 2024, 21,202,500 stock options were exercisable.

As at May 31, 2024, the weighted average remaining contractual life of the stock options outstanding was 2.81 years.

Forum Energy Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

10. Capital Stock (continued)

E. Share-based compensation

During the six months ended May 31, 2024, the Company recorded share-based compensation of \$400,883 (2023 - \$49,437).

On April 2, 2024, the Company granted 600,000 stock options to two employees and a consultant of the Company valued at \$47,710 or \$0.08 per option, all of which was recorded as share-based compensation for the six months ended May 31, 2024. 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 3.64%; an expected volatility of 87%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On March 11, 2024, the Company granted 100,000 stock options to a consultant of the Company valued at \$3,610 or \$0.04 per option, all of which was recorded as share-based compensation for the six months ended May 31, 2024. 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 4.06%; an expected volatility of 87%; an expected life of 1 year; a forfeiture rate of zero; and an expected dividend of zero.

On February 12, 2024, the Company granted 300,000 stock options to a director of the Company valued at \$29,768 or \$0.10 per option, all of which was recorded as share-based compensation for the six months ended May 31, 2024. 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 4.36%; an expected volatility of 84%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On January 22, 2024, the Company granted 200,000 stock options to an officer of the Company valued at \$22,220 or \$0.11 per option, all of which was recorded as share-based compensation for the six months ended May 31, 2024. 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 4.25%; an expected volatility of 85%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On December 29, 2023, the Company granted 3,250,000 stock options to directors, officers, employees and consultants of the Company valued at \$293,253 or \$0.09 per option, all of which was recorded as share-based compensation for the six months ended May 31, 2024. 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 3.91%; an expected volatility of 93%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On December 29, 2023, the Company granted 50,000 stock options to a consultant of the Company valued at \$4,512 or \$0.09 per option, of which \$3,183 was recorded as share-based compensation for the six months ended May 31, 2024. 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 3.91%; an expected volatility of 93%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On July 4, 2023, the Company granted 100,000 stock options to a consultant valued at \$3,968 or \$0.04 per option, of which \$1,139 was recorded as share-based compensation for the six months ended May 31, 2024. 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 six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

11. Related Party Transactions

Compensation of key management personnel

Key management personnel include members of the Board of Directors, the Chief Executive Officer, the VP Exploration, VP Nunavut Affairs, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the three and six months ended May 31, 2024 and 2023 were as follows:

	Three months ended May 31,		Six months ended May 31,	
	2024	2023	2024	2023
Consulting fees				
Chief Executive Officer	\$ 71,000	\$ 51,000	\$ 122,000	\$ 102,000
Corporate Secretary	24,000	22,500	47,500	45,000
Chief Financial Officer *	24,000	22,500	47,500	45,000
	119,000	96,000	217,000	192,000
Director fees	7,500	7,500	15,000	15,000
Exploration and evaluation expenditures				
VP Exploration	64,000	40,500	109,500	81,000
VP Nunavut Affairs	31,200	-	31,200	-
	95,200	40,500	140,700	81,000
Marketing, promotion and travel				
Director	15,000	-	30,000	-
	15,000	-	30,000	-
Professional fees				
Former Director - legal services	-	11,235	9,796	22,470
Share-based compensation	-	-	268,545	38,844
Total	\$ 236,700	\$ 155,235	\$ 681,041	\$ 349,314

* Consulting fees are paid to Golden Oak Corporate Services Ltd. ("Golden Oak"), a consulting company controlled by 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 six months ended May 31, 2024

(Unaudited – Expressed in Canadian Dollars)

11. Related Party Transactions (continued)

Amounts due to related parties

		May 31, 2024	November 30, 2023
Chief Executive Officer	Fees	\$ -	\$ 17,850
Chief Executive Officer	Expenses	-	16,088
VP Exploration	Expenses	-	14,315
VP Nunavut Affairs	Fees	6,300	-
Director	Consulting Fees	-	5,000
Former Director	Legal fees	-	7,840
Corporate Secretary	Expenses	-	8,563
Golden Oak	Expenses	245	862
Total		\$ 6,545	\$ 70,518

12. Segmented Information

The Company has identified only one operating segment being the exploration of mineral properties in North America. Long-lived assets attributable to the geographical locations related to exploration and evaluation assets whose location have been disclosed in Note 7. The Company's equipment located in Canada as disclosed in Note 6.

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

		May 31, 2024	November 30, 2023
Cash and cash equivalents	Amortized cost	\$ 8,820,612	\$ 1,424,079
Marketable securities	FVTPL	56,193	46,785
Receivables	Amortized cost	107,366	31,600
Due from joint venture partners	Amortized cost	55,661	6,660
Reclamation deposit	Amortized cost	40,250	40,250
Trade and other payables	Amortized cost	700,151	251,589

Forum Energy Metals Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended May 31, 2024
(Unaudited – Expressed in Canadian Dollars)

13. Financial Instruments and Financial Risk Management (continued)

Financial instruments (continued)

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 cash and cash equivalents, receivables, due from joint venture partners, reclamation deposit, and trade and other payables 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 marketable securities is determined based on Level 1 of the fair value hierarchy.

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, 2023.

14. Subsequent Events

Subsequent to May 31, 2024, the Company completed the following transactions:

- In June 2024, the Company issued 220,000 common shares on the exercise of stock options for gross proceeds of \$22,000.
- On June 5, 2024, 3,180,000 stock options expired unexercised.
- On June 26, 2024, 5,000 stock options expired unexercised.
- On June 26, 2024, the Company completed a private placement through the issuance of 7,084,020 non-flow-through units at a price of \$0.135 per non-flow-through unit for gross proceeds of \$956,343. Each non-flow-through unit consists of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at a price of \$0.20 until June 26, 2026. The Company paid cash commissions of \$51,141 and issued 378,819 broker warrants on the same terms as the non-flow-through unit warrants.
- On June 28, 2024, the Company granted 3,200,000 stock options to directors, officers, employees and consultants of the Company exercisable at a price of \$0.135 until June 28, 2029.