



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended November 30, 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Forum Energy Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Forum Energy Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2024 and 2023 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that at November 30, 2024, additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our audit report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 7 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$675,860 as of November 30, 2024. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of E&E Assets is a key audit matter are that there was judgment by management when assessing whether there were indicators of impairment for the E&E Assets, specifically related to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity;
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances;
- Assessing the Company's right to explore E&E Assets;
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is fluid and cursive, with "Davidson" on the top line and "& Company LLP" on the bottom line.

Vancouver, Canada

Chartered Professional Accountants

March 25, 2025

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

	<i>Note</i>	November 30, 2024	November 30, 2023
ASSETS			
Current assets			
Cash		\$ 496,519	\$ 1,424,079
Marketable securities	4	104,825	46,785
Receivables		171,345	31,600
Due from joint venture partners	7	79,132	6,660
Prepaid expenses	5	269,301	781,752
		1,121,122	2,290,876
Deposit		200,000	-
Equipment	6	269,968	127,059
Exploration and evaluation assets	7	675,860	990,716
Reclamation deposit		40,250	40,250
		\$ 2,307,200	\$ 3,448,901
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	8	\$ 946,317	\$ 451,589
Flow-through share premium liability	9	315,709	820,647
		1,262,026	1,272,236
Asset retirement obligation	10	491,544	-
		1,753,570	1,272,236
Shareholders' equity			
Capital stock	11	66,024,779	58,679,649
Contributed surplus - warrants	11	2,973,178	2,690,530
Contributed surplus - options	11	7,483,977	6,844,415
Deficit		(75,928,304)	(66,037,929)
		553,630	2,176,665
		\$ 2,307,200	\$ 3,448,901
Nature of operations and going concern	1		
Subsequent events	17		

Approved and authorized by the Board of Directors on March 25, 2025.

"Richard Mazur"
 Richard Mazur
 Director

"Larry Okada"
 Larry Okada
 Director

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

			Year ended November 30,	
	<i>Note</i>		2024	2023
EXPENSES				
Amortization	6	\$ 73,292	\$ 18,944	
Consulting fees	12	415,000	384,000	
Director fees	12	30,000	30,000	
Exploration and evaluation expenditures	7	10,995,824	5,052,661	
Exploration and evaluation recoveries	7	(83,750)	(94,807)	
Management fees earned	7	(102,392)	(37,638)	
Marketing, promotion and travel	12	909,423	560,291	
Office and administration		231,358	167,561	
Professional fees		263,995	156,059	
Share-based compensation	11 & 12	670,989	163,455	
Transfer agent and regulatory fees		107,996	76,356	
		(13,511,735)	(6,476,882)	
Flow-through share premium recovery	9	3,667,100	1,072,306	
Foreign exchange loss		(11,858)	(12,386)	
Gain on settlement of trade and other payables	8	-	108,055	
Impairment of exploration and evaluation assets	7	(259,856)	-	
Interest income		265,763	44,011	
Part XII.6 tax		(9,079)	(22,103)	
Unrealized loss on marketable securities	4	(30,710)	(77,965)	
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		\$ (9,890,375)	\$ (5,364,964)	
Basic and diluted loss per common share		\$ (0.03)	\$ (0.03)	
Weighted average number of common shares outstanding - basic and diluted		287,707,718	205,195,811	

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

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

	Year ended November 30,	
	2024	2023
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Loss for the year	\$ (9,890,375)	\$ (5,364,964)
Items not affecting cash:		
Amortization	73,292	18,944
Share-based compensation	670,989	163,455
Flow-through share premium recovery	(3,667,100)	(1,072,306)
Gain on settlement of trade and other payables	-	108,055
Impairment of exploration and evaluation assets	259,856	-
Unrealized loss on marketable securities	30,710	77,965
Accrued asset retirement obligations	491,544	-
Shares received and recorded as exploration and evaluation recoveries	(33,750)	(76,125)
Change in non-cash working capital items:		
Receivables	(139,745)	151,886
Prepaid expenses	312,451	(590,070)
Trade and other payables	429,428	(171,196)
Due from/to joint venture partner	(72,472)	52,067
	<u>(11,535,172)</u>	<u>(6,702,289)</u>
INVESTING ACTIVITIES:		
Purchase of equipment	(150,901)	(142,015)
Acquisition of exploration and evaluation assets	-	(1,451)
Option payments received on exploration and evaluation assets	-	6,318
Reclamation deposit	-	(40,250)
	<u>(150,901)</u>	<u>(177,398)</u>
FINANCING ACTIVITIES:		
Proceeds from private placements	11,320,357	6,627,260
Share issuance costs	(866,944)	(261,268)
Proceeds from exercise of warrants	235,600	56,500
Proceeds from exercise of stock options	69,500	-
	<u>10,758,513</u>	<u>6,422,492</u>
DECREASE IN CASH FOR THE YEAR	(927,560)	(457,195)
CASH, BEGINNING OF THE YEAR	1,424,079	1,881,274
CASH, END OF THE YEAR	\$ 496,519	\$ 1,424,079
Non-cash investing and financing activities		
Fair value of broker warrants	\$ 211,808	\$ 85,629
Shares received for exploration and evaluation assets	55,000	-
Equipment included in trade and other payables	65,300	-
Supplemental information		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

Forum Energy Metals Corp.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of shares	Capital Stock	Contributed Surplus - warrants	Contributed Surplus - options	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	67,099,455	\$ 11,249,517	\$ 70,840	-	-	\$ 11,320,357
Share issuance costs - cash	-	(866,944)	-	-	-	(866,944)
Share issuance costs - broker warrants	-	(211,808)	211,808	-	-	-
Flow-through premium	-	(3,162,162)	-	-	-	(3,162,162)
Exercise of warrants	2,356,000	235,600	-	-	-	235,600
Exercise of options	695,000	100,927	-	(31,427)	-	69,500
Share-based compensation	-	-	-	670,989	-	670,989
Loss and comprehensive loss for the year	-	-	-	-	(9,890,375)	(9,890,375)
Balance, November 30, 2024	294,559,574	\$ 66,024,779	\$ 2,973,178	\$ 7,483,977	\$ (75,928,304)	\$ 553,630

	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	51,753,189	\$ 6,498,584	\$ 128,676	-	-	\$ 6,627,260
Share issuance costs - cash	-	(261,268)	-	-	-	(261,268)
Share issuance costs - broker warrants	-	(85,629)	85,629	-	-	-
Flow-through premium	-	(1,644,320)	-	-	-	(1,644,320)
Exercise of warrants	390,000	56,500	-	-	-	56,500
Share-based compensation	-	-	-	163,455	-	163,455
Loss and comprehensive loss for the year	-	-	-	-	(5,364,964)	(5,364,964)
Balance, November 30, 2023	224,409,119	\$ 58,679,649	\$ 2,690,530	\$ 6,844,415	\$ (66,037,929)	\$ 2,176,665

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
(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 consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. At November 30, 2024, the Company had a working capital deficiency of \$140,904. Subsequent to November 30, 2024, the Company completed, in two tranches, a private placement gross proceeds of \$1,350,000 (Note 17). 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 consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
(Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

Functional and presentation currency

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

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS 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 Consolidated Financial Statements
For the year ended November 30, 2024
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Critical accounting estimates and judgments (continued)

i) Critical accounting estimates (continued)

Asset retirement obligations

The Company's asset retirement obligations represent management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs on the Company's exploration projects. The provision reflects estimates of future costs, inflation and assumptions of risks associated with the future cash outflows, and the applicable interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the asset retirement obligations are recorded with a corresponding change to the amounts of related exploration and evaluation expenditures.

Share-based compensation

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

Recovery of deferred tax assets

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

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

The Company has not recorded any deferred tax assets.

ii) Critical accounting judgments

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

Determination of functional currency

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Critical accounting estimates and judgments (continued)

ii) Critical accounting judgments (continued)

Going concern

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments, management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis. The key inputs used by the Company in this process include forecasted capital deployment, progress on permitting, results from the exploration of its properties and general industry conditions. Changes in these inputs may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern (Note 1).

3. Material Accounting Policy Information

Principles of consolidation

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

Name of subsidiary	Place of incorporation	Ownership interest at November 30, 2024	Principal activity
Forum Energy Metals U.S. LLC	Wyoming	100%	Dormant mineral exploration company
Lumina Cobalt US Holdings I Corp.	British Columbia	100%	Holding company
Lumina Cobalt (U.S.) Corp.	Delaware	100%	Dormant mineral exploration company

Foreign currency translation

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

Marketable Securities

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

Equipment

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

Exploration and evaluation assets

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

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

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

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

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

Provision for environmental rehabilitation

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

Loss per share

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

Share-based compensation

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

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

Forum Energy Metals Corp.
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3. Material Accounting Policy Information (continued)

Flow-through shares

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

Income taxes

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

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

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

Forum Energy Metals Corp.
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3. Material Accounting Policy Information (continued)

Financial instruments

Classification

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

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

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

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

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

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

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

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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3. Material Accounting Policy Information (continued)

Financial instruments (continued)

Measurement

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

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

Financial assets at FVTPL

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

Financial assets at amortized cost

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

Equity investments at FVOCI

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

Debt investments at FVOCI

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

Impairment of financial assets at amortized cost

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

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

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 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 November 30, 2024 and have not been applied in preparing these consolidated financial statements.

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.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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4. Marketable Securities

Company	November 30, 2024			November 30, 2023		
	Shares	FMV		Shares	FMV	
Global Uranium Corp. (C-GURN)	100,000	\$ 74,000		-	\$ -	-
Mega Uranium Ltd. (T-MGA)	25,000	9,500		25,000	9,875	
Minera IRL Ltd. (C-MIRL)	2,380	60		2,380	24	
Sassy Gold Corp. (C-SASY)	80,000	7,200		80,000	16,000	
Southern Energy Corp. (V-SOU)	375	36		375	86	
Traction Uranium Corp. (V-TRAC)	37,500	10,313		12,500	16,875	
Troilus Gold Corp. (T-TLG)	6,666	2,066		6,666	2,800	
Vanadian Energy Corp. (V-VEC)	7,500	1,650		7,500	1,125	
Total		\$ 104,825			\$ 46,785	

* Sassy completed a 5 for 1 share consolidation in August 2024.

** Traction completed a 10 for 1 share consolidation in September 2024.

*** Vanadian completed a 10 for 1 share consolidation in November 2024.

All share amounts in these consolidated financial statements have been restated to reflect these share consolidations.

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

During the year ended November 30, 2024, the Company recognized an unrealized loss of \$30,710 (2023 - \$77,965) through the statement of loss and comprehensive loss.

5. Prepaid Expenses

	November 30, 2024	November 30, 2023
Prepaid exploration and evaluation expenditures	\$ 173,328	\$ 614,877
Prepaid insurance	19,656	17,309
Prepaid marketing, promotion and travel	70,591	144,251
Prepaid other	5,726	5,315
Total	\$ 269,301	\$ 781,752

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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6. Equipment

	Exploration equipment
Cost	
At November 30, 2022	\$ 11,000
Additions	142,015
At November 30, 2023	153,015
Additions	216,201
At November 30, 2024	\$ 369,216
Accumulated depreciation	
At November 30, 2022	\$ 7,012
Amortization	18,944
At November 30, 2023	25,956
Amortization	73,292
At November 30, 2024	\$ 99,248
Carrying amounts	
At November 30, 2023	\$ 127,059
At November 30, 2024	\$ 269,968

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets

		November 30, 2023	Additions	Recoveries	Write-off		November 30, 2024
Nunavut							
Aberdeen	\$ 207,225	\$ -	\$ -	\$ -	\$ -	\$ 207,225	
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	1,451	-	-	-	-	1,451	
NW Athabasca	200,000	-	(55,000)	-	-	145,000	
Still Nickel	6,847	-	-	-	-	6,847	
Wollaston	7,337	-	-	-	-	7,337	
Idaho							
Quartz Gulch	259,856	-	-	-	(259,856)	-	-
	\$ 990,716	\$ -	\$ (55,000)	\$ -	\$ (259,856)	\$ 675,860	

		November 30, 2022	Additions	Recoveries	Write-off		November 30, 2023
Nunavut							
Aberdeen	\$ 207,225	\$ -	\$ -	\$ -	\$ -	\$ 207,225	
Saskatchewan							
Clearwater	-	-	-	-	-	-	-
Costigan	-	-	-	-	-	-	-
Fir Island	147,000	-	-	-	-	147,000	
Fisher	11,000	-	-	-	-	11,000	
Grease River	6,318	-	(6,318)	-	-	-	-
Henday	-	-	-	-	-	-	-
Highrock	-	-	-	-	-	-	-
Janice Lake	150,000	-	-	-	-	150,000	
Love Lake	-	-	-	-	-	-	-
Maurice Point	-	1,451	-	-	-	1,451	
NW Athabasca	200,000	-	-	-	-	200,000	
Still Nickel	6,847	-	-	-	-	6,847	
Wollaston	7,337	-	-	-	-	7,337	
Idaho							
Quartz Gulch	259,856	-	-	-	-	259,856	
	\$ 995,583	\$ 1,451	\$ (6,318)	\$ -	\$ -	\$ 990,716	

Forum Energy Metals Corp.
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7. Exploration and Evaluation Assets (continued)

Nunavut Projects

Aberdeen

In November 2021, the Company acquired by staking the Aberdeen uranium project. During the year ended November 30, 2022, the Company staked additional claims.

Saskatchewan Projects

a) Clearwater

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

b) Costigan

The Company holds a 100% interest in the Costigan uranium project, subject to a 10% net profits interest royalty.

c) Fir Island

The Company holds a 49% interest in the Fir Island uranium project, subject to a 1.5% net smelter return ("NSR") royalty, of which the Company can buy back 1% by paying \$1,000,000.

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

Interest	Date	Exploration expenditures
To earn the initial 20%	On or before December 31, 2019	\$500,000 (incurred)
	On or before February 28, 2021	\$1,000,000 (incurred)
To earn a further 31% (51% total)	On or before December 31, 2022	\$1,500,000 (incurred)
To earn a further 9% (60% total)	On or before December 31, 2023	\$1,500,000 (not incurred)
To earn a further 10% (70% total)	On or before December 31, 2024	\$1,500,000 (not incurred)
		\$6,000,000

On January 1, 2024, the Company and Orano entered into a joint venture agreement whereby the Company holds a 49% interest in the Fir Island project and Orano holds a 51% interest (the "Fir Island Joint Venture"). Orano will act as operator of the Fir Island Joint Venture.

Prior to the Fir Island Joint Venture, the Company acted as operator and was entitled to a management fee of 10% on incurred expenditures. During the year ended November 30, 2024, the recorded management fees of \$Nil (2023 - \$432).

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

d) Fisher

In September 2022, the Company entered into a purchase agreement whereby the Company acquired Fisher copper-zinc project in consideration for the issuance of 100,000 common shares of the Company valued at \$11,000 and a 1% NSR royalty on the project, one-half of which may be purchased by the Company for \$500,000.

e) 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 and first credited against the acquisition costs for \$6,318, with the remainder of \$18,682 recorded as exploration and evaluation recoveries on the statement of loss and comprehensive loss for the year ended November 30, 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 year ended November 30, 2024);
 - payment of a further \$75,000 cash on or before December 31, 2024 (not yet received);
 - payment of a further \$100,000 cash on or before December 31, 2025;
 - 12,500 Traction shares on or before March 1, 2023 (received in March 2023 (Note 4), valued at \$50,625 and recorded as exploration and evaluation recoveries on the statement of loss and comprehensive loss for the year ended November 30, 2023);
 - a further 25,000 Traction shares on or before December 31, 2023 (received in January 2024 (Note 4), valued at \$33,750, and recorded as exploration and evaluation recoveries on the statement of loss and comprehensive loss for the year ended November 30, 2024);
 - a further 50,000 Traction shares on or before December 31, 2024 (not yet received);
 - a further 75,000 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 (not incurred); and
 - completing a further \$1,500,000 in exploration expenditures by December 31, 2025.

Forum Energy Metals Corp.
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

e) Grease River (continued)

- 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;
 - 100,000 Traction shares on or before December 31, 2026;
 - a further 150,000 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;
 - 300,000 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 year ended November 30, 2024, the recorded management fees of \$42,477 (2023 - \$37,206). During the year ended November 30, 2024, the Company incurred exploration expenditures on the Grease River project of \$425,822 (2023 - \$470,088), which was funded by Traction. As at November 30, 2024, there was \$17,037 (2023 - \$6,660) 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.

On March 17, 2025, the Company provided Traction notice that it was in default of the option agreement for failing to make the cash payment, issue the shares, and incur the exploration expenditures, all by December 31, 2024. Traction has 30 days to cure the default or the option agreement will be terminated.

f) Henday

The Company holds a 40% interest in the Henday uranium project, subject to a 2% NSR royalty, of which the Company can buy back 1% by paying the greater of US\$800,000 or \$1,000,000 at the time of buy back.

In February 2009, the Company entered into an option agreement with Hathor Exploration Limited ("Hathor") pursuant to which Hathor earned a 60% interest in the Henday project. In January 2012, Rio Tinto Canada Uranium ("Rio") acquired Hathor and in May 2012, the Company received a letter from Rio notifying the Company of their intent to elect to acquire the additional 10% interest by funding a bankable feasibility study. In November 2015, the agreement was amended, pursuant to which Rio can acquire the additional 10% by financing \$20,000,000 in exploration or delivering a feasibility study on the project, whichever occurs first, at which time Rio would hold a 70% and the Company a 30% interest in the project. In August 2023, UEX Corporation, a subsidiary of Uranium Energy Corp., acquired Rio Tinto's 60% interest in the Henday project.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

g) Highrock

The Company holds an 80% interest in the Highrock uranium project, subject to a 1% NSR royalty, of which the Company can buy back 0.5% by paying \$1,000,000. The Company also holds an 80% interest in the Highrock South project, subject to payment of a 2% NSR royalty to the vendor.

On February 7, 2022, as amended July 21, 2022 and May 8, 2023, the Company entered into an option agreement with Sassy Gold Corp. ("Sassy") whereby Sassy can earn a 100% interest in the Highrock project. This definitive agreement replaced the letter of intent ("LOI") which was signed on January 5, 2022. In consideration, the Company received \$50,000 cash on signing of the LOI, which amount was credited against the acquisition costs.

The agreement is a staged earn-in as follows:

- 20% interest
 - payment of \$50,000 cash on signing of the definitive agreement (received in February 2022);
 - 50,000 Sassy shares on signing of the definitive agreement (received in February 2022); and
 - completing \$1,000,000 in exploration expenditures by December 31, 2022 (incurred).
- 31% interest (51% total)
 - 30,000 Sassy shares on or before January 2, 2023 (received in January 2023 (Note 4), valued at \$25,500, and recorded as exploration and evaluation recoveries for the year ended November 30, 2023); and
 - completing an additional \$1,000,000 in exploration expenditures by December 31, 2023 (not incurred).
- 19% interest (70% total)
 - 15,000 Sassy shares on or before January 2, 2024 (not received); and
 - completing an additional \$1,000,000 in exploration expenditures by December 31, 2024 (not incurred).
- final 30% interest (100% total)
 - payment of \$150,000 cash; and
 - 300,000 Sassy shares on or before December 31, 2025.

On December 27, 2023, Sassy notified the Company that it was terminating the option agreement. As noted above, Sassy earned a 20% interest in the Highrock project prior to termination.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

h) Janice Lake

The Company holds a 100% interest in the Janice Lake copper-silver project, subject to two 1% NSR royalties which the Company has the option to repurchase 0.375% of at any time prior to commercial production for \$750,000 each.

On May 8, 2019, the Company entered into an option to joint venture agreement, as amended, with Rio Tinto Exploration Canada Inc. ("Rio Tinto") pursuant to which Rio Tinto earned a 51% interest in the Janice Lake project in December 2021. On February 22, 2023, the Company entered into an agreement with Rio Tinto, as amended, whereby the Company acquired all of Rio Tinto's 51% interest in the Janice Lake project, giving Forum a 100% interest. In consideration, the Company granted Rio Tinto a 20% back-in right in the project and a 2% NSR royalty capped at \$50,000,000. Rio Tinto may exercise the back-in right at any time up until 180 days following completion of a feasibility study or commencement of commercial production if a feasibility study is not completed prior to commencement of commercial production. The back-in right can only be exercised by paying Forum an amount equal to all the expenditures incurred by Forum on the project from November 2023 up to the back-in right trigger date. On exercise of the back-in right Forum and Rio Tinto will form an 80/20 joint venture for further development of the project. In addition, Forum is to pay Rio Tinto \$500,000 upon the earlier of completion of a preliminary economic assessment, completion of a feasibility study, or commencement of commercial production, and a further \$2,000,000 upon the earlier of completion of a feasibility study or commencement of commercial production.

i) Love Lake

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

j) Maurice Point

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

k) Northwest Athabasca

The Company holds a 43.32% interest in the Northwest 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.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

k) Northwest Athabasca (continued)

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 in July 2024 Note 4), valued at \$55,000, and credited against the acquisition costs);
- 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. While the Company is the operator it is entitled to a management fee of 10% on incurred expenditures. During the year ended November 30, 2024, the recorded management fees of \$59,915. During the year ended November 30, 2024, the Company incurred exploration expenditures on the Northwest Athabasca project of \$527,457, of which \$486,579 was funded by Global. As at November 30, 2024, there was \$62,095 owing from Global and recorded as due from joint venture partner.

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 \$500,000. 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 Consolidated Financial Statements
For the year ended November 30, 2024
(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets (continued)

Saskatchewan Projects (continued)

l) Still Nickel

In July 2021, the Company acquired by staking the Still Nickel nickel-cobalt project.

m) Wollaston

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

Idaho Project

Quartz Gulch

The Company holds a 100% interest in the Quartz Gulch cobalt property in Idaho, subject to a 2% NSR royalty, of which the Company has the option to buyback 1% for US\$1,000,000.

During the year ended November 30, 2024, the Company recorded an impairment of exploration and evaluation assets of \$259,856 on the Quartz Gulch project due to a lack of planned expenditures on the project.

Forum Energy Metals Corp.

Notes to the Consolidated Financial Statements

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7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the year ended November 30, 2024:

	Nunavut			Saskatchewan							Idaho			Total
	Aberdeen	Fir Island	Fisher	Grease River	Henday	Highrock	Love Lake	Maurice Point	NW Athabasca	Still Nickel	Wollaston	Quartz Gulch		
Aircraft	\$ 2,735,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,324	\$ -	\$ -	\$ -	\$ -	\$ 2,853,305
Asset retirement obligation (Note 10)	491,544	-	-	-	-	-	-	-	-	-	-	-	-	491,544
Camp & accommodation	364,749	-	-	-	-	-	-	-	37,304	-	-	-	-	402,053
Camp costs	1,256,050	-	-	-	-	-	-	-	(200,000)	-	1,125	-	-	1,057,175
Claim staking	-	-	-	-	-	-	-	175	2,940	(11,954)	-	-	-	(8,839)
Communication	42,002	-	-	-	-	-	-	-	-	-	-	-	-	42,002
Community relations	349,530	-	-	12,719	-	-	-	-	5,119	-	3,317	-	-	370,685
Consulting	166,886	-	350	350	-	-	525	-	108,892	1,000	-	-	-	278,003
Deficiency deposit refund	-	-	(6,664)	(51,799)	-	-	-	-	-	-	-	-	-	(58,463)
Drilling	3,189,319	-	-	-	-	-	-	-	-	-	375	-	-	3,189,694
Environmental	147,915	-	-	-	-	-	-	-	-	-	-	-	-	147,915
Equipment	20,906	-	-	-	-	-	-	-	-	-	-	-	-	20,906
Field personnel	245,827	-	-	-	-	-	-	-	10,655	-	-	-	-	256,482
Freight	69,124	-	-	-	-	-	-	-	-	-	-	-	-	69,124
Fuel	519,341	-	-	8,548	-	-	-	-	11,163	-	(25,000)	-	-	514,052
Geological evaluations	113,042	-	-	261,891	-	-	-	-	-	-	-	-	-	374,933
Geophysics	43,650	-	-	30,150	-	-	-	-	25,500	-	-	-	-	99,300
Grants	(353,025)	-	-	-	-	-	-	-	-	-	-	-	-	(353,025)
Labs and assays	93,983	-	-	-	-	-	-	-	-	-	-	-	-	93,983
License/permit/taxes	711	-	-	140	-	-	-	-	-	-	-	34,626	-	35,477
Management Fees	-	-	-	42,477	-	-	-	-	59,916	-	-	-	-	102,393
Rentals	63,094	-	-	-	-	-	-	-	845	-	-	-	-	63,939
Safety	14,104	-	-	-	-	-	-	-	-	-	-	-	-	14,104
Salaries	496,220	666	390	15,749	1,241	1,006	450	150	52,749	3,567	1,900	-	-	574,088
Software	31,557	-	-	-	-	-	-	-	-	-	-	-	-	31,557
Supplies	84,807	-	-	-	-	-	-	-	-	-	-	-	-	84,807
Surveying	347,964	-	-	105,597	-	-	-	-	-	-	-	-	-	453,561
Technical reporting	12,575	-	-	-	-	-	-	-	28,479	-	-	-	-	41,054
Training & conferences	1,470	-	-	-	-	-	-	-	-	-	-	-	-	1,470
Transportation	116,997	-	-	-	-	-	-	-	256,423	-	-	-	-	373,420
Travel	281,378	-	-	-	-	-	-	-	10,148	-	-	-	-	291,526
Subtotal	10,947,701	666	(5,924)	425,822	1,241	1,006	975	325	527,457	(7,387)	(18,283)	34,626	-	11,908,225
Recoveries from joint venture partner	-	-	-	(425,822)	-	-	-	-	(486,579)	-	-	-	-	(912,401)
Total	\$ 10,947,701	\$ 666	\$ (5,924)	\$ -	\$ 1,241	\$ 1,006	\$ 975	\$ 325	\$ 40,878	\$ (7,387)	\$ (18,283)	\$ 34,626	\$ 10,995,824	

Forum Energy Metals Corp.

Notes to the Consolidated Financial Statements

For the year ended November 30, 2024

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7. Exploration and Evaluation Assets (continued)

The following table shows the activity by category of exploration expenditures for the year ended November 30, 2023:

	Nunavut		Saskatchewan										Idaho			
	Aberdeen	Fir Island	Fisher	Grease River	Henday	Highrock	Janice Lake	Love Lake	Maurice Point	NW Athabasca	Still Nickel	Wollaston	Quartz Gulch	Total		
Aircraft	\$ 852,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 852,751		
Camp and accommodation	247,607	-	-	-	-	-	-	-	-	-	-	-	171,853	-	419,460	
Camp costs	113,821	-	-	-	-	-	-	-	-	-	-	-	2,181	-	268,114	
Claim staking	-	-	3,252	-	-	-	-	-	-	-	-	-	12,388	-	15,640	
Communication	13,230	-	-	-	-	-	-	-	-	-	-	-	1,534	-	14,764	
Community relations	353,644	-	-	-	-	-	-	-	-	-	5,615	-	26,699	-	385,958	
Consulting	2,643	450	900	750	750	150	150	3,675	450	-	150	2,700	-	-	12,768	
Drilling	674,333	-	-	-	-	-	-	-	-	-	-	-	730,134	-	1,404,467	
Equipment	9,166	-	-	-	-	-	-	-	-	-	-	-	9,171	-	18,337	
Field personnel	84,110	-	-	-	-	-	-	-	-	-	-	-	44,362	-	128,472	
Fuel	77,806	-	-	-	-	-	-	-	-	-	-	-	20,726	-	98,532	
Geological evaluations	223,413	-	-	500	-	-	-	-	-	-	-	-	93,903	5,197	-	323,013
Grant	(10,988)	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,988)	
Labs & Assays	26,007	-	12,698	-	-	-	-	-	-	-	-	-	3,272	23,348	-	65,325
License/permit/taxes	4,200	-	-	52,300	-	-	-	-	-	-	-	-	498	28,307	-	85,305
Linecutting/Grid	-	-	-	-	-	-	-	-	-	-	-	-	30,892	-	-	30,892
Management Fees	-	454	-	39,066	-	-	-	-	-	-	-	-	-	-	-	39,520
Rentals	26,686	-	-	-	-	-	-	-	-	-	-	-	26,031	-	-	52,717
Safety	29,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,566
Salaries	149,436	444	7,028	7,552	-	4,255	880	5,583	587	6,481	7,614	50,308	-	-	-	240,168
Software	50,614	-	-	-	-	-	-	-	-	-	-	-	1,820	-	-	52,434
Supplies	6,904	-	-	-	-	-	-	-	-	-	-	-	4,736	-	-	11,640
Surveying	-	-	-	369,920	-	253	-	-	-	-	-	-	-	310,095	-	680,268
Technical reporting	34,648	3,425	-	-	-	-	-	14,250	-	-	-	-	-	-	-	52,323
Transportation	160,249	-	-	-	-	-	-	-	-	-	-	-	3,574	-	-	163,823
Travel	57,901	-	-	-	-	-	-	-	-	-	-	-	34,352	-	-	92,253
Subtotal	3,187,747	4,773	23,878	470,088	750	4,658	1,030	24,564	1,037	163,152	117,327	1,500,211	28,307	-	5,527,522	
Recoveries from joint venture partner	-	(4,773)	-	(470,088)	-	-	-	-	-	-	-	-	-	-	(474,861)	
Total	\$3,187,747	\$ -	\$ 23,878	\$ -	\$ 750	\$ 4,658	\$ 1,030	\$ 24,564	\$ 1,037	\$ 163,152	\$ 117,327	\$ 1,500,211	\$ 28,307	\$ 5,052,661		

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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8. Trade and Other Payables

	November 30, 2024	November 30, 2023
Trade and other payables in Canada	\$ 896,721	\$ 181,071
Provision	-	200,000
Due to related parties (Note 12)	49,596	70,518
Total	\$ 946,317	\$ 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 Northwest Athabasca project in northern Saskatchewan. During the year ended November 30, 2023, the Company re-estimated this provision to be \$200,000. During the year ended November 30, 2024, the Company completed the environmental work on the Northwest Athabasca project and accordingly reversed the provision of \$200,000.

During the year ended November 30, 2023, the Company paid \$100,000 to settle trade and other payables of \$208,055 and accordingly recorded a gain on settlement of trade and other payables of \$108,055.

9. Flow-through Share Premium Liability

	November 30, 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	(3,667,100)	(1,072,306)
Closing balance	\$ 315,709	\$ 820,647

At November 30, 2024, the Company has an obligation to incur \$898,557 (2023 - \$2,215,748) on eligible expenditures in respect of the pursuant to the terms of the flow-through private placements.

10. Asset Retirement Obligation

Provincial and Territorial laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

During the year ended November 30, 2024, the Company constructed an exploration camp at its Aberdeen project in Nunavut. The Company estimated the present value of the removal of the camp to be \$491,544 based on an undiscounted obligation of \$550,000, which is estimated to be incurred in 2034. The provision was calculated using a credit adjusted risk-free rate of 3.13% and an inflation rate of 2.00%. Accordingly, the Company recorded an asset retirement obligation of \$491,544, with a corresponding entry to exploration and evaluation expenditures (Note 7).

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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11. Capital Stock and Contributed Surplus

A. Authorized

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

B. Issued and outstanding

During the year ended November 30, 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 share purchase warrant with each whole share purchase warrant entitling the holder to purchase one common share at a price of \$0.185 until December 12, 2025. The share purchase warrants were valued at \$Nil using the residual value method. 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.

- 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 share purchase warrant with each whole share purchase warrant entitling the holder to purchase one common share at a price of \$0.20 until June 26, 2026. The share purchase warrants were valued at \$70,840 using the residual value method.

The Company paid cash commissions of \$51,141 and issued 378,819 broker warrants valued at \$13,653. The broker warrants are on the same terms as the non-flow-through share purchase warrants. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.04%; a volatility of 74%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

- During the year ended November 30, 2024, the Company issued 695,000 common shares on the exercise of stock options for gross proceeds of \$69,500. The Company recorded an allocation of \$31,427 from contributed surplus-options to capital stock on the exercise of these stock options.
- During the year ended November 30, 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 Consolidated Financial Statements
For the year ended November 30, 2024
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11. Capital Stock and Contributed Surplus (continued)

B. Issued and outstanding (continued)

During the year ended November 30, 2023, the Company completed the following transactions:

- On December 16 and December 21, 2022, the Company completed a private placement in two tranches through the issuance of 16,663,886 flow-through units at a price of \$0.13 per flow-through unit for gross proceeds of \$2,166,305. Each flow-through unit consisted of one flow-through share and one-half of one share purchase warrant with each whole share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.17 for a period of two years. The Company recorded a flow-through premium liability of \$358,971 on issuance of these flow-through units.

The Company paid finder's fees of \$148,001 cash and issued 1,138,472 broker warrants valued at \$56,127. The broker warrants are exercisable at \$0.13 per share for a period of 2 years. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.66-3.74%; a volatility of 91-92%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero. The Company also paid other share issue costs of \$11,582 cash.

- On April 27 and May 19, 2023, the Company completed a private placement in two tranches through the issuance of 8,713,334 flow-through units at a price of \$0.12 per flow-through unit for gross proceeds of \$1,045,600. Each flow-through unit consisted of one flow-through share and one share purchase warrant with each share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.16 for a period of two years. The share purchase warrants were valued at \$87,133 using the residual value method. The Company recorded a flow-through premium liability of \$174,267 on issuance of these flow-through units.

The Company issued 4,154,320 non-flow-through units at a price of \$0.10 per non-flow-through unit for gross proceeds of \$415,432. Each non-flow-through unit consisted of one non-flow-through share and one share purchase warrant with each share purchase warrant entitling the holder thereof to purchase one common share at a price of \$0.15 for a period of two years. The share purchase warrants were valued at \$41,543 using the residual value method.

The Company paid finder's fees of \$75,460 cash and issued 747,600 broker warrants valued at \$29,502. The broker warrants are exercisable at \$0.10 per share for a period of 2 years. The broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.80-4.01%; a volatility of 81-86%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero. The Company also paid other share issue costs of \$10,225.

- On June 21, 2023, the Company completed a private placement through the issuance of 22,221,649 flow-through shares at a price of \$0.135 per flow-through share for gross proceeds of \$2,999,923. The Company recorded a flow-through premium liability of \$1,111,082 on issuance of these flow-through shares. The Company paid share issue costs of \$16,000.
- During the year ended November 30, 2023, the Company issued 390,000 common shares on the exercise of warrants for gross proceeds of \$56,500.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
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11. Capital Stock and Contributed Surplus (continued)

C. Warrants

The continuity of warrants for the year ended November 30, 2024 is as follows:

Expiry date	Exercise price	Balance, November 30, 2023	Granted	Exercised	Expired	Balance, November 30, 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
June 26, 2026	\$ 0.20	-	3,542,010	-	-	3,542,010
June 26, 2026	\$ 0.20	-	378,819	-	-	378,819
		36,881,001	37,249,872	(2,356,000)	(7,405,351)	64,369,522
Weighted average exercise price	\$ 0.15	\$ 0.18	\$ 0.10	\$ 0.16	\$ 0.17	

* expired subsequent to year-end (Note 17)

As at November 30, 2024, the weighted average remaining contractual life of the warrants outstanding was 0.76 years.

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
For the year ended November 30, 2024
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11. Capital Stock and Contributed Surplus (continued)

C. Warrants (continued)

The continuity of warrants for the year ended November 30, 2023 is as follows:

Expiry date	Exercise price	Balance, November 30,			Balance, November 30,		
		2022	Granted	Exercised	Expired	2023	
December 21, 2022	\$ 0.15	8,625,000	-	-	(8,625,000)	-	
June 19, 2023	\$ 0.10	185,000	-	-	(185,000)	-	
June 29, 2023	\$ 0.57	555,556	-	-	(555,556)	-	
June 29, 2023	\$ 0.45	77,778	-	-	(77,778)	-	
July 14, 2023	\$ 0.57	3,387,299	-	-	(3,387,299)	-	
July 14, 2023	\$ 0.45	456,231	-	-	(456,231)	-	
July 15, 2023	\$ 0.14	525,000	-	-	(525,000)	-	
July 15, 2023	\$ 0.10	72,520	-	-	(72,520)	-	
March 11, 2024	\$ 0.42	1,351,351	-	-	-	1,351,351	
April 1, 2024	\$ 0.10	8,450,000	-	(40,000)	-	8,410,000	
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	-	3,254,320	(350,000)	-	2,904,320	
May 19, 2025	\$ 0.16	-	5,100,000	-	-	5,100,000	
May 19, 2025	\$ 0.10	-	453,600	-	-	453,600	
		28,069,716	23,085,669	(390,000)	(13,884,384)	36,881,001	
Weighted average exercise price	\$ 0.20	\$ 0.16	\$ 0.14	\$ 0.28	\$ 0.15		

Forum Energy Metals Corp.
Notes to the Consolidated Financial Statements
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11. Capital Stock and Contributed Surplus (continued)

D. Stock options

On December 11, 2024, the Company's shareholders approved an amended and restated Omnibus Long-term Incentive Plan (the "Amended Incentive Plan"). The Amended 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. 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 year ended November 30, 2024 is as follows:

Expiry date	Exercise price	Balance, November 30, 2023	Granted	Exercised	Expired/Cancelled	Balance, November 30, 2024
June 5, 2024	\$ 0.10	3,825,000	-	(645,000)	(3,180,000)	-
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
June 28, 2029	\$ 0.135	-	3,200,000	-	-	3,200,000
		17,240,000	7,700,000	(695,000)	(3,385,000)	20,860,000
Weighted average exercise price	\$ 0.15	\$ 0.14	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.15

* expired subsequent to year-end (Note 17)

As at November 30, 2024, 20,847,500 stock options were exercisable.

As at November 30, 2024, the weighted average remaining contractual life of the stock options outstanding was 3.14 years.

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11. Capital Stock and Contributed Surplus (continued)

D. Stock options (continued)

The continuity of stock options for the year ended November 30, 2023 is as follows:

Expiry date	Exercise price	Balance, November 30,			Expired/Cancelled	Balance, November 30, 2023
		2022	Granted	Exercised		
June 5, 2024	\$ 0.10	3,825,000	-	-	-	3,825,000
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
May 12, 2025	\$ 0.10	350,000	-	-	-	350,000
February 23, 2026	\$ 0.36	100,000	-	-	-	100,000
April 23, 2026	\$ 0.35	1,600,000	-	-	(200,000)	1,400,000
December 16, 2026	\$ 0.17	4,500,000	-	-	(900,000)	3,600,000
January 24, 2027	\$ 0.20	200,000	-	-	-	200,000
October 3, 2027	\$ 0.15	4,150,000	-	-	(300,000)	3,850,000
December 1, 2027	\$ 0.13	-	500,000	-	-	500,000
July 4, 2028	\$ 0.10	-	2,850,000	-	-	2,850,000
		15,290,000	3,350,000	-	(1,400,000)	17,240,000
Weighted average exercise price		\$ 0.16	\$ 0.10	\$ -	\$ 0.19	\$ 0.15

E. Share-based compensation

During the year ended November 30, 2024, the Company recorded share-based compensation of \$670,989 (2023 - \$163,455).

On June 28, 2024, the Company granted 3,200,000 stock options to directors, officers, employees and consultants of the Company valued at \$268,775 or \$0.08 per option, all of which was recorded as share-based compensation for the year ended November 30, 2024. The fair value of the stock options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.51%; an expected volatility of 85%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

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 year ended November 30, 2024. The fair value of the stock 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 year ended November 30, 2024. The fair value of the stock 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.

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11. Capital Stock and Contributed Surplus (continued)

E. Share-based compensation (continued)

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 year ended November 30, 2024. The fair value of the stock 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 year ended November 30, 2024. The fair value of the stock 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 year ended November 30, 2024. The fair value of the stock 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 \$4,422 was recorded as share-based compensation for the year ended November 30, 2024. These stock options vest 25% in three months and 25% every three months thereafter. The fair value of the stock 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 2,750,000 stock options to directors, officers, employees and consultants of the Company valued at \$109,125 or \$0.04 per option, all of which was recorded as share-based compensation for the year ended November 30, 2023. The fair value of the stock options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.83%; an expected volatility of 84%; 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 an investor relations consultant valued at \$3,968 or \$0.04 per option, of which \$1,231 (2023 - \$2,737) was recorded as share-based compensation for the year ended November 30, 2024. These stock options vest 25% in three months and 25% every three months thereafter. The fair value of the stock options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.83%; an expected volatility of 84%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

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11. Capital Stock and Contributed Surplus (continued)

E. Share-based compensation (continued)

On December 1, 2022, the Company granted 500,000 stock options to an officer of the Company valued at \$38,844 or \$0.08 per option, all of which was recorded as share-based compensation for the year ended November 30, 2023. The fair value of the stock options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.14%; an expected volatility of 94%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On October 3, 2022, the Company granted 200,000 stock options to an investor relations consultant valued at \$18,608 or \$0.09 per option, of which \$12,465 was recorded as share-based compensation for the year ended November 30, 2023. These stock options vested 25% in three months and 25% every three months thereafter.

On December 16, 2021, the Company granted 200,000 stock options to an investor relations consultant valued at \$25,911 or \$0.13 per option, of which \$284 was recorded as share-based compensation for the year ended November 30, 2023. These stock options vested 25% in three months and 25% every three months thereafter.

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12. 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 years ended November 30, 2024 and 2023 were as follows:

	Year ended November 30,	
	2024	2023
Consulting fees		
Chief Executive Officer	\$ 224,000	\$ 204,000
Corporate Secretary	95,500	90,000
Chief Financial Officer *	95,500	90,000
	<u>415,000</u>	<u>384,000</u>
Director fees	30,000	30,000
Exploration and evaluation expenditures		
VP Exploration	205,500	162,000
VP Nunavut Affairs	66,000	-
	<u>271,500</u>	<u>162,000</u>
Marketing, promotion and travel		
Director	72,000	10,000
Professional fees		
Former Director - legal services	9,796	44,940
Share-based compensation	482,724	118,207
Total	\$ 1,281,020	\$ 749,147

* 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.

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12. Related Party Transactions (continued)

Amounts due to related parties

		November 30, 2024	November 30, 2023
Chief Executive Officer	Fees	\$ 17,850	\$ 17,850
Chief Executive Officer	Expenses	1,177	16,088
VP Exploration	Expenses	5,887	14,315
VP Nunavut Affairs	Fees	6,300	-
Director	Consulting Fees	12,600	5,000
Director	Expenses	5,162	-
Former Director	Legal fees	-	7,840
Corporate Secretary	Expenses	-	8,563
Golden Oak	Expenses	620	862
Total		\$ 49,596	\$ 70,518

13. 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.

14. Financial Instruments and Financial Risk Management

Financial instruments

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

		November 30, 2024	November 30, 2023
Cash	Amortized cost	\$ 496,519	\$ 1,424,079
Marketable securities	FVTPL	104,825	46,785
Receivables	Amortized cost	171,345	31,600
Due from joint venture partners	Amortized cost	79,132	6,660
Reclamation deposit	Amortized cost	40,250	40,250
Trade and other payables	Amortized cost	946,317	251,589

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

Credit risk

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

Liquidity Risk

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

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14. Financial Instruments and Financial Risk Management (continued)

Financial risk management (continued)

Market Risk

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

i) Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant.

ii) Foreign exchange risk

At November 30, 2024, 99% of the Company's cash was held in Canadian dollars. The Company has some operations in the United States, but no foreign currency in that jurisdiction at this time and as such has no currency risk associated with its operations.

iii) Market price risk

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

iv) Commodity Price Risk

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

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

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15. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in Note 14.

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

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

There were no changes in the Company's approach to capital management during the year ended November 30, 2024 compared to the year ended November 30, 2023. The Company is not subject to externally imposed capital requirements.

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16. Income Tax

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

	Year ended November ,	
	2024	2023
Loss for the year	\$ (9,890,375)	\$ (5,364,964)
Expected income tax recovery	\$ (2,670,000)	\$ (1,444,000)
Change in statutory, foreign tax, foreign exchange rates and other	(11,000)	(38,000)
Permanent differences	(805,000)	(239,000)
Impact of flow-through shares	2,726,000	1,278,000
Share issue costs	(234,000)	(71,000)
Adjustment to prior years provision versus statutory tax filings	118,000	-
<u>Change in unrecognized deductible temporary differences</u>	<u>876,000</u>	<u>514,000</u>
Total	\$ -	\$ -

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

	November 30, 2024	November 30, 2023
Deferred tax assets		
Exploration and evaluation assets	\$ 4,957,000	\$ 4,956,000
Equipment	168,000	159,000
Asset retirement obligation	133,000	-
Share issue costs	253,000	106,000
Marketable securities	43,000	39,000
Non-capital losses available for future periods	4,914,000	4,338,000
Total unrecognized deferred tax assets	\$ 10,468,000	\$ 9,598,000

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

	November 30, 2024	Expiry date range
Temporary differences		
Exploration and evaluation assets	\$ 18,449,000	no expiry date
Equipment	624,000	no expiry date
Asset retirement obligation	492,000	no expiry date
Share issue costs	937,000	2025 to 2049
Marketable securities	322,000	no expiry date
Non-capital losses available for future periods	18,277,000	See below
Non-capital loss summary		
Canada	\$ 17,911,000	2026 to 2044
United States	366,000	no expiry date

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17. Subsequent Events

Subsequent to November 30, 2024, the Company completed the following transactions:

- On December 20, 2024 and January 15, 2025, the Company completed, in two tranches, a private placement through the issuance of 8,320,000 flow-through units at a price of \$0.10 per flow-through unit for gross proceeds of \$832,000 and the issuance of 6,475,000 non-flow-through common shares at a price of \$0.08 per share for gross proceeds of \$518,000. Each flow-through unit consisted of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable to purchase one non-flow-through common share at a price of \$0.15 per share until June 20, 2026. The Company paid finders fees of \$48,000 and issued 480,000 finder warrants on the same terms as the share purchase warrants.
- On December 16, 2024 and December 21, 2024, 9,470,415 warrants expired unexercised.
- On February 10, 2025 and March 11, 2025, 460,000 stock options expired unexercised.