

F O R A N

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

Expressed in thousands of Canadian Dollars

Unaudited

FORAN

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - expressed in thousands of Canadian dollars)

	Note	March 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	\$	63,841	\$ 83,996
Accounts and other receivables		1,953	1,335
Prepaid expenses and deposits		190	252
Total current assets		65,984	85,583
Deposits		11	11
Investments		192	204
Right-of-use assets	4	1,106	1,442
Exploration and evaluation assets	5	103,356	87,654
Total assets	\$	170,649	\$ 174,894
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$	6,345	\$ 9,619
Leases	4	642	778
Deferred share units	6	4,513	3,330
Total current liabilities		11,500	13,727
Leases	4	215	312
Decommissioning obligation		468	500
Total liabilities		12,183	14,539
Shareholders' Equity			
Share capital	7	206,517	205,841
Share-based payments reserve	7	4,517	4,084
Accumulated other comprehensive income		87	99
Deficit		(52,655)	(49,669)
Total shareholders' equity		158,466	160,355
Total liabilities and shareholders' equity	\$	170,649	\$ 174,894

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

Approved on behalf of the Board:

/s/ David Petroff
Director

/s/ Dan Myerson
CEO & Executive Chairman

FORAN

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited expressed in thousands of Canadian dollars, except share information)

For the three months ended March 31,	2022	2021
General and administration expenses		
Consulting	\$ 255	\$ 85
Depreciation	24	37
Directors' fees	68	-
Investor relations	161	51
Office and administration	133	45
Professional fees	255	106
Salaries and benefits	535	252
Share-based payment expense	1,257	766
	2,688	1,342
Other (income) expenses		
Interest and miscellaneous	(102)	(12)
Flow-through share premium	-	(1,262)
Revaluation of deferred share units	400	816
	298	(458)
Net loss for the period	\$ 2,986	\$ 884
Other comprehensive loss:		
Unrealized loss on investments	12	19
Total comprehensive loss for the period	\$ 2,998	\$ 903
Net loss per share:		
Basic	\$ 0.01	\$ 0.01
Diluted	\$ 0.01	\$ 0.01
Weighted average shares outstanding	237,998,069	168,649,358

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

FORAN

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - expressed in thousands of Canadian dollars, except share information)

	Note	Share Capital		Reserves	Accumulated OCI	Deficit	Total
		Shares	Amount				
Balance, December 31, 2020		148,278,210	\$ 84,786	\$ 1,647	\$ 74	\$ (45,372)	\$ 41,135
Shares issued pursuant to private placements		30,665,000	25,001	-	-	-	25,001
Flow-through share premium liability		-	(5,068)	-	-	-	(5,068)
Shares issued pursuant to exercise of stock options		1,026,036	618	(249)	-	-	369
Shares issued pursuant to exercise of DSUs		603,564	639	-	-	-	639
Share issuance costs, net of taxes		-	(1,583)	-	-	-	(1,583)
Share-based payment expense		-	-	282	-	-	282
Reclass of forfeited stock options		-	-	(66)	-	66	-
Other comprehensive loss		-	-	-	(19)	-	(19)
Net loss for the period		-	-	-	-	(884)	(884)
Balance, March 31, 2021		180,572,810	\$ 104,393	\$ 1,614	\$ 55	\$ (46,190)	\$ 59,872
Shares issued pursuant to Fairfax placement		55,555,556	100,000	-	-	-	100,000
Shares issued pursuant to exercise of stock options		1,397,332	1,001	(409)	-	-	592
Shares issued pursuant to exercise of warrants		20,000	3	-	-	-	3
Share issuance costs, net of taxes		-	444	-	-	-	444
Share-based payment expense		-	-	2,879	-	-	2,879
Other comprehensive income		-	-	-	44	-	44
Net loss for the period		-	-	-	-	(3,479)	(3,479)
Balance, December 31, 2021		237,545,698	\$ 205,841	\$ 4,084	\$ 99	\$ (49,669)	\$ 160,355
Shares issued pursuant to exercise of stock options	7	1,080,667	654	(260)	-	-	394
Shares issued pursuant to exercise of warrants	7	150,000	22	-	-	-	22
Share-based payment expense		-	-	626	-	-	626
RSU payments expense	7	-	-	67	-	-	67
Other comprehensive loss		-	-	-	(12)	-	(12)
Net loss for the period		-	-	-	-	(2,986)	(2,986)
Balance, March 31, 2022		238,776,365	\$ 206,517	\$ 4,517	\$ 87	\$ (52,655)	\$ 158,466

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

FORAN

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in thousands of Canadian dollars)

For the three months ended March 31,	Note	2022	2021
Cash provided by (used in)			
Operations			
Net loss for the period	\$	(2,986)	\$ (884)
Adjustments for:			
Depreciation		24	37
Flow-through share premium recovery		-	(1,262)
Lease interest		-	1
Revaluation of deferred share units		400	816
Share-based payment expense		1,257	766
Changes in non-cash working capital:			
Accounts receivable		(618)	(253)
Prepaid expenses and deposits		62	(59)
Accounts payable and accrued liabilities		36	319
		(1,825)	(519)
Investing			
Exploration and evaluation expenditures		(18,638)	(3,529)
		(18,638)	(3,529)
Financing			
Shares issued pursuant to private placements		-	25,001
Share issue costs paid		-	(1,583)
Exercise of stock options		394	369
Exercise of warrants		22	-
Lease payments	4	(108)	(29)
		308	23,758
Increase (decrease) in cash and cash equivalents		(20,155)	19,710
Cash and cash equivalents, beginning of period		83,996	1,050
Cash and cash equivalents, end of the period	\$	63,841	\$ 20,760
Cash and cash equivalents is comprised of:			
Guaranteed investment certificates	\$	-	\$ 130
Cash		63,841	20,630
	\$	63,841	\$ 20,760

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

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

1. NATURE OF OPERATIONS AND GOING CONCERN

Foran Mining Corporation (the "**Company**") is a public company listed on the TSX Venture Exchange and OTCQX, incorporated under the laws of British Columbia. The Company is involved in activities that include the acquisition, exploration and development of mineral properties.

The Company's head office and registered and records office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

These condensed consolidated interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$2,986 for the three months ended March 31, 2022 (three months ended March 31, 2021: \$884). As at March 31, 2022, the Company had an accumulated deficit of \$52,655 (December 31, 2021: \$49,669). In assessing whether the going concern assumption is appropriate, management took into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The ongoing effects of the coronavirus global pandemic ("**COVID-19**") have affected the global economy and may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The Company has adopted a COVID-19 Site Operations Policy and is attempting to take all necessary precautionary measures to avoid a COVID-19 outbreak during its exploration programs. However, it is not possible to reliably estimate the length or severity of these developments and their financial impact on the Company's operations.

The Company has incurred significant operating losses in its exploration operations and its ability to continue as a going concern is dependent upon obtaining additional financing to complete the exploration and development of its exploration and evaluation assets and achieve future profitable production or receiving proceeds from the disposition thereof. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the condensed consolidated interim statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

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

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021. The same accounting policies are used in the preparation of these condensed consolidated interim financial statements as those used in the most recent annual audited consolidated financial statements of the Company, with the following additional policy due to the Company granting restricted share units for the first time during the three months ended March 31, 2022:

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

Restricted share units: In accordance with the Company's Long-term Performance Plan ("LTIP"), restricted share units ("RSUs") may be granted to directors, officers, employees and consultants of the Company.

The fair value of equity-settled RSU's is calculated with reference to the market value of the Company's common shares when the RSU is granted, and is recognized as an expense, with a corresponding increase in equity, over the vesting period. Performance vesting conditions are taken into account by adjusting the number of RSU's expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of RSU's that eventually vest.

Upon vesting, shares are issued from treasury and the amount related to the equity-settled RSU's reflected in share-based payments reserve is credited to share capital.

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for those assets and liabilities that are measured at fair value (Note 8) at the end of each reporting period and cash flow information.

Certain comparative figures have been reclassified to conform to the presentation adopted for the three months ended March 31, 2022.

The Board of Directors (the "Board") approved these condensed consolidated interim financial statements on May 26, 2022.

3. USE OF JUDGEMENT AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of judgements and estimates made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements of the Company.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

4. RIGHT-OF-USE ASSET AND LEASES

The continuity of the ROU asset and lease liability for the three months ended March 31, 2022 and year ended December 31, 2021 is as follows:

		March 31, 2022		December 31, 2021
Right-of-use asset				
ROU asset, beginning of the period	\$	1,442	\$	49
Adjustments		(125)		1,883
Depreciation		(211)		(490)
ROU asset, end of the period	\$	1,106	\$	1,442
Leases				
Leases, beginning of the period	\$	1,090	\$	54
Adjustments		(125)		1,883
Interest		-		1
Payments		(108)		(848)
Leases, end of the period	\$	857	\$	1,090

5. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets is as follows:

	Mcllvenna Bay		Other Saskatchewan Properties		Total
	\$	77,853	\$	9,801	\$ 87,654
Balance, December 31, 2021					
Administration ⁽¹⁾		1,212		-	1,212
Surface prep and exploration decline		11,633		-	11,633
Camp costs		226		-	226
Consulting		280		-	280
Detailed engineering		98		-	98
Drilling		947		31	978
Feasibility studies		465		-	465
Equipment		104		-	104
Geophysics		295		-	295
Permitting and licenses		411		-	411
Total exploration expenditures		15,671		31	15,702
Balance, March 31, 2022	\$	93,524	\$	9,832	\$ 103,356

(1) Includes \$218 of share-based compensation

(a) Mcllvenna Bay, Saskatchewan

The Company owns a 100% interest in the Mcllvenna Bay mineral property located in Saskatchewan, Canada ("Mcllvenna Bay").

Certain claims that make up Mcllvenna Bay are subject to a Net Tonnage Royalty ("NTR") of \$0.75 per tonne of ore extracted.

Cameco Corporation and BHP Billiton Limited collectively hold a 1% net smelter return ("NSR") royalty interest on Mcllvenna Bay, which can be repurchased by the Company at any time for \$1,000.

(b) Other Saskatchewan Properties

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

The Company holds interests ranging from 65% to 100% in seven mining claims groups in its Saskatchewan property portfolio, exclusive of McIlvenna Bay (“Other Saskatchewan Properties”).

The Company has committed, through previous mineral property ownership agreements associated with certain of its Other Saskatchewan Properties, to pay various NSR and net profits interest (“NPI”) royalties. The NSR royalties range from 2% to 2.5%, with buyout provisions for up to one-half of some of these NSR royalties. The NPI royalties range from 6% to 10%.

(c) Manitoba Property

The Company holds a 100% interest in one Manitoba property consisting of one claim, which has a carrying value of \$nil at March 31, 2022 (December 31, 2021 - \$nil).

As at March 31, 2022, accounts payable and accrued liabilities included \$5,846 (December 31, 2021: \$9,157) related to exploration and evaluation asset expenditures.

6. DEFERRED SHARE UNITS

The Company has a LTIP that allows the Company to grant various awards, including DSUs to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding.

A continuity of the changes in the DSUs outstanding is as follows:

	Number of units	Value
Outstanding, December 31, 2021	1,316,389 \$	3,330
Granted	324,541	783
Exercised	-	-
Revaluation	-	400
Outstanding, March 31, 2022	1,640,930 \$	4,513

7. SHARE CAPITAL

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares, non-voting shares and preference shares with no par value. At March 31, 2022, 210,998,587 common shares and 27,777,778 non-voting shares were issued and outstanding.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the common shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder meeting and that the non-voting shares may be converted, at the option of the holder, on a one-to-one basis into common shares. Once a non-voting share is converted into a common share, it shall have all the rights and privileges that attach to the common shares.

(b) Stock options

The Company’s LTIP allows the Company to grant various awards, including stock options, to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

FORAN

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

A continuity of the stock options is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2021	13,834,001	\$ 0.52
Granted	2,375,000	2.35
Exercised	(1,080,667)	0.36
Forfeited	-	-
Outstanding, March 31, 2022	15,128,334	\$ 0.82

The fair value of the stock options that were granted during the three months ended March 31, 2022 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.73%-2.40%
Expected stock price volatility	80%-82%
Expected dividend yield	0.0%
Expected option life in years	5.0

The following stock options were outstanding as at March 31, 2022:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
125,000	33,333	\$ 0.60	June 21, 2022	0.22
990,000	990,000	0.57	January 31, 2023	0.84
100,000	100,000	0.41	August 23, 2023	1.40
971,667	971,667	0.34	March 27, 2024	1.99
1,016,667	677,778	0.09	April 3, 2025	3.01
6,000,000	6,000,000	0.20	November 7, 2025	3.61
200,000	133,333	1.05	March 24, 2026	3.98
500,000	250,000	1.15	April 5, 2026	4.02
500,000	-	1.15	April 20, 2026	4.06
1,325,000	441,667	1.05	April 21, 2026	4.06
600,000	200,000	1.33	May 5, 2026	4.10
100,000	33,333	2.13	September 13, 2026	4.46
200,000	66,667	2.02	September 28, 2026	4.50
125,000	41,667	2.43	October 18, 2026	4.55
75,000	25,000	2.64	January 17, 2027	4.80
200,000	-	2.22	January 31, 2027	4.84
75,000	-	2.39	February 1, 2027	4.84
2,000,000	-	2.35	March 17, 2027	4.96
25,000	-	2.39	March 21, 2027	4.98
15,128,334	9,964,445	\$ 0.82		3.57

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

(c) Restricted share units

At the discretion of the Company's board, the Company's LTIP allows for the grant of RSUs to directors, officers, employees and consultants.

A continuity of the changes in the RSUs outstanding is as follows:

	Number of units
Outstanding, December 31, 2021	-
Granted	182,500
Exercised	-
Outstanding, March 31, 2022	182,500

(d) Share purchase warrants

A continuity of the outstanding share purchase warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2021	25,144,285	1.41
Granted	-	-
Exercised	(150,000)	0.15
Forfeited	-	-
Outstanding, March 31, 2022	24,994,285	\$ 1.41

The following warrants were outstanding at March 31, 2022:

Warrants outstanding and exercisable	Expiry Date	Weighted average exercise price
3,280,000	April 29, 2023	0.15
5,714,285	November 25, 2025	\$ 0.25
16,000,000	August 6, 2026	2.09
24,994,285		\$ 1.41

8. FINANCIAL INSTRUMENTS

The Company examines the various financial instruments to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk (including interest rate, currency and other price risk). The risk related to financial instruments is managed by senior management of the Company under policies and directions approved by the Board. Relevant policies include the Treasury Management Policy and the approval allowing a portion of the Company's cash to be held in US dollars at the discretion of the Chief Executive Officer and the Chief Financial Officer. The Board monitors these policies on an annual basis. The Company's Board has not approved the use of derivative financial products.

(a) Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value as described below:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted market prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

The Company's accounts and other receivables, cash and cash equivalents, and accounts payable and accrued liabilities are carried at amortized cost, and the fair values of these financial instruments approximate their carrying values due to their short-term nature. Investments, which are measured at FVOCI, are valued using Level 1 inputs.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligation. The credit risk associated with cash and cash equivalents is minimized as these financial instruments are held with major Canadian commercial banks. In respect of accounts receivable, the Company is not exposed to significant credit risk as the majority consists of amounts due from Canadian governmental agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity.

(d) Market risk

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to short-term interest rates through the interest earned on cash and cash equivalents. A 1% change in short-term interest rates would not have a material impact on net loss or comprehensive loss.

(ii) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company holds substantially all of its cash resources in Canadian dollars with an insignificant amount held in US dollars, making currency risk minimal.

(iii) *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk in terms of its investment and the deferred share units. There is not material impact to deferred share units resulting from a 10% change in market prices.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

9. RELATED PARTY TRANSACTIONS

Key management personnel at the Company are the current Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties, and in the case of share-based expense, at estimated fair value recognized over the vesting period.

The Company's related party transactions for the three months ended March 31 were as follows:

		2022		2021
Short-term benefits ⁽¹⁾	\$	275	\$	277
Directors' fees ⁽²⁾		68		-
Consulting fees ⁽³⁾		94		15
Share-based payment expense ⁽⁴⁾		1,153		708
Total	\$	1,590	\$	1,000

(1) Short-term benefits consisted of salaries and bonuses for key management personnel.

(2) Directors' fees consist of cash retainers paid to the directors.

(3) Consulting fees consist of fees paid to Myerson Holdings AG, a company controlled by the CEO.

(4) Share-based payment expense consist of RSU's, DSU's and the fair value of stock options that had been granted to key management personnel.