FORAN

Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Expressed in thousands of Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Foran Mining Corporation

Opinion

We have audited the consolidated financial statements of Foran Mining Corporation (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2022 and December 31, 2021
- the consolidated statements of loss and comprehensive loss for the years ended December 31, 2022 and December 31, 2021
- the consolidated statements of changes in equity for the years ended December 31, 2022 and December 31, 2021
- the consolidated statements of cash flows for the years ended December 31, 2022 and December 31, 2021
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity has incurred recurring losses and has an accumulated deficit. The Entity will be required to obtain additional financing to complete the exploration and development of its exploration and evaluation assets.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity'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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the "***Material Uncertainty related to Going Concern***" section of the auditor's report, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period 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 auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor’s report is Michael D. Woeller.

Vancouver, Canada
March 23, 2023

FORAN

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	Note		December 31, 2022		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	**87,322**	$	83,996
Accounts and other receivables			**802**		1,335
Prepaid expenses and deposits			**241**		252
Total current assets			**88,365**		85,583
Advances to suppliers			**2,591**		11
Investments			**163**		204
Right-of-use assets	4		**516**		1,442
Restricted cash	5		**4,287**		-
Exploration and evaluation assets	6		**140,812**		87,654
Total assets		$	**236,734**	$	174,894
Liabilities and Shareholders' Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	**8,902**	$	9,619
Leases	4		**600**		778
Deferred share units	7		**5,210**		3,330
Total current liabilities			**14,712**		13,727
Leases	4		**-**		312
Decommissioning obligation	8		**843**		500
Credit facility	9		**33,478**		-
Total liabilities			**49,033**		14,539
Shareholders' equity					
Share capital	10		**240,639**		205,841
Share-based payments reserve			**6,461**		4,084
Accumulated other comprehensive income			**58**		99
Deficit			**(59,457)**		(49,669)
Total shareholders' equity			**187,701**		160,355
Total liabilities and shareholders' equity		$	**236,734**	$	174,894

Subsequent event (note 16)

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

Approved on behalf of the Board:

/s/ David Petroff	*/s/ Dan Myerson*
Director	CEO & Executive Chairman

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Consolidated Statements of Loss and Comprehensive Loss

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

For the years ended December 31,	Note		2022		2021
General and administration expenses					
Consulting		$	**1,248**	$	428
Depreciation			**58**		98
Directors' fees	15		**367**		201
Investor relations			**440**		484
Office and administration			**1,094**		448
Professional fees			**911**		883
Salaries and benefits			**2,569**		907
Share-based payment expense			**2,926**		2,913
			9,613		6,362
Other (income) expenses					
Other (income) expenses	12		**(688)**		(133)
Flow-through share premium recovery	10		**-**		(5,068)
Revaluation of deferred share units	7		**863**		2,529
			175		(2,672)
Net loss before income tax		$	**9,788**	$	3,690
Deferred income tax expense	14		**-**		673
Net loss for the year		$	**9,788**	$	4,363
Other comprehensive loss:					
Unrealized loss (gain) on investments			**41**		(25)
Total comprehensive loss for the period		$	**9,829**	$	4,338
Net loss per share:					
Basic		$	**0.04**	$	0.02
Diluted		$	**0.04**	$	0.02
Weighted average shares outstanding			**242,456,622**		200,557,101

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

FORAN

Consolidated Statements of Changes in Equity

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

	Note	Share Capital										
		Shares		Amount		Reserves		Accumulated OCI		Deficit		Total
Balance, December 31, 2020		**148,278,210**	**$**	**84,786**	**$**	**1,647**	**$**	**74**	**$**	**(45,372)**	**$**	**41,135**
Shares issued pursuant to private placements		30,665,000		25,001		-		-		-		25,001
Shares issued pursuant to Fairfax placement		55,555,556		100,000		-		-		-		100,000
Flow-through share premium liability		-		(5,068)		-		-		-		(5,068)
Shares issued pursuant to exercise of stock options		2,423,368		1,619		(658)		-		-		961
Shares issued pursuant to exercise of DSUs		603,564		639		-		-		-		639
Shares issued pursuant to exercise of warrants		20,000		3		-		-		-		3
Share issuance costs, net of taxes		-		(1,139)		-		-		-		(1,139)
Share-based payment expense		-		-		3,161		-		-		3,161
Reclass of forfeited stock options		-		-		(66)		-		66		-
Other comprehensive income		-		-		-		25		-		25
Net loss for the year		-		-		-		-		(4,363)		(4,363)
Balance, December 31, 2021		**237,545,698**	**$**	**205,841**	**$**	**4,084**	**$**	**99**	**$**	**(49,669)**	**$**	**160,355**
Shares issued pursuant to exercise of stock options	10	1,680,666		1,198		(460)		-		-		738
Shares issued pursuant to exercise of DSUs	7	7,251		16		-		-		-		16
Shares issued pursuant to exercise of warrants	10	16,960,000		33,584		-		-		-		33,584
Share-based payment expense		-		-		2,837		-		-		2,837
Other comprehensive loss		-		-		-		(41)		-		(41)
Net loss for the year		-		-		-		-		(9,788)		(9,788)
Balance, December 31, 2022		**256,193,615**	**$**	**240,639**	**$**	**6,461**	**$**	**58**	**$**	**(59,457)**	**$**	**187,701**

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

FORAN

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

For the years ended December 31,	Note		**2022**		2021
Cash provided by (used in)					
Operations					
Net loss for the year		$	**(9,788)**	$	(4,363)
Adjustments for:					
Depreciation			**58**		98
Flow-through share premium recovery			**-**		(5,068)
Lease interest			**-**		1
Revaluation of deferred share units	7		**863**		2,529
Stock option expense			**2,926**		2,913
Deferred income tax expense			**-**		673
Interest expense			**176**		-
Unrealized foreign exchange (gain) loss			**(113)**		-
Changes in non-cash working capital:					
Accounts receivable			**533**		(1,312)
Prepaid expenses and deposits			**11**		(210)
Accounts payable and accrued liabilities			**3,352**		324
			(1,982)		(4,415)
Investing					
Restricted cash	5		**(4,287)**		-
Exploration and evaluation expenditures			**(57,493)**		(35,940)
			(61,780)		(35,940)
Financing					
Debt drawdown, net of transaction costs	9		**33,493**		-
Issuance of shares	10		**-**		125,001
Share issue costs paid	10		**-**		(1,816)
Exercise of stock options	10		**738**		961
Exercise of warrants	10		**33,584**		3
Lease payments	4		**(649)**		(848)
			67,166		123,301
Increase in cash and cash equivalents			**3,404**		82,946
Impact of foreign exchange rates on cash and cash equivalents			**(78)**		-
Cash and cash equivalents, beginning of year			**83,996**		1,050
Cash and cash equivalents, end of year		$	**87,322**	$	83,996
Cash and cash equivalents is comprised of:					
Cash			**87,322**		83,996
		$	**87,322**	$	83,996

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

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

The fair value of the stock options that were granted during the years ended December 31, 2022 and 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2022	2021
Risk-free interest rate	1.59%-3.52%	0.71%-1.23%
Expected stock price volatility	78%-82%	84%-88%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

(d) Restricted share units

At the discretion of the Company's Board, the Company's LTIP allows for the grant of equity settled 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(1)	182,500
Outstanding, December 31, 2022	182,500

(1) Weighted average fair value of $1.44 per RSU

(e) Share purchase warrants

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

	Number of warrants		Weighted average exercise price
Outstanding, December 31, 2020	9,164,285		0.21
Granted	16,000,000		2.09
Exercised	(20,000)		0.15
Outstanding, December 31, 2021	25,144,285	$	1.41
Exercised	(16,960,000)		1.98
Outstanding, December 31, 2022	8,184,285	$	0.22

The following warrants were outstanding at December 31, 2022:

Warrants outstanding and exercisable	Expiry Date		Weighted average exercise price
2,470,000	April 29, 2023	$	0.15
5,714,285	November 25, 2025		0.25
8,184,285		$	0.22

11. 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.

Financial Instruments	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable and other	Amortized cost
Investments	FVOCI
Restricted cash	Amortized cost
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Credit facility	Amortized cost
Embedded derivative in Credit facility	FVTPL

The fair value of Company's financial instruments carried at amortized cost approximate their carrying values due to their short-term nature.

(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.

A maturity analysis of the Company's financial liabilities, is set out below:

(*Millions of dollars*)	Total	Due in less than one year	Due in one to three years	Due in four to five years	Due after five years
Accounts payable and accrued liabilities	8.9	8.9	-	-	-
Leases	0.6	0.6	-	-	-
Credit facility	40.3	-	-	10.0	30.3

(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 interest rate risk through the interest accrued on the Credit facility and 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.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

(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 is exposed to foreign currency risk in terms of its US denominated cash and Credit facility. A 10% change in foreign currency exchange rates would not have a material impact on net loss or comprehensive loss.

(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 investments and the deferred share units. A 10% change in market prices would not have a material impact on net loss or comprehensive loss.

12. OTHER (INCOME) EXPENSES

The continuity of the Other (income) expenses for the years ended December 31, 2022 and 2021 is as follows:

		2022		2021
Interest income	$	(736)	$	(145)
Interest expense		176		-
Foreign exchange		24		10
Other		(152)		2
Total	$	(688)	$	(133)

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended December 31, 2021.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual or interim expenditure budgets that are updated as necessary. The budgets are approved by the Board.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's treasury management policy allows for the investment of cash in highly rated liquid short-term interest-bearing investments with an initial term to maturity of two years or less.

As of December 31, 2022, other than certain restrictive covenants related to incurring additional indebtedness under the terms of the Credit facility, the Company is not subject to any externally imposed capital requirements.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

14. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items for the years ended December 31:

		2022		2021
(Loss) before Income taxes	$	(9,788)	$	(3,690)
Canadian federal and provincial income tax rates		27.00%		27.00%
		(2,643)		(996)
Increases (decreases) due to				
Non-deductible expenses and other permanent differences		1,102		1,272
Flow-through shares		-		3,357
Change in unrecognized tax assets		1,541		(2,960)
Net income tax expense	$	-	$	673

The components of recognized deferred tax assets (liabilities) are as follows:

		December 31, 2022		December 31, 2021
Exploration and evaluation assets	$	(14,993)	$	(5,584)
ROU assets		(139)		(389)
Decommissioning obligation		-		135
Credit facility		(219)		293
Non-capital losses		15,351		5,545
Deferred income tax assets (liabilities)		-	$	-

The temporary differences and losses for which no deferred tax asset has been recognized are as follows:

		December 31, 2022		December 31, 2021
Share issue costs	$	1,094	$	1,510
Marketable securities		388		347
Capital losses		4,705		4,705
Non-capital losses		5,258		-
Temporary differences and losses for which no deferred tax asset has been recognized	$	11,445	$	6,562

In assessing the ability to realize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

At December 31, 2022, the Company has non-capital losses that expire as follows:

Between 2031 and 2035	$	5,177
Between 2036 and 2042		56,937
	$	62,114

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

15. 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.

The Company's related party transactions for the years ended December 31 were as follows:

		2022		2021
Short-term benefits[(1)]	$	2,361	$	636
Directors' fees[(2)]		367		201
Shared-based payments[(3)]		2,781		2,605
Total	$	5,509	$	3,442

(1) Short-term benefits consisted of salaries and bonuses for key management personnel and fees paid to Myerson Holdings AG, a company controlled by the CEO.

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

(3) Share-based payment expense consists of RSUs, DSUs and stock options granted to key management personnel.

16. SUBSEQUENT EVENT

On March 15, 2023, the Company announced it had launched a proposed private placement (the "Offering") for aggregate gross proceeds of up to $100,000. The Offering will consist of (i) up to 20,270,300 common shares of the Company at an issue price of $3.70 per common share, for gross proceeds of up to $75,000; and (ii) up to 4,417,000 common shares with each such common share to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (the "FT Shares") at an issue price of $5.66 per FT Share, for gross proceeds of up to $25,000. The net proceeds of the Offering will be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.