DISTRICT METALS CORP.

Management Discussion and Analysis
For the Three and Nine Months Ended March 31, 2024

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess financial condition and results of operations of District Metals Corp. (the "Company" or "District Metals") for the three and nine months ended March 31, 2024. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company for the three and nine months ended March 31, 2024 and 2023, prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), and the audited annual consolidated financial statements of the Company for the financial year ended June 30, 2023 and 2022. This MD&A complements and supplements but does not form part of the Company's condensed consolidated interim financial statements.

This MD&A contains forward-looking statements. In particular, statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 10. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of May 29, 2024.

BUSINESS OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Alberta) on July 24, 1989, and continued into the Province of British Columbia on March 31, 2006. On July 17, 2019, the Company changed its name to District Metals Corp. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "DMX" and on the Frankfurt Stock Exchange under the symbol "DFPP" and on the United States OTCQB under the symbol "DMXCF".

The Company is a junior mineral exploration stage company in the business of acquiring, exploring, and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company's primary properties are the Tomtebo property and the Gruvberget property, both located in the Bergslagen Mining District of south-central Sweden, an interest in the Bakar property located on North Vancouver Island in British Columbia, Canada, and its Additional Properties located in Sweden, as defined herein.

On April 12, 2023, the Company received the approval for a 2,302 hectare (ha) mineral license to explore for vanadium, nickel, molybdenum, zinc, and other elements, covering approximately 68% of the polymetallic Viken Deposit located in Jämtland County, central Sweden. On May 3, 2023, the Company's application to increase the area of the Viken property from 2,302 ha to 9,367 ha was approved. There is currently a moratorium on uranium mining and exploration in Sweden that was imposed in 2018.

In May 2023, the Company's applications for the Tåsjö nr 101 to 105 mineral licenses to explore for vanadium, nickel, molybdenum, zinc, and rare earth elements (REE) in the Jämtland and Västerbotten Counties, north-central Sweden were approved.

On June 30, 2023 and August 23, 2023, respectively, the Company was granted the Nianfors nr 1 and 2 mineral licenses to explore for copper, zinc, molybdenum, yttrium and other rare earth elements located in the Gävleborg County in central Sweden.

On October 30, 2023, the Company announced that it had entered into a mineral property earn-in and option agreement with Boliden Mineral AB ("Boliden") dated October 27, 2023 (the "Earn-In Agreement") pursuant to which the Company, through its wholly-owned subsidiary District Metals AB, granted Boliden a right and option to acquire an 85% interest in the mineral claims comprising the Company's Tomtebo property (the "Option"). The terms of the Option are described in further detail below.

On January 15, 2024, the Company acquired the remaining four mineral licenses covering the Viken energy metals deposit located Jämtland County, central Sweden. Pursuant to the definitive purchase agreement (the "Viken Extension Purchase Agreement"), the Company acquired the Norra Leden, Norr Viken, Lill Viken and Storviken mineral licenses from an arm's length vendor (the "Vendor").

On May 21, 2024, the Company announced that it had received approval from the Bergsstaten (Mining Inspectorate) for eight new mineral licenses in the Jämtland and Västerbotten Counties, central and north-central Sweden, including Viken nr 4, Tåsjö nr 106 to 108, Malgomaj nr 1001 to 1003, and Österkälen nr 101. These mineral license applications are to explore for vanadium, nickel, molybdenum, zinc, rare earth elements, and other elements located.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the future. The Company's ability to raise additional funds is affected by numerous factors outside the Company's control, including in particular, the global economy and the status of the moratorium on uranium mining in Sweden. The global economy is currently characterized by increased volatility arising in part from inflationary pressure and geo-political risk in Europe and the Middle East.

Conversely, the Company's funding requirements may vary from those planned due to a number of factors, including the acquisition of new projects and increased costs. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable, or at all.

	Tomtebo Property (a)	Svärdsjö Property	Gruvberget Property	Bakar Property (b)	Other Properties	Total
Acquisition Costs						
Balance, June 30, 2022	$ 1,620,706	$ 402,500	$ 260,000	$ 32,051	$ -	$ 2,315,257
Additions	95,151	-	-	-	-	95,151
Balance, June 30, 2023	1,715,857	402,500	260,000	32,051	-	2,410,408
Additions	88,404	-	-	-	311,700	400,104
Cost re-allocation	(95,151)	-	-	-	95,151	-
Balance, March 31, 2024	**$ 1,709,110**	**$ 402,500**	**$ 260,000**	**$ 32,051**	**$ 406,851**	**$ 2,810,512**
Deferred Exploration Costs						
Balance, June 30, 2022	$ 4,102,094	$ 40,031	$ 454,376	$ 4,326	$ -	$ 4,600,827
Consulting	54,762	2,413	65,435	90,821	5,055	218,486
Geochemistry	9,623	-	39,642	-	-	49,265
Geophysics	-	8,400	19,600	-	-	28,000
Other	34,409	-	18,484	-	538	53,431
Balance, June 30, 2023	$ 4,200,888	$ 50,844	$ 597,537	$ 95,147	$ 5,593	$ 4,950,009
Consulting	78,841	1,421	261	17,854	62,528	160,905
Drilling	-	-	-	-	-	-
Geochemistry	-	-	-	-	6,170	6,170
Other	12,728	5	5,497	1,786	3,949	23,965
Cost recovery	(35,000)	-	-	-	-	(35,000)
Balance, March 31, 2024	**$ 4,257,457**	**$ 52,270**	**$ 603,295**	**$ 114,787**	**$ 78,240**	**$ 5,106,049**
Balance, June 30, 2023	$ 5,916,745	$ 453,344	$ 857,537	$ 127,198	$ 5,593	$ 7,360,417
Balance, March 31, 2024	**$ 5,966,567**	**$ 454,770**	**$ 863,295**	**$ 146,838**	**$ 485,091**	**$ 7,916,561**

Tomtebo Property, Sweden

The Tomtebo property is located in the Bergslagen Mining District of South Central Sweden. It comprises 5,144 ha.

The Company completed all requirements to retain the Tomtebo property from Viad Royalties AB, a wholly owned subsidiary of EMX Royalty Corp. ("EMX") in fiscal 2021, except for certain payments due upon a mineral resource estimate and/or preliminary economic assessment. EMX retains a 2.5% net smelter returns ("NSR") royalty.

Under the terms of the Earn-In Agreement, Boliden can exercise the Option by incurring an aggregate of $10 million of qualifying exploration expenditures on the Tomtebo property and Boliden's Stollberg property, with such expenditures committed and non-refundable under the terms of the Earn-In Agreement, as follows:

- $2 million between October 27, 2023 and October 31, 2024, allocated equally between the Tomtebo and Stollberg properties; and
- $8 million during the period between November 1, 2024 and October 27, 2027, not less than $1 million of which is to be spent on the Tomtebo property between November 1, 2024 and October 31, 2025, and not less than $1 million of which is to be spent on the Tomtebo property between November 1, 2025 and October 31, 2027, with the remaining amount allocated between the Tomtebo and Stollberg properties.

The Company will act as operator during the Option stage and is entitled to a 7.5% fee on qualifying expenditures under the Earn-In Agreement. During the three and nine months ended March 31, 2024, the Company earned an operator fee of $36,886 and $46,847, respectively (2023 - $Nil).

On exercise of the Option, Boliden will contribute 100% of Stollberg property and the Company will contribute 100% of the Tomtebo property to a joint venture to be formed between the parties pursuant to which the parties will hold their respective interests (85% Boliden, 15% District Metals) and through which the parties will advance the Tomtebo and Stollberg properties.

Under the terms of the joint venture, should the Company's interest be diluted below 10%, the joint venture will terminate, and the Company's interest will be converted to a 1% NSR royalty on the Tomtebo property. Provided the Tomtebo property has not been surrendered in accordance with the terms of the joint venture, upon being diluted below 10%, the Company will also be entitled to a one-time cash payment equal to two times the sum of: (i) all legacy costs associated with the Tomtebo property since June 1, 2020; (ii) the Company's proportionate share of expenditures during the Option stage attributable to the Tomtebo property; and (iii) costs attributable to the Tomtebo property and incurred by the Company during the joint venture stage up until the date of dilution.

Pursuant to the terms of the Earn-In Agreement, the Company received a $35,000 reimbursement of qualifying exploration expenditures incurred during the negotiation period of the Earn-In Agreement, which was recognized as a recovery of deferred exploration costs.

A drilling program commenced at the Tomtebo property in mid-February 2024, where a total of 2,196 m of drilling was completed in six holes. Assay results are expected in June 2024.

Svärdsjö Property, Sweden

The Svärdsjö property is located approximately 200km northwest of Stockholm in Sweden and 25km north of the Tomtebo property. It comprises 1,037 ha.

The Company has completed all requirements to retain the Svärdsjö property except: (i) it must incur an additional approximately $945,000 in exploration expenditures; and (ii) make certain milestone payments upon a mineral resource estimate and/or preliminary economic assessment.

In April 2024, the Company determined that it would not continue to conduct any exploration activities on the Svärdsjö property.

Gruvberget Property, Sweden

The Gruvberget property is located approximately 230km northwest of Stockholm in Sweden and 35km northwest of the Tomtebo property. It comprises 5,286 ha.

The Company has completed all requirements to retain the Gruvberget property. Explora Mineral AB ("Explora") retains a 2.5% NSR royalty on the Gruvberget property subject to the Company's option to repurchase the entire 2.5% NSR royalty for $8,000,000, at any time.

Bakar Property, British Columbia

The Bakar property is located on the northwest of Vancouver Island, British Columbia approximately 40km west of Port Hardy. It comprises 15,687 ha.

During the year ended June 30, 2020, the Company acquired a 100% interest in the Bakar property by paying a cash purchase price of $50,000 and issuing 1,250,000 common shares with a fair value of $200,000 and granting Longford Capital Corp..a 2.0% NSR royalty on one of the eight mineral claims that comprises the Bakar Property, covering 1,352 ha of the 15,687 ha Bakar property. The 2.0% NSR royalty may be repurchased by the Company in its entirety for $6,500,000 cash.

On December 18, 2020, the Company sold an 80% interest in the Bakar property to Sherpa II Holdings Corp. ("Sherpa II") pursuant to a sale agreement (the "Bakar Sale Agreement") and joint venture agreement (the "Joint Venture Agreement"). Sherpa II is an arms-length third party to District Metals.

In November 2022, the Company entered into Exploration Management Agreement (the “Agreement”) with Sherpa II effective August 31, 2021, pursuant to which the Company conducts the exploration at the Bakar property and is paid an exploration management fee of 10% of exploration expenditures incurred at the Bakar property. During the year ended June 30, 2023, the Company earned management fee income of $45,721 from the Agreement, recorded in other income.

Effective January 1, 2023, pursuant to an amendment to the Joint Venture Agreement, District Metals agreed to fund 100% of the next phase of expenditures on the Bakar property to a maximum of $330,000 and contribute its related exploration management fee of $33,000 to earn back a pro-rata ownership in the property of up to 54% (the “Amended Agreement”). From the date of the Amended Agreement, District Metals has funded exploration expenditures of $25,232 and earned management fee income of $2,523. During the three and nine months ended March 31, 2024, the Company earned management fee income of $200 (2023 - $Nil) and $1,786 (2023 - $Nil), respectively.

Other Properties

Bergslagen Metals AB, a wholly-owned subsidiary of District incorporated under the laws of Sweden, received approval on certain mineral licenses from the Bergsstaten (Mining Inspectorate) (collectively, the “Additional Properties”), including:

- Viken nr 1 to 4, located in Jämtland County, central Sweden and comprises 37,211 ha;
- Tåsjö nr 101 to 108, Malgomaj nr 1001 to 1003 and Österkälen nr 101, located in the Jämtland and Västerbotten Counties, north-central Sweden covering an area of 79,251 ha;
- Sågtjärn nr 101 and 102, covering 4,068 ha in Jämtland and Västernorrland Counties in central Sweden;
- Ardnasvarre nr 1 over a 9,708 ha area located in Norrbotten County, northern Sweden; and
- Nianfors nr 1 and 2 mineral licenses, covering 2,603 ha located in the Gävleborg County in central Sweden.

On January 15, 2024, the Company completed the acquisition of the four mineral licenses covering the Viken deposit pursuant to the Viken Extension Agreement. A summary of the principal terms are:

- $50,000 cash paid to the Vendor on closing (paid).
- $50,000 cash payable to the Vendor within 30 days following the moratorium on uranium exploration and mining in Sweden being lifted.
- 1,000,000 District Metals shares issued to the Vendor on closing (issued January 15, 2024 with a fair value of $250,000).
- 3,500,000 District Metals shares to be issued to the Vendor within 30 days following the moratorium on uranium exploration and mining in Sweden being lifted. These District Metals shares will be subject to a voluntary lock-up pursuant to which 500,000 shares will be released four months after issuance, 500,000 shares will be released six months after issuance, 1,000,000 shares will be released twelve months after issuance, 1,000,000 shares will be released 18 months after issuance and 500,000 shares will be released twenty-four months after issuance.
- A 2% NSR royalty granted to the Vendor on closing that can be repurchased in its entirety at any time for a value of $8,000,000 and the first 1% NSR royalty may be purchased for $2,000,000.

The Company believes that all of the Additional Properties are prospective for uranium. There is, however, currently a moratorium on uranium mining and exploration in Sweden that was imposed in 2018, which is being revisited by the Swedish authorities. Accordingly, the Company’s activities on the Additional Properties have been deferred pending developments in Sweden with respect to the moratorium.

FINANCIAL REVIEW

For a discussion of the factors affecting the Company’s losses see “Summary of quarterly results” and “Results of operations” below.

Results of operations for the three months ended March 31, 2024

The Company incurred a net loss and comprehensive loss of $1,159,361 during the three months ended March 31, 2024, an increase in loss of $493,816, as compared to the net loss and comprehensive loss of $665,545 for the three months ended March 31, 2023. The increase in net loss and total comprehensive loss was primarily driven by:

- An increase in stock-based compensation of $417,547 driven primarily by the increase in the fair value of the stock options granted in the current year period compared to the prior year period;
- Increase in consulting fees of $77,191, largely due to financial advisory services received during the current year period; and

- A foreign exchange loss of $42,171 in the current period compared to a foreign exchange gain of $389 in the comparative period resulting from exchange rate fluctuations and an increase in balances.

The increases in net loss and total comprehensive loss were partially offset by interest and dividend income of $46,719 and management fee income of $37,086 in the current quarter with no corresponding income in the comparative period.

Results of operations for the nine months ended March 31, 2024

The Company incurred a net loss and comprehensive loss of $1,633,543 during the nine months ended March 31, 2024, an increase in loss of $516,589, as compared to the net loss and comprehensive loss of $1,116,954 for the nine months ended March 31, 2024. The increase in net loss and total comprehensive loss was primarily driven by increases in:

- Stock-based compensation of $452,128 in the current period driven primarily by the increase in the fair value of the stock options granted in the current year period compared to the prior year period;
- Consulting fees of $284,341, largely due to bonuses paid to executive management and financial advisory services received and during the current year period;
- Professional fees of $86,562, primarily the services received in executing the Earn-In Agreement with Boliden.

The increases in net loss and total comprehensive loss were partially offset by:

- An unrealized gain on investments of $55,000 related to the change in fair value of the common shares of Sherpa II held by District compared to an unrealized loss of $70,000 in the comparative period resulting in a year over year difference of $125,000; and
- Interest and dividend income of $100,624 and management fee income of $48,633 in the current period with no corresponding income in the comparative period; and
- An increase in foreign exchange gain of $77,188 resulting from exchange rate fluctuations and an increase in balances.

Summary of quarterly results

The following table provides a summary of financial data for the Company's most recent eight quarters derived from the Company's unaudited condensed interim financial statements prepared in accordance with IAS 34:

	Quarter ended	Revenue		Loss before other income and expenses		Total comprehensive loss		Basic and diluted income (loss) per common share	
Q3/24	March 31, 2024	$	-	$	(1,195,995)	$	(1,159,361)	$	(0.01)
Q2/24	December 31, 2023	$	-	$	(530,075)	$	(312,784)	$	(0.00)
Q1/24	September 30, 2023	$	-	$	(191,456)	$	(161,398)	$	(0.00)
Q4/23	June 30, 2023	$	-	$	(250,502)	$	(199,836)	$	(0.00)
Q3/23	March 31, 2023	$	-	$	(665,933)	$	(665,545)	$	(0.01)
Q2/23	December 31, 2022	$	-	$	(201,803)	$	(243,385)	$	(0.00)
Q1/23	September 30, 2022	$	-	$	(182,458)	$	(208,024)	$	(0.00)
Q4/22	June 30, 2022	$	-	$	(247,490)	$	(285,244)	$	(0.00)

The primary factors affecting the magnitude and variations of the Company's losses are as follows:

- The Company's Q3 2024 loss was influenced by stock-based compensation expense of $807,028. When normalized for this amount, the loss was $352,333.
- The Company's Q2 2024 loss was influenced by consulting expense of $334,136, and professional fees of $81,106, offset by unrealized gain on investments of $60,000 and interest and dividend income of $25,183.
- The Company's Q3 2023 loss was influenced by stock-based compensation expense of $389,481. When normalized for this amount, the loss was $276,064.

LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated interim financial statements for the nine months ended March 31, 2024 have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business.

At March 31, 2024, the Company had cash and cash equivalents of $6,689,551 (June 30, 2023 - $2,525,835) and its current assets exceeded its current liabilities by $5,411,902 (June 30, 2023 - $2,519,080). The Company currently does not generate revenue from operations. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $62,591,571 as at March 31, 2024 (June 30, 2023 - $61,203,762). Pursuant to the Earn-In Agreement, the Company earns a 7.5% operator fee on qualifying expenditures.

On February 1, 2024, the Company issued 20,500,000 common shares for gross proceeds of $4,510,000 pursuant to a bought deal private placement of units at a price of $0.22 per unit (the “February 2024 Financing”). Each unit is comprised of one common share in the capital of the Company and one half of one transferable common share purchase warrant (each whole such common share purchase warrant, a “2024 Warrant”). Each whole 2024 Warrant entitles the holder thereof to acquire one additional common share at a price of $0.30 for a period of 36 months. In connection with this financing, the Company incurred cash share issuance costs of $479,371 and issued an aggregate of 1,230,000 non-transferable compensation options (the “2024 Compensation Options”). Each 2024 Compensation Option shall entitle the holder thereof to acquire one additional common share at a price of $0.22 for a period of 36 months.

On May 9, 2024, the Company granted 50,000 stock options to a consultant of the Company, which are exercisable at $0.42 per share for a period of 5 years. The options vest immediately.

On May 17, 2024, the Company issued 92,250 common shares for gross proceeds of $16,280 pursuant to the exercise of stock options and compensation options.

On May 22, 2024, the Company issued 12,500 common shares for gross proceeds of $1,875 pursuant to the exercise of compensation options.

On May 28, 2024, the Company issued 11,992 common shares for gross proceeds of $2,638 pursuant to the exercise of compensation options.

The Company is conserving cash pending visibility on the status of lifting the uranium mining and exploration moratorium in Sweden and, accordingly, management believes that the Company’s cash balances, including the net proceeds from the February 2024 Financing and its earnings under the Earn-In Agreement are sufficient to complete its planned exploration activities and fund its administrative expenses for the ensuing 12-month period.

The Company’s ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. If the Company is unable to obtain the requisite amount of financing, it will be required to defer planned exploration activities and/or reduce corporate capacity and/or sell assets each of which would have a material adverse effect on its business and ability to continue as a going concern. The condensed consolidated interim financial statements for the three and nine months ended March 31, 2024 do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

Cash flows

Cash provided by operating activities for the nine months ended March 31, 2024 was $496,333 compared to $679,206 used in operating activities for the nine months ended March 31, 2023. The decrease in cash used was primarily the result of the funds received from Boliden pursuant to the Earn-In Agreement in respect of the Company’s Tomtebo property.

During the nine months ended March 31, 2024, the Company invested $528,307 in exploration and evaluation assets and advances and deposits for exploration, compared with $517,833 during the nine months ended March 31, 2023.

During the nine months ended March 31, 2024, the Company raised $4,195,690 from the issuance of shares, including upon the exercise of stock options and warrants (2023 - $2,551,233).

Subsequent to March 31, 2024, the Company issued 117,012 common shares for gross proceeds of $20,841 pursuant to stock option and compensation option exercises.

TRANSACTIONS WITH RELATED PARTIES

The Company’s related parties consist of its key management personnel and close family members of its key management personnel, including any companies owned or controlled by them. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

Key management personnel compensation includes:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023
Share-based compensation	$ 505,802	$ 292,111	$ 505,802	$ 292,111
Consulting fees	115,280	137,950	518,772	373,950
Total	$ 621,082	$ 430,061	$ 1,024,574	$ 666,061

As at March 31, 2024, accounts payable and accrued liabilities include $17,317 owing to related parties (June 30, 2023 – $Nil). Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

The Company does not have offices in British Columbia, but rather is a party to an Administrative Services Agreement, whereby it has contracted administrative, corporate and financial reporting services with Sentinel Corporate Services Inc. ("Sentinel"), a company controlled by a close family member of the CFO, which are included in consulting fees. Sentinel has a continuing service agreement with the Company. During the three and nine months ended March 31, 2024, the Company incurred expenses for services to Sentinel of $30,460 and $80,860 (2023 - $35,200 and $83,200), respectively. As of March 31, 2024, there was $Nil owing to Sentinel in respect of services provided to the Company and $Nil owing in respect of expenses incurred on behalf of the Company.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements for the nine months ended March 31, 2024 as follows:

Material accounting judgments

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the respective entity operates; the functional currency of District Metals Corp., District Metals AB and Bergslagen Metals AB is determined to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Impairment of long-lived assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Valuation of stock-based compensation and compensation options

The Company uses the Black-Scholes option pricing model for the valuation of stock-based compensation and the Geske compound option pricing model for the valuation of compensation options. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, forfeiture rate, risk-free market interest rate, expected volatility in the price of the underlying stock and expected life of the instruments. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Company has applied the following amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed interim financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments – Disclosure of Accounting Policies

The amendments change 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 policy information is 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 general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective July 1, 2023 and did not have a material impact on the Company's condensed interim financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the nine months ended March 31, 2024.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

The Company's financial assets and liabilities are classified as follows:

		March 31, 2024		June 30, 2023
Financial assets:				
Fair value through profit and loss				
Cash and cash equivalents	$	6,689,551	$	2,525,835
Investment		95,000		40,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	492,006	$	119,242
Advance from Boliden		1,279,680		-

Accounts payable and accrued liabilities includes amounts due to related parties. Accounts payable and accrued liabilities and the advance from Boliden approximates their carrying values due to their short-term maturity.

Fair value information

The fair values of the Company's cash and cash equivalents, due from related parties and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments are measured at fair value using level 1 inputs. At March 31, 2024 and June 30, 2023, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

Financial instrument risk exposure

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At March 31, 2024 and June 30, 2023, the Company was exposed to credit risk on its cash and cash equivalents.

The Company's cash and cash equivalents is held with high credit quality financial institutions in Canada and Sweden and as at March 31, 2024 and June 30, 2023, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At March 31, 2024, the Company had cash and cash equivalents of $6,689,551 (June 30, 2023 - $2,525,835) and accounts payable and accrued liabilities of $492,006 (June 30, 2023 - $119,242) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at March 31, 2024. The Company assessed its liquidity risk as low as at March 31, 2024 and June 30, 2023.

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's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk as at March 31, 2024 and June 30, 2023.

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 exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at March 31, 2024 and June 30, 2023, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros, and Swedish Krona ("SEK").

March 31, 2024	**Euros**	**SEK**
Cash and cash equivalents	1,468	12,954,204
GST and VAT receivable	-	1,237,062
Prepaid expenses	-	2,543,684
Accounts payable and accrued liabilities	-	(366,756)
Advance payment from Boliden	-	(10,492,714)
Net	1,468	5,875,480
Canadian dollar equivalent	$ 2,065	$ 795,806

June 30, 2023

		Euros		SEK
Cash and cash equivalents		1,468		417,973
GST and VAT receivable		-		200,362
Prepaid expenses		-		223,144
Accounts payable and accrued liabilities		-		(392,012)
Net		1,468		449,467
Canadian dollar equivalent	$	2,123	$	55,150

For the period ended March 31, 2024, based on the above net exposures, a 10% change in the Canadian Dollar/Euro and Canadian Dollar/SEK exchange rate would impact the Company's net loss by approximately $300 and $24,000 (June 30, 2023 - $200 and $6,000), respectively. As at March 31, 2024 and June 30, 2023 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at March 31, 2024 and June 30, 2023.

OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 129,545,625 common shares issued and outstanding (June 30, 2023 – 106,980,707), 12,745,000 stock options outstanding, 1,867,582 compensation options outstanding, and 19,842,500 warrants outstanding.

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

RISKS AND UNCERTAINTIES

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the mineral exploration and development industry, including the future of the uranium moratorium in Sweden. Refer to the Company's MD&A for the year ended June 30, 2023, dated October 25, 2023 for a list of risk factors impacting the Company.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties relating to disputes; fluctuations in commodity prices and foreign currency exchange rates; uncertainties relating to interpretation of drill results and the geology; the need to obtain additional financing to develop properties and uncertainties as to the availability and terms of future financing; uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies and other factors such as those described above and discussed under "Risks and Uncertainties".

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at May 29, 2024 and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward-looking information or statements to reflect new events or circumstances, except as may be required under applicable securities laws.