DISTRICT METALS CORP.

Condensed Consolidated Interim Financial Statements and Management Discussion and Analysis for the Three Months Ended September 30, 2025

DISTRICT METALS CORP.

Condensed Consolidated Interim Financial Statements
For the three months ended September 30, 2025 and 2024
(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of District Metals Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

DISTRICT METALS CORP.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

As at		September 30, 2025		June 30, 2025
ASSETS				
Current assets				
Cash and cash equivalents (Note 3)	**$**	**9,237,457**	$	9,740,155
Receivables		**205,663**		274,857
Prepaid expenses		**123,404**		103,165
Receivable from Boliden (Note 7)		**66,581**		-
Investment (Note 4)		**200,000**		150,000
		9,833,105		10,268,177
Advances and deposits (Note 5)		**24,250**		553,562
Exploration and evaluation assets (Note 5)		**10,032,217**		8,909,132
TOTAL ASSETS	**$**	**19,889,572**	$	19,730,871
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 6 and 14)	**$**	**273,081**	$	580,093
Advance from Boliden (Note 7)		**-**		221,343
TOTAL LIABILITIES		**273,081**		801,436
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		**82,819,782**		81,907,909
Reserves (Note 9 and 10)		**4,242,972**		4,104,799
Accumulated deficit		**(67,446,263)**		(67,083,273)
TOTAL SHAREHOLDERS' EQUITY		**19,616,491**		18,929,435
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**19,889,572**	$	19,730,871

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 27, 2025. They are signed on behalf of the Board of Directors by:

"Joanna Cameron"
Director

"Garrett Ainsworth"
CEO and Director

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

DISTRICT METALS CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - Unaudited)

	Three months ended	
	September 30, 2025	**September 30, 2024**
EXPENSES		
General and administrative costs	**$ 64,400**	$ 104,682
Marketing and investor relations	**66,679**	108,064
Salaries and consulting fees (Note 14)	**143,964**	145,772
Professional fees	**38,968**	49,441
Stock-based compensation (Note 10)	**170,025**	-
Transfer agent, regulatory and listing fees	**26,224**	7,175
OPERATING EXPENSES	**510,260**	415,134
OTHER EXPENSES (INCOME)		
Interest and dividend income (Note 3)	**(65,349)**	(58,956)
Fair value (gain) loss on investment (Note 4)	**(50,000)**	95,000
Other income (Note 5)	**(20,067)**	(15,857)
Foreign exchange (gain) loss	**(11,854)**	11,663
Write-down of exploration and evaluation assets (Note 5)	**-**	1,184
LOSS AND COMPREHENSIVE LOSS	**$ 362,990**	$ 448,168
Basic and diluted loss per share	**$ 0.00**	$ 0.00
Weighted average number of common shares outstanding, basic and diluted	**165,498,876**	130,332,462

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

DISTRICT METALS CORP.
Condensed Consolidated Interim Statements of Cash Flow
(Expressed in Canadian Dollars - Unaudited)

	Three months ended	
	September 30, 2025	**September 30, 2024**
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Loss	**$ (362,990)**	$ (448,168)
Adjustments for items not affecting cash:		
Stock-based compensation	**170,025**	-
Fair value (gain) loss on investment	**(50,000)**	95,000
	(242,965)	(353,168)
Net changes in non-cash working capital items:		
Receivables	**143,094**	40,302
Receivable from Boliden	**66,581**	-
Prepaid expenses and deposits	**(20,239)**	39,073
Accounts payable and accrued liabilities	**(219,588)**	(109)
Advance from Boliden	**(354,505)**	(152,540)
Net cash flows used in operating activities	**(627,622)**	(426,442)
INVESTING ACTIVITIES		
Advances and deposits	**15,507**	-
Exploration and evaluation assets exploration expenditures	**(770,604)**	(18,267)
Net cash flows used in investing activities	**(755,097)**	(18,267)
FINANCING ACTIVITIES		
Proceeds from stock options exercised	**31,500**	12,675
Proceeds from compensation options exercised	**6,076**	-
Proceeds from warrants exercised	**844,500**	2,500
Share issuance costs	**(2,055)**	-
Net cash flows provided from financing activities	**880,021**	15,175
Net decrease in cash and cash equivalents	**(502,698)**	(429,534)
Cash and cash equivalents, beginning of period	**9,740,155**	5,861,955
Cash and cash equivalents, end of period	**$ 9,237,457**	$ 5,432,421

Supplemental cash flow information	**$**	**$**
Exploration and evaluation assets included in accounts payable and accrued liabilities	98,302	4,749
Transfer of reserves on exercise of compensation options	6,036	12,589
Transfer of reserves on exercise of stock options	25,816	-
Taxes paid	-	-
Interest paid	-	-

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

DISTRICT METALS CORP.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - Unaudited)

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance, June 30, 2024	**130,315,625**	**$ 73,347,633**	**$ 3,086,801**	**$ (63,646,859)**	**$ 12,787,575**
Shares issued pursuant to compensation option exercise	84,504	25,264	(12,589)	-	12,675
Shares issued pursuant to warrant exercise	12,500	2,500	-	-	2,500
Net loss for the period	-	-	-	(448,168)	(448,168)
Balance, September 30, 2024	**130,412,629**	**$ 73,375,397**	**$ 3,074,212**	**$ (64,095,027)**	**$ 12,354,582**
Balance, June 30, 2025	**163,680,381**	**$ 81,907,909**	**$ 4,104,799**	**$ (67,083,273)**	**$ 18,929,435**
Share issued pursuant to stock option exercise (Note 8)	150,000	57,316	(25,816)	-	31,500
Shares issued pursuant to compensation option exercise (Note 8)	40,512	12,112	(6,036)	-	6,076
Shares issued pursuant to warrant exercise (Note 8)	2,815,000	844,500	-	-	844,500
Share issuance costs	-	(2,055)	-	-	(2,055)
Stock-based compensation (Note 10)	-	-	170,025	-	170,025
Net loss for the period	-	-	-	(362,990)	(362,990)
Balance, September 30, 2025	**166,685,893**	**$ 82,819,782**	**$ 4,242,972**	**$ (67,446,263)**	**$ 19,616,491**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

District Metals Corp. (the "Company" or "District Metals") was incorporated under the provincial laws of the Province of Alberta on July 24, 1989 and continued in the Province of British Columbia on March 31, 2006. The Company's registered office is located at 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange (the "Exchange") and trades under the symbol "DMX", on the Frankfurt Stock Exchange under the symbol "DFPP" and on the United States OTCQX under the symbol "DMXCF". On January 23, 2025, the Company's depository receipts began trading on Nasdaq First North Growth Market under the symbol "DMXSE SDB". On November 12, 2025, the Company's common shares were upgraded to the OTCQX Market from the OTCQB Market in the United States.

These condensed consolidated interim financial statements 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. The Company currently is not generating any revenues. It has incurred a loss during the three months ended September 30, 2025 of $362,990 (September 30, 2024 - $448,168) and negative cash flows from operations since inception with an accumulated deficit of $67,446,263 as at September 30, 2025 (June 30, 2025 - $67,083,273). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

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 uranium mining regulation 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. These condensed consolidated interim financial statements 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. Such adjustments could be material.

2. BASIS OF PREPARATION

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the period ended June 30, 2025 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company's June 30, 2025 audited annual consolidated financial statements and the notes to such financial statements.

(b) Basis of presentation

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

(c) Presentation and functional currency

The presentation and functional currency of the Company and its wholly owned subsidiaries, District Metals AB and Bergslagen Metals AB (both located in Sweden), is the Canadian dollar. All amounts in these condensed consolidated interim financial statements are expressed in Canadian dollars, unless otherwise indicated.

(Expressed in Canadian Dollars - Unaudited)

(d) Material accounting judgments and key sources of estimation uncertainty

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 these condensed consolidated interim 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 consolidated 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

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

3. CASH AND CASH EQUIVALENTS

At September 30, 2025 and June 30, 2025, the Company's cash and cash equivalents are comprised of the following:

	September 30, 2025	June 30, 2025
Cash held in bank accounts	$ 1,372,772	$ 2,290,515
Cash equivalents	7,864,685	7,449,640
Total	**$ 9,237,457**	**$ 9,740,155**

Cash equivalents were held in cashable guaranteed investment certificates with interest rates of 3.40% and 3.30% at September 30, 2025, and interest rates of 3.40%, 3.30% and 2.75% at June 30, 2025.

The cash held in bank accounts at June 30, 2025 includes $221,343 of advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden Mineral AB (Note 5) and were therefore not available for general use.

(Expressed in Canadian Dollars - Unaudited)

4. INVESTMENT

The Company holds 1,000,000 common shares of Sherpa II Holdings Corp. ("Sherpa II") received in connection with the sale of an 80% interest in the Bakar Property by the Company to Sherpa II (Note 5). These shares are publicly traded on the Exchange and are held at FVTPL. As at September 30, 2025, the fair value of the shares was $200,000 (June 30, 2025 - $150,000). During the three months ended September 30, 2025, the Company recorded a fair value gain on investment of $50,000 (September 30, 2024 – loss on investment of $95,000) determined by reference to closing prices on the Exchange.

5. EXPLORATION AND EVALUATION ASSETS

	Tomtebo Property	Viken Property	Gruvberget Property	Bakar Property	Svärdsjö Property	Other Properties	Total
Acquisition Costs							
Balance, June 30, 2024	$ 1,721,205	$ 412,375	$ 302,450	$ 32,051	-	$ 233,525	$ 2,701,606
Additions	-	197,500	-	-	-	-	197,500
Balance, June 30, 2025	$ 1,721,205	$ 609,875	$ 302,450	$ 32,051	-	$ 233,525	$ 2,899,106
Balance, September 30, 2025	**$ 1,721,205**	**$ 609,875**	**$ 302,450**	**$ 32,051**	**-**	**$ 233,525**	**$ 2,899,106**
Deferred Exploration Costs							
Balance, June 30, 2024	$ 4,013,594	$ 31,092	$ 603,648	$ 115,337	-	$ 82,740	$ 4,846,411
Consulting	362,160	780,516	87	1,425	1,335	368,949	1,514,472
Geochemistry	27,217	407	-	-	-	-	27,624
Drilling	646,190	-	-	-	-	-	646,190
Other costs	121,453	5,747	-	150	67	6,334	133,751
Cost recovery	(1,157,020)	-	-	-	-	-	(1,157,020)
Impairment	-	-	-	-	(1,402)	-	(1,402)
Balance, June 30, 2025	$ 4,013,594	$ 817,762	$ 603,735	$ 116,912	-	$ 458,023	$ 6,010,026
Consulting	60,516	239,355	-	-	-	879,033	1,178,904
Geochemistry	29,352	-	-	-	-	-	29,352
Drilling	28,910	-	-	-	-	-	28,910
Other costs	17,740	1,869	-	-	-	2,828	22,437
Cost recovery	(136,518)	-	-	-	-	-	(136,518)
Balance, September 30, 2025	**$ 4,013,594**	**$ 1,058,986**	**$ 603,735**	**$ 116,912**	**-**	**$ 1,339,884**	**$ 7,133,111**
Balance, June 30, 2025	$ 5,734,799	$ 443,467	$ 906,098	$ 147,388	-	$ 316,265	$ 7,548,017
Balance, September 30, 2025	**$ 5,734,799**	**$ 1,668,861**	**$ 906,185**	**$ 148,963**	**-**	**$ 1,573,409**	**$ 10,032,217**

a) Tomtebo Property

The Tomtebo Property is located in the Bergslagen Mining District of South Central Sweden.

On June 30, 2020, the Company completed its acquisition of 100% ownership of the Tomtebo (the "Tomtebo Property") from Viad Royalties AB, a wholly owned subsidiary of EMX Royalty Corp. ("EMX"). The consideration included a 2.5% net smelter royalty ("NSR") granted to EMX on the Tomtebo Property. 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.

On October 27, 2023, the Company entered into a mineral property earn-in and option agreement (the "Earn-In Agreement") with Boliden Mineral AB ("Boliden") 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 Company is the operator during the Option stage and is entitled to a 7.5% fee on qualifying expenditures under the Earn-In Agreement. During the three months ended September 30, 2025, the Company earned an operator fee of $20,067 (September 30, 2024 - $15,857).

On August 25, 2025, the Company received notice from Boliden of its decision to terminate the Option Agreement on the Tomtebo and Stollberg properties.

Subsequent to September 30, 2025, the Company received an advance payment from Boliden in the amount of $300,000 pursuant to the Earn-In Agreement for costs associated with the wind down of activities at Tomtebo and Stollberg.

b) Viken Property

From April 2023 to January 2024, Bergslagen Metals AB, a wholly-owned subsidiary of District Metals, incorporated under the laws of Sweden, consolidated 100% of the Viken energy metals deposit located in Jämtland County, central Sweden through mineral license application and acquisition (the “Viken Property”).

On January 15, 2024, the Company acquired the four mineral licenses covering the Viken deposit (Norra Leden, Norr Viken, Lill Viken and Storviken) pursuant to the Viken Extension Agreement. A summary of the principal terms of the acquisition are as follows:

- $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 (i) in its entirety at any time for a value of $8,000,000 or (ii) in respect of the first 1% for $2,000,000 (the ”Viken NSR”).

On January 31, 2025, the Company closed its acquisition of the Viken NSR over four of the mineral licenses covering the Viken deposit (Norra Leden, Norr Viken, Lill Viken and Storviken) for a purchase price consisting of 500,000 common shares of the Company with a fair value of $197,500 (the “Viken NSR Consideration Shares”) to the Vendor (Note 10). As a result, the Viken Property is free of any NSR Royalty.

c) Gruvberget Property

The Gruvberget Property is located in the Bergslagen Mining District of South Central Sweden.

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.

d) Bakar Property

The Bakar Property is located on the northwest of Vancouver Island, British Columbia west of Port Hardy.

On June 3, 2025, the Company entered into a definitive agreement to sell its remaining 24.48% interest in the Bakar Property to Sherpa II for 1,500,000 common shares. Subsequent to September 30, 2025, the Company completed the sale of its remaining interest in the Bakar Property to Sherpa II and received 1,500,000 common shares of Sherpa II.

e) Other Properties

Bergslagen Metals AB holds the following mineral licenses:

- Ardnasvarre nr 1 located in Norrbotten County, northern Sweden;
- Sågtjärn nr 101 and 102, in Jämtland and Västernorrland Counties in central Sweden; and
- Nianfors nr 1 and 2 mineral licences located in the Gävleborg County in central Sweden; and

(Expressed in Canadian Dollars - Unaudited)

- Alum Shale Properties, including Tåsjö nr 101 to 108, Malgomaj 1001 to 1003 and Österkälen nr 101, located in the Jämtland and Västerbottens Counties, north-central Sweden.

At September 30, 2025, the Company held $24,250 (June 30, 2025 - $23,576) on deposit for reclamation deposits in Sweden for the Tomtebo, Viken and Gruvberget properties. At June 30, 2025, the Company also had $529,986 for deposits to contractors for work not yet completed at September 30, 2025.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2025 and June 30, 2025, the Company's accounts payable and accrued liabilities are comprised of the following:

		September 30, 2025		June 30, 2025
Trade payables	$	146,858	$	398,809
Accrued liabilities		126,223		181,284
	$	273,081	$	580,093

7. RECEIVABLE ADVANCE FROM BOLIDEN

At September 30, 2025 and June 30, 2025, the Company's Advance from Boliden is comprised of the following:

		September 30, 2025		June 30, 2025
Advance balance, beginning	$	221,343	$	948,214
Funds received		-		1,539,294
Invoices issued or to be issued to Boliden		(309,004)		(2,379,060)
Impact of change in exchange rates		21,080		112,895
(Receivable) advance balance, ending	$	(66,581)	$	221,343

8. SHARE CAPITAL

(a) Authorized share capital

Unlimited number of common shares without par value.

(b) Issued share capital

Three months ended September 30, 2025

During the three months ended September 30, 2025, 2,815,000 share purchase warrants were exercised at an exercise price of $0.30 for gross proceeds of $844,500.

During the three months ended September 30, 2025, 40,512 compensation options were exercised at an exercise price of $0.15 for aggregate gross proceeds of $6,076. Accordingly, the Company reclassified $6,036 from reserves to share capital.

During the three months ended September 30, 2025, 150,000 stock options at an exercise price of $0.21 were exercised for aggregate gross proceeds of $31,500. The Company issued 150,000 shares pursuant to the option exercise and reclassified $25,816 from reserves to share capital.

During the three months ended September 30, 2025, the Company recorded share issuance costs of $2,055.

Three months ended September 30, 2024

During the three months ended September 30, 2024, 12,500 share purchase warrants were exercised at an exercise price of $0.20 for gross proceeds of $2,500.

During the three months ended September 30, 2024, 84,504 compensation options were exercised at an exercise price of $0.15 for aggregate gross proceeds of $12,676. Accordingly, the Company reclassified $12,589 from reserves to share capital.

During the three months ended September 30, 2024, the Company recorded share issuance costs of $Nil.

(Expressed in Canadian Dollars - Unaudited)

9. WARRANTS AND COMPENSATION OPTIONS

(a) Warrants

A continuity schedule of the Company's outstanding common share purchase warrants is as follows:

	September 30, 2025		June 30, 2025	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	**12,652,500**	**$ 0.28**	**19,842,500**	**$ 0.25**
Issued	-	-	-	-
Exercised	(2,815,000)	0.30	(7,190,000)	0.20
Expired	-	-	-	-
Outstanding, end of period	**9,837,500**	**$ 0.27**	**12,652,500**	**$ 0.28**

At September 30, 2025, the Company had outstanding warrants exercisable to acquire common shares of the Company as follows:

Expiry date	Number outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
March 2, 2026	2,492,500	$ 0.20	0.42
February 1, 2027	7,345,000	$ 0.30	1.34
	9,837,500	**$ 0.27**	**1.11**

(b) Compensation options

A continuity schedule of the Company's outstanding compensation options as at September 30, 2025 and June 30, 2025 is as follows:

	September 30, 2025		June 30, 2025	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	**66,218**	**$ 0.15**	**1,867,582**	**$ 0.20**
Granted	-	-	-	-
Exercised	(40,512)	0.15	(1,801,364)	0.20
Expired	-	-	-	-
Outstanding, end of year	25,706	**$ 0.15**	**66,218**	**$ 0.15**

At September 30, 2025, the Company had outstanding compensation options exercisable to acquire common shares of the Company as follows:

Expiry date	Number outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
March 2, 2026	25,706	$ 0.15	0.42

10. EQUITY INCENTIVE PLANS

The Company adopted an Omnibus Incentive Plan on November 4, 2024 (the "Plan"), approved by shareholders at the Company's annual general meeting on December 12, 2024. Under the Plan, the Company may grant its directors, officers, employees and consultants stock options, restricted share units, and deferred share units (together the "Share Based Compensation") of the Company and which reserves up to 10% of its outstanding shares as Share Based Compensation. Vesting terms and conditions are determined by the Board of Directors.

(Expressed in Canadian Dollars - Unaudited)

(a) Stock options

Under the Plan, the exercise price of the stock options shall not be less than the market value ("Market Value") of the common shares of the Company as of the grant date. Market Value will be the closing trading price of the common shares on the day immediately preceding the grant date and may be less than this price if it is within the discounts permitted by the applicable regulatory authorities including the TSX Venture Exchange. The expiry date of an option shall be determined by the Board of Directors of the Company and shall be no later than the tenth anniversary of the grant date of such option.

A continuity schedule of the Company's outstanding stock options is as follows:

	September 30, 2025			**June 30, 2025**		
	Number outstanding		**Weighted average exercise price**	**Number outstanding**		**Weighted average exercise price**
Outstanding, beginning of year	13,365,000	$	0.38	11,975,000	$	0.27
Granted	-		-	3,300,000		0.69
Exercised	150,000		0.21	(1,795,000)		0.21
Expired	-		-	(115,000)		0.32
Outstanding and exercisable, end of period	13,215,000	$	0.38	13,365,000	$	0.38

During the three months ended September 30, 2025 and 2024, the Company recognized an expense in respect of stock options of $Nil in the statement of loss and comprehensive loss.

At September 30, 2025, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	**Number outstanding and exercisable**		**Weighted average Exercise price**	**Weighted average remaining contractual life (in years)**
June 2, 2025	300,000	$	0.33	0.02
December 30, 2025	1,350,000	$	0.46	0.25
January 18, 2026	50,000	$	0.45	0.30
April 13, 2026	150,000	$	0.40	0.53
October 7, 2026	2,080,000	$	0.25	1.02
March 6, 2028	2,300,000	$	0.20	2.43
December 5, 2028	250,000	$	0.175	3.18
February 1, 2029	3,085,000	$	0.28	3.34
February 13, 2029	300,000	$	0.30	3.38
May 9, 2029	50,000	$	0.42	3.61
June 27, 2030	3,300,000	$	0.69	4.74
	13,215,000	**$**	**0.38**	**2.73**

(b) Restricted share units

The Company grants restricted share units ("RSUs") in accordance with the Plan. The board of directors approved vesting of the RSUs in three equal tranches: tranche one - twelve months from grant date, tranche two –twenty-four months from the grant date and tranche three – thirty-six months from grant date. These RSUs are classified as equity-settled, net of withholding taxes, as the Company expects that these awards will be settled by issuing shares and are valued at the market price of the Company shares on the date of grant.

(Expressed in Canadian Dollars - Unaudited)

A continuity schedule of the Company's outstanding RSU's is as follows:

	September 30, 2025			June 30, 2025		
	Number outstanding	Market Value at grant date		Number outstanding	Market Value at grant date	
Outstanding, beginning of year	**925,000**	**$**	**0.69**	**-**	**$**	**-**
Issued	-		-	925,000		0.69
Outstanding, end of period	**925,000**	**$**	**0.69**	**925,000**	**$**	**0.69**

During the three months ended September 30, 2025 and 2024, the Company recognized an expense in respect of RSUs in the statement of loss and comprehensive loss of $98,296 and $Nil, respectively.

(c) Deferred share units

Directors of the Company are eligible for deferred share units ("DSUs) in accordance with the Plan. The DSUs vest in three equal tranches: tranche one - twelve months from grant date, tranche two –twenty-four months from the grant date and tranche three – thirty-six months from grant date, and are redeemed upon a director ceasing to be a director of the Company. These DSUs are classified as equity-settled, net of withholding taxes, as the Company expects that these awards will be settled by issuing shares and are valued at the market price of the Company shares on the date of grant.

A continuity schedule of the Company's outstanding DSU's is as follows:

	September 30, 2025			June 30, 2024		
	Number outstanding	Market Value at grant date		Number outstanding	Market Value at grant date	
Outstanding, beginning of year	**675,000**	**$**	**0.69**	**-**	**$**	**-**
Issued	-		-	675,000		0.69
Outstanding, end of period	**675,000**	**$**	**0.69**	**675,000**	**$**	**0.69**

During the period ended September 30, 2025 and 2024, the Company recognized an expense in respect of DSUs in the statement of loss and comprehensive loss of $71,729 and $Nil, respectively.

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to continue its business and maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company's capital includes the components of its shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash. In order to preserve cash, the Company does not pay any dividends.

The Company is not subject to any externally imposed capital requirements, apart from those pursuant to the Earn-In Agreement (Note 5). The Company did not change its capital management approach during the three months ended September 30, 2025.

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.

(Expressed in Canadian Dollars - Unaudited)

12. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

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

		September 30, 2025		June 30, 2025
Financial assets:				
Amortized cost				
Cash and cash equivalents	$	9,237,457	$	9,740,155
Receivable from Boliden		66,581		-
Fair value through profit and loss				
Investment		200,000		150,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	273,081	$	580,093
Advance from Boliden		-		221,343

Accounts payable and accrued liabilities as at September 30, 2025 includes amounts due to related parties (Note 14).

b) Fair value information

The fair values of the Company's cash and cash equivalents, advance from Boliden 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 in marketable securities are measured at fair value using Level 1 inputs. At September 30, 2025 and June 30, 2025, the Company had no financial assets measured and recognized on the consolidated statements of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

c) Management of financial risks

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 September 30, 2025 and June 30, 2025, the Company was exposed to credit risk on its cash and cash equivalents and receivables, primarily comprised of GST and VAT receivables.

The Company's cash and cash equivalents are held with high credit quality financial institutions in Canada and Sweden, and GST and VAT receivable is recoverable from the governments of Canada and Sweden, respectively. As at September 30, 2025 and June 30, 2025, 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 cash equivalents and managing its capital and expenditures.

At September 30, 2025, the Company had cash and cash equivalents of $9,237,457 (June 30, 2025 - $9,740,155) and accounts payable and accrued liabilities of $273,081 (June 30, 2025 - $580,093) with contractual maturities of less than one year. At June 30, 2025, there was $221,343 of advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden Mineral AB included in cash and cash equivalents that were not available for general use (Note 5). The Company had sufficient cash to meet its current liabilities as at September 30, 2025. The Company assessed its liquidity risk as low as at September 30, 2025 and June 30, 2025.

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 September 30, 2025 and June 30, 2025.

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 September 30, 2025 and June 30, 2025, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros and SEK:

September 30, 2025

	Euros	SEK
Cash and cash equivalents	2,177	4,076,177
GST and VAT receivable	-	247,712
Prepaid expenses	-	699,654
Accounts payable and accrued liabilities	(14,968)	(1,166,377)
Advance from Boliden	-	450,478
Net	(12,791)	4,307,644
Canadian dollar equivalent	$ (20,888)	$ 636,670

June 30, 2025

	Euros	SEK
Cash and cash equivalents	2,156	4,762,073
VAT receivable	-	1,394,737
Prepaid expenses	-	3,901,788
Accounts payable and accrued liabilities	(22,353)	(1,279,231)
Advance from Boliden	-	(1,540,315)
Net	(20,197)	7,239,052
Canadian dollar equivalent	$ (32,375)	$ 1,040,252

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 $2,089 (June 30, 2025 - $3,328) and $63,667 (June 30, 2025 - $104,025), respectively. As at September 30, 2025 and June 30, 2025 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at September 30, 2025 and June 30, 2025.

(Expressed in Canadian Dollars - Unaudited)

13. SEGMENTED INFORMATION

The Company is organized into business units based on exploration and evaluation assets and has two reportable operating segments, being that of acquisition and exploration and evaluation activities in Canada and Sweden. The Company is in the exploration stage and has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

As at September 30, 2025	**Sweden**	**Canada**	**Total**
Advances and deposits	24,250	-	24,250
Exploration and evaluation assets	9,883,254	148,963	10,032,217
	$ 9,907,504	$ 148,963	$ 10,056,467

As at June 30, 2025	**Sweden**	**Canada**	**Total**
Advances and deposits	553,562	-	553,562
Exploration and evaluation assets	8,760,169	148,963	8,909,132
	$ 9,313,731	$ 148,963	$ 9,462,694

14. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel and close family members of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions.

(a) Key management compensation for the three months ended September 30, 2025 and 2024 were as follows:

	For the three months ended	
	September 30, 2025	**September 30, 2024**
Salary	$ 63,750	$ 63,750
Consulting	$ 73,500	$ 57,960

(b) The Company entered into an executive employment agreement with Garrett Ainsworth on June 1, 2020 (the "**Ainsworth Agreement**"), which was subsequently amended on June 1, 2025 to incorporate certain change of control provisions approved by the Board, as set out below. Under the terms of the Ainsworth Agreement, as amended, Mr. Ainsworth is eligible to receive an annual performance bonus and/or special bonus to be set by the Board. The maximum performance bonus is 50% of Mr. Ainsworth's annual salary and may be adjusted based on Mr. Ainsworth's performance during the year.

The Company entered into a consulting agreement with Marlis Yassin on February 4, 2021 (the "**Yassin Agreement**"), which was subsequently amended on June 1, 2025 to incorporate certain change of control provisions approved by the Board, as set out below. Under the terms of the Yassin Agreement, as amended, Ms. Yassin is eligible to receive performance bonuses based on the satisfaction of performance milestones established by the Board from time-to-time.

In the event of a change of control and the applicable executive is terminated without cause within the 12 months of the change of control, each executive shall be entitled to receive 24 months' salary or fees and bonus, and all incentive securities shall vest immediately.

In the event of termination without cause other than in connection with a change of control, each executive shall be entitled to receive 12 months' salary or fees and bonus, and all incentive securities shall vest immediately.

(c) Pursuant to the Ainsworth Agreement, in each of the three months ended September 30, 2025 and 2024, the Company incurred a total salary of $63,750 to the CEO. The Company had $18,977 due to the CEO in relation to reimbursable expenses at September 30, 2025 (June 30, 2025 - $Nil).

(d) Pursuant to the Yassin Agreement, during the three months ended September 30, 2025 and 2024, the Company paid consulting fees of $30,000 and $22,500, respectively, for services provided by the CFO. The Company had $40 due to the CFO in relation to reimbursable expenses at September 30, 2025 (June 30, 2025 - $Nil).

(e) During the three months ended September 30, 2025 and 2024, the Company incurred stock-based compensation expense of $170,025 and $Nil, respectively, related to RSUs and DSUs granted to officers and directors of the Company.

(f) In each of the three months ended September 30, 2025 and 2024, the Company paid director's fees of $9,000, recorded in consulting fees, to directors of the Company.

(g) During the three months ended September 30, 2025 and 2024, the Company paid consulting fees of $28,500 and $26,460, respectively, to a company controlled by a close family member of the CFO for administrative, accounting and corporate services. During the three months ended September 30, 2025 and 2024, the Company also paid consulting fees of $6,000 and $Nil, respectively, for services provided directly to District Metals AB in relation to the Earn-in Agreement with Boliden Mineral AB. These costs were recovered pursuant to the Earn-In Agreement. The Company had $4,596 due to the company controlled by a close family member of the CFO in relation to reimbursable expenses at September 30, 2025 (June 30, 2025 - $78).

15. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the following stock options, warrants and compensation options were exercised:

- 687,500 stock options were exercised for gross proceeds of $280,800;
- 367,000 warrants were exercised for gross proceeds of $73,850; and
- 15,206 compensation options were exercised for gross proceeds of $2,281.

Management Discussion and Analysis
For the Three Months Ended September 30, 2025 and 2024

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess the financial condition and results of operations of District Metals Corp. (the "Company" or "District Metals") for the three months ended September 30, 2025. This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended September 30, 2025 and 2024, 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, 2025 and 2024. 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 information. In particular, statements regarding the adequacy of cash resources to carry out the Company's exploration programs, plans for additional exploration and the possibility that the moratorium on uranium mining in Sweden may be rescinded are forward-looking information. All forward-looking information, 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 information.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of November 27, 2025.

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", on the Frankfurt Stock Exchange under the symbol "DFPP" and on the United States OTCQX under the symbol "DMXCF". On January 23, 2025, the Company's depository receipts began trading on Nasdaq First North Growth Market under the symbol "DMXSE SDB". On November 12, 2025, the Company's common shares were upgraded to the OTCQX Market from the OTCQB Market in the United States. The Company has two wholly-owned subsidiaries incorporated under the laws of Sweden, District Metals AB and Bergslagen Metals AB.

The Company is a polymetallic exploration stage company in the business of acquiring, exploring, and evaluating prospective mineral 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 Viken and Tomtebo properties, located in Sweden.

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 uranium mining regulation in Sweden. The global economy is currently characterized by increased volatility arising in part from international trade disputes, including tariffs, GDP growth and geo-political risk in Europe and the Middle East.

Further, 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 sources of financing in the future at terms that are favourable, or at all.

A summary of the expenditures incurred on the Company's properties during the three months ended September 30, 2025 and the year ended June 30, 2025 are as follows:

	Tomtebo Property	Viken Property	Gruvberget Property	Bakar Property	Svärdsjö Property	Other Properties	Total
Acquisition Costs							
Balance, June 30, 2024	$ 1,721,205	$ 412,375	$ 302,450	$ 32,051	-	$ 233,525	$ 2,701,606
Additions	-	197,500	-	-	-	-	197,500
Balance, June 30, 2025	$ 1,721,205	$ 609,875	$ 302,450	$ 32,051	-	$ 233,525	$ 2,899,106
Balance, September 30, 2025	**$ 1,721,205**	**$ 609,875**	**$ 302,450**	**$ 32,051**	**-**	**$ 233,525**	**$ 2,899,106**
Deferred Exploration Costs							
Balance, June 30, 2024	$ 4,013,594	$ 31,092	$ 603,648	$ 115,337	-	$ 82,740	$ 4,846,411
Consulting	362,160	780,516	87	1,425	1,335	368,949	1,514,472
Geochemistry	27,217	407	-	-	-	-	27,624
Drilling	646,190	-	-	-	-	-	646,190
Other costs	121,453	5,747	-	150	67	6,334	133,751
Cost recovery	(1,157,020)	-	-	-	-	-	(1,157,020)
Impairment	-	-	-	-	(1,402)	-	(1,402)
Balance, June 30, 2025	$ 4,013,594	$ 817,762	$ 603,735	$ 116,912	-	$ 458,023	$ 6,010,026
Consulting	60,516	239,355	-	-	-	879,033	1,178,904
Geochemistry	29,352	-	-	-	-	-	29,352
Drilling	28,910	-	-	-	-	-	28,910
Other costs	17,740	1,869	-	-	-	2,828	22,437
Cost recovery	(136,518)	-	-	-	-	-	(136,518)
Balance, September 30, 2025	**$ 4,013,594**	**$ 1,058,986**	**$ 603,735**	**$ 116,912**	**-**	**$ 1,339,884**	**$ 7,133,111**
Balance, June 30, 2025	$ 5,734,799	$ 443,467	$ 906,098	$ 147,388	-	$ 316,265	$ 7,548,017
Balance, September 30, 2025	**$ 5,734,799**	**$ 1,668,861**	**$ 906,185**	**$ 148,963**	**-**	**$ 1,573,409**	**$ 10,032,217**

Tomtebo Property, Sweden

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

On October 27, 2023, the Company entered into a mineral property earn-in and option agreement (the "Earn-In Agreement") with Boliden Mineral AB ("Boliden") pursuant to which the Company, through 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 Company is the operator during the Option stage and as consideration is entitled to a 7.5% fee on qualifying expenditures (as defined in the Earn-In Agreement). During the three months ended September 30, 2025, the Company earned an operator fee of $20,067 (September 30, 2024 - $15,857).

From early February to late April 2025, pursuant to the Earn-In Agreement, a total of 2,485 m were drilled in five holes at the Steffenburgs zone within the historic Tomtebo Mine area and at Kvistaberget, a prospective target located 5 km northeast of the historic Tomtebo Mine area within the Tomtebo Property. Assay results from this drill program were announced in July 2025.

On August 25, 2025, the Company received notice from Boliden of its decision to terminate the Earn-In Agreement. Pursuant to the terms of the Earn-In Agreement, Boliden will leave the Tomtebo Property in good standing until the end of the 90-day termination notice period and will fulfill all contractual obligations.

Subsequent to September 30, 2025, the Company received an advance payment from Boliden in the amount of $300,000 pursuant to the Earn-In Agreement for costs associated with the wind down of activities at Tomtebo and Stollberg, expected to be completed by December 31, 2025.

Viken Property, Sweden

From April 2023 to January 2024, Bergslagen Metals AB consolidated 100% of the Viken energy metals deposit located in Jämtland County, central Sweden through a combination of mineral license applications and acquisitions (the "Viken Property"). The Viken Property currently totals 37,211 hectares (ha).

On January 15, 2024, the Company acquired the four mineral licenses covering the Viken deposit (Norra Leden, Norr Viken, Lill Viken and Storviken) from an individual vendor. A summary of the principal terms of the acquisition are as follows:

- $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 by the Company (i) in its entirety at any time for a value of $8,000,000 or (ii) in respect of the first 1% for $2,000,000 (the "Viken NSR").

On January 31, 2025, the Company acquired the Viken NSR for a purchase price consisting of 500,000 common shares of the Company (the "Viken NSR Consideration Shares") to the vendor. As a result, the Viken Property is free of any NSR Royalty.

On April 29, 2025, District Metals announced a mineral resource estimate and issued a technical report thereon pursuant to National Instrument 43-101 ("NI 43-101") (the "Viken MRE"), including an inferred mineral resource estimate of 4.3 billion tonnes at a grade of 161 ppm of uranium containing 1.5 billion pounds uranium. The Company included additional important and critical raw materials in the current Viken MRE; however, the historical drill hole geochemical results did not include analysis on the full suite of Rare Earth Elements, which may have potential to create additional value for future economic studies.

On June 24, 2025, the Company conducted a helicopter-borne Mobile MagnetoTellurics System ("MobileMT") survey in two phases. Phase 1 captured the conductive signature of the mineralized Alum Shale host rock that makes up the Viken Energy Metals Deposit and phase 2 was flown over the remainder of the Viken Property, with the objective of identifying additional conductive signatures of interest for follow up drilling.

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 (the "Gruvberget NSR"), subject to the Company's option to repurchase the entire Gruvberget NSR 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.

On June 3, 2025, the Company entered into a definitive agreement to sell its remaining 24.48% interest in the Bakar Property to Sherpa II Holdings Corp. ("Sherpa II") for 1,500,000 common shares of Sherpa II. Subsequent to September 30, 2025, the Company completed the sale of its remaining interest in the Bakar Property to Sherpa II and received 1,500,000 common shares of Sherpa II.

Other Properties

In 2023 and 2024, the Company was issued the following mineral licenses by the Bergsstaten (Mining Inspectorate) (collectively, the "Other Properties"), including:

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

During the three months ended September 30, 2025, the Company completed Unmanned Aerial Vehicle ("UAV") radiometric and magnetic surveys at the Sågtjärn and Nianfors Properties, as a result of which, the Company applied for the following mineral licenses from the Bergsstaten (Mining Inspectorate), which are pending:

- Sågtjärn nr 103, in Jämtland and Västernorrland Counties in central Sweden; and
- Nianfors nr 103, in the Gävleborg County in central Sweden.

Subsequent to September 30, 2025, the Company completed a UAV radiometric and magnetic survey at Ardnasvarre and MobileMT surveys at Österkälen, Malgomaj and Tåsjö. The results from the MobileMT survey at Malgomaj are pending.

The Company believes that all of the Other Properties are prospective for uranium.

On November 5, 2025, the Swedish Parliament voted to repeal the moratorium on uranium exploration and mining in Sweden, imposed in 2018, and approved new legislation effective January 1, 2026 permitting uranium exploration and mining. As such, the Company is evaluating its plans for 2026 to further advance exploration programs at its uranium properties in Sweden, which we anticipate will include fieldwork, additional airborne geophysics, drilling, and an economic study of the Viken Deposit.

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 September 30, 2025

The Company incurred a loss and comprehensive loss of $362,990 during the three months ended September 30, 2025 as compared to the net loss and comprehensive loss of $448,168 for the three months ended September 30, 2024, a decrease in loss of $83,178. The decrease in loss and comprehensive loss was primarily driven by:

- An increase in fair value gain on investment, with a gain of $50,000 in three months period ended September 30, 2025 compared to a loss of $95,000 in the prior year period driven by an increase in the Sherpa II share price to $0.20 at September 30, 2025 compared to $0.05 at September 30, 2024.
- A decrease in general and administrative costs of $40,282 driven mainly by a decrease in travel costs, largely due to fluctuation in the timing of travel.
- A decrease in marketing and investor relations costs of $41,385, driven mainly by lower costs spent on printing and news releases as well as conferences and related travel costs.
- A decrease in professional fees of $10,473 is driven by lower audit and legal expenditures incurred during the three months ended September 30, 2025 compared to the three months ended September 30, 2024.

The decreases in loss and comprehensive loss were partially offset by increases in:

- Stock-based compensation of $170,025, as a result of RSU and DSU vesting in the current period with no corresponding expense in the prior year period due to the timing of issuances; and
- Transfer agent, regulatory and listing fees of $19,049, largely driven by an increase in ongoing costs from listing on the Nasdaq First North Growth Market stock exchange in Sweden in January 2025.

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:

	Quarter ended	Revenue	Loss before other income and expenses	Loss and comprehensive loss	Basic and diluted income (loss) per common share
Q1/26	September 30,2025	$ -	$ (448,406)	$ (362,990)	$ (0.00)
Q4/25	June 30, 2025	$ -	$ (2,097,713)	$ (1,988,916)	$ (0.03)
Q3/25	March 31, 2025	$ -	$ (447,705)	$ (322,673)	$ (0.00)
Q2/25	December 31, 2024	$ -	$ (808,951)	$ (707,052)	$ (0.01)
Q1/25	September 30, 2024	$ -	$ (522,981)	$ (448,168)	$ (0.00)
Q4/24	June 30, 2024	$ -	$ (464,051)	$ (1,056,211)	$ (0.01)
Q3/24	March 31, 2024	$ -	$ (1,195,995)	$ (1,159,361)	$ (0.01)
Q2/24	December 31, 2023	$ -	$ (530,075)	$ (312,784)	$ (0.00)

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

- The Company's Q1 2026 loss was influenced by stock-based compensation expense of $170,025. When normalized for this amount, the net loss was $192,965.
- The Company's Q4 2025 loss was influenced by stock-based compensation expense of $1,717,830. When normalized for this amount, the net loss was $271,086.
- The Company's Q3 2025 loss was influenced by increased transfer agent, regulatory, and listing fees as well as professional fees in relation to the Company's listing on the Nasdaq First North Growth Market stock exchange in Sweden during that quarter.
- The Company's Q2 2025 loss was influenced by annual incentive payments of $208,500 recognized during the quarter. When normalized for this amount, the loss was $498,552.
- An unrealized loss on investment in marketable securities of $95,000 contributed to the loss in Q1 2025.
- The Company's Q4 2024 loss was influenced by a write-down of exploration and evaluation assets related to the Company's Svärdsjö property. After normalizing for the write-down, loss was $594,433.
- The Company's Q3 2024 loss was influenced by stock-based compensation expense of $807,028. When normalized for this amount, 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.

LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated interim financial statements for the three months ended September 30, 2025 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. Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

At September 30, 2025, the Company had cash and cash equivalents of $9,237,457 (June 30, 2025 - $9,740,155) and its current assets exceeded its current liabilities by $9,560,024 (June 30, 2025 - $9,466,741). 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 $67,446,263 as at September 30, 2025 (June 30, 2025 - $67,083,273). Pursuant to the Earn-In Agreement, the Company earns a 7.5% operator fee on qualifying expenditures.

On May 21, 2025, the Company closed a non-brokered private placement financing under the Listed Issuer Financing Exemption, whereby the Company raised $6,000,000 through the sale of 22,222,221 common shares at $0.27 per share (the "March 2025 Financing"). The Company paid a finder's fee of $300,000 in connection with the financing and incurred other share issuance costs of $117,145.

During the three months ended September 30, 2025, 2,815,000 share purchase warrants were exercised at an exercise price of $0.30 for gross proceeds of $844,500, 40,512 compensation options were exercised at an exercise price of $0.15 for aggregate gross proceeds of $6,076, and 150,000 stock options at an exercise price of $0.21 were exercised for aggregate gross proceeds of $31,500.

Subsequent to September 30, 2025, the following stock options, warrants and compensation options were exercised:

- 687,500 stock options were exercised for gross proceeds of $280,800;
- 367,000 warrants were exercised for gross proceeds of $73,850; and
- 15,206 compensation options were exercised for gross proceeds of $2,281.

Management believes that the Company's cash balances, including existing cash and investment balances, and the expected proceeds from the exercise of stock options, warrants and compensation options are sufficient to complete its planned exploration activities and fund its administrative expenses for the ensuing 12-month period.

Cash flows

Cash used in operating activities for the three months ended September 30, 2025 was $627,622 compared to $426,442 used in operating activities for the three months ended September 30, 2024.

During the three months ended September 30, 2025, the Company invested $755,097 in exploration and evaluation assets and advances and deposits for exploration, compared with $18,267 during the three months ended September 30, 2024.

During the three months ended September 30, 2025, the Company raised $880,021 from financing activities, including the exercise of warrants, stock options and compensation options, net of share issuance costs (September 30, 2024 - $15,175).

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, Officers, and any companies owned or controlled by them. Key management personnel consist of directors and senior management including the Chief Executive Officer and Chief Financial Officer. Key management personnel compensation includes:

	For the Three Months Ended			
	September 30, 2025		September 30, 2024	
Salary	$	63,750	$	63,750
Consulting	$	73,500	$	57,960

The Company entered into an executive employment agreement with Garrett Ainsworth on June 1, 2020 (the "Ainsworth Agreement"), which was subsequently amended on June 1, 2025 to incorporate certain change of control provisions approved by the Board, as set out below. Under the terms of the Ainsworth Agreement, as amended, Mr. Ainsworth is eligible to receive an annual performance bonus and/or special bonus to be set by the Board. The maximum performance bonus is 50% of Mr. Ainsworth's annual salary and may be adjusted based on Mr. Ainsworth's performance during the year.

The Company entered into a consulting agreement with Marlis Yassin on February 4, 2021 (the "Yassin Agreement"), which was subsequently amended on June 1, 2025 to incorporate certain change of control provisions approved by the Board, as set out below. Under the terms of the Yassin Agreement, as amended, Ms. Yassin is eligible to receive performance bonuses based on the satisfaction of performance milestones established by the Board from time-to-time.

In the event of a change of control and the applicable executive is terminated without cause within the 12 months of the change of control, each executive shall be entitled to receive 24 months' salary or fees and bonus, and all incentive securities shall vest immediately. In the event of termination without cause other than in connection with a change of control, each executive shall be entitled to receive 12 months' salary or fees and bonus, and all incentive securities shall vest immediately.

Pursuant to the Ainsworth Agreement, in each of the three months ended September 30, 2025 and 2024, the Company incurred a total salary of $63,750 to the CEO. The Company had $18,977 due to the CEO in relation to reimbursable expenses at September 30, 2025 (June 30, 2025 - $Nil).

Pursuant to the Yassin Agreement, during the three months ended September 30, 2025 and 2024, the Company paid consulting fees of $30,000 and $22,500, respectively, for services provided by the CFO. The Company had $40 due to the CFO in relation to reimbursable expenses at September 30, 2025 (June 30, 2025 - $Nil).

During the three months ended September 30, 2025 and 2024, the Company incurred stock-based compensation expense of $170,025 and $Nil, respectively, related to RSUs and DSUs granted to officers and directors of the Company.

In each of the three months ended September 30, 2025 and 2024, the Company paid director's fees of $9,000, recorded in consulting fees, to directors of the Company.

During the three months ended September 30, 2025 and 2024, the Company paid consulting fees of $28,500 and $26,460, respectively, to a company controlled by a close family member of the CFO for administrative, accounting and corporate services. During the three months ended September 30, 2025 and 2024, the Company also paid consulting fees of $6,000 and $Nil, respectively, for services provided directly to District Metals AB in relation to the Earn-in Agreement with Boliden Mineral AB. These costs were recovered pursuant to the Earn-In Agreement. The Company had $4,596 due to the company controlled by a close family member of the CFO in relation to reimbursable expenses at September 30, 2025 (June 30, 2025 - $78).

PROPOSED TRANSACTIONS

None.

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 three months ended September 30, 2025 as follows:

<u>Material accounting judgments</u>

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 condensed interim 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

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements, which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes.

IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the three months ended September 30, 2025.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

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

		September 30, 2025		June 30, 2025
Financial assets:				
Amortized cost				
Cash and cash equivalents	$	9,237,457	$	9,740,155
Receivable from Boliden		66,581		-
Fair value through profit and loss				
Investment		200,000		150,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	273,081	$	580,093
Advance from Boliden		-		221,343

Accounts payable and accrued liabilities includes amounts due to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

Fair value information

The fair values of the Company's cash and cash equivalents, advance from Boliden 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 September 30, 2025 and June 30, 2025, 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 September 30, 2025 and June 30, 2025, the Company was exposed to credit risk on its cash and cash equivalents and receivables, primarily comprised of GST and VAT receivables.

The Company's cash and cash equivalents are held with high credit quality financial institutions in Canada and Sweden, and GST and VAT receivable is recoverable from the government of Canada and Sweden, respectively. As at September 30, 2025 and June 30, 2025, 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 September 30, 2025, the Company had cash and cash equivalents of $9,237,457 (June 30, 2025 - $9,740,155) and accounts payable and accrued liabilities of $273,081 (June 30, 2025 - $580,093) with contractual maturities of less than one year. At June 30, 2025, there was $221,343 of advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden

Mineral AB included in cash and cash equivalents that were not available for general use. The Company had sufficient cash to meet its current liabilities as at September 30, 2025. The Company assessed its liquidity risk as low as at September 30, 2025 and June 30, 2025.

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 September 30, 2025 and June 30, 2025.

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 September 30, 2025 and June 30, 2025, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros, and Swedish Krona ("SEK").

September 30, 2025

	Euros	SEK
Cash and cash equivalents	2,177	4,076,177
GST and VAT receivable	-	247,712
Prepaid expenses	-	699,654
Accounts payable and accrued liabilities	(14,968)	(1,166,377)
Advance from Boliden	-	450,478
Net	(12,791)	4,307,644
Canadian dollar equivalent	$ (20,888)	$ 636,670

June 30, 2025

	Euros	SEK
Cash and cash equivalents	2,156	4,762,073
GST and VAT receivable	-	1,394,737
Prepaid expenses	-	3,901,788
Accounts payable and accrued liabilities	(22,353)	(1,279,231)
Advance payment from Boliden	-	(1,540,315)
Net	(20,197)	7,239,052
Canadian dollar equivalent	$ (32,375)	$ 1,040,252

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 $2,089 and $64,357 (June 30, 2025 - $3,328 and $104,025), respectively. As at September 30, 2025 and June 30, 2025 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at September 30, 2025 and June 30, 2025.

OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 167,755,599 common shares issued and outstanding (June 30, 2025 – 166,657,381), 12,527,500 stock options outstanding (June 30, 2025 – 13,365,000), 10,500 compensation options outstanding (June 30, 2025 – 66,218), 9,470,500 warrants outstanding (June 30, 2025 – 12,652,500), 925,000 RSU's outstanding (June 30, 2025 – 925,000), and 675,000 DSU's outstanding (June 30, 2025 – 675,000).

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 uranium mining regulation in Sweden.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain statements that may be considered "forward-looking information" with respect to the Company within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved" and any similar expressions. In addition, any statements that refer to expectations, predictions, indications, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events. Forward-looking information in this MD&A relating to the Company include, among other things, statements relating to lifting of the current ban on uranium mining in Sweden.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, as of the date of this MD&A, including, without limitation, the reliability of exploration and drill results; reliability of data and the accuracy of publicly reported information regarding current, past and historic mines in the Bergslagen district and in respect of the Swedish properties; uranium exploration and mining regulation in Sweden; the Company's ability to raise sufficient capital to fund planned exploration activities, maintain corporate capacity; stability in financial and capital markets; the Company's ability to complete its planned exploration programs; the absence of adverse conditions at mineral properties; no unforeseen operational delays; no material delays in obtaining necessary permits; the price of metals remaining at levels that render mineral properties economic.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks associated with the following: the reliability of historic data on District's properties; the Company's ability to raise sufficient capital to finance planned exploration; the Company's limited operating history; the Company's negative operating cash flow and dependence on third-party financing; the uncertainty of additional funding; the uncertainties associated with early stage exploration activities including general economic, market and business conditions, the regulatory process, failure to obtain necessary permits and approvals, technical issues, potential delays, unexpected events and management's capacity to execute and implement its future plans; the Company's ability to identify Mineral Resources and Mineral Reserves; the substantial expenditures required to establish Mineral Reserves through drilling and the estimation of Mineral Reserves or Mineral Resources; the uncertainty of estimates used to calculated mineralization figures; changes in governmental regulations; compliance with applicable laws and regulations; competition for future resource acquisitions and skilled industry personnel; reliance on key personnel; title matters; conflicts of interest; environmental laws and regulations and associated risks, including climate change legislation; land reclamation requirements; changes in government policies; volatility of the Company's share price; the unlikelihood that shareholders will receive dividends from the Company; potential future acquisitions and joint ventures; infrastructure risks; fluctuations in demand for, and prices of metals; fluctuations in foreign currency exchange rates; legal proceedings and the enforceability of judgments; going concern risk; risks related to the Company's information technology systems and cyber-security risks; and risk related to the outbreak of epidemics or pandemics or other health crises. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the Company. These factors and assumptions, however, should be considered carefully. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of such factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this MD&A, and the Company assumes no obligation to publicly update or revise such forward-looking information, except as required by applicable securities laws.