DISTRICT METALS CORP.

Consolidated Financial Statements and Management Discussion and Analysis for the Year Ended June 30, 2025

DISTRICT METALS CORP.

Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
District Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of District Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, cash flow, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred a loss during the year ended June 30, 2025, of $3,466,809 and has negative cash flows from operations with an accumulated deficit of $67,083,273 as of June 30, 2025. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

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

As described in Note 7 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $8,909,132 as of June 30, 2025. As more fully described in Notes 3 and 4 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

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

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

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and share issuances.
- Obtaining, on a test basis through government websites and from legal counsel, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

September 24, 2025

DISTRICT METALS CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	June 30, 2025	June 30, 2024
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	$ 9,740,155	$ 5,861,955
GST and VAT receivable	274,857	254,659
Prepaid expenses	103,165	171,998
Investment (Note 6)	150,000	145,000
	10,268,177	6,433,612
Advances and deposits (Note 7)	553,562	23,403
Exploration and evaluation assets (Note 7)	8,909,132	7,548,017
TOTAL ASSETS	$ 19,730,871	$ 14,005,032
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 17)	$ 580,093	$ 269,243
Advance from Boliden (Note 9)	221,343	948,214
TOTAL LIABILITIES	801,436	1,217,457
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	81,907,909	73,347,633
Reserves (Notes 11 and 12)	4,104,799	3,086,801
Accumulated deficit	(67,083,273)	(63,646,859)
TOTAL SHAREHOLDERS' EQUITY	18,929,435	12,787,575
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 19,730,871	$ 14,005,032

Nature of operations and going concern (Note 1)
Subsequent events (Note 18)

These consolidated financial statements were authorized for issue by the Board of Directors on September 24, 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 consolidated financial statements.

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

	For the Years Ended	
	June 30, 2025	**June 30, 2024**
EXPENSES		
General and administrative costs	$ 278,835	$ 174,317
Marketing and investor relations	391,127	247,877
Salaries and consulting fees (Note 17)	846,435	815,084
Professional fees	348,114	213,092
Property investigation costs	-	25,171
Stock-based compensation (Notes 12 and 17)	1,717,830	858,577
Transfer agent, regulatory and listing fees	187,162	48,162
OPERATING EXPENSES	3,769,503	2,382,280
OTHER EXPENSES (INCOME)		
Foreign exchange loss	65,042	188,707
Fair value gain on investment (Note 6)	(5,000)	(105,000)
Interest and dividend income (Note 5)	(182,136)	(162,404)
Write-down of exploration and evaluation assets (Note 7)	1,402	461,778
Other income (Note 7)	(182,002)	(75,607)
LOSS AND COMPREHENSIVE LOSS	$ 3,466,809	$ 2,689,754
Basic and diluted loss per share	$ 0.03	$ 0.02
Weighted average number of common shares outstanding, basic and diluted	133,700,195	116,215,195

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

DISTRICT METALS CORP.
Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)

	For the Years Ended	
	June 30, 2025	June 30, 2024
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Loss	**$ (3,466,809)**	$ (2,689,754)
Adjustments for items not affecting cash:		
Fair value gain on investment	**(5,000)**	(105,000)
Impairment loss	**1,402**	461,778
Stock-based compensation	**1,717,830**	858,577
	(1,752,577)	(1,474,399)
Net changes in non-cash working capital items:		
GST and VAT receivable	**(20,198)**	(203,828)
Prepaid expenses and deposits	**(461,326)**	(150,342)
Accounts payable and accrued liabilities	**51,366**	182,307
Advance from Boliden	**(635,765)**	948,214
Net cash flows used in operating activities	**(2,818,500)**	(698,048)
INVESTING ACTIVITIES		
Advances and deposits	**-**	(4,860)
Exploration and evaluation expenditures	**(996,639)**	(328,003)
Net cash flows used in investing activities	**(996,639)**	(332,863)
FINANCING ACTIVITIES		
Proceeds from private placement	**6,000,000**	4,510,000
Proceeds from stock options exercised	**313,950**	173,200
Proceeds from compensation options exercised	**355,465**	85,202
Proceeds from warrants exercised	**1,447,000**	81,500
Share issuance costs	**(423,076)**	(482,871)
Net cash flows provided from financing activities	**7,693,339**	4,367,031
Net increase in cash and cash equivalents	**3,878,200**	3,336,120
Cash and cash equivalents, beginning of year	**5,861,955**	2,525,835
Cash and cash equivalents, end of year	**$ 9,740,155**	$ 5,861,955

Supplemental cash flow information	**$**	**$**
Non-cash share issuance for exploration and evaluation assets	197,500	250,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	185,726	17,348
Fair value reallocation pursuant to stock options expiry	30,395	55,335
Fair value reallocation pursuant to warrants expiry	-	144,000
Fair value reallocation pursuant to compensation option expiry	-	47,322
Fair value of finder warrants/compensation options issued	-	247,109
Transfer of reserves on exercise of stock options	337,792	161,882
Transfer of reserves on exercise of compensation options	331,645	84,406
Taxes paid	-	-
Interest paid	-	-

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

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

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance, June 30, 2023	**106,980,707**	**$ 68,731,423**	**$ 2,474,060**	**$ (61,203,762)**	**$ 10,001,721**
Common shares issued for property payments (Note 7)	1,000,000	250,000	-	-	250,000
Common shares issued in private placement (Note 10)	20,500,000	4,510,000	-	-	4,510,000
Share issuance costs (Note 10)	-	(729,980)	247,109	-	(482,871)
Shares issued pursuant to stock option exercise (Note 10)	865,000	335,082	(161,882)	-	173,200
Shares issued pursuant to compensation option exercise (Note 10)	562,418	169,608	(84,406)	-	85,202
Shares issued pursuant to warrant exercise (Note 10)	407,500	81,500	-	-	81,500
Fair value reclassification pursuant to stock option expiry (Note 10)	-	-	(55,335)	55,335	-
Fair value reclassification pursuant to warrant expiry (Note 10)	-	-	(144,000)	144,000	-
Fair value reclassification pursuant to compensation option expiry (Note 10)	-	-	(47,322)	47,322	-
Stock-based compensation (Note 12)	-	-	858,577	-	858,577
Loss for the year	-	-	-	(2,689,754)	(2,689,754)
Balance, June 30, 2024	**130,315,625**	**$ 73,347,633**	**$ 3,086,801**	**$ (63,646,859)**	**$ 12,787,575**
Shares issued for exploration and evaluation assets (Note 7)	500,000	197,500	-	-	197,500
Common shares issued in private placement (Note 10)	22,222,221	6,000,000	-	-	6,000,000
Share issuance costs	-	(423,076)	-	-	(423,076)
Shares issued pursuant to stock option exercise (Note 10)	1,651,171	651,742	(337,792)	-	313,950
Shares issued pursuant to compensation option exercise (Note 10)	1,801,364	687,110	(331,645)	-	355,465
Shares issued pursuant to warrant exercise (Note 10)	7,190,000	1,447,000	-	-	1,447,000
Fair value reclassification pursuant to option expiry (Note 10)	-	-	(30,395)	30,395	-
Stock-based compensation (Note 12)	-	-	1,717,830	-	1,717,830
Loss for the year	-	-	-	(3,466,809)	(3,466,809)
Balance, June 30, 2025	**163,680,381**	**$ 81,907,909**	**$ 4,104,799**	**$ (67,083,273)**	**$ 18,929,435**

The accompanying notes form an integral part of these consolidated 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 OTCQB 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".

These consolidated 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 year ended June 30, 2025 of $3,466,809 (2024 - $2,689,754) and has negative cash flows from operations with an accumulated deficit of $67,083,273 as at June 30, 2025 (June 30, 2024 - $63,646,859). 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 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. These consolidated 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

(a) Statement of compliance

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

(b) Basis of presentation

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

Certain comparative information within the exploration and evaluation assets table (Note 7) has been reclassified to conform to current year presentation.

(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 consolidated financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Material accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future and to exercise judgment in applying the Company's accounting policies. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The material accounting judgements and key sources of estimation uncertainty are discussed in Note 4.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these consolidated financial statements are as follows:

(a) Basis of consolidation

The Company's consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, District Metals AB (Sweden) and Bergslagen Metals AB (Sweden). Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

(b) Foreign currency transactions

Transactions in currencies other than the Canadian dollar ("foreign currencies"), the Company's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Non-monetary items that are denominated in foreign currencies and measured at other than fair value are translated using the rates of exchange at the transaction dates. Foreign exchange gains and losses are included in net loss for the period.

(c) Cash Equivalents

Cash equivalents include short-term liquid investments that are cashable or readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.

(d) Financial instruments

i) Classification and measurement

Financial asset

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value less, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue, and are subsequently measured at either (i) amortized cost, (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's cash and cash equivalents are classified in this category.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. The Company's investment is classified in this category.

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Accounts payable and accrued liabilities and advance from Boliden are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

ii) Derecognition of financial assets and financial liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss and comprehensive loss.

iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(e) Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets. The increase in the restoration provision due to the passage of time is recognized as interest expense.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(f) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits are recorded as a reduction to the cumulative costs incurred and capitalized on the related property when collection is reasonably assured. Incidental income is recorded in the consolidated statement of loss and comprehensive loss.

Exploration and evaluation assets are assessed for impairment at each reporting date and if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(g) Share capital

Common shares

Common shares issued are classified as share capital, a component of shareholders' equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital.

Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated to the common shares up to their fair value, determined by reference to the quoted market price of the common shares on the issuance date, and the remaining balance, if any, to the reserve for warrants.

From time to time in connection with private placements, the Company issues compensatory warrants ("Finders' Warrants") or Compensation Units ("Compensation Options") to agents as commission for services. Awards of Finders' Warrants and Compensation Options are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Finders' Warrants and Compensation Options are issued. The fair value of finders' warrants and compensation options are measured using the Black-Scholes option pricing model or the Geske compound option pricing model. The model used is dependant on the terms of the equity compensation. Both require the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the instruments.

(h) Share options and warrants

All share options and warrants are included in reserves, a component of shareholders' equity, until exercised. Upon exercise, the consideration received plus the amounts in reserves attributable to the options and/or warrants being exercised are credited to share capital. When share options and warrants expire unexercised or are cancelled, other than cancellations resulting from forfeitures when vesting conditions are not satisfied, the amounts recognized in reserves are reclassified to accumulated deficit.

Stock-based compensation to employees and consultants are measured based on services received unless that cannot be readily determined in which case, it is measured at the fair value of the instruments granted. Stock-based compensation is measured at the fair value of the goods or services received or the fair value of the equity instruments issued as calculated using the Black-Scholes option pricing model. The offset to the recorded expense is to reserves. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors: exercise price, current market price of the underlying shares, expected life of the award, risk-free interest rate, forfeiture rate, and expected volatility.

(i) Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on taxable income for the period.

Deferred tax is provided for using the asset and liability method of accounting, whereby deferred tax assets and liabilities are recognized for the future tax effects of differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the tax bases of the assets and liabilities (temporary differences), unused tax losses and other income tax deductions. Temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss are not provided for. Deferred tax assets and liabilities are measured based on the expected manner of realization or settlement of the carrying amounts of the related assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss, except deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Loss per share

Loss per share is calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted loss per share is determined by adjusting loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

(k) Impairment of non-financial assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

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

(l) New accounting standards and interpretations

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), 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.

4. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

<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 consolidated financial statements are as follows:

(Expressed in Canadian Dollars)

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's earnings and equity reserves.

5. CASH AND CASH EQUIVALENTS

At June 30, 2025 and 2024, the Company's cash and cash equivalents are comprised of the following:

		June 30, 2025		**June 30, 2024**
Cash held in bank accounts	$	2,290,515	$	1,060,754
Cash equivalents		7,449,640		4,801,201
	$	**9,740,155**	**$**	**5,861,955**

Cash equivalents were held in cashable guaranteed investment certificates with interest rates of 3.40%, 3.30% and 2.75% at June 30, 2025, and interest rates of 5.05% and 5.20% at June 30, 2024.

The cash held in bank accounts disclosed above and in the statement of cash flows includes $221,343 (June 30, 2024 - $948,214) of advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden Mineral AB (Note 7) and are therefore not available for general use.

6. 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 7). These shares are publicly traded on the Exchange and are held at FVTPL. As at June 30, 2025, the fair value of the shares was $150,000 (June 30, 2024 - $145,000). During the year ended June 30, 2025, the Company recorded a fair value gain on investment of $5,000 (2024 – gain of $105,000) determined by reference to closing prices on the Exchange.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Tomtebo Property	Viken Property	Gruvberget Property	Bakar Property	Svärdsjö Property	Other Properties	Total
Acquisition Costs							
Balance, June 30, 2023	$ 1,715,857	$ -	$ 260,000	$ 32,051	$ 402,500	$ -	$ 2,410,408
Additions	100,499	412,375	42,450	-	8,334	138,374	702,032
Cost re-allocation	(95,151)	-	-	-	-	95,151	-
Impairment	-	-	-	-	(410,834)	-	(410,834)
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**
Deferred Exploration Costs							
Balance, June 30, 2023	$ 4,200,888	$ 2,089	$ 597,537	$ 95,147	$ 50,844	$ 3,504	$ 4,950,009
Consulting	230,345	22,592	5,131	17,854	2,189	65,371	343,482
Geochemistry	5,577	1,019	-	-	-	5,344	11,940
Drilling	477,173	-	-	-	-	-	477,173
Other costs (recovery)	(50,265)	5,392	980	2,336	3,664	8,521	(29,372)
Cost recovery	(850,124)	-	-	-	(5,753)	-	(855,877)
Impairment	-	-	-	-	(50,944)	-	(50,944)
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**
Balance, June 30, 2024	$ 5,734,799	$ 443,467	$ 906,098	$ 147,388	$ -	$ 316,265	$ 7,548,017
Balance, June 30, 2025	**$ 5,734,799**	**$ 1,427,637**	**$ 906,185**	**$ 148,963**	**$ -**	**$ 691,548**	**$ 8,909,132**

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 in fiscal 2021, except for certain payments due upon a mineral resource estimate and/or preliminary economic assessment. EMX retains a 2.5% 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").

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 year ended June 30, 2025, the Company earned an operator fee of $181,852 (2024 - $73,034).

On exercise of the Option, Boliden will contribute 100% of the 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 during the year ended June 30, 2024.

Subsequent to June 30, 2025, Boliden terminated the Option Agreement with the Company (Note 18).

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.

During the year ended June 30, 2025, the Company earned management fee income of $150 (2024 - $2,573).

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. Closing of the transaction remains subject to closing conditions, including approval by the Exchange.

e) Svärdsjö Property

During the year ended June 30, 2024, the Company determined that it would not continue any exploration activities on the Svärdsjö Property and would return the property to EMX Royalty Corp. Accordingly, the Company recorded an impairment expense of $461,778 related to the property. During the year ended June 30, 2025 further costs were incurred in relation to the property and accordingly the company recorded an additional impairment expense of $1,402.

f) 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
- Alum Shale Properties, including Tåsjö nr 101 to 105, located in the Jämtland and Västerbottens Counties, north-central Sweden.

During the year ended June 30, 2024, Bergslagen Metals AB received approval on certain mineral licenses from the Bergsstaten (Mining Inspectorate), including:

- Nianfors nr 1 and 2 mineral licences located in the Gävleborg County in central Sweden; and
- Alum Shale Properties, including Tåsjö nr 106 to 108, Malgomaj 1001 to 1003 and Österkälen nr 101, located in the Jämtland and Västerbotten Counties, north-central Sweden.

As at June 30, 2025, the Company held $23,576 (June 30, 2024 - $23,403) on deposit for reclamation deposits in Sweden for the Tomtebo, Viken and Gruvberget properties and $529,986 (June 30, 2024 - $Nil) for deposits to contractors for work not yet completed on the Companies Viken and Other Properties.

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At June 30, 2025 and 2024, the Company's accounts payable and accrued liabilities are comprised of the following:

		June 30, 2025		**June 30, 2024**
Trade payables	$	398,809	$	199,018
Accrued liabilities		181,284		70,225
	$	**580,093**	**$**	**269,243**

9. ADVANCE FROM BOLIDEN

At June 30, 2025 and June 30, 2024, the Company's Advance from Boliden is comprised of the following:

		June 30, 2025		**June 30, 2024**
Balance, beginning	$	948,214	$	-
Funds received		1,539,294		1,998,726
Invoices issued or to be issued to Boliden		(2,379,060)		(1,091,732)
Impact of change in exchange rates		112,895		41,220
Balance, ending	**$**	**221,343**	**$**	**948,214**

10. SHARE CAPITAL

(a) Authorized share capital

Unlimited number of common shares without par value.

(b) Issued share capital

<u>Year ended June 30, 2025</u>

During the year ended June 30, 2025, 1,795,000 options at an exercise price of $0.21 were exercised, of which 300,000 were exercised on a cashless basis, for aggregate gross proceeds of $313,950. The Company issued 1,651,171 shares pursuant to the option exercise and reclassified $337,792 from reserves to share capital.

During year ended June 30, 2025, 7,190,000 share purchase warrants were exercised at exercise prices of $0.20 and $0.30 for gross proceeds of $1,447,000.

During the year ended June 30, 2025, 583,356 compensation options were exercised at an exercise price of $0.15 and 1,218,008 compensation options were exercised at an exercise price of $0.22 for aggregate gross proceeds of $355,465. Accordingly, the Company reclassified $331,645 from reserves to share capital.

On January 31, 2025, the Company closed its acquisition of the 2% NSR Royalty over the remaining four mineral licences covering the Viken deposit (Norra Leden, Norr Viken, Lill Viken and Storviken) pursuant to which, the Company issued 500,000 common shares with a fair value of $197,500 of the Company (the "Viken NSR Consideration Shares") to the Vendor. As a result, the Company's 100% Viken deposit is free of any NSR Royalty. The hold period of 4 months and one day on the Viken NSR Consideration Shares expired on June 1, 2025.

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.

(Expressed in Canadian Dollars)

<u>Year ended June 30, 2024</u>

On January 15, 2024, the Company issued 1,000,000 common shares with a fair value of $250,000 pursuant to the acquisition of the Viken Property (Note 7).

On February 1, 2024, the Company issued 20,500,000 common shares for gross proceeds of $4,510,000 pursuant to the closing of a brokered private placement. Each Unit is comprised of one common share ("Common Share") in the capital of the Company and one-half of one Common Share purchase warrant (each whole such warrant, a "Warrant") of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at a price of $0.30 for a period of three (3) years. The fair value of the Warrants was determined to be $Nil using the residual value method. The Company incurred cash share issuance costs of $479,371 and issued 1,230,000 compensation options (the "Compensation Options"). Each Compensation Option entitles the holder thereof to acquire one additional common share at a price of $0.22 for a period of 36 months. The Compensation Options were determined to have a fair value of $247,109 using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 3.95%; expected life of 3 years; expected volatility of 110% and dividend yield of $Nil.

During the year ended June, 30, 2024, 845,000 stock options were exercised at an exercise price of $0.20 and 20,000 stock options were exercised at an exercise price of $0.21 for aggregate gross proceeds of $173,200. Accordingly, the Company reclassified $161,882 from reserves to share capital.

During the year ended June, 30, 2024, 407,500 share purchase warrants were exercised at an exercise price of $0.20 for gross proceeds of $81,500.

During the year ended June, 30, 2024, 550,426 compensation options were exercised at an exercise price of $0.15 and 11,992 compensation options were exercised at an exercise price of $0.22 for aggregate gross proceeds of $85,202. Accordingly, the Company reclassified $84,406 from reserves to share capital.

11. WARRANTS AND COMPENSATION OPTIONS

(a) Warrants

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

	June 30, 2025		June 30, 2024	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning of year	**19,842,500**	**$ 0.25**	**13,600,000**	**$ 0.24**
Issued	-	-	10,250,000	0.30
Exercised	(7,190,000)	0.20	(407,500)	0.20
Expired	-	-	(3,600,000)	0.35
Outstanding, end of year	**12,652,500**	**$ 0.28**	**19,842,500**	**$ 0.25**

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

Expiry date	Warrants outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
March 2, 2026	2,492,500	$ 0.20	0.67
February 1, 2027	10,160,000	$ 0.30	1.59
	12,652,500	**$ 0.28**	**1.41**

(b) Compensation options

A continuity schedule of the Company's outstanding compensation options for the years ended June 30, 2025 and 2024 is as follows:

(Expressed in Canadian Dollars)

	June 30, 2025		June 30, 2024	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning of year	**1,867,582**	**$ 0.20**	**1,558,320**	**$ 0.25[(1)]/0.15**
Granted	-	-	1,230,000	0.22
Exercised	(1,801,364)	0.20	(562,418)	0.15
Expired	-	-	(358,320)	0.25[(1)]
Outstanding, end of year	**66,218**	**$ 0.15**	**1,867,582**	**$ 0.20**

(1) *The holder of each compensation option is entitled to purchase one Unit (comprising one common share and one-half common share purchase warrant) at an exercise price of $0.25.*

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

Expiry date	Compensation options outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
March 2, 2026	66,218	$ 0.15	0.67

12. 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.

(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:

	June 30, 2025		June 30, 2024	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning of year	11,975,000	$ 0.27	9,240,000	$ 0.26
Granted	3,300,000	0.69	3,850,000	0.27
Exercised	(1,795,000)	0.21	(865,000)	0.20
Expired	(115,000)	0.32	(250,000)	0.26
Outstanding and exercisable, end of period	**13,365,000**	**$ 0.38**	**11,975,000**	**$ 0.27**

During the year ended June 30, 2025, the Company recognized an expense in respect of stock options of $1,712,286 in the statement of loss and comprehensive loss (2024 - $858,577).

(Expressed in Canadian Dollars)

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

Expiry date	Options outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
October 7, 2025	300,000	$ 0.33	0.27
December 30, 2025	1,350,000	$ 0.46	0.50
January 18, 2026	50,000	$ 0.45	0.55
April 13, 2026	150,000	$ 0.40	0.79
October 7, 2026	2,080,000	$ 0.25	1.27
March 6, 2028	2,300,000	$ 0.20	2.68
December 5, 2028	250,000	$ 0.175	3.44
January 5, 2029	150,000	$ 0.21	3.52
February 1, 2029	3,085,000	$ 0.28	3.59
February 13, 2029	300,000	$ 0.30	3.63
May 9, 2029	50,000	$ 0.42	3.86
June 27, 2030	3,300,000	$ 0.69	4.99
	13,365,000	**$ 0.38**	

The weighted average remaining contractual life of stock options outstanding at June 30, 2025 was 2.99 years (June 30, 2024 – 2.96 years).

(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.

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

	June 30, 2025		June 30, 2024	
	Number outstanding	Market Value at grant date	Number outstanding	Market Value at grant date
Outstanding, beginning of year	**-**	**$ -**	**-**	**$ -**
Issued	925,000	0.69	-	-
Outstanding, end of year	**925,000**	**$ 0.69**	**-**	**$ -**

During the year ended June 30, 2025, the Company recognized an expense in respect of RSUs of $3,205 in the statement of loss and comprehensive loss (year ended June 30, 2024 - $Nil).

(c) Deferred share units

Directors of the Company are eligible for deferred share units ("DSUs) in accordance with the Plan. The DSUs 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.

(Expressed in Canadian Dollars)

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

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

During the year ended June 30, 2025, the Company recognized an expense in respect of DSUs of $2,339 in the statement of loss and comprehensive loss (year ended June 30, 2024 - $Nil).

13. INCOME TAXES

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

	June 30, 2025	June 30, 2024
Net loss for the year	**$ (3,466,809)**	$ **(2,689,754)**
Canadian federal and provincial statutory income tax rate	**27.00%**	**27.00%**
Income tax benefit based on Canadian statutory income tax rates	**(936,038)**	**(726,234)**
Effects of the following:		
Non-deductible expenditures	**470,893**	**83,839**
Difference between Canadian and foreign tax rates	**(62,615)**	**77,293**
Share issuance costs	**(114,000)**	**-**
Over provided in prior years	**10,760**	**(177,810)**
Changes in unrecognized deferred tax assets	**631,000**	**742,912**
Income tax benefit	**$ -**	$ **-**

The tax effected items that give rise to significant portions of recognized deferred income tax assets and deferred income tax liabilities at June 30, 2025 and 2024 are as follows:

	June 30, 2025	June 30, 2024
Deferred income tax assets		
Non-capital losses	**$ 1,305,000**	$ 8,775
Deferred income tax liabilities		
Exploration and evaluation assets	**(1,296,000)**	(8,775)
Investment	**(9,000)**	-
Deferred income tax liabilities, net	**$ -**	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	June 30, 2025	Expiry Date Range
Exploration and evaluation assets	**$ 788,000**	No expiry date
Share issue cost	**852,000**	2046 to 2049
Capital losses	**16,525,000**	No expiry date
Non-capital loss carry-forwards	**19,338,000**	2026 to 2045, no expiry
Canada	*17,843,000*	2026 to 2045, no expiry
Sweden	**$** *1,495,000*	No expiry date

(Expressed in Canadian Dollars)

		June 30, 2024	Expiry Date Range
Exploration and evaluation assets	$	926,000	No expiry date
Share issue cost		1,045,000	2045 to 2048
Capital losses		16,485,000	No expiry date
Non-capital loss carry-forwards		16,891,000	2026 to 2044, no expiry
Canada		*14,989,000*	2026 to 2044, no expiry
Sweden	$	*1,902,000*	No expiry date

14. 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 (Notes 7 and 18). The Company did not change its capital management approach during the year ended June 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.

15. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

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

		June 30, 2025		June 30, 2024
Financial assets:				
Amortized cost				
Cash and cash equivalents	$	9,740,155	$	5,861,955
Fair value through profit and loss				
Investment		150,000		145,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	580,093	$	269,243
Advance from Boliden		221,343		948,214

Accounts payable and accrued liabilities as at June 30, 2025 includes amounts due to related parties (Note 17).

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 June 30, 2025 and 2024, 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 June 30, 2025 and 2024, the Company was exposed to credit risk on its cash and cash equivalents and GST and VAT receivable.

The Company's cash and cash equivalents is 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 June 30, 2025 and 2024, 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 June 30, 2025, the Company had cash and cash equivalents of $9,740,155 (June 30, 2024 - $5,861,955), of which $221,343 (June 30, 2024 - $948,214) were advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden Mineral AB (Notes 7 and 18) and are therefore not available for general use, and accounts payable and accrued liabilities of $580,093 (June 30, 2024 - $269,243) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at June 30, 2025. The Company assessed its liquidity risk as low as at June 30, 2025 and 2024.

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 June 30, 2025 and 2024.

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 June 30, 2025 and 2024, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros and SEK:

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

(Expressed in Canadian Dollars)

June 30, 2024

		Euros		SEK
Cash and cash equivalents		2,119		6,688,329
GST and VAT receivable		-		1,850,640
Prepaid expenses		-		189,276
Accounts payable and accrued liabilities		(10,199)		(177,311)
Advance payment from Boliden		-		(7,440,034)
Net		(8,080)		1,110,900
Canadian dollar equivalent	$	(11,844)	$	143,417

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 $3,328 and $104,025 (June 30, 2024 - $1,184 and $14,342), respectively. As at June 30, 2025 and 2024, the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at June 30, 2025 and 2024.

16. 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 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

As at June 30, 2024		Sweden		Canada		Total
Advances and deposits		23,403		-		23,403
Exploration and evaluation assets		7,400,629		147,388		7,548,017
	$	7,424,032	$	147,388	$	7,571,420

17. 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 years ended June 30, 2025 and 2024 were as follows:

	For the Years Ended			
		June 30, 2025		June 30, 2024
Salary	$	382,500	$	382,500
Consulting	$	351,520	$	299,120

(b) On June 1, 2020, the Company entered into an employment agreement with the Company's Chief Executive Officer ("CEO") effective June 1, 2020, pursuant to which, if the Company experiences a change of control the CEO is entitled to 24 months of salary. Pursuant to the employment agreement, the Company incurred a total salary of $382,500 to the CEO during the year ended June 30, 2025 (2024 – $382,500), of which $127,500 relates to a performance bonus approved by the Board (2024 - $127,500), recorded in consulting fees. The Company had $Nil due to the CEO in relation to reimbursable expenses at June 30, 2025 (June 30, 2024 - $12,533).

(c) During the years ended June 30, 2025 and 2024, the Company paid consulting fees of $137,500 and $100,000, respectively, for services provided by the CFO, of which $45,000 relates to a performance bonus approved by the Board (2024 - $25,000).

(d) During the years ended June 30, 2025 and 2024, the Company incurred stock-based compensation expense of $827,442 and $505,802, respectively, related to stock options, RSUs and DSUs granted to officers and directors of the Company.

(e) In each of the years ended June 30, 2025 and 2024, the Company paid director's fees of $72,000, recorded in consulting fees, to directors of the Company.

(f) During the years ended June 30, 2025 and 2024 the Company paid consulting fees of $115,020 and $107,320, respectively, to a company controlled by a close family member of the CFO for administrative, accounting and corporate services. During the year ended June 30, 2025 and 2024, the Company also paid consulting fees of $27,000 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 Ean-In Agreement. The Company had $78 due to a company controlled by a close family member of the CFO in relation to reimbursable expenses at June 30, 2025 (June 30, 2024 - $Nil).

18. SUBSEQUENT EVENTS

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

- 150,000 options were exercised for gross proceeds of $31,500;
- 2,815,000 warrants were exercised for gross proceeds of $844,500; and
- 12,000 compensation options were exercised for gross proceeds of $1,800.

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

Management Discussion and Analysis
For the Years Ended June 30, 2025 and 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 year ended June 30, 2025. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2025 and 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. This MD&A complements and supplements but does not form part of the Company's consolidated 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 11. 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 September 24, 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 OTCQB 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". 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 the status of the moratorium on uranium mining 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 years ended June 30, 2025 and 2024 are as follows:

	Tomtebo Property	Viken Property	Gruvberget Property	Bakar Property	Svärdsjö Property	Other Properties	Total
Acquisition Costs							
Balance, June 30, 2023	$ 1,715,857	$ -	$ 260,000	$ 32,051	$ 402,500	$ -	$ 2,410,408
Additions	100,499	412,375	42,450	-	8,334	138,374	702,032
Cost re-allocation	(95,151)	-	-	-	-	95,151	-
Impairment	-	-	-	-	(410,834)	-	(410,834)
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**
Deferred Exploration Costs							
Balance, June 30, 2023	$ 4,200,888	$ 2,089	$ 597,537	$ 95,147	$ 50,844	$ 3,504	$ 4,950,009
Consulting	230,345	22,592	5,131	17,854	2,189	65,371	343,482
Geochemistry	5,577	1,019	-	-	-	5,344	11,940
Drilling	477,173	-	-	-	-	-	477,173
Other costs (recovery)	(50,265)	5,392	980	2,336	3,664	8,521	(29,372)
Cost recovery	(850,124)	-	-	-	(5,753)	-	(855,877)
Impairment	-	-	-	-	(50,944)	-	(50,944)
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**
Balance, June 30, 2024	$ 5,734,799	$ 443,467	$ 906,098	$ 147,388	$ -	$ 316,265	$ 7,548,017
Balance, June 30, 2025	**$ 5,734,799**	**$ 1,427,637**	**$ 906,185**	**$ 148,963**	**$ -**	**$ 691,548**	**$ 8,909,132**

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”).

Pursuant to the Earn-In Agreement the Company was appointed as 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 year ended June 30, 2025, the Company earned an operator fee of $181,852 (2024 - $73,034).

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.

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. The hold period on the Viken NSR Consideration Shares expired on June 1, 2025.

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.

Subsequent to June 30, 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. There is currently a moratorium on uranium mining and exploration in Sweden that was imposed in 2018, which is being revisited by the Swedish authorities. Accordingly, apart from the MobileMT survey, the Company is planning limited activity on the Viken Property, including commencement of a Preliminary Economic Assessment, pending developments with respect to the moratorium.

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. Closing of the transaction remains subject to closing conditions, including approval by the Exchange.

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.

During the year ended June 30, 2024, the Company determined that it would not continue any exploration activities on the Svärdsjö Property and would return the property to EMX Royalty Corp. Accordingly, during the years ended June 30, 2025 and 2024, the Company recorded an impairment expense of $1,402 and $461,778, respectively.

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.

Subsequent to June 30, 2025, the Company completed Unmanned Aerial Vehicle (“UAV”) radiometric and magnetic surveys at the Sågtjärn and Nianfors Properties, the result of which lead to the Company applying for the following mineral licenses from the Bergsstaten (Mining Inspectorate):

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

The Company has not yet completed the UAV survey at Ardnasvarre.

The Company believes that all of the Other 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, apart from the UAV surveys, the Company has largely deferred activities on the Other Properties pending developments in Sweden with respect to the moratorium.

ANNUAL FINANCIAL INFORMATION

The selected financial information below are derived from the Company’s audited consolidated financial statements, prepared in accordance with IFRS.

	Year ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Total revenue	$ -	$ -	$ -
Operating expenses	3,769,503	2,382,280	1,300,696
Other expenses (income)	(302,694)	307,474	16,094
Net loss	3,466,809	2,689,754	1,316,790
Total comprehensive loss	3,466,809	2,689,754	1,316,790
Basic and diluted loss per common share	0.03	0.02	0.02

	As at		
	June 30, 2025	June 30, 2024	June 30, 2023
Cash and cash equivalents	$ 9,740,155	$ 5,861,955	$ 2,525,835
Exploration and evaluation assets	8,909,132	7,548,017	7,360,417
Total assets	19,730,871	14,005,032	10,120,963
Current financial liabilities	801,436	1,217,457	119,242
Shareholders' equity	18,929,435	12,787,575	10,001,721

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

The Company incurred a loss and comprehensive loss of $3,466,809 during the year ended June 30, 2025, an increase in loss of $777,055, as compared to the loss and comprehensive loss of $2,689,754 for the year ended June 30, 2024. The increase in loss and comprehensive loss was primarily driven by:

- Increase in stock-based compensation expense of $1,717,830 in the current year compared to $858,577 in the comparative year, resulting from an increase in fair value of the stock options granted;
- Decrease in unrealized gain on investment, related to the fair value of the common shares the Company holds in Sherpa II; and
- Increases in marketing and investor relations, transfer agent, regulatory and listing fees, professional fees and general and administrative expenses, largely related to the Company's listing on the Nasdaq First North Growth Market in January 2025.

And, partially offset by:

- An increase in management fee income of $106,395 earned pursuant to the Earn-In Agreement and interest income of $19,732;
- Decreases in the write-down of exploration and evaluation assets resulting from the abandonment of Svärdsjö in 2024 and a decrease in foreign exchange loss, consistent with a greater amount of cash held in investments in the current year.

Summary of quarterly results

The following table provides a summary of financial data for the Company's most recent eight quarters:

Quarter ended		Revenue	Loss before other income and expenses	Loss and comprehensive loss	Basic and diluted income (loss) per common share
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	$ -	$ (415,134)	$ (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)
Q1/24	September 30, 2023	$ -	$ (191,456)	$ (161,398)	$ (0.00)

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

- 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.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated financial statements for the year ended June 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 June 30, 2025, the Company had cash and cash equivalents of $9,740,155 (June 30, 2024 - $5,861,955) and its current assets exceeded its current liabilities by $9,466,741 (June 30, 2024 - $5,216,155). 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 $67,083,273 as at June 30, 2025 (June 30, 2024 - $63,646,859). 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.

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.

During the year ended June 30, 2025, 1,795,000 options at an exercise price of $0.21 were exercised, of which 300,000 were exercised on a cashless basis, for aggregate gross proceeds of $313,950, 7,190,000 share purchase warrants were exercised at exercise prices of $0.20 and $0.30 for gross proceeds of $1,447,000, and 1,801,364 compensation options were exercised for aggregate gross proceeds of $355,465.

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

- 150,000 options were exercised for gross proceeds of $31,500;
- 2,815,000 warrants were exercised for gross proceeds of $844,500; and
- 12,000 compensation options were exercised for gross proceeds of $1,800.

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 March 2025 Financing and the February 2024 Financing, its earnings under the Earn-In Agreement, and proceeds from the exercise of stock options, share purchase 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 year ended June 30, 2025, was $2,818,500 compared to $698,048 cash used in operating activities for the year ended June 30, 2024.

During the year ended June 30, 2025, the Company's invested $996,639 in exploration and evaluation assets compared with $332,863 during the year ended June 30, 2024.

During the year ended June 30, 2025, the Company raised $7,693,339 from financing activities, including the issuance of shares, exercise of warrants, compensation options and stock options, net of share issuance costs (2024 - $4,367,031).

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 Years Ended			
		June 30, 2025		June 30, 2024
Salary	$	382,500	$	382,500
Consulting	$	351,520	$	299,120

On June 1, 2020, the Company entered into an employment agreement with the Company's Chief Executive Officer ("CEO") effective June 1, 2020, pursuant to which, if the Company experiences a change of control the CEO is entitled to 24 months of salary. Pursuant to the employment agreement, the Company incurred a total salary of $382,500 to the CEO during the year ended June 30, 2025 (2024 – $382,500). The Company had $Nil due to the CEO in relation to reimbursable expenses at June 30, 2025 (June 30, 2024 - $12,533).

During the year ended June 30, 2025, the Company paid consulting fees of $137,500 (2024 - $100,000), respectively, for services provided by the CFO.

Effective June 27, 2025, the Company approved certain amendments to change of control or termination benefits within the CEO's executive employment agreement and the CFO's executive consulting agreement (each, the "Executive Agreement"). Pursuant to the amendments, if there is a change of control of the Company and the Executive Agreement is terminated by the Company within 12 months of the change of control, the Company will pay the executive two times annual compensation plus two times the average annual bonus paid, if any, during the last two full years of employment immediately upon such termination, and all incentive securities granted to the executive shall immediately vest and be exercisable in accordance with the Company's Omnibus Incentive Plan (the "Plan"). If the executive is otherwise terminated without cause, the Company will pay the executive one times annual compensation plus one times the average annual bonus paid, if any, during the last full year of employment immediately upon such termination, and all incentive securities granted to the executive shall immediately vest and be exercisable in accordance with the Plan.

During the years ended June 30, 2025 and 2024, the Company incurred stock-based compensation expense of $827,442 and $505,802, respectively, related to stock options, restricted share units ("RSUs") and deferred share units ("DSUs") granted to officers and directors of the Company.

During the year ended June 30, 2025, the Company paid director's fees of $72,000 (2024 - $72,000), to directors of the Company, recorded in consulting fees.

During the year ended June 30, 2025, the Company paid consulting fees of $142,020 (2024 - $107,320) to a company controlled by a close family member of the CFO for administrative, accounting and corporate services. The Company had $78 due to the company controlled by a close family member of the CFO in relation to reimbursable expenses at June 30, 2025 (June 30, 2024 - $Nil).

FOURTH QUARTER

		June 30, 2025		June 30, 2024		June 30, 2023
EXPENSES						
General and administrative costs	$	43,708	$	71,701	$	15,582
Marketing and investor relations		86,864		146,752		22,675
Consulting fees		150,171		132,234		129,191
Professional fees		73,670		87,481		45,269
Property investigation costs		-		878		29,417
Stock-based compensation expense		1,717,830		16,968		-
Transfer agent, regulatory and listing fees		25,470		8,037		8,368
Foreign exchange loss		76,153		269,136		14,643
Unrealized (gain) loss on investments		(120,000)		(50,000)		10,000
Write-down of exploration and evaluation assets		45		461,778		-
Interest and dividend income		(37,256)		(61,780)		(28,745)
Other income		(27,739)		(26,974)		(46,564)
Loss and comprehensive loss	$	1,988,916	$	1,056,211	$	199,836

The Company incurred a loss and total comprehensive loss of $1,988,916 during the three months ended June 30, 2025 compared to $1,056,211 for the same period of 2024, an increase in loss of $932,705.

The increase in loss was primarily the result of an increase in stock-based compensation expense in the current year over the prior year of $1,700,862. The increase in loss was partially offset by a decrease in the write-down of exploration and evaluation assets of $461,733 in the current quarter, where a significant write-down of the Svärdsjö Property was recognized in the fourth quarter of 2024.

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 consolidated financial statements for the year ended June 30, 2025 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 expenditure 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 year ended June 30, 2025.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

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

		June 30, 2025		June 30, 2024
Financial assets:				
Amortized cost				
Cash and cash equivalents	$	9,740,155	$	5,861,955
Fair value through profit and loss				
Investment		150,000		145,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	580,093	$	269,243
Advance from Boliden		221,343		948,214

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, 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 June 30, 2025 and June 30, 2024, 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 June 30, 2025 and 2024, the Company was exposed to credit risk on its cash and cash equivalents, and GST and VAT receivable.

The Company's cash and cash equivalents is 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 June 30, 2025 and 2024, 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 June 30, 2025, the Company had cash and cash equivalents of $9,740,155 (June 30, 2024 - $5,861,955), of which $221,343 (June 30, 2024 - $948,214) were advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden Mineral AB and are therefore not available for general use, and accounts payable and accrued liabilities of $580,093 (June 30, 2024 - $269,243) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at June 30, 2025. The Company assessed its liquidity risk as low as at June 30, 2025 and 2024.

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 June 30, 2025 and 2024.

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 June 30, 2025 and June 30, 2024, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros and Swedish Krona ("SEK"):

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

June 30, 2024

	Euros	SEK
Cash and cash equivalents	2,119	6,688,329
GST and VAT receivable	-	1,850,640
Prepaid expenses	-	189,276
Accounts payable and accrued liabilities	(10,199)	(177,311)
Advance payment from Boliden	-	(7,440,034)
Net	(8,080)	1,110,900
Canadian dollar equivalent	$ (11,844)	$ 143,417

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 $3,238 and $104,025 (June 30, 2024 - $1,184 and $14,342), respectively. As at June 30, 2025 and 2024 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at June 30, 2025 and 2024.

OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 166,657,381 common shares issued and outstanding (June 30, 2024 – 130,315,625), 13,215,000 stock options outstanding, 54,218 compensation options outstanding, 9,837,500 warrants outstanding, 925,000 RSU's outstanding, and 675,000 DSU's 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.

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 potential 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; that the Swedish government will eventually lift or amend its moratorium on uranium exploration and mining 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; that the Swedish government maintains its moratorium on uranium exploration and mining in Sweden for the foreseeable future; 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.