



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

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess the financial condition and results of operations of District Metals Corp. (the "Company" or "District Metals") for the three months ended September 30, 2025. This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended September 30, 2025 and 2024, prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), and the audited annual consolidated financial statements of the Company for the financial year ended June 30, 2025 and 2024. This MD&A complements and supplements but does not form part of the Company's condensed consolidated interim financial statements.

This MD&A contains forward-looking information. In particular, statements regarding the adequacy of cash resources to carry out the Company's exploration programs, plans for additional exploration and the possibility that the moratorium on uranium mining in Sweden may be rescinded are forward-looking information. All forward-looking information, including those not specifically identified herein, are made subject to cautionary language on page 10. Readers are advised to refer to the cautionary language when reading any forward-looking information.

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

BUSINESS OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Alberta) on July 24, 1989, and continued into the Province of British Columbia on March 31, 2006. On July 17, 2019, the Company changed its name to District Metals Corp. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "DMX", on the Frankfurt Stock Exchange under the symbol "DFPP" and on the United States OTCQX under the symbol "DMXCF". On January 23, 2025, the Company's depository receipts began trading on Nasdaq First North Growth Market under the symbol "DMXSE SDB". On November 12, 2025, the Company's common shares were upgraded to the OTCQX Market from the OTCQB Market in the United States. The Company has two wholly-owned subsidiaries incorporated under the laws of Sweden, District Metals AB and Bergslagen Metals AB.

The Company is a polymetallic exploration stage company in the business of acquiring, exploring, and evaluating prospective mineral properties, and either developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company's primary properties are the Viken and Tomtebo properties, located in Sweden.

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

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

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

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

Tomtebo Property, Sweden

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

On October 27, 2023, the Company entered into a mineral property earn-in and option agreement (the "Earn-In Agreement") with Boliden Mineral AB ("Boliden") pursuant to which the Company, through District Metals AB, granted Boliden a right and option to acquire an 85% interest in the mineral claims comprising the Company's Tomtebo Property (the "Option").

The Company is the operator during the Option stage and as consideration is entitled to a 7.5% fee on qualifying expenditures (as defined in the Earn-In Agreement). During the three months ended September 30, 2025, the Company earned an operator fee of \$20,067 (September 30, 2024 - \$15,857).

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

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

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

Viken Property, Sweden

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

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

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

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

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

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

Gruvberget Property, Sweden

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

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

Bakar Property, British Columbia

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

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

Other Properties

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

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

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

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

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

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

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

FINANCIAL REVIEW

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

Results of operations for the three months ended September 30, 2025

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

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

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

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

Summary of quarterly results

The following table provides a summary of financial data for the Company’s most recent eight quarters derived from the Company’s unaudited condensed interim financial statements:

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

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

- The Company's Q1 2026 loss was influenced by stock-based compensation expense of \$170,025. When normalized for this amount, the net loss was \$192,965.
- The Company's Q4 2025 loss was influenced by stock-based compensation expense of \$1,717,830. When normalized for this amount, the net loss was \$271,086.
- The Company's Q3 2025 loss was influenced by increased transfer agent, regulatory, and listing fees as well as professional fees in relation to the Company's listing on the Nasdaq First North Growth Market stock exchange in Sweden during that quarter.
- The Company's Q2 2025 loss was influenced by annual incentive payments of \$208,500 recognized during the quarter. When normalized for this amount, the loss was \$498,552.
- An unrealized loss on investment in marketable securities of \$95,000 contributed to the loss in Q1 2025.
- The Company's Q4 2024 loss was influenced by a write-down of exploration and evaluation assets related to the Company's Svärdsjö property. After normalizing for the write-down, loss was \$594,433.
- The Company's Q3 2024 loss was influenced by stock-based compensation expense of \$807,028. When normalized for this amount, loss was \$352,333.
- The Company's Q2 2024 loss was influenced by consulting expense of \$334,136, and professional fees of \$81,106, offset by unrealized gain on investments of \$60,000 and interest and dividend income of \$25,183.

LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated interim financial statements for the three months ended September 30, 2025 have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

At September 30, 2025, the Company had cash and cash equivalents of \$9,237,457 (June 30, 2025 - \$9,740,155) and its current assets exceeded its current liabilities by \$9,560,024 (June 30, 2025 - \$9,466,741). The Company currently does not generate revenue from operations. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of \$67,446,263 as at September 30, 2025 (June 30, 2025 - \$67,083,273). Pursuant to the Earn-In Agreement, the Company earns a 7.5% operator fee on qualifying expenditures.

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

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

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

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

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

Cash flows

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

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

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

TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

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

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

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

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

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

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

PROPOSED TRANSACTIONS

None.

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

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements for the three months ended September 30, 2025 as follows:

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 condensed interim consolidated financial statements are as follows:

Going concern

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

Determination of functional currency

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

Impairment of long-lived assets

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

Key sources of estimation uncertainty

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

Valuation of stock-based compensation and compensation options

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

NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

IFRS 18 – Presentation and Disclosure in Financial Statements

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

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

OFF-BALANCE SHEET ARRANGEMENTS

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

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

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

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

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

Fair value information

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

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

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

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

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

Investments are measured at fair value using level 1 inputs. At September 30, 2025 and June 30, 2025, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

Financial instrument risk exposure

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At September 30, 2025 and June 30, 2025, the Company was exposed to credit risk on its cash and cash equivalents and receivables, primarily comprised of GST and VAT receivables.

The Company's cash and cash equivalents are held with high credit quality financial institutions in Canada and Sweden, and GST and VAT receivable is recoverable from the government of Canada and Sweden, respectively. As at September 30, 2025 and June 30, 2025, management considers its exposure to credit risk to be low

Liquidity risk

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

At September 30, 2025, the Company had cash and cash equivalents of \$9,237,457 (June 30, 2025 - \$9,740,155) and accounts payable and accrued liabilities of \$273,081 (June 30, 2025 - \$580,093) with contractual maturities of less than one year. At June 30, 2025, there was \$221,343 of advances made to the Company pursuant to the terms of the Earn-in Agreement with Boliden

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk as at September 30, 2025 and June 30, 2025.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

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

September 30, 2025		
	Euros	SEK
Cash and cash equivalents	2,177	4,076,177
GST and VAT receivable	-	247,712
Prepaid expenses	-	699,654
Accounts payable and accrued liabilities	(14,968)	(1,166,377)
Advance from Boliden	-	450,478
Net	(12,791)	4,307,644
Canadian dollar equivalent	\$ (20,888)	\$ 636,670

June 30, 2025		
	Euros	SEK
Cash and cash equivalents	2,156	4,762,073
GST and VAT receivable	-	1,394,737
Prepaid expenses	-	3,901,788
Accounts payable and accrued liabilities	(22,353)	(1,279,231)
Advance payment from Boliden	-	(1,540,315)
Net	(20,197)	7,239,052
Canadian dollar equivalent	\$ (32,375)	\$ 1,040,252

Based on the above net exposures, a 10% change in the Canadian dollar/Euro and Canadian dollar/SEK exchange rate would impact the Company's net loss by approximately \$2,089 and \$64,357 (June 30, 2025 - \$3,328 and \$104,025), respectively. As at September 30, 2025 and June 30, 2025 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at September 30, 2025 and June 30, 2025.

OUTSTANDING SHARE CAPITAL DATA

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

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

RISKS AND UNCERTAINTIES

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the mineral exploration and development industry, including uranium mining regulation in Sweden.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks associated with the following: the reliability of historic data on District’s properties; the Company’s ability to raise sufficient capital to finance planned exploration; the Company’s limited operating history; the Company’s negative operating cash flow and dependence on third-party financing; the uncertainty of additional funding; the uncertainties associated with early stage exploration activities including general economic, market and business conditions, the regulatory process, failure to obtain necessary permits and approvals, technical issues, potential delays, unexpected events and management’s capacity to execute and implement its future plans; the Company’s ability to identify Mineral Resources and Mineral Reserves; the substantial expenditures required to establish Mineral Reserves through drilling and the estimation of Mineral Reserves or Mineral Resources; the uncertainty of estimates used to calculate 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 cybersecurity 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.