DISTRICT METALS CORP.

Consolidated Financial Statements
For the years ended June 30, 2024 and 2023
(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 statement of financial position as at June 30, 2024, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the year 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, 2024, and its financial performance and its cash flows for the year 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, 2024 of $2,689,754 and negative cash flows from operations since inception with an accumulated deficit of $63,646,859 as at June 30, 2024. 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.

Other Matters

The consolidated financial statements of District Metals Corp. for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on October 25, 2023.

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.

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 $7,548,017 as of June 30, 2024. 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 Asset.

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 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

October 24, 2024

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

As at	June 30, 2024	June 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	$ 5,861,955	$ 2,525,835
GST and VAT receivable	254,659	50,831
Prepaid expenses	171,998	21,656
Investment (Note 6)	145,000	40,000
	6,433,612	2,638,322
Advances and deposits (Note 7)	23,403	122,224
Exploration and evaluation assets (Note 7)	7,548,017	7,360,417
TOTAL ASSETS	$ 14,005,032	$ 10,120,963
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 16)	$ 269,243	$ 119,242
Advance from Boliden (Note 9)	948,214	-
TOTAL LIABILITIES	1,217,457	119,242
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	73,347,633	68,731,423
Reserves (Note 11)	3,086,801	2,474,060
Accumulated deficit	(63,646,859)	(61,203,762)
TOTAL SHAREHOLDERS' EQUITY	12,787,575	10,001,721
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 14,005,032	$ 10,120,963

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

These consolidated financial statements were authorized for issue by the Board of Directors on October 24, 2024. 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, 2024	June 30, 2023
EXPENSES		
General and administrative costs	$ 174,317	$ 80,854
Marketing and investor relations	247,877	122,509
Salaries and consulting fees (Note 16)	815,084	527,700
Professional fees	213,092	84,318
Property investigation costs	25,171	45,781
Stock-based compensation (Notes 11 and 16)	858,577	389,481
Transfer agent, regulatory and listing fees	48,162	50,053
OPERATING EXPENSES	2,382,280	1,300,696
OTHER EXPENSES (INCOME)		
Foreign exchange loss	188,707	11,403
Fair value (gain) loss on investment (Note 6)	(105,000)	80,000
Interest and dividend income (Note 5)	(162,404)	(28,745)
Write-down of exploration and evaluation assets (Note 7)	461,778	-
Other income (Note 7)	(75,607)	(46,564)
LOSS AND COMPREHENSIVE LOSS	$ 2,689,754	$ 1,316,790
Basic and diluted loss per share	$ 0.02	$ 0.02
Weighted average number of common shares outstanding, basic and diluted	116,215,195	72,989,092

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, 2024	June 30, 2023
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Loss	**$ (2,689,754)**	$ (1,316,790)
Adjustments for items not affecting cash:		
Fair value (gain) loss on investment	**(105,000)**	80,000
Impairment loss	**461,778**	-
Stock-based compensation	**858,577**	389,481
	(1,474,399)	(847,309)
Net changes in non-cash working capital items:		
GST and VAT receivable	**(203,828)**	(18,206)
Prepaid expenses	**(150,342)**	14,501
Accounts payable and accrued liabilities	**182,307**	2,579
Advance from Boliden	**948,214**	-
Net cash flows used in operating activities	**(698,048)**	(848,435)
INVESTING ACTIVITIES		
Advances and deposits	**(4,860)**	(70,571)
Exploration and evaluation exploration	**(328,003)**	(614,670)
Net cash flows used in investing activities	**(332,863)**	(685,241)
FINANCING ACTIVITIES		
Proceeds from private placement	**4,510,000**	3,000,000
Proceeds from stock options exercised	**173,200**	-
Proceeds from compensation options exercised	**85,202**	-
Proceeds from warrants exercised	**81,500**	-
Share issuance costs	**(482,871)**	(448,767)
Net cash flows provided from financing activities	**4,367,031**	2,551,233
Net increase in cash and cash equivalents	**3,336,120**	1,017,557
Cash and cash equivalents, beginning of year	**2,525,835**	1,508,278
Cash and cash equivalents, end of year	**$ 5,861,955**	$ 2,525,835

Supplemental cash flow information	**$**	$
Non-cash share issuance for exploration and evaluation assets	250,000	-
Exploration and evaluation assets included in accounts payable and accrued liabilities	17,348	49,654
Advances and deposits included in accounts payable and accrued liabilities	-	7,198
Fair value reallocation pursuant to stock options expiry	55,335	401,888
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	161,882	-
Transfer of reserves on exercise of compensation options	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	Reserves	Accumulated deficit	Total
Balance, June 30, 2022	**86,980,707**	**$ 66,358,955**	**$ 2,307,702**	**$ (60,288,860)**	**$ 8,377,797**
Fair value reallocation pursuant to stock option expiry (Note 11)	-	-	(401,888)	401,888	-
Common shares and warrants issued in private placement (Note 10)	20,000,000	3,000,000	-	-	3,000,000
Share issuance costs (Note 11)	-	(627,532)	178,765	-	(448,767)
Stock-based compensation (Note 11)	-	-	389,481	-	389,481
Net loss for the year	-	-	-	(1,316,790)	(1,316,790)
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 10)	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 11)	-	(729,980)	247,109	-	(482,871)
Shares issued pursuant to stock option exercise (Note 11)	865,000	335,082	(161,882)	-	173,200
Shares issued pursuant to compensation option exercise (Note 11)	562,418	169,608	(84,406)	-	85,202
Shares issued pursuant to warrant exercise (Note 11)	407,500	81,500	-	-	81,500
Fair value reclassification pursuant to stock option expiry (Note 11)	-	-	(55,335)	55,335	-
Fair value reclassification pursuant to warrant expiry (Note 11)	-	-	(144,000)	144,000	-
Fair value reclassification pursuant to compensation option expiry (Note 11)	-	-	(47,322)	47,322	-
Stock-based compensation (Note 11)	-	-	858,577	-	858,577
Net 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**

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" and on the Frankfurt Stock Exchange under the symbol "DFPP" and on the United States OTCQB under the symbol "DMXCF".

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, 2024 of $2,689,754 (2023 - $1,316,790) and negative cash flows from operations since inception with an accumulated deficit of $63,646,859 as at June 30, 2024 (June 30, 2023 - $61,203,762). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These 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 ("IASB").

(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.

(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 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 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 pronouncements

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

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

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

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

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.

4. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Material accounting judgments

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

Going concern

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

Determination of functional currency

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

Impairment of long-lived assets

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

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the 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.

(Expressed in Canadian Dollars)

5. CASH AND CASH EQUIVALENTS

At June 30, 2024 and 2023, the Company's cash and cash equivalents are comprised of the following:

		June 30, 2024		June 30, 2023
Cash held in bank accounts	$	1,060,754	$	502,302
Cash equivalents		4,801,201		2,023,533
Total	**$**	**5,861,955**	**$**	**2,525,835**

Cash equivalents were held in cashable guaranteed investment certificates with an interest rate of 5.05% and 5.20%.

The cash held in bank accounts disclosed above and in the statement of cash flows include $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, 2024, the fair value of the shares was $145,000 (2023 - $40,000). During the year ended June 30, 2024, the Company recorded a fair value gain on investment of $105,000 (2023 – loss of $80,000) determined by reference to closing prices on the Exchange.

7. EXPLORATION AND EVALUATION ASSETS

	Tomtebo Property	Svärdsjö Property	Gruvberget Property	Bakar Property	Other Properties	Total
Acquisition Costs						
Balance, June 30, 2022	$ 1,620,706	$ 402,500	$ 260,000	$ 32,051	$ -	$ 2,315,257
Additions	95,151	-	-	-	-	95,151
Balance, June 30, 2023	$ 1,715,857	$ 402,500	$ 260,000	$ 32,051	$ -	$ 2,410,408
Additions	100,499	8,334	42,450	-	550,749	702,032
Cost re-allocation	(95,151)	-	-	-	95,151	-
Impairment	-	(410,834)	-	-	-	(410,834)
Balance, June 30, 2024	**$ 1,721,205**	**$ -**	**$ 302,450**	**$ 32,051**	**$ 645,900**	**$ 2,701,606**
Deferred Exploration Costs						
Balance, June 30, 2022	$ 4,102,094	$ 40,031	$ 454,376	$ 4,326	$ -	$ 4,600,827
Consulting	54,762	2,413	65,435	90,821	5,055	218,486
Geochemistry	9,623	-	39,642	-	-	49,265
Geophysics	-	8,400	19,600	-	-	28,000
Other costs	34,409	-	18,484	-	538	53,431
Balance, June 30, 2023	$ 4,200,888	$ 50,844	$ 597,537	$ 95,147	$ 5,593	$ 4,950,009
Consulting	230,345	2,189	5,131	17,854	87,963	343,482
Geochemistry	5,577	-	-	-	6,363	11,940
Drilling	477,173	-	-	-	-	477,173
Other costs (recovery)	(50,265)	3,664	980	2,336	13,913	(29,372)
Cost recovery	(850,124)	(5,753)	-	-	-	(855,877)
Impairment	-	(50,944)	-	-	-	(50,944)
Balance, June 30, 2024	**$ 4,013,594**	**$ -**	**$ 603,648**	**$ 115,337**	**$ 113,832**	**$ 4,846,411**
Balance, June 30, 2023	$ 5,916,745	$ 453,344	$ 857,537	$ 127,198	$ 5,593	$ 7,360,417
Balance, June 30, 2024	**$ 5,734,799**	**$ -**	**$ 906,098**	**$ 147,388**	**$ 759,732**	**$ 7,548,017**

As at June 30, 2024, the Company paid $23,403 (2023 - $18,543) for reclamation deposits for the Tomtebo, Svärdsjö and Gruvberget properties in Sweden and paid a deposit for mineral licenses not yet approved of $Nil (2023 - $78,681).

a) Tomtebo Property

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

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

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

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

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, 2024, the Company earned an operator fee of $73,034 (2023 - $Nil).

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

Under the terms of the joint venture, should the Company's interest be diluted below 10%, the joint venture will terminate and the Company's interest will be converted to a 1% net smelter returns ("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.

b) Svärdsjö Property

During the year ended June 30, 2024, the Company determined that it would not continue to conduct 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.

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.

Pursuant to the Bakar sale agreement with Sherpa II from December 18, 2020, the 2.0% NSR was carried over from the royalty agreement dated July 12, 2019 between the Company and Longford Capital Corp. on one of the eight mineral claims that comprises the Bakar Property. The 2.0% NSR may be repurchased entirely for $6,500,000 cash.

On November 10, 2022, the Company ratified an Exploration Management Agreement (the "Agreement") between the Company and Sherpa II effective August 31, 2021, whereby the Company will conduct the exploration at the Bakar Property. Pursuant to the Agreement, District Metals will charge Sherpa II an exploration management fee of 10%, calculated from exploration expenditures incurred at the Bakar Property.

Effective January 1, 2023, the Company amended the joint venture agreement whereby District Metals will fund 100% of the next phase of exploration expenditures to a maximum of $330,000 and contribute its related 10% exploration management fee of $33,000 to earn back pro-rata ownership in the property up to 54% (the "Amended Agreement"). From the date of the Amended Agreement, District Metals has funded exploration expenditures of $25,730 and earned management fee income of $2,573. During the year ended June 30, 2024, the Company earned management fee income of $2,573 (2023 - $737).

As at June 30, 2024, the Company had paid $23,403 (June 30, 2023 - $18,543) for reclamation deposits for Tomtebo, Svärdsjö, and Gruvberget properties in Sweden and paid a deposit on mineral licenses of $Nil (June 30, 2023 - $78,681).

e) Other Properties

During the year ended June 30, 2023, Bergslagen Metals AB received approval on certain mineral licenses from the Bergsstaten (Mining Inspectorate), including:

- Viken nr 101, 2 and 3, located in Jämtland County, central Sweden;
- Ardnasvarre nr 1 located in Norrbottens 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 Gävleborgs 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 Västerbottens Counties, north-central Sweden.

On January 15, 2024, the Company completed the acquisition of the remaining four mineral licenses covering the Viken deposit located Jämtland County, central Sweden, namely the Norra Leden, Norr Viken, Lill Viken and Storviken mineral licenses, from an arm's length vendor (the "Vendor"). The principal terms of the definitive purchase agreement (the "Purchase Agreement") 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 bought back in its entirety at any time for a value of $8,000,000 where the first 1% NSR royalty may be purchased for $2,000,000.

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At June 30, 2024 and 2023, the Company's accounts payable and accrued liabilities are comprised of the following:

		June 30, 2024		June 30, 2023
Trade payables	$	199,018	$	51,961
Accrued liabilities		70,225		67,281
	$	269,243	$	119,242

9. ADVANCE FROM BOLIDEN

At June 30, 2024 and June 30, 2023, the Company's Advance from Boliden is comprised of the following:

		June 30, 2024		June 30, 2023
Balance, beginning	$	-	$	-
Funds received		1,998,726		-
Invoices issued to Boliden		(1,050,512)		-
Balance, ending	$	948,214	$	-

10. SHARE CAPITAL

(a) Authorized share capital

Unlimited number of common shares without par value.

(b) Issued share capital

Year ended June 30, 2024

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.

Year ended June 30, 2023

On March 2, 2023, the Company issued 20,000,000 common shares for gross proceeds of $3,000,000 pursuant to the closing of a brokered private placement of units. Each unit is comprised of one Common Share in the capital of the Company and one-half of one Common Share purchase warrant (each whole such warrant, a "2023 Warrant") of the Company. Each 2023 Warrant entitles the holder thereof to acquire one Common Share at a price of $0.20 for a period of three years. The fair value of the 2023 Warrants was determined to be $Nil using the residual value method. The Company incurred cash share issuance costs of $448,767 and issued 1,200,000 compensation options with a fair value of $178,765, which were valued using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 3.53%; expected life of 3 years; expected volatility of 104% and dividend yield of $Nil.

(Expressed in Canadian Dollars)

During the year ended June, 30, 2023, there were no stock options, share purchase warrants or compensation options exercised.

11. OPTIONS AND WARRANTS

(a) Options

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options are determined by the Board of Directors and shall not be less than the closing price of the Company's common shares on the day preceding the day on which the options are granted, less any discount permitted by the Exchange. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

Grant Date	Expiry Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield	Fair Value
9-May-24	9-May-29	$0.42	3.81%	5	112%	0	$0.34
13-Feb-24	13-Feb-29	$0.30	3.60%	5	116%	0	$0.23
1-Feb-24	1-Feb-29	$0.28	3.60%	5	116%	0	$0.23
5-Jan-24	5-Jan-29	$0.21	3.60%	5	115%	0	$0.17
5-Dec-23	5-Dec-28	$0.175	3.18%	5	115%	0	$0.14
6-Mar-23	6-Mar-28	$0.20	3.05%	5	114%	0	$0.16

The risk-free interest rate is based on the Canadian government bond rate for a similar term as the expected life of the stock options. The forfeiture rate assumption of 0% is based on historical results and the annualized volatility is based on the Company's historical share prices.

Year ended June 30, 2024

On May 9, 2024, the Company granted 50,000 stock options to a consultant of the Company with a fair value of $16,968, which vested immediately.

On February 13, 2024, the Company granted 300,000 stock options to a consultant of the Company with a fair value of $68,490, which vested immediately.

On February 1, 2024, the Company granted 3,100,000 stock options to officers, directors and certain consultants of the Company with a fair value of $712,722, which vested immediately.

On January 5, 2024, the Company granted 150,000 stock options to a consultant of the Company with a fair value of $25,816, which vested immediately,

On December 5, 2023, the Company granted 250,000 stock options to a consultant of the Company with a fair value of $34,581, which vest immediately.

Total stock-based compensation expense recognized during the year ended June 30, 2024 was $858,577 (2023 - $389,481), using the Black-Scholes Option Pricing Model.

During the year ended June 30, 2024, 250,000 stock options expired, accordingly $55,335 was transferred to deficit.

Year ended June 30, 2023

On March 6, 2023, the Company granted 2,400,000 stock options to directors and consultants of the Company with a fair value of $389,481, which vested immediately.

(Expressed in Canadian Dollars)

During the year ended June 30, 2023, 40,000 stock options expired, accordingly $8,201 was transferred to deficit.

A continuity schedule of the Company's outstanding stock options for the years ended June 30, 2024 and 2023 is as follows:

	June 30, 2024		June 30, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	9,240,000	$ 0.26	6,880,000	$ 0.29
Granted	3,850,000	0.27	2,400,000	0.20
Exercised	(865,000)	0.20	-	-
Expired	(250,000)	0.26	(40,000)	0.25
Outstanding and exercisable, end of year	11,975,000	$ 0.27	9,240,000	$ 0.26

At June 30, 2024, 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)
June 2, 2025	1,795,000	$ 0.21	0.92
October 7, 2025	300,000	$ 0.33	1.27
December 30, 2025	1,350,000	$ 0.46	1.50
January 18, 2026	50,000	$ 0.45	1.55
April 13, 2026	200,000	$ 0.40	1.79
October 7, 2026	2,130,000	$ 0.25	2.27
March 6, 2028	2,300,000	$ 0.20	3.68
December 5, 2028	250,000	$ 0.175	4.44
January 5, 2029	150,000	$ 0.21	4.52
February 1, 2029	3,100,000	$ 0.28	4.59
February 13, 2029	300,000	$ 0.30	4.63
May 9, 2029	50,000	$ 0.42	4.86
	11,975,000	**$ 0.27**	**2.96**

(b) Warrants

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

	June 30, 2024		June 30, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	**13,600,000**	**$ 0.24**	**11,517,866**	**$ 0.40**
Issued	10,250,000	0.30	10,000,000	0.20
Exercised	(407,500)	0.20	-	-
Expired	(3,600,000)	0.35	(7,917,866)	0.42
Outstanding, end of year	**19,842,500**	**$ 0.25**	**13,600,000**	**$ 0.24**

(Expressed in Canadian Dollars)

At June 30, 2024, the Company had outstanding warrants 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)
March 2, 2026	9,592,500	$	0.20	1.67
February 1, 2027	10,250,000	$	0.30	2.59
	19,842,500	**$**	**0.25**	**2.15**

(c) Compensation options

A continuity schedule of the Company's outstanding compensation options for the years ended June 30, 2024 and 2023 is as follows:

	June 30, 2024		June 30, 2023	
	Number outstanding	**Weighted average exercise price**	**Number outstanding**	**Weighted average exercise price**
Outstanding, beginning of year	**1,558,320**	**$0.25[2]/0.15**	**1,205,920**	**$0.30[1]/0.42/ 0.25[2]**
Granted	1,230,000	0.22	1,200,000	0.15
Exercised	(562,418)	0.15	-	-
Expired	(358,320)	0.25[2]	(847,600)	0.30[1]/ 0.42
Outstanding, end of year	1,867,582	**0.20**	1,558,320	**0.25[2]/ 0.15**

(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 $0.30.

(2) 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, 2024, the Company had outstanding compensation 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)
March 2, 2026	649,574	$	0.15	1.67
February 1, 2027	1,218,008	$	0.22	2.59
	1,867,582	**$**	**0.20**	**2.27**

During the year ended June 30, 2024, 358,320 compensation options expired, accordingly $47,322 was transferred to deficit. During the year ended June 30, 2023, 847,600 compensation options expired, accordingly $393,687 was transferred to deficit.

(Expressed in Canadian Dollars)

12. INCOME TAXES

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

	June 30, 2024	June 30, 2023
Net loss for the year	$ (2,689,754)	$ (1,316,790)
Canadian federal and provincial statutory income tax rate	27.00%	27.00%
Income tax benefit based on Canadian statutory income tax rates	(726,234)	(355,533)
Effects of the following:		
Non-deductible expenditures	83,839	115,270
Difference between Canadian and foreign tax rates	77,293	(359)
Over provided in prior years	(24,522)	664,988
Changes in unrecognized deferred tax assets	742,912	(315,424)
Changes in timing differences	(153,288)	(108,942)
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, 2024 and 2023 are as follows:

	June 30, 2024	June 30, 2023
Deferred income tax assets		
Non-capital losses	$ 8,775	512,846
Deferred income tax liabilities		
Exploration and evaluation assets	$ (8,775)	(512,846)
Investment	-	-
Deferred income tax liabilities, net	$ -	$ -

At June 30, 2024 and 2023, the Company had deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized as follows:

	June 30, 2024	June 30, 2023
Non-capital loss carry-forwards	$ 16,891,260	$ 14,378,018
Deductible temporary differences relating to:		
Exploration and evaluation assets	926,447	115
Investment	-	20,000
Share issue cost	1,045,085	695,778
Capital losses	16,484,766	16,564,762
	$ 35,347,558	$ 31,658,673

(Expressed in Canadian Dollars)

The Canadian non-capital losses at June 30, 2024 expire as follows:

Expiry date		Amount
2026	$	759,200
2027		1,165,500
2028		55,700
2029		1,046,800
2031		1,111,900
2032		1,530,100
2033		811,800
2034		1,056,800
2035		940,600
2036		348,700
2037		248,100
2038		209,400
2039		419,100
2040		575,600
2041		1,620,500
2042		1,155,800
2043		908,800
2044		1,024,900
	$	14,989,300

The Company has non-capital losses of $1,902,000 carried forward for Swedish income tax purposes which are available for application against future taxable income. These non-capital losses can be used indefinitely.

13. MANAGEMENT OF CAPITAL

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

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

The Company is not subject to any externally imposed capital requirements, apart from those pursuant to the Earn-In Agreement (Note 7). The Company did not change its capital management approach during the year ended June 30, 2024.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

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

		June 30, 2024		June 30, 2023
Financial assets:				
Amortized cost				
Cash and cash equivalents	$	5,861,955	$	2,525,835
Fair value through profit and loss				
Investment		145,000		40,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	269,243	$	119,242
Advance from Boliden		948,214		-

Accounts payable and accrued liabilities as at June 30, 2024 includes amounts due to related parties (Note 16).

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, management considers its exposure to credit risk to be low .

Liquidity risk

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

At June 30, 2024, the Company had cash and cash equivalents of $5,861,955 (2023 - $2,525,835), of which $948,214 (2023 - $Nil) were 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, and accounts payable and accrued liabilities of $269,243 (2023 - $119,242) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at June 30, 2024. The Company assessed its liquidity risk as low as at June 30, 2024 and 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

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

Foreign currency risk

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

As at June 30, 2024 and 2023, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in Euros and SEK:

June 30, 2024

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

June 30, 2023

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

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 $1,184 and $14,342 (2023 - $200 and $6,000), respectively. As at June 30, 2024 and 2023, the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at June 30, 2024 and 2023.

(Expressed in Canadian Dollars)

15. 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, 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

As at June 30, 2023	Sweden	Canada	Total
Advances and deposits	122,224	-	122,224
Exploration and evaluation assets	7,233,219	127,198	7,360,417
	$ 7,355,443	$ 127,198	$ 7,482,641

16. 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, 2024 and 2023 were as follows:

	For the Years Ended	
	June 30, 2024	June 30, 2023
Salary	$ 382,500	$ 255,000
Consulting	$ 299,120	$ 231,900

(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, 2024 (2023 - $255,000), of which $127,500 relates to a performance bonus approved by the Board, recorded in consulting fees. The Company had $12,533 due to the CEO at June 30, 2024 (2023 - $Nil).

(c) During the years ended June 30, 2024 and 2023, the Company paid consulting fees of $100,000 and $60,000, respectively, for services provided by the CFO.

(d) During the years ended June 30, 2024 and 2023, the Company incurred stock-based compensation expense of $505,802 and $292,111, respectively, related to stock options granted to officers and directors of the Company.

(e) During the years ended June 30, 2024 and 2023, the Company paid director's fees of $72,000 and $36,000, respectively, recorded in consulting fees, to directors of the Company.

(f) During the years ended June 30, 2024 and 2023, the Company paid consulting fees of $107,320 and $108,400 to a company controlled by a close family member of the CFO for administrative, accounting and corporate services.

(g) During the years ended June 30, 2024 and 2023, the Company paid consulting fees of $6,600 and $27,500 to Doug Ramshaw, a director of the Company.

(h) During the years ended June 30, 2024 and 2023, the Company paid consulting fees of $6,600 and $Nil to Jonathan Chalis, a director of the Company.

(i) During the years ended June 30, 2024 and 2023, the Company paid consulting fees of $6,600 and $Nil to Joanna Cameron, a director of the Company.

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Company issued 25,000 common shares pursuant to the exercise of warrants for aggregate gross proceeds of $5,000.

Subsequent to June 30, 2024, the Company issued 198,054 common shares pursuant to the exercise of compensation options for aggregate gross proceeds of $29,708.