DISTRICT METALS CORP.

Condensed Consolidated Interim Financial Statements

For the three months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

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

As at		September 30, 2023		June 30, 2023
ASSETS				
Current assets				
Cash (Note 3)	$	2,312,867	$	2,525,835
GST and VAT receivable		25,244		50,831
Prepaid expenses		53,596		21,656
Investment (Note 4)		40,000		40,000
		2,431,707		2,638,322
Advances and deposits (Note 5)		72,404		122,224
Exploration and evaluation assets (Note 5)		7,467,054		7,360,417
TOTAL ASSETS	$	9,971,165	$	10,120,963
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 6 and 11)	$	130,842	$	119,242
TOTAL LIABILITIES		130,842		119,242
SHAREHOLDERS' EQUITY				
Share capital (Note 7)		68,731,423		68,731,423
Reserve (Note 8)		2,474,060		2,474,060
Accumulated deficit		(61,365,160)		(61,203,762)
TOTAL SHAREHOLDERS' EQUITY		9,840,323		10,001,721
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	9,971,165	$	10,120,963

Nature of operations and going concern (Note 1)
Subsequent event (Note 13)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 28, 2023. They are signed on behalf of the Board of Directors by:

"Joanna Cameron"
Director

"Garrett Ainsworth"
CEO and Director

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

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

	Three months ended	
	September 30, 2023	**September 30, 2022**
EXPENSES		
General and administrative costs	$ 17,462	$ 14,993
Marketing and investor relations	18,427	30,454
Consulting fees (Note 11)	120,589	122,470
Professional fees	20,638	8,854
Property investigation costs	1,097	-
Transfer agent, regulatory and listing fees	13,946	5,687
OPERATING EXPENSES	192,159	182,458
OTHER EXPENSES (INCOME)		
Fair value loss on investments (Note 4)	-	20,000
Foreign exchange (gain) loss	(703)	5,566
Interest and dividend income (Note 3)	(28,722)	-
Other income (Note 5)	(1,336)	-
NET LOSS AND COMPREHENSIVE LOSS	$ 161,398	$ 208,024
Basic and diluted loss per share	$ 0.00	$ 0.00
Weighted average number of common shares outstanding	106,980,707	66,358,955

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

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

	Three months ended	
	September 30, 2023	September 30, 2022
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss	**$ (161,398)**	$ (208,024)
Adjustments for items not affecting cash:		
Unrealized gain on investment	**-**	20,000
	(161,398)	(188,024)
Net changes in non-cash working capital items:		
GST and VAT receivable	**25,587**	11,367
Prepaid expenses and deposits	**(27,008)**	2,207
Accounts payable and accrued liabilities	**31,181**	27,326
Net cash flows used in operating activities	**(131,638)**	(147,124)
INVESTING ACTIVITIES		
Advances and deposits	**(8,179)**	28,009
Exploration and evaluation assets exploration expenditures	**(73,151)**	(262,925)
Net cash flows used in investing activities	**(81,330)**	(234,916)
FINANCING ACTIVITIES		
Proceeds from private placement, net of cash share issuance costs	**-**	-
Proceeds from the exercise of stock options	**-**	-
Net cash flows provided by financing activities	**-**	-
Net decrease in cash and cash equivalents	**(212,968)**	(382,040)
Cash and cash equivalents, beginning of period	**2,525,835**	1,508,278
Cash and cash equivalents, end of period	**$ 2,312,867**	$ 1,126,238

Supplemental cash flow information	**$**	$
Exploration and evaluation assets included in accounts payable and accrued liabilities	30,073	59,041
Interest paid	-	-
Taxes paid	-	-

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

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

	Number of shares	Amount	Reserve	Accumulated deficit	Total
Balance, June 30, 2022	**86,980,707**	**$ 66,358,955**	**$ 2,307,702**	**$ (60,288,860)**	**$ 8,377,797**
Net loss for the period	-	-	-	(208,024)	(208,024)
Balance, September 30, 2022	**86,980,707**	**$ 66,358,955**	**$ 2,307,702**	**$ (60,496,884)**	**$ 8,169,773**
Balance, June 30, 2023	**106,980,707**	**$ 68,731,423**	**$ 2,474,060**	**$ (61,203,762)**	**$ 10,001,721**
Net loss for the period	-	-	-	(161,398)	(161,398)
Balance, September 30, 2023	**106,980,707**	**$ 68,731,423**	**$ 2,474,060**	**$ (61,365,160)**	**$ 9,840,323**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

District Metals Corp. (the "Company" or "District Metals") was incorporated under the provincial laws of the Province of Alberta on July 24, 1989, and continued in the Province of British Columbia on March 31, 2006. The Company's registered office is located at 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange (the "Exchange") and trades under the symbol "DMX" and on the Frankfurt Stock Exchange under the symbol "DFPP".

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. The Company currently is not generating any revenues. It has incurred a loss during the three months ended September 30, 2023 of $161,398 (2022 - $208,024), had negative cash flows from operations since inception and had an accumulated deficit of $61,365,160 as at September 30, 2023 (June 30, 2023 - $61,203,762). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties cast substantial 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 condensed consolidated interim financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended June 30, 2023 and have been consistently followed in the preparation of these condensed consolidated interim financial statements. In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed interim financial statements.

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

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

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

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

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company's June 30, 2023, audited annual consolidated financial statements and the notes to such financial statements.

(b) Basis of presentation

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

(c) Presentation and functional currency

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

(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 judgments and assumptions made by management and other major sources of measurement uncertainty are discussed below:

<u>Material accounting judgments</u>

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

Going concern

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

Determination of functional currency

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

Impairment of long-lived assets

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

(Expressed in Canadian Dollars – Unaudited)

3. CASH AND CASH EQUIVALENTS

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

		September 30, 2023		June 30, 2023
Cash held in bank accounts	$	264,449	$	502,302
Cash equivalents		2,048,418		2,023,533
Total	**$**	**2,312,867**	**$**	**2,525,835**

Cash equivalents were held in cashable guaranteed investment certificates with an interest rate of 4.95%.

4. INVESTMENT

The Company holds 1,000,000 common shares of Sherpa II Holdings Corp. ("Sherpa II") received in connection with the sale of an 80% interest in the Bakar Property (Note 5). These shares are publicly traded on the Exchange and are held at FVTPL. As at September 30, 2023, the fair value of the shares was $40,000 (June 30, 2023 - $40,000). During the three months ended September 30, 2023, the Company recorded a fair value loss on investment of $Nil (2022 - $20,000) determined by reference to closing prices on the Exchange.

5. 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
Property interest sale	-	-	-	-	-	-
Balance, June 30, 2023	1,715,857	402,500	260,000	32,051	-	2,410,408
Additions	46,491	-	-	-	6,467	52,958
Cost re-allocation	(95,151)	-	-	-	95,151	-
Balance, September 30, 2023	**$ 1,667,197**	**$ 402,500**	**$ 260,000**	**$ 32,051**	**$101,618**	**$ 2,463,366**
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	8,290	3,242	-	13,354	10,714	35,600
Geochemistry	-	-	-	-	6,019	6,019
Other costs	6,896	4	170	1,336	3,654	12,060
Balance, September 30, 2023	**$ 4,216,074**	**$ 54,090**	**$ 597,707**	**$ 109,837**	**$ 25,980**	**$ 5,003,688**
Balance, June 30, 2023	$ 5,916,745	$ 453,344	$ 857,537	$ 127,198	$ 5,593	$ 7,360,417
Balance, September 30, 2023	**$ 5,883,271**	**$ 456,590**	**$ 857,707**	**$ 141,888**	**$ 127,598**	**$ 7,467,054**

As at September 30, 2023, the Company had paid $18,739 (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).

Effective January 1, 2023, the Company amended the joint venture agreement whereby District Metals would fund 100% of the next phase of expenditures to a maximum of $330,000 to earn back pro-rata ownership in the property, along with application of the 10% exploration management fee of $33,000, to a maximum of 54% (the "Amended

(Expressed in Canadian Dollars – Unaudited)

Agreement"). From the date of the Amended Agreement, District Metals funded exploration expenditures of $20,732 and earned management fee income of $2,073.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

		September 30, 2023		June 30, 2023
Trade payables	$	39,576	$	51,961
Accrued liabilities		91,266		67,281
	$	130,842	$	119,242

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued

During the three months ended September 30, 2023 and 2022, there were no common shares issued.

8. OPTIONS AND WARRANTS

a) Options

The Company did not recognize stock-based compensation expense during the three months ended September 30, 2023 and 2022.

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.

A continuity schedule of the Company's outstanding stock options as at September 30, 2023 and June 30, 2023 are as follows:

	September 30, 2023			June 30, 2023		
	Number outstanding		Weighted average exercise price	Number outstanding		Weighted average exercise price
Outstanding, beginning of period/year	9,240,000	$	0.26	6,680,000	$	0.29
Granted	-		-	2,400,000		0.20
Exercised	-		-	-		-
Cancelled/expired	-		-	(40,000)		0.25
Outstanding, end of period/year	**9,240,000**	**$**	**0.26**	**9,240,000**	**$**	**0.26**
Exercisable, end of period/year	**9,240,000**	**$**	**0.26**	**9,240,000**	**$**	**0.26**

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At September 30, 2023, 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)
August 12, 2024	855,000	$	0. 20	0.08
June 2, 2025	1,855,000	$	0. 21	0.34
October 7, 2025	300,000	$	0. 33	0.07
December 30, 2025	1,400,000	$	0. 46	0.34
January 18, 2026	50,000	$	0. 45	0.01
April 13, 2026	200,000	$	0. 40	0.05
October 7, 2026	2,220,000	$	0. 25	0.71
March 6, 2028	2,400,000	$	0. 20	1.16
	9,240,000	**$**	**0. 26**	**2.76**

b) Warrants

A continuity schedule of the Company's outstanding common share purchase warrants as at September 30, 2023 and June 30, 2023 is as follows:

	September 30, 2022			June 30, 2023		
	Number outstanding		Weighted average exercise price	Number outstanding		Weighted average exercise price
Outstanding, beginning of period/year	**13,600,000**	**$**	**0.24**	**11,517,866**	**$**	**0.40**
Granted	-		-	10,000,000		0.20
Expired	-		-	(7,917,866)		0.42
Outstanding, end of period/year	**13,600,000**	**$**	**0.24**	**13,600,000**	**$**	**0.24**

c) Compensation options

A continuity schedule of the Company's outstanding compensation options as at September 30, 2023 and June 30, 2023 is as follows:

	September 30, 2023		June 30, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of period/year	**1,558,320**	**0.25(3)/ 0.35(4) /0.15**	**1,205,920**	**$0.30(1) /0.42(2) 0.25(3)/ 0.35(4)**
Granted	-	-	1,200,000	0.15
Expired	-	-	(847,600)	0.30(1)/ 0.42(2)
Outstanding, end of period/year	**1,558,320**	**0.25(3)/ 0.35(4) /0.15**	1,558,320	**0.25(3)/ 0.35(4) /0.15**

(1) *The holder of each compensation option is entitled to purchase one Unit at an exercise price of $0.30.*

(2) *Each whole common share purchase warrant is exercisable into one common share of the Company at an exercise price of $0.42.*

(3) *The holder of each compensation option is entitled to purchase one Unit at an exercise price of $0.25.*

(4) *Each whole common share purchase warrant is exercisable into one common share of the Company at an exercise price of $0.35.*

(Expressed in Canadian Dollars – Unaudited)

9. 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 its operational and administrative activities. In order to preserve cash, the Company does not pay any dividends.

The Company is not subject to any externally imposed capital requirements. The Company did not change its capital management approach during the three months ended September 30, 2023.

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.

10. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

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

		September 30, 2023		June 30, 2023
Financial assets:				
Fair value through profit and loss				
Cash and cash equivalents	$	2,312,867	$	2,525,835
Investment		40,000		40,000
Financial liabilities:				
Other financial liabilities				
Accounts payable and accrued liabilities	$	130,842	$	119,242

The amount of accounts payable and accrued liabilities includes amounts due to related parties (Note 11).

b) Fair value information

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

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

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

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

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

Investments are measure at fair value using Level 1 inputs. At September 30, 2023 and June 30, 2023, the Company had no financial assets measured and recognized on the condensed consolidated interim statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

c) Management of financial risks

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

Credit risk

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

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

Liquidity risk

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

At September 30, 2023, the Company had cash and cash equivalents of $2,312,867 (June 30, 2023 - $2,525,835) and accounts payable and accrued liabilities of $130,842 (June 30, 2023 - $119,242) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at September 30, 2023. The Company assessed its liquidity risk as low as at September 30, 2023 and June 30, 2023.

Interest rate risk

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

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

Foreign currency risk

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

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

September 30, 2023

	Euros	**SEK**
Cash and cash equivalents	1,468	225,356
GST and VAT receivable	-	156,670
Prepaid expenses	-	169,224
Accounts payable and accrued liabilities	-	(288,560)
Net	1,468	262,690
Canadian dollar equivalent	2,091	29,572

June 30, 2023

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

For the period ended September 30, 2023, 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 $200 and $6,000 (June 30, 2023 - $200 and $6,000), respectively. As at September 30, 2023 and June 30, 2023 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at September 30, 2023 and June 30, 2023.

(Expressed in Canadian Dollars – Unaudited)

11. RELATED PARTY TRANSACTIONS

The Company's related parties consist 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 and made at normal market prices and on normal commercial terms.

(a) Key management compensation for the three months ended September 30, 2023 and 2022 were as follows:

	For the Three Months Ended	
	September 30, 2023	September 30, 2022
Salary	$ 63,750	$ 63,750
Consulting	$ 49,200	$ 54,250

(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 salary of $63,750 to the CEO during the three months ended September 30, 2023, recorded in consulting fees (2022 - $63,750). The Company had $11,269 due to the CEO at September 30, 2023 (June 30, 2023 - $Nil).

(c) During the three months ended September 30, 2023 and 2022, the Company incurred consulting fees of $15,000 and $15,000, respectively, for services provided by the CFO.

(d) During the three months ended September 30, 2023 and 2022, the Company did not incur stock-based compensation expense related to stock options granted to officers and directors of the Company.

(e) During the three months ended September 30, 2023 and 2022, the Company incurred director's fees of $9,000 and $9,000, respectively, recorded in consulting fees, to directors of the Company.

(f) During the three months ended September 30, 2023 and 2022, the Company incurred consulting fees of $25,200 and $24,000 paid to a company controlled by a close family member of the CFO.

(g) At September 30, 2023 and June 30, 2023, the Company had $21,353 and $nil, respectively, due to related parties, including in accounts payable and accrued liabilities. Amounts are unsecured, non-interest bearing with no set terms of repayment.

12. 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:

	Sweden	**Canada**	**Total**
As at September 30, 2023			
Current assets	$ 51,706	$ 2,380,001	$ 2,431,707
Advances and deposits	53,654	18,750	72,404
Exploration and evaluation assets	7,325,166	141,888	7,467,054
	$ 7,430,526	$ 2,540,639	$ 9,971,165

As at June 30, 2023	**Sweden**	**Canada**	**Total**
Current assets	$ 80,214	$ 2,558,108	$ 2,638,322
Advances and deposits	122,224	-	122,224
Exploration and evaluation assets	7,233,219	127,198	7,360,417
	$ 7,435,657	$ 2,685,306	$ 10,120,963

13. SUBSEQUENT EVENT

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

Under the terms of the Earn-In Agreement, Boliden can exercise the Option by incurring an aggregate of $10 million of expenditures on the Tomtebo property and Boliden’s Stollberg property as follows:

- $2 million during the period commencing on the date of the Earn-In Agreement and ending October 31, 2024, allocated equally between the Tomtebo and Stollberg properties, with such expenditures committed and non-refundable under the terms of Earn-In Agreement; 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, with such expenditures committed and non-refundable under the terms of the Earn-In Agreement.

The Company will act as operator during the Option stage and will be entitled to a 7.5% fee on all expenditures under the Earn-In Agreement.

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 royalty on the Tomtebo property. Provided the Tomtebo property has not been surrendered under 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 Tomtebo since June 1, 2020; (ii) the Company’s proportionate share of expenditures during the Option stage attributable to Tomtebo; and (iii) costs attributable to Tomtebo and incurred by the Company during the joint venture stage up until dilution.