DISTRICT METALS CORP.

Management Discussion and Analysis
For the Three Months Ended September 30, 2023

This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in the financial condition and results of operations of District Metals Corp. (the "Company" or "District Metals") for the three months ended September 30, 2023. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company for the three months ended September 30, 2023 and 2022, prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), and the audited annual consolidated financial statements of the Company for the financial year ended June 30, 2023 and 2022. This MD&A complements and supplements but does not form part of the Company's condensed consolidated interim financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 10. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of November 28, 2023.

BUSINESS OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Alberta) on July 24, 1989, and continued into the Province of British Columbia on March 31, 2006. On July 17, 2019, the Company changed its name to District Metals Corp. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "DMX" and on the Frankfurt Stock Exchange under the symbol "DFPP" and the United States OTCQB under the symbol "DMXCF".

The Company is a junior mineral exploration stage company in the business of acquiring, exploring, and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company holds a 100% interest in the Tomtebo Property, located in the Bergslagen Mining District of south-central Sweden, a 100% interest in Svärdsjö and Gruvberget properties, both in Sweden, and a 20% interest in the Bakar Property located on North Vancouver Island in British Columbia, Canada.

On April 12, 2023, the Company received the approval for a 2,302 hectare (ha) mineral license to explore for vanadium, nickel, molybdenum, zinc, and other elements, covering approximately 68% of the polymetallic Viken Deposit located in Jämtland County, central Sweden. On May 3, 2023, the Company received the approval on its application to increase the area of the Viken Property from 2,302 ha to 9,367 ha. There is currently a moratorium on uranium mining and exploration in Sweden that was imposed in 2018.

In May 2023, the Company received approval for the Tåsjö nr 101 to 105 mineral license applications to explore for vanadium, nickel, molybdenum, zinc, and rare earth elements (REE) in the Jämtland and Västerbottens Counties, north-central Sweden.

On June 30, 2023 and August 23, 2023, respectively, the Company was granted the Nianfors nr 1 and 2 mineral license applications to explore for copper, zinc, molybdenum, yttrium and other rare earth elements located in the Gävleborgs County in central Sweden.

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.

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.

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

	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**

Tomtebo Property, Sweden

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

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. All requirements to retain the Tomtebo Property were completed in fiscal 2021, except for certain payments due upon a mineral resource estimate and/or preliminary economic assessment.

In August 2022, the Company reported assay results for the two drill holes from it's spring 2022 drill program. A total of 750 m in two drill holes was completed during this drill program that was carried out from mid-April to mid-May 2022, before moving the rig to the Gruvberget Property.

Svärdsjö Property, Sweden

The Svärdsjö Property is located approximately 200km northwest of Stockholm in Sweden and 25km north of the Tomtebo Property. It comprises 1,037 ha.

On October 6, 2021, the Company completed the acquisition of the Svärdsjö Property located in Sweden from a wholly owned subsidiary of EMX. As consideration for the acquisition of the Svärdsjö Property, the Company:

- Issued 1,659,084 common shares to EMX, having a fair value of $365,000;
- Paid $35,000 cash consideration to EMX;
- Granted EMX a 2.5% NSR on the Svärdsjö Property;
- Agreed to incur $1,000,000 of eligible work expenditures on the Svärdsjö Property within five years from closing;
- Agreed to make certain milestone payments upon a mineral resource estimate and/or preliminary economic assessment; and
- Reimbursed EMX for mineral license fees previously incurred in the amount of $2,500.

In December 2022 the Company reported on compilation work at the Svärdsjö Property including a review of historical exploration data and SkyTEM surveys had revealed several high priority target areas for follow up work and drilling.

The Company has completed all requirements to retain the Svärdsjö Property except (i) it must incur approximately an additional $950,000 in exploration expenditures; and (ii) make certain milestone payments upon a mineral resource estimate and/or preliminary economic assessment.

Gruvberget Property, Sweden

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

On October 12, 2021, the Company completed the acquisition of the Gruvberget Property located in Sweden from Explora Mineral AB ("Explora"). As consideration for the acquisition of the Gruvberget Property, the Company:

- Issued 1,000,000 common shares to Explora, having a fair value of $240,000;
- Paid $20,000 cash consideration to Explora;
- Granted Explora a 2.5% NSR royalty on the Gruvberget Property subject to an option to repurchase the entire 2.5% NSR royalty for $8,000,000 at any time; and
- Agreed to incur $500,000 of eligible work expenditures on the Gruvberget Property within two years from closing.

The Company had completed all requirements to retain the Gruvberget Property.

In November 2022, the Company reported the results of a detailed soil sampling program at the Gruvberget Property.

Bakar Property, British Columbia

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

During the year ended June 30, 2020, the Company acquired a 100% interest in the Bakar property by paying a cash purchase price of $50,000 and issuing 1,250,000 common shares with a fair value of $200,000.

On December 18, 2020, the Company sold an 80% interest in the Bakar Property to Sherpa II Holdings Corp. ("Sherpa II") pursuant to a sale agreement (the "Bakar Sale Agreement") and joint venture agreement (the "Joint Venture Agreement"). Sherpa II is an arms-length third party to District Metals. Pursuant to the Bakar Sale Agreement, Sherpa II acquired an 80% interest in the Bakar Property for the following consideration:

- $50,000 cash payment (received);
- 1,000,000 common shares of Sherpa II (received);
- $200,000 in work expenditures within nine months of closing (completed during the year ended June 30, 2022); and
- Carry over of the 2.0% NSR 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, covering 1,352 ha of the 15,687 ha Bakar Property. The 2.0% NSR may be repurchased entirely for $6,500,000 cash.

In November 2022, the Company entered into Exploration Management Agreement (the "Agreement") with Sherpa II effective August 31, 2021, pursuant to which the Company will conduct the exploration at the Bakar Property and will be paid an exploration management fee of 10% of exploration expenditures incurred at the Bakar Property. During the year ended June 30, 2023, the Company earned management fee income of $45,721 from the Agreement, recorded in other income.

Effective January 1, 2023, pursuant to an amendment to the Joint Venture Agreement, District Metals agreed to fund 100% of the next phase of expenditures to a maximum of $330,000 and contribute its related exploration management fee of $33,000 to earn back a pro-rata ownership in the property of up to 54% (the "Amended Agreement"). From the date of the Amended Agreement, District Metals has funded exploration expenditures of $20,732 and earned management fee income of $2,073.

Other Properties

Bergslagen Metals AB received approval on certain mineral licenses from the Bergsstaten (Mining Inspectorate) (collectively, the "Additional Properties"), including:

- Viken nr 101, 2 and 3, located in Jämtland County, central Sweden and comprises 9,367 ha;
- Tåsjö nr 101 to 105, located in the Jämtland and Västerbottens Counties, north-central Sweden covering an area of 15,625 ha;
- Sågtjärn nr 101 and 102, covering 4,068 ha in Jämtland and Västernorrland Counties in central Sweden;
- Ardnasvarre nr 1 over a 9,708 ha area located in Norrbottens County, northern Sweden; and
- Nianfors nr 1 and 2 mineral licenses, covering 1,604 ha located in the Gävleborgs County in central Sweden.

The Company believes that all of these new properties are prospective for uranium. There is, however, currently a moratorium on uranium mining and exploration in Sweden that was imposed in 2018, which is being revisited by the Swedish authorities. Accordingly, the Company's activities on these properties has been deferred pending developments in Sweden with respect to the moratorium.

FINANCIAL REVIEW

For a discussion of the factors affecting the Company's losses see "Summary of quarterly results" and "Results of operations" below.

Results of operations for the three months ended September 30, 2023

The Company incurred a net loss and comprehensive loss of $161,398 during the three months ended September 30, 2023, a decrease in loss of $46,626, as compared to the net loss and comprehensive loss of $208,024 for the three months ended September 30, 2022. The decrease in net loss and total comprehensive loss was primarily driven by:

- Decrease in marketing and investor relations of $12,027 resulting from cost conservation efforts;
- Decrease in unrealized loss on investments of $20,000 related to the change in fair value of the common shares held of Sherpa II; and
- Interest and dividend income of $28,722 in the current quarter with no corresponding income in the comparative period.

The decrease was partially offset by increases in professional fees of $11,784, and transfer agent, regulatory, and listing fees of $8,259, largely due to the Company's OTCQB listing in September 2023.

Summary of quarterly results

The following table provides a summary of financial data for the Company's most recent eight quarters derived from the Company's unaudited condensed interim financial statements prepared in accordance with IAS 34:

	Quarter ended	Revenue		Loss before other income and expenses		Total comprehensive loss		Basic and diluted income (loss) per common share	
Q1/23	September 30, 2023	$	-	$	(191,456)	$	(161,398)	$	(0.00)
Q4/23	June 30, 2023	$	-	$	(250,502)	$	(199,836)	$	(0.00)
Q3/23	March 31, 2023	$	-	$	(665,933)	$	(665,545)	$	(0.01)
Q2/23	December 31, 2022	$	-	$	(201,803)	$	(243,385)	$	(0.00)
Q1/23	September 30, 2022	$	-	$	(182,458)	$	(208,024)	$	(0.00)
Q4/22	June 30, 2022	$	-	$	(247,490)	$	(285,244)	$	(0.00)
Q3/22	March 31, 2022	$	-	$	(229,322)	$	(232,211)	$	(0.00)
Q2/22	December 31, 2021	$	-	$	(944,130)	$	(878,103)	$	(0.01)

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

- During the year ending June 30, 2024, the Company's first quarter loss was reduced by interest and dividend income of $28,722 received on its cash and cash equivalents.
- During the year ending June 30, 2023, the Company's third quarter loss was influenced by stock-based compensation expense of $389,481. When normalized for this amount, the loss was $276,064.
- During the year ending June 30, 2022, the Company's second quarter loss was influenced by stock-based compensation expense of $539,248. When normalized for this amount, the loss was $338,855.

LIQUIDITY AND CAPITAL RESOURCES

The Company's condensed consolidated interim financial statements for the three months ended September 30, 2023 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.

At September 30, 2023, the Company had cash and cash equivalents of $2,312,867 (June 30, 2023 - $2,525,835) and its current assets exceeded its current liabilities by $2,300,865 (June 30, 2023 - $2,519,080). The Company currently does not generate revenue. It has incurred losses and 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). Pursuant to the Earn-In Agreement, the Company will earn a 7.5% operator fee on qualifying expenditures.

The Company is conserving cash pending visibility on the status of lifting the uranium mining and exploration moratorium in Sweden and, accordingly management believes that the Company's cash balances and its earnings under the Earn-In Agreement are sufficient to complete its planned exploration activities and fund its administrative expenses for the ensuing 12-month period.

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 next twelve months and in the future. If the Company is unable to obtain the requisite amount of financing it will be required to continue to defer planned exploration activities and/or reduce corporate capacity and/or sell assets each of which would have a material adverse effect on its business and ability to continue as a going concern. The condensed consolidated interim financial statements for the three months ended September 30, 2023 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.

Cash flows

Cash used in operating activities for the three months ended September 30, 2023, was $131,638 compared to $147,124 used in operating activities for the three months ended September 30, 2022.

During the three months ended September 30, 2023, the Company invested $81,330 in exploration and evaluation assets and advances and deposits for exploration, compared with $234,916 spent on exploration and evaluation assets during the three months ended September 30, 2022. The decreased spending in the current period is due to cash conservation efforts resulting in reduced exploration expenditures in the current period.

During the three months ended September 30, 2023 and 2022, the Company did not raise funds from the issuance of shares and the exercise of stock options.

TRANSACTIONS WITH RELATED PARTIES

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.

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

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements for the three months ended September 30, 2023 as follows:

<u>Material accounting judgments</u>

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

Going concern

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

Determination of functional currency

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

Impairment of long-lived assets

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

Key sources of estimation uncertainty

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

Valuation of stock-based compensation and compensation options

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

NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Company has applied the following 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 interim financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the three months ended September 30, 2023.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

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.

Fair value information

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

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

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

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

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

Investments are measured at fair value using level 1 inputs. At September 30, 2023 and 2022, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

Financial instrument risk exposure

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At September 30, 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 US Dollars, 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.

OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company had 106,980,707 common shares issued and outstanding (June 30, 2023 – 106,980,707). The Company has authorized an unlimited number of common shares without par value.

At the date of this MD&A, the Company has the following stock options outstanding:

Expiry date	**Options outstanding and exercisable**	**Exercise price**	**Weighted average remaining contractual life (in years)**
August 12, 2024	855,000	$ 0. 20	0.07
June 2, 2025	1,855,000	$ 0. 21	0.30
October 7, 2025	300,000	$ 0. 33	0.06
December 30, 2025	1,400,000	$ 0. 46	0.32
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	0.67
March 6, 2028	2,400,000	$ 0. 20	1.11
	9,240,000	**$ 0. 26**	**2.59**

At the date of this MD&A, the Company has the following compensation options outstanding:

Expiry date	Options outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
December 14, 2023	358,320	$ 0.25	0.01
March 2, 2026	1,200,000	$ 0.15	1.74
	1,558,320	$ 0.17	1.75

At the date of this MD&A, the Company has the following warrants outstanding:

Expiry date	Warrants outstanding and exercisable	Exercise price	Weighted average remaining contractual life (in years)
December 14, 2023	3,600,000	$ 0.35	0.01
March 2, 2026	10,000,000	$ 0.20	1.66
	13,600,000	$ 0.24	1.67

RISKS AND UNCERTAINTIES

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the mineral exploration and development industry, including the future of the uranium moratorium in Sweden. Refer to the Company's MD&A for the year ended June 30, 2023, dated October 25, 2023 for a list of risk factors impacting the Company.

Conflicts of Interest

Members of the Board may become directors of other reporting companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the Business Corporations Act (British Columbia) (the "BCBCA"). The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or transaction of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or transaction with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. , Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties relating to disputes; fluctuations in commodity prices and foreign currency exchange rates; uncertainties relating to interpretation of drill results and the geology; the need to obtain additional financing to develop properties and uncertainties as to the availability and terms of future financing; uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies and other factors such as those described above and discussed under “Risks and Uncertainties”.

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company’s policy that all forward-looking statements are based on the Company’s beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at November 28, 2023 and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward-looking information or statements to reflect new events or circumstances, except as may be required under applicable securities laws.