FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address

District Metals Corp. ("**DMX**" or the "**Company**")
907 – 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3

Item 2 Date of Material Change

January 16, 2024

Item 3 News Releases

The Company disseminated news releases on January 16, 2024 via Newsfile Corp. The news releases were subsequently filed on the Company's SEDAR+ profile.

Item 4 Summary of Material Change

On January 16, 2024, the Company announced that it had entered into agreements with PI Financial Corp. ("**PI Financial**") to act as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters (the "**Underwriters**"), whereby the Underwriters will purchase, on a "bought deal" basis, 20,500,000 units (the "**Units**") of the Company at a price of C$0.22 per Unit (the "**Offering Price**") for aggregate gross proceeds of C$4,510,000 (the "**Offering**").

Item 5 Full Description of Material Change

On January 16, 2024, the Company announced that it had entered into an agreement with PI Financial, as lead Underwriter and sole bookrunner, on its own behalf and on behalf of a syndicate of Underwriters, whereby the Underwriters will purchase, on a "bought deal" basis, 18,200,000 Units of the Company at the Offering Price for aggregate gross proceeds of C$4,004,000.

On January 16, 2024, the Company further announced that it had entered into an agreement with PI Financial, as lead Underwriter and sole bookrunner, on its own behalf and on behalf of a syndicate of Underwriters, whereby the Underwriters will purchase, on a "bought deal" basis, 20,500,000 Units of the Company at the Offering Price for aggregate gross proceeds of C$4,510,000.

Each Unit shall be comprised of one common share in the capital of the Company (a "**Share**") and one half of one transferable Share purchase warrant (each whole Share purchase warrant, a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one Share (a "**Warrant Share**") at a price of $0.30 per Warrant Share for a period of 36 months from the closing date of the Offering (the "**Closing Date**").

The net proceeds of the Offering will be used to fund the advancement of the Company's projects and for general working purposes.

In connection with the Offering, the Company has agreed to pay to the Underwriters a cash commission equal to 6.0% of the gross proceeds of the Offering. In addition, the Company has agreed to issue to the Underwriters compensation options (each, a "**Compensation Option**") equal to 6.0% of the aggregate number of Units issued by the Company under the Offering. Each Compensation Option shall entitle the holder thereof to acquire one Share at the Offering Price for a period of 36 months from the Closing Date.

All securities issued pursuant to the Offering are subject to a hold period expiring four months and one day from the Closing Date.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Garrett Ainsworth
Chief Executive Officer
(604) 288-4430
info@districtmetals.com

Item 9 Date of Report

January 23, 2024

Cautionary Statement on Forward-Looking Information

This material change report contains certain statements which constitute forward-looking statements or information under applicable Canadian securities laws, including, but not limited to, statements with respect to the Offering and closing thereof. Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of such factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this material change report, and the Company assumes no obligation to publicly update or revise such forward-looking information, except as required by applicable securities laws.