



**MANAGEMENT'S DISCUSSION AND
ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

**FOR THE THREE AND SIX MONTHS ENDED
APRIL 30, 2025**

(Expressed in Canadian Dollars)

As of June 27, 2025

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1. INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of District Copper Corp., (referred to as "**District**", the "**Company**", "**us**" or "**our**") provides analysis of the Company's financial results for the three and six months ended April 30, 2025. The following information should be read in conjunction with the accompanying financial statements for the three and six months ended April 30, 2025, and the notes to those financial statements, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). Please also refer to the tables starting on page 10 of this MD&A which compares financial results for the six months ended April 30, 2025. Financial information contained herein is expressed in Canadian dollars, unless otherwise stated. All information in this MD&A is current as of June 27, 2025, unless otherwise indicated. Readers are cautioned that this MD&A contains "*forward-looking statements*" and that actual events may vary from management's expectations. The Company's management is responsible for presentation and preparation of the financial statements and the MD&A. This MD&A was reviewed, approved, and authorized for issue by the Company's Audit Committee, on behalf of the Board of Directors, on June 27, 2025.

Description of Business

District is a public company incorporated in British Columbia, under the "*Canadian Business Corporation Act*" and its common shares are listed on the TSX Venture Exchange (the "**TSX-V**"); under the trading symbol "**DCOP.V**". The Company maintains its head office at 142-1146 Pacific Blvd., Vancouver, British Columbia, Canada, V6Z 2X7.

The Company was continued into British Columbia under the Business Corporations Act (British Columbia) effective February 19, 2021.

On April 30, 2025, and June 26, 2025, the Company had 27,124,161 and 28,924,161 common shares issued and outstanding; 3,958,000 and 5,758,000 share purchase warrants to acquire common shares outstanding; and 250,000 options, respectively, to acquire common shares outstanding.

Head Office

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Share Information

Our common shares are listed for trading on the TSX-V under the symbol "DCOP.V".

Investor Information

Financial reports, news releases and corporate information can be accessed on our website at www.districtcoppercorp.com and on SEDAR+ at www.sedarplus.ca

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As at the date of this MD&A, District Copper's directors and officers are as follows:

Directors	Officers and Position
Jevin Werbes	Jevin Werbes, President and CEO
Chris Healey	Braden Jensen, CFO
Braden Jensen	Marion McGrath, Corporate Secretary
Dillon Sharan	
Audit Committee	Compensation Committee
Chris Healey (Audit Chairman)	Jevin Werbes
Jevin Werbes (Non-Independent)	Chris Healey
Dillon Sharan	Dillon Sharan

Qualified Person

Mr. Chris Healey, P.Geo., Director of the Company, is the non-independent Qualified Person as defined under NI 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company's mineral properties.

2. DISCLOSURE OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and the periods presented by the financial statements; and (ii) the financial statements fairly present in all material aspects the financial condition, results of operations and cash flows of the Company, as of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), this Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**") as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislations; and
- ii) A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with enough knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

3. FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "*forward-looking statements*" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable laws.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. The words "may", "will", "continue", "could", "should", "would", "suspect", "outlook", "believes", "plan", "anticipates", "estimate", "expects", "intends" and words and expressions of similar import are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Company's operations. These statements are not historical facts and only represent the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities. Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements are not guaranteeing future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

By their very nature, forward looking statements involve several known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, and readers are advised to consider such forward-looking statements considering the risk factors set forth below and as further detailed in the "*Risks and Uncertainties*" section of this MD&A.

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the Company's need for access to additional capital to explore and develop its projects; the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations, risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

4. PROPERTY SUMMARY

Copper Keg Project

The Copper Keg property is underlain by Kamloops sediments, Nicola Group volcanics and intrusive phases of the Guichon Creek Batholith. These rocks have been intruded by several phases of late-stage quartz feldspar porphyry and mafic dikes. The Nicola Group volcanics are reported to be in fault contact with the Guichon Creek batholith, although there are indications from historic assessment reports that intrusive contact is also a possibility. The property covers approximately hectares.

The central portion of the Guichon Creek Batholith hosts the large porphyry copper deposit located in the Highland Valley currently being mined by Teck Resources Limited. This property is located at the northern boundary of the Guichon Creek batholith, and District intends to explore the property using the porphyry style copper deposits in the Highland Valley as its exploration model.

The property was explored intermittently between 1970 and 2012. The exploration work was mostly repetitive and sporadic in nature restricted to limited outcrop sampling, small scale soil sampling and geophysical surveys, mapping and prospecting focused mainly on two large zones of clay alteration. Several short diamond drill holes are reported to have been completed for which results are not available.

A preliminary interpretation of historic assessment data is indicative of the surface footprint of a buried porphyry copper system. The combination of Nicola Group volcanics and intrusive phases of the Guichon Creek Batholith intruded by late multi-phase dikes along with sporadic geochemical anomalies, hydrothermal clay alteration and primary and secondary copper mineralogy supports the interpretation of a leach cap resulting from the weathering/oxidization supergene enrichment process of primary copper sulfides. Limited rock and soil sampling has returned copper concentrations within the interpreted leach cap that range from 0.025 to 0.76%.

The copper mineralogy, weakly anomalous copper-silver molybdenum soil anomalies, alteration assemblage (ranges from argillic to potassic) and intense post intrusive hydrothermal clay alteration suggest a buried porphyry copper system at depth. The Nicola Group and Guichon Creek rocks exhibit intense hydrothermal clay alteration whereas the late-stage dikes appear to be relatively fresh; not affected by the hydrothermal clay alteration.

A one-week mapping program was completed on the property in April 2021. The objectives were to develop baseline whole rock geochemistry of the lithologies present on the property, and to determine whether any significant trends in alteration and/or geochemistry exist on the property. Within the Nicola Group volcanics, five distinct units were identified during the mapping program. This is consistent with earlier regional mapping by

Government geologists. The Guichon Batholith, which intrudes the Nicola volcanics, was observed to outcrop along the northeastern part of the claims in typically large, blocky, high-relief cliff faces. Tertiary Kamloops group basalts occupy the high relief plateaus in the southern portion of the claims. The Barnes Creek fault was observed to generally follow the trend of the intrusive contact between the Nicola Group volcanics and the Guichon Creek batholith.

Ten grab samples were collected for whole rock analysis at ALS in North Vancouver, BC, using their ICP-AES whole rock package. In addition, the samples were analyzed by ALS's 48 element four acid ICP-MS package. The samples were selected to characterize the whole rock geochemistry of the lithologies present on the property, and to determine any notable trends in alteration and/or geochemistry. Although the samples were not selected as potentially mineralized sites, the copper values ranged from 4.9 to 124.5 ppm and zinc values from 8.0 to 235 ppm.

A 19.3 line-kilometer induced polarization (IP) survey was completed in October 2021. The survey was designed to provide coverage to depths in the order of 600-800 meters, which interpretation of historic data has indicated to be the primary exploration target. Quantec Geoscience Ltd of Toronto, ON was contracted to carry out the survey, using its Titan 130 DCIP system. Highlights of the detailed interpretation of the data are as follows:

- Two positive chargeability anomalies have been located.
- The largest anomaly is northwest trending, open ended, and measures 2,500m long by 1000m wide, hosted in Nicola Volcanics and the Guichon intrusive located on either side of the Barnes Creek Fault.
- The second positive anomaly is hosted in the Guichon Intrusive at the south end of the project, measures at least 1,500m long by 750m wide, and is open to the west.
- The largest chargeability anomaly exhibits a strong spatial correlation to the large area of intense argillic alteration and is interpreted to extend to the southeast under the Kamloops Group.
- The chargeability anomalies correlated with the two areas of coincident sporadic copper mineralization and intense argillic alteration defined by historical rock sampling programs.

Field data collection for an airborne magnetometer and radiometric survey was completed in March 2022. The survey, with a planned 386-line kilometers was contracted to Precision GeoSurveys Inc. of Langley, BC. Subsequently, Precision completed a detailed interpretation of the data, including a magnetic vector inversion. This led to the creation of a 3D susceptibility model from the magnetic data to identify potential areas of buried potential copper and gold mineralization. Highlights of the Magnetic Vector Inversion study are:

Highlights:

- The Magnetic Vector Inversion study identified seven target areas for follow-up exploration.
- Strong correlation of a buried intrusive within the Guichon Creek Batholith underlying the gossanous, argillic alteration associated with a positive chargeability anomaly and sporadic copper mineralization may indicate porphyry mineralization at depth.
- The band of low magnetics intensity on the eastern side of the survey area, may be due to the absence of volcanic cover, hydrothermal alteration, or felsic intrusives.
- Several deep and smooth, uniform, magnetic susceptibility lows located within the project could be caused by felsic intrusives.
- The NNW trending structures yielded indications of magnetite destruction, typical of hydrothermal alteration.
- The areas of high magnetic susceptibility in the southeast corner of the survey that do not have a topographic correlation are likely to be caused by intrusives.

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3D Magnetic Inversion

The unconstrained Magnetic Inversion used the high resolution airborne magnetic and radiometric survey data flown over the Copper Keg project. Magnetic Inversion is a useful exploration technique utilized in locating buried stocks of typically felsic to intermediate composition that could be associated with porphyry style mineralization.

The University of British Columbia (UBC-GIF) 3D magnetic inversion program Mag3D, version 4.0, (Oldenburg, et.al., 1996) using the topography surface as model constraints along with the normal UBC-style objective function was used to complete the inversion. The unconstrained modelling does not produce definitive locations of deep magnetic sources but can be used as a general guide to look for deep sources.

The potassic core of porphyry intrusive systems are magnetic highs, which can be located at depth. The 3D susceptibility inversion assigns a depth to the magnetic source bodies, thus facilitating the identification of deep sources such as those associated with porphyry intrusives. The magnetic inversion was completed to a depth of 500 m below the surface, which is deep enough that near-surface high-susceptibility bodies should be significantly discounted.

In October 2023, a soil sampling program was completed on several claims. 175 samples were collected. Analytical data are summarized in the following table:

Summary of Analytical Data for Cu		
	ppm Cu	
Line #	Range	Mean
1	19.2 - 33.5	24.4
2	24.9 - 64.0	36.4
3	20.8 - 56.7	29.3
4	33.7 - 59.8	39.8
5	29.4 - 324.0	78.2
6	34.8 - 129.5	61.1
7	16.7 - 35.0	27.1

In June 2024, three new claims were added to the property, two of which cover extensions to the Guichon Creek Batholith across the Thompson River where multiple historic soil geochemistry anomalies occur. Subsequently, a soil sampling program was completed in the June 2024, comprising 501 samples.

Ground Truth Exploration, of Dawson City, completed an extensive soil sampling program, with the collection of over 500 samples. The samples were analyzed by Bureau Veritas by their AQ201 process, which uses an aqua regia digestion followed by ICP-MS of 37 elements. The average value of all samples was 45.8 ppm Cu, with a median of 39.9 ppm Cu. Of the 520 samples, 8 returned values >100 ppm Cu (102.0, 122.2, 126.7, 132.2, 134.8, 136.9, 269.1 and 1517.4). These highly anomalous values were all located on the newly acquired northern claims. This area is underlain by the Guichon Batholith, which hosts known copper porphyry deposits in this region, in contact with Nicola volcanics.

The 2025 program is planned as a multi-phase program with its initial objective to complete a preliminary reconnaissance of the entire project area collecting detailed data on features that characterize the porphyry copper deposit in the Highland Valley mining district. Field work for Phase 1 of the planned program is complete and focused on differentiating various intrusive phases of the Guichon Creek Batholith, contact relations with the

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older Nicola Volcanics, alteration styles, mineralogical associations and mineralized structures to prioritize areas for additional follow-up exploration. Analytical results are pending.

The data collected in the initial phase will also be used to complete a re-interpretation of the results of the airborne and ground geophysical surveys in the context of a porphyry copper model for the project which sets the basis for Phase 2 of the 2025 exploration program.

Stony Lake Project

On July 30, 2020, District entered into an arm's length mineral property option agreement with K9 Gold Corp. ("K9"). The Agreement allows K9 to option and earn up to 100% of eight mineral licenses within the Stony Lake property. The project is operated by K9. K9 has completed sufficient exploration to have earned a 75% interest in the property.

Exploration was carried out by the operator from 2020 to 2023. This included ground and airborne geophysical surveys, extensive soil and till sampling, mapping and prospecting, as well as diamond drilling. Thirty-two diamond drillholes were completed on the property for a total of 9831 metres.

Although significant intersections of gold mineralization were encountered in the drill programs, the results were deemed insufficient to attract additional investment in the property.

Impairment of Stony Lake

During the year ended October 31, 2024, the Company determined there were indicators of impairment for its 25% interest in the Stony Lake property, including that the Company has no near-term plans to conduct further exploration on the property as well as the Company's decision to focus its efforts away from the Stony Lake property and towards the Copper Keg property. Based on review of these facts, the Company recognized an impairment of property of \$410,368 during the year ended October 31, 2024.

5. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended
Loss before non-operating items	\$ (132,188)	\$ (68,248)	\$ (102,142)	\$ (72,404)
Loss	(132,188)	(68,248)	(512,554)	(80,396)
Comprehensive Loss	(132,188)	(68,248)	(512,554)	(80,396)
Comprehensive loss per share, basic and diluted	(0.00)	(0.00)	(0.02)	(0.00)

	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended
Loss before non-operating items	\$ (101,187)	\$ (126,865)	\$ (196,482)	\$ (170,440)
Income (loss)	(101,737)	(132,365)	(195,872)	(186,640)
Comprehensive Income (loss)	(101,737)	(132,365)	(195,872)	(186,640)
Comprehensive gain (loss) per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

6. DISCUSSION OF OPERATIONS

Six Months Ended April 30, 2025, Compared to Six Months Ended April 30, 2024

For the six months ended April 30, 2025, the Company recorded comprehensive loss of \$200,436 or \$0.00 per share compared to a comprehensive loss of \$228,436 or \$0.01 per share in the comparable six months ended April 30, 2025. The decrease in comprehensive loss is due to the decrease in consulting fees, advertising and promotion and shareholder communications.

	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024	Discussion of Variance in Expenses
Advertising and Promotion	\$Nil	\$13,091	Advertising and promotion decreased as the Company decided to record the Q2 2022 investor relations campaign as a prepaid expense and amortize it quarterly until the conclusion of the investor campaign on December 31, 2023. Originally, the entire amount had been expensed in Q2 2022.
Consulting Fees	\$159,600	\$167,818	Consulting fees decreased as the Company decided to record the Q2 2022 investor relations campaign as a prepaid expense and amortize it quarterly until the conclusion of the investor campaign on December 31, 2023. Originally, the entire amount had been expensed in Q2 2022.
Director Fees	\$3,000	\$3,000	Directors' fees remained unchanged.
Office	\$13,080	\$11,804	Office expenses remained relatively unchanged.
Professional Fees	\$6,367	\$5,307	Professional fees increased due to accounting fees increasing.
Shareholder Communications	\$6,162	\$14,124	Shareholder communications decreased as the Company decided to record the Q2 2022 investor relations campaign as a prepaid expense and amortize it quarterly until the conclusion of the investor campaign on December 31, 2023. Originally, the entire amount had been expensed in Q2 2022.

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	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024	Discussion of Variance in Expenses
Transfer Agent and Regulatory Fees	\$12,227	\$12,407	Transfer agent fees remained relatively unchanged.
FV Adjustment of Marketable Securities	\$Nil	\$6,050	The decrease in FV adjustment of marketable securities is due to the Company selling all its shares in K9 in 2024.

7. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As an exploration company, District has no regular cash in-flow from operations, and the level of operations is principally a function of availability of capital resources. To date, the principal source of funding has been equity financing.

As at April 30, 2025, the Company had a cash balance of \$261,184 (October 31, 2024 - \$234,098). For the foreseeable future, the Company will continue to seek capital through the issuance of equity, strategic alliances or joint ventures and debt.

Major expenditures are required to establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a site. The recoverability of valuations assigned to exploration and development mineral properties are dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete exploration, development and future profitable production or proceeds from disposition of mineral assets.

Management reviews the carrying value of the Company's interest in each property and where necessary, exploration and evaluation mineral properties are written down to their estimated recoverable amount or written off.

Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of exploration properties and related assets.

Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing and at favorable terms for these or other purposes including general working capital purposes. District's audited annual financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. Realization values may be substantially different from carrying values, as shown, and these financial statements do not give effect to the adjustment that would be necessary to the carrying values and classifications of assets and liabilities should District be unable to continue as a going concern.

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Working Capital

As at April 30, 2025, District had a working capital of \$201,270 (October 31, 2024 – \$196,691). The working capital increased for the six months ended April 30, 2025, compared to the year ended October 31, 2024, due to a private placement in Q2 2025, offset by general operational expenses.

The Company manages its working capital by tightly controlling its operational and property spending. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing necessary to fund future exploration and development. It is not possible to predict whether future financing efforts will be successful or whether financing on favorable terms will be available.

The Company has no capital lease obligations, operating or any other long-term obligations.

Cash Flow Highlights

	Six Months Ended	
	April 30, 2025	April 30, 2024
Cash used in operating activities	\$ (173,729)	\$ (180,686)
Cash provided by investing activities	15,715	305,461
Cash provided by financing activities	185,100	-
Decrease in cash for the period	27,084	124,775
Cash, beginning of year	234,098	322,086
Cash, End of Period	\$ 261,184	\$ 446,861

Capital Risk Management

The Company considers its capital structure to consist of share capital, share options and warrants. The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management.

The mineral properties in which the Company currently has an interest in are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favorable terms, if at all, include share equity and debt financings; equity, debt, or property level joint ventures; and sale of interests in existing assets. To carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended April 30, 2025. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

8. RELATED PARTY TRANSACTIONS

Key management personnel are the people responsible for the planning, directing and controlling of the Company's activities, and include executive directors and officers, as well as entities controlled by such persons.

At April 30, 2025, included in accounts payable and accrued liabilities is \$10,250 (October 31, 2024 – \$7,475) owing to companies controlled by directors and \$Nil (October 31, 2024 - \$1,000) owing to a director.

For the six months ended April 30, 2025, and the year ended October 31, 2024, the Company incurred the following expenditures for key management personnel and the companies that are directly controlled by them.

	April 30, 2025	October 31, 2024
<u>Statement of Financial Position Item</u>		
Exploration and evaluation assets	\$ 2,400	\$ 14,800
Total	\$ 2,400	\$ 14,800
	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024
<u>Statement of Loss Item</u>		
Consulting fees	\$ 108,000	\$ 110,000
Director fees	3,000	3,000
Total	\$ 111,000	\$ 113,000

9. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES

Fair Value

The estimated fair value of cash, promissory note and accounts payables and accrued liabilities approximates their carrying value due to the immediate or relatively short period to maturity. Marketable securities are measured at fair value using Level 1 inputs.

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

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

Level 3 - Significant unobservable (no market data available) inputs which are supported by little or no market activity.

Risk Management

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are as follows:

a) Credit Risk

The Company does not currently generate any revenues from sales to customers nor does it hold derivative-type instruments that would require a counterparty to fulfil a contractual obligation. The Company does not have any asset-backed commercial instruments. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places cash with the high credit quality financial institutions. The Company considers its exposure to credit risk to be insignificant. The credit risk with the Company's promissory note is low since the amount is from a former related party and the note is secured.

b) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk and requirements by maintaining sufficient cash balances and or through additional financings and or sale of properties to ensure that there is enough capital to meet short term obligations. As at April 30, 2025, the Company has cash totaling \$261,184 (October 31, 2024 - \$234,098) and accounts payable and accrued liabilities of \$65,951 (October 31, 2024 - \$40,923) which have contractual maturities of 30 days or less. The Company will require additional sources of equity, joint venture partnership or debt financing to fund ongoing operations and the exploration and development of its mineral properties.

If the Company is not able to obtain adequate additional funding to continue as a going concern, material adjustments would be required to both the carrying value and classification of assets and liabilities on the statement of financial position. It is not possible to predict, due to many external factors including commodity prices and equity market conditions, whether future financing will be successful or available at all.

c) Market Risk*i) Interest Rate Risk*

The Company manages its interest rate risk by obtaining commercial deposit interest rates available in the market by the major Canadian financial institutions on its cash and short-term investments.

ii) Foreign Exchange Risk

The Company's functional currency and the reporting currency is the Canadian dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise because of exchange rate changes.

As at April 30, 2025, the Company held no financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. RISKS AND UNCERTAINTIES

A discussion of the risks and uncertainties that District faces can be found in the Company's audited annual financial statements for the six months ended April 30, 2025 (available under District Copper's SEDAR+ profile at www.sedarplus.ca). Furthermore, additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations in the future.

11. PROPOSED TRANSACTIONS

There are no proposed transactions for the six months ended April 30, 2025.

12. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

During the six months ended April 30, 2025, the Company had the following share issuances:

- On April 30, 2025, the Company issued 3,830,000 units at a cost of \$0.05 each per unit, pursuant to a private placement, for gross proceeds of \$191,500. Each unit consists of one common share and one share purchase warrant, which can be exercised at \$0.075 until April 30, 2028.

Finders' fees of \$6,400 and broker warrants, valued at \$5,836, exercisable at \$0.075 until April 30, 2028, were paid with respect to this financing.

The value of the finders' warrants was calculated using Black Sholes option pricing model with an exercise price of \$0.075, an expected life of 3 years, a volatility rate of 140.68% and a risk-free rate of 2.47%.

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During the year ended October 31, 2024, the Company had the following share issuances:

On February 6, 2024, the Company issued 500,000 common shares at a value of \$22,500 for the Copper Keg property (Note 5).

On June 26, 2024, the Company issued 1,500,000 common shares at a value of \$82,500 for the Copper Keg property (Note 5).

c) Warrants

A summary of changes in share purchase warrants for the six months ended April 30, 2025, and the year ended October 31, 2024, are as follows:

	As at June 26, 2025		Year Ended October 31, 2024	
	Number of Warrants Outstanding	Weighted Average Exercise Price	Number of Warrants Outstanding	Weighted Average Exercise Price
<u>Balance, Beginning of Year</u>	-	\$ -	-	\$ -
Granted	5,758,000	0.075	-	-
Exercised	-	-	-	-
Balance, End of Year	5,758,000	\$ 0.075	-	\$ -

On April 30, 2025, the Company issued 3,830,000 warrants, pursuant to a private placement. An additional 128,000 warrants were issued as 8% finders' fee warrants. All warrants are exercisable at at \$0.075 until April 30, 2028.

On May 30, 2025, the Company issued 1,800,000 warrants, pursuant to the second tranche of the private placement. All warrants are exercisable at at \$0.075 until April 30, 2028.

d) Stock Options

A summary of changes in the options as of the date of this MD&A and the year ended October 31, 2024, are as follows:

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	As at June 26, 2025		Year Ended October 31, 2024	
	Number of Options Outstanding	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price
Balance, Beginning of Year	250,000	\$ 0.16	250,000	\$ 0.16
Exercised	-	-	-	-
Expired	-	-	-	-
Balance, End of Period	250,000	\$ 0.16	250,000	\$ 0.16

On December 23, 2024, 1,150,000 stock options at a price of \$0.16 per share, expired unexercised.

As at the date of this MD&A, the options outstanding for the purchase of common shares are as follows:

Number of Options Outstanding	Option Exercise Price	Options Exercisable as of February 13, 2025	Option Expiry Date
250,000	0.10	250,000	July 3, 2025
250,000	\$ 0.10	250,000	

13. OFF-BALANCE SHEET ARRANGEMENTS

During the six months ended April 30, 2025, the Company was not party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources of the Company.

14. CHANGES IN ACCOUNTING STANDARDS

There were no new accounting standards adopted by the Company for the six months ended April 30, 2025.

15. CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is impaired in the Statement of Operations and Comprehensive Loss during the period the new information becomes available.

Impairment

The carrying value of property and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is recognized in the statement of operations and comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets)

("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

16. APPROVAL

The Audit Committee of District Copper Corp. has reviewed and approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it, and it is also available under our SEDAR+ profile at www.sedarplus.ca.