



FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED
JANUARY 31, 2026**

Unaudited
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

DISTRICT COPPER CORP.
INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited
(Expressed in Canadian Dollars)

	January 31, 2026	October 31, 2025
ASSETS		
<u>Current Assets</u>		
Cash	\$ 176,528	\$ 113,159
GST receivable	7,221	7,942
Marketable securities	115,000	-
Prepaid expenses	69,559	114,715
Asset held-for-sale	-	87,500
Total Current Assets	368,308	323,316
<u>Non-Current Assets</u>		
Exploration and evaluation assets (Note 6)	1,018,167	991,637
Total Assets	\$ 1,386,475	\$ 1,314,953
LIABILITIES AND SHAREHOLDERS' EQUITY		
<u>Current Liabilities</u>		
Accounts payable and accrued liabilities	\$ 91,768	\$ 115,087
Total Liabilities	91,768	115,087
<u>Shareholders' Equity</u>		
Share capital (Note 7)	22,005,054	21,825,480
Share-based payment reserve (Note 7)	165,307	161,831
Deficit	(20,875,654)	(20,787,445)
Total Shareholders' Equity	1,294,707	1,199,866
Total Liabilities and Shareholders' Equity	\$ 1,386,475	\$ 1,314,953

Nature and continuance of operations (Note 1)

Subsequent events (Note 12)

These financial statements were approved and authorized for issue by the Board of Directors on March 30, 2026, by:

<u>"Jevin Werbes"</u> Director	<u>"Chris Healey"</u> Director
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The accompanying notes are an integral part of these financial statements.

DISTRICT COPPER CORP.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Unaudited
(Expressed in Canadian Dollars)

	Three Months Ended January 31, 2026	Three Months Ended January 31, 2025
<u>Operating Expenses</u>		
Advertising and promotion	52,500	-
Consulting fees (Note 8)	60,000	60,000
Director fees (Note 8)	1,500	1,500
Office	5,139	5,182
Professional fees	(10,929)	366
Shareholder communications	770	-
Transfer agent and regulatory	6,729	1,200
Loss Before Non-Operating Items	(115,709)	(68,248)
<u>Non-Operating Items</u>		
Fair value adjustment of marketable securities (Note 5)	27,500	-
Loss and Comprehensive Loss	(88,209)	(68,248)
Basic and Diluted Loss per Share	\$ (0.00)	\$ (0.00)
Weighted Average Number of Shares Outstanding – Basic and Diluted	29,867,886	23,294,161

The accompanying notes are an integral part of these financial statements.

DISTRICT COPPER CORP.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Unaudited
(Expressed in Canadian Dollars)

	Shares	Amount	Share-Based Payment Reserve	Deficit	Total Equity
<u>Balance, November 1, 2024</u>	21,294,161	\$ 21,215,277	\$ 196,385	\$ (19,563,498)	\$ 1,848,164
Units issued for cash	10,830,000	541,500	-	-	541,500
Share issuance costs	-	(36,297)	18,297	-	(18,000)
Stock options expired	-	-	(196,385)	196,385	-
Share-based compensation	-	-	143,534	-	143,534
Loss for the year	-	-	-	(593,282)	(593,282)
Balance, October 31, 2025	34,124,161	\$ 21,825,480	\$ 161,831	\$ (20,787,445)	\$ 1,199,866
Units issued for cash	2,583,334	193,750	-	-	193,750
Share issuance costs	-	(14,176)	3,476	-	(10,700)
Loss for the period	-	-	-	(88,209)	(88,209)
Balance, January 31, 2026	36,707,495	22,005,054	165,307	(20,875,654)	1,294,707

The accompanying notes are an integral part of these financial statements.

DISTRICT COPPER CORP.
INTERIM STATEMENTS OF CASH FLOWS
Unaudited
(Expressed in Canadian Dollars)

	Three Months Ended January 31, 2026	Three Months Ended January 31, 2025
<u>Operating Activities</u>		
Loss for the period	\$ (88,209)	\$ (68,248)
<u>Items not affecting cash</u>		
Fair value adjustment of marketable securities	(27,500)	-
<u>Changes in non-cash working capital items</u>		
Accounts payable and accrued liabilities	(22,399)	(20,130)
GST receivable	721	(1,429)
Prepaid expenses	45,155	-
Cash Used in Operating Activities	(92,231)	(89,807)
<u>Investing Activities</u>		
Exploration and evaluation assets ("E&E")	(27,450)	(6,202)
Cash Used by Investing Activities	(27,450)	(6,202)
<u>Financing Activities</u>		
Proceeds from unit issuances	193,750	-
Share issuance costs	(10,700)	-
Cash Provided by Financing Activities	183,050	-
Increase (decrease) in cash for the period	63,368	(96,009)
Cash, beginning of year	113,159	234,098
Cash, End of Period	\$ 176,527	\$ 138,089

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these financial statements.

DISTRICT COPPER CORP.

Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

1. NATURE AND CONTINUANCE OF OPERATIONS

a) Nature of Operations

District Copper Corp. (“**District**” or the “**Company**”) was incorporated under the Canada Business Corporations Act on June 16, 2000 and is listed on the TSX Venture Exchange (“**TSX:V**”).

The Company maintains its head office at 700 - 838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 0A6.

The Company’s principal business activity is the acquisition and exploration of mineral properties. The Company presently has no proven or probable reserves and based on information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company.

b) Continuance of Operations

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the three months ended January 31, 2026, the Company had a loss of \$88,209 (January 31, 2025 - \$68,248) and as at October 31, 2025, had an accumulated deficit of \$20,875,654 (October 31, 2025 - \$20,787,445). To date, the operations of the Company have been primarily funded through the issuance of common shares and the sale and option of properties. The Company will require additional funding to maintain its operations for the upcoming fiscal year. If the Company cannot 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. Due to many external factors, including commodity prices and equity market conditions, it is not possible to predict whether future financings will be successful or available at all. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

DISTRICT COPPER CORP.

Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not clear from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if dilutive securities were exercised or converted into common stock. The dilutive effect of options and warrants and their equivalent are computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred.

As the Company incurred a loss for the three months ended January 31, 2026, and the year ended October 31, 2025, outstanding options and warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

DISTRICT COPPER CORP.

Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred. Until there is a legal right to explore a property through an underlying agreement, the costs incurred examining the property before the agreement is signed will not be capitalized.

Exploration and evaluation costs for mineral properties

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is a property under development and is reclassified as such. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an impairment loss is recognized.

Facts and circumstances that indicate a test for impairment as defined in *IFRS 6 Exploration and Evaluation Assets* include the following:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

DISTRICT COPPER CORP.

Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable mineral resources, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

Management's capitalization of exploration and evaluation costs and assumptions regarding the future recoverability of such costs are subject to significant estimation uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Mining Tax Credits

Mining tax credits are recorded in the financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mining tax credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related exploration and evaluation assets.

Decommissioning Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the decommissioning provision in the period incurred. Provisions are determined by discounting the risk-adjusted expected future cash flows to take into consideration risks and uncertainties involving the transaction. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The decommissioning cost is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in the statement of loss and comprehensive loss. The Company's estimates of reclamation costs could change because of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures.

These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of loss and comprehensive loss for the period.

For the years presented, there were no significant decommissioning provisions.

Share-Based Payments

Equity-settled share-based payments for directors, officers, employees and consultants are measured at fair value using the Black-Scholes option valuation model at the stock option grant date and recorded as an expense in the financial statements with a corresponding increase in the share-based payment reserve. The fair value determined at the grant date of the equity-settled share-based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of the number of shares that will eventually vest. Consideration paid by optionees on exercise of stock options together with their fair values is credited to share capital. The fair values of expired, forfeited and cancelled options are removed from the share-based payment reserve and credited to deficit.

Compensation expense on stock options granted to consultants is measured at the earlier of the completion of performance and the date the options are vested at the fair value of the goods and services received and are recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured using the Black-Scholes model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Assets Held-for-Sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in profit and loss.

Income Taxes

Income tax expense comprises of current and deferred tax. Current and deferred tax is recognized in the statements of loss and comprehensive loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive loss.

Current income taxes are the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of loss and comprehensive loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Description	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An “expected credit loss” impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Translation of Foreign Currencies

The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and are not subsequently retranslated. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise.

Share Capital

Share issue costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are charged to operations.

Value of warrants

Proceeds from unit placements are allocated between shares and warrants using the residual value method whereby the shares are recorded at fair value and any residual is allocated to the warrant. The value of warrants issued to brokers is determined using the Black-Scholes model.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Flow-through shares

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The increase to share capital when flow-through shares are issued is measured based on the current market price of the common shares. Any premium, being the excess of the proceeds over the market value of the common shares, is recorded as a liability. At the later of the renouncing and the incurrence of the expenditure, the Company de-recognizes the liability, and the premium amount is recognized in the statement of loss and comprehensive loss. The Company may be subject to a Part XII.6 tax on flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

New standards issued and not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not effective during the three months ended January 31, 2026.

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (“**IFRS 18**”). IFRS 18 introduces new standards for financial performance reporting, focusing on the profit or loss statement structure, disclosures of management-defined performance measures, and principles of aggregation and disaggregation. It replaces IAS 1 while retaining many existing principles, aiming for greater comparability and transparency in financial reporting. IFRS 18 will be effective beginning January 1, 2027. IFRS 18 mandates disclosures for non-GAAP measures and specifies the categorization of operating, investing, and financing activities in the statements of loss and comprehensive loss. The Company is assessing the impact of this standard.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Critical Accounting Estimates

The following are the key estimate and assumption uncertainties that have a significant risk of resulting

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
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4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

in a material adjustment within the next financial year.

Impairment

Assets, especially exploration and evaluation assets; are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the recoverable amount requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Title to Mineral Property Interests

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 (see Note 6).

Critical Judgments Used in Applying Accounting Policies

Exploration and Evaluation Expenditures

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, which is based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is impaired in the statements of loss and comprehensive loss during the period the new information becomes available.

Income taxes

Significant judgment is required in determining the provision for future income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

5. MARKETABLE SECURITIES

As at January 31, 2026, the Company had \$115,000 (October 31, 2025 - \$Nil) in marketable securities. Marketable securities are fair valued at the end of each reporting period. The carrying values are marked to market and the resulting gains or losses from the marketable securities are recorded in the statements of loss and net comprehensive loss. A continuity of the Company's marketable securities is as follows:

	Amount
Balance as at October 31, 2025	\$ -
Marketable securities received for property sale	87,500
Fair value adjustment of marketable securities	27,500
Balance as at January 31, 2026	\$ 115,000

	Amount
Balance as at October 31, 2023	\$ 27,500
Proceeds from sale of marketable securities	(13,158)
Loss on sale of marketable securities	(41,842)
Fair value adjustment of marketable securities	27,500
Balance as at October 31, 2025 and 2024	\$ -

6. EXPLORATION AND EVALUATION ASSETS

Mineral property expenditures for the three months ended January 31, 2026, were:

Copper Keg Property	Amount
Property acquisition costs, as at October 31, 2025	\$ 547,936
Deferred exploration costs, as at October 31, 2025	443,701
Balance as at October 31, 2025	991,637
<u>Additions during the period</u>	
Assays	9,392
Engineering and consulting	14,787
Transportation	845
Travel	1,506
Total for the Period	26,530
Balance as at January 31, 2026	\$ 1,018,167

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
(Expressed in Canadian Dollars) Unaudited

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Mineral property expenditures for the year ended October 31, 2025, were:

Copper Keg Property	Amount
Property acquisition costs, as at October 31, 2024	\$ 547,936
Deferred exploration costs, as at October 31, 2024	381,486
Balance as at October 31, 2024	929,422

Additions during the year

Assays	7,801
BCMETS refund	(29,801)
Engineering and consulting	63,045
Mapping	1,566
Survey and geological	9,250
Transportation	10,354
Total for the Year	62,215
Balance as at October 31, 2025	\$ 991,637

Stony Lake Property	Amount
Property acquisition costs, as at October 31, 2024	\$ 1
Deferred exploration costs, as at October 31, 2024	-
Balance as at October 31, 2024	\$ 1

Additions (disposals) during the year

Reversal of impairment	87,499
Classified as asset held-for-sale	(87,500)
Total for the Year	\$ (1)
Balance as at October 31, 2025	\$ -

Total Mineral Properties	Amount
Copper Keg property	\$ 991,637
Stony Lake property	-
Balance of Exploration and Evaluation Assets as at October 31, 2025	\$ 991,637

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
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6. EXPLORATION AND EVALUATION ASSETS (Continued)

Copper Keg Property

On February 9, 2021, the Company entered into an option agreement to acquire a 100% interest in the Copper Keg property for an aggregate payment of \$105,000, the issuance of 750,000 shares and a commitment to spend expenditures on the property of no less than \$200,000. During the year ended October 31, 2022, the Company completed its commitment and acquired a 100% interest in the Copper Keg Property. The property has a 2.0% net smelter return royalty (“NSR”) from production, of which District has retained the right to purchase one half of this NSR for \$1,000,000.

On December 11, 2021, the Company secured an option with a vendor to acquire three mineral claims relating to mineral exploration lands surrounding the Copper Keg project. Consideration for the claims consisted of \$25,000 cash payments, the issuance of 1,500,000 shares, a 1.0% NSR from production, of which District has the right to purchase one half of this NSR for \$500,000. The schedule of payments were as follows:

- \$5,000 (paid) non-refundable deposit on signing of the option agreement,
- \$10,000 (paid) and 1,000,000 (issued) fully paid and non-assessable common shares within fourteen days after the option agreement is accepted for filing by the TSX:V, and
- \$10,000 (paid) and 500,000 (issued) fully paid and non-assessable common shares eighteen months after the date of TSX:V approval. These shares were issued February 6, 2024.

During the year ended October 31, 2024, the Company acquired the three mineral claims.

On June 11, 2024, the Company secured an option with a vendor to acquire three mineral claims relating to mineral exploration lands surrounding the Copper Keg project. Consideration for the claims will consist of \$20,000 cash payments, the issuance of 1,500,000 shares, a 2.0% NSR from production, of which District has the right to purchase one half of this NSR for \$1,000,000. The schedule of the payments are as follows:

- \$5,000 (paid) non-refundable deposit on signing of the option agreement, and
- \$15,000 (paid) and 1,500,000 (issued) fully paid and non-assessable common shares within fourteen days after the option agreement is accepted for filing by the TSX:V.

The TSX:V approved this transaction on June 26, 2024 and during the year ended October 31, 2024 the Company completed all requirements to acquire the three mineral claims.

During the year ended October 31, 2025, the Company received a \$29,801 (2024 - \$30,766) refund, from the Government of British Columbia’s BCMETC program relating to qualifying mineral expenditures incurred on the Copper Keg property for the fiscal years ended October 31, 2025, 2024, 2023 and 2022.

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6. EXPLORATION AND EVALUATION ASSETS (Continued)

Stony Lake Property

On February 8, 2019, the Company acquired the Stony Lake property for 4,000,000 shares (valued at \$1,200,000), \$112,407 in licence fees and \$4,000 in claim fees. The Stony Lake project is in central Newfoundland. The project is subject to a 2.0% NSR if the price of gold is US \$2,000 per ounce or less and a 3% NSR if the price of gold is above US \$2,000 per ounce.

On May 29, 2019, District acquired two additional properties. The Duffitt and the Island Pond properties are located contiguous to and within the Stony Lake gold project. The Duffitt Claims were acquired for 30,000 common shares at a value of \$10,500 and a 0.75% NSR from production. The Island Pond claims were acquired for a cash payment of \$4,000, 40,000 common shares at a value of \$14,000 and a 2.0% NSR from production. District has retained the right to purchase one half of this NSR for \$1,000,000.

On July 30, 2020, the Company entered into an arm's length mineral property option agreement with Americore Resources Corp. (formerly K9 Gold Corp. "K9"). The Agreement allows K9 to option and earn up to 100% of eight mineral licenses within the Stony Lake property.

In August 2022, K9 completed its earn in of a 75% interest in the Stony Lake property by making total cash payments of \$350,000, issuing 3,300,000 shares and incurring exploration expenditures of \$400,000. K9 has waived its option to earn an additional 25%.

On October 2, 2025, the Company entered into an agreement with Pirate Gold Corp. ("Pirate") to sell its remaining 25% stake in the Stony Lake Property, for common shares of Pirate. On November 25, 2025, the Company received 500,000 common shares of Pirate, with a value of \$87,500.

Impairment of Stony Lake

During the year ended October 31, 2024, the Company recognized impairment of \$410,368 for its 25% interest in the Stony Lake Property, reducing its value to \$1. The property was impaired as the Company had no near-term plans to conduct further exploration on the property as well as the Company's decision to focus its efforts on the Copper Keg property. With the subsequent sale of Stony Lake for common shares valued at \$87,500, the Company recorded an impairment reversal of \$87,499 for the year ended October 31, 2025.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
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7. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

During the three months ended January 31, 2026, the Company had the following share issuances:

- On November 17, 2025, the Company issued 2,583,334 units at a cost of \$0.075 each per unit, pursuant to a private placement, for gross proceeds of \$193,750. Each unit consists of one common share and one share purchase warrant, which can be exercised at \$0.12 until November 17, 2027.

Finders' fees of \$10,700 and broker warrants, valued at \$3,476, exercisable at \$0.12 until November 17, 2027, 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 \$0.12, an expected life of 2 years, a volatility rate of 154.32% and a risk-free rate of 2.49%.

During the year ended October 31, 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%.

- On May 30, 2025, the Company issued 1,800,000 units at a cost of \$0.05 each per unit, pursuant to a private placement, for gross proceeds of \$90,000. Each unit consists of one common share and one share purchase warrant, which can be exercised at \$0.075 until May 30, 2028.

Broker warrants, valued at \$1,270, exercisable at \$0.075 until May 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 154.83% and a risk-free rate of 2.59%.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
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7. SHARE CAPITAL (Continued)

- On June 30, 2025, the Company issued 5,200,000 units at a cost of \$0.05 each per unit, pursuant to a private placement, for gross proceeds of \$260,000. Each unit consists of one common share and one share purchase warrant, which can be exercised at \$0.075 until June 30, 2028.

Finders' fees of \$11,600 and broker warrants, valued at \$11,191, exercisable at \$0.075 until June 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 153.97% and a risk-free rate of 2.59%.

c) Warrants

A summary of changes in share purchase warrants for the three months ended January 31, 2026, and the year ended October 31, 2025 are as follows:

	Three Months Ended January 31, 2026		Year Ended October 31, 2025	
	Number of Warrants Outstanding	Weighted Average Exercise Price	Number of Warrants Outstanding	Weighted Average Exercise Price
<u>Balance, Beginning of Year</u>	11,214,000	\$ 0.075		\$ -
Expired	-	-		-
Granted	2,659,334	0.120	11,214,000	0.075
Balance, End of Period/Year	13,873,334	\$ 0.084	11,214,000	\$ 0.075

On November 17, 2025, the Company issued 2,583,334 warrants, pursuant to a private placement. An additional 76,000 warrants were issued as 8% finders' fee warrants. All warrants are exercisable at at \$0.12 until November 17, 2027.

d) Stock Options

The Company has a fixed stock option plan which follows the policies of the TSX:V regarding stock option awards granted to directors, officers, employees and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

A summary of changes in stock options for the three months ended January 31, 2026 and the year ended October 31, 2025 are as follows:

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7. SHARE CAPITAL (Continued)

	Three Months Ended January 31, 2026		Year Ended October 31, 2025	
	Number of Options Outstanding	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price
<u>Balance, Beginning of Year</u>	2,900,000	\$ 0.06	1,400,000	\$ 0.15
Expired	-	-	(1,400,000)	(0.15)
Granted	-	-	2,900,000	0.06
Balance, End of Period/Year	2,900,000	\$ 0.06	2,900,000	\$ 0.06

On July 3, 2025, the Company granted 2,900,000 stock options to a directors, officers and consultants of the Company. The stock options are exercisable at a price of \$0.06 per share for a period of three years following the date of grant. The Company recorded share-based compensation of \$143,534 using the black-scholes option pricing model with the following assumptions: risk-free rate of 2.69%, dividend yield of nil, expected life of three years, volatility of 154%, and fair value per option of \$0.05.

Number of Options Outstanding	Option Exercise Price	Options Exercisable	Option Expiry Date
2,900,000	\$ 0.06	2,900,000	July 3, 2028
2,900,000	\$ 0.06	2,900,000	

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.

On January 31, 2026, included in accounts payable and accrued liabilities is \$77,270 (October 31, 2025 – \$52,050) owing to companies controlled by directors and \$Nil (October 31, 2025 - \$Nil) owing to a director.

For the three months ended January 31, 2026 and the year ended October 31, 2025, the Company incurred the following expenditures for key management personnel and the companies that are directly controlled by them.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
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8. RELATED PARTY TRANSACTIONS (Continued)

	January 31, 2026	October 31, 2025
<u>Statement of Financial Position</u>		
Exploration and evaluation assets	\$ 2,520	\$ 4,800
Total	\$ 2,520	\$ 4,800
	Three Months Ended January 31, 2026	Three Months Ended October 31, 2025
<u>Statement of Comprehensive Loss</u>		
Consulting fees	\$ 54,000	\$ 54,000
Director fees	1,500	1,500
Total	\$ 55,500	\$ 55,500

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW STATEMENT

Broker warrants	\$ 3,476	\$ 18,297
E&E assets in accounts payable	-	24,180
Reversal of share-based payment reserve	-	196,385

10. 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 favourable 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 three months ended January 31, 2026. 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.

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11. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES

Fair Value

The estimated fair value of cash 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.

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Notes to the Financial Statements for the Three Months Ended January 31, 2026
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11. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES (Continued)

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 of October 31, 2025, the Company has cash totaling \$176,528 (October 31, 2025 - \$113,159) and accounts payable and accrued liabilities of \$91,768 (October 31, 2025 - \$115,087) 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 cannot 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, as to 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 January 31, 2026, the Company held no financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

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11. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES (Continued)

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.

12. SUBSEQUENT EVENTS

- On March 19, 2026, the Company issued 5,000,000 units at a cost of \$0.05 each per unit, pursuant to a private placement, for gross proceeds of \$250,000. Each unit consists of one common share and one share purchase warrant, which can be exercised at \$0.12 until March 19, 2028.