DISTRICT COPPER

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

FOR THE THREE MONTHS ENDED JANUARY 31, 2021

(Expressed in Canadian Dollars)

As of March 25, 2021

CONTENTS

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 months ended January 31, 2021. The following information should be read in conjunction with the accompanying unaudited interim financial statements for the three months ended January 31, 2021, and the notes to those financial statements, prepared in accordance with IAS 34 under International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board. Please also refer to the tables starting on page 13 of this MD&A which compares certain financial results for the three months ended January 31, 2021. Financial information contained herein is expressed in Canadian dollars, unless otherwise stated. All information in this MD&A is current as of March 25, 2021 unless otherwise indicated. Readers are cautioned that this MD&A contains "*forward-looking statements*" and that actual events may vary from management's expectations. This MD&A was reviewed, approved and authorized for issue by the Company's Audit Committee, on behalf of the Board of Directors, on March 25, 2021.

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's principal business activity, until 2018, the Eaglehead copper project. The Company has since shifted it's focus away from the copper space towards the gold space, with the acquisition of the Stony Lake gold property on February 8, 2019. The company's transition from copper to gold is due to the current difficulty in raising funds in the market for early stage copper exploration projects.

On January 31, 2021 and March 25, 2021, the Company had (i) 136,941,618 common shares issued and outstanding; (ii) Nil share purchase warrants to acquire common shares outstanding and (iii) Nil options to acquire common shares outstanding.

Head Office	Share Information	Investor Information
# 142 - 1146 Pacific Blvd. Vancouver, BC V6Z 2X7 Canada Tel: +1-604-620-7737	Our common shares are listed for trading on the TSX-V under the symbol "DCOP.V".	Financial reports, news releases and corporate information can be accessed on our website at www.districtcoppercorp.com and on SEDAR at www.sedar.com
Registered Office	**Transfer Agent and Registrar**	**Contact Information**
# 217-179 Davie Street Vancouver, BC V6Z 2Y1 Canada Tel: +1-604-669-3233	Computershare Investor Services Inc. 3rd Floor, 510 Burrard Street Vancouver, BC V6C 3B9 Tel: +1-604-661-9400	Investors: Jevin Werbes Media requests and queries: Tel: +1-604-620-7737 jwerbes@icloud.com

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 and Interim Corporate Secretary
Hrayr Agnerian	

Audit Committee	**Compensation Committee**
Chris Healey (Audit Chairman)	Hrayr Agnerian (Comp. Chairman)
Hrayr Agnerian	Jevin Werbes
Jevin Werbes (Non-Independent)	Chris Healey

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 of 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

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, customers, economies, and financial markets globally, leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect, and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

COVID-19 Response Plan

The Company has developed protocols from the rules and regulations outlined by the Province of Newfoundland and Labrador as well as following guidelines recommended by the Province of Ontario if the Company decides to conduct field operations on its Matachewan gold project.

Stony Lake Project

The Stony Lake project lies within the Cape Ray/Valentine Lake structural trend in Central Newfoundland, lying parallel to that of New Found Gold's Queensway project, along the prolific Dog Bay Line. The project covers 13,625 ha and 27 kilometers of favorable trend between Sokoman's Moosehead discovery to the northeast and Marathon's Valentine Lake deposit to the southwest.

At Stony Lake, large areas of significant gold mineralization occur primarily in altered Botwood sediments and quartz-feldspar porphyry intrusives associated with intense silicification, sericite-chlorite-carbonate alteration and a strong pyrite-arsenopyrite mineralogical association. These features indicate epizonal/mesozonal temperatures for the hydrothermal fluids and support the exploration model of hydrothermal fluids leaking upwards into the Botwood sediments from a deeper igneous intrusive source. This area is now referred to as the Exploits Subzone gold district which essentially covers the Silurian-age clastic sediments surrounding the Mount Peyton intrusive.

Prior to the 2020 field season, airborne geophysical coverage, with follow-up ground prospecting and sampling, has led to the identification of eight area of highly anomalous to high grade gold mineralization. The gold mineralization is hosted in a variety of environments, including quartz-feldspar porphyries, reduced sandstones, quartz stockworks and quartz veins. The property hosts both widespread low grade mineralization (up to 4.0 g/t Au) within the Botwood Formation and high grade veins (>4.0 g/t Au) in the basement rocks below the Botwood, similar to the nearby New Found Gold Queensway project, and the immediately adjacent Sokoman Minerals Moosehead discovery.

Published information on the Moosehead discovery indicates that the mineralization is spatially related to reworking of a major basement structure which is likely the main pathway for the mineralizing fluids. The spatial association of the faulting with mafic intrusives appears to be highly significant. The Moosehead mineralization is hosted by N to NW trending and east dipping faults, which appear to be related to meso-scale anticlinal folding. These types of mineralizing systems typically have great lateral and depth extents (measured in kilometers).

Recent (2019) and historic (2001) geophysical work on the Jumper's Pond area strongly suggests the presence of a large fold structure that plunges to the NE towards Moosehead, as well as several NW-trending structural features. The presence of mafic rocks is also indicated for this area. The major fault structure related to the Mooseheads discovery can clearly be traced by regional magnetics for 5 – 6 km onto the Stony Lake property. These similarities increase K9's confidence in the prospectivity of the Jumper's Pond area.

Under the option agreement, 2020 field work was carried out K9. During a condensed field program in October-November 2020, K9 completed several airborne surveys, including Versatile Time-Domain Electromagnetic (VTEM), LiDAR and Orthophotography. A program of till sampling was completed, as was a two-week field mapping and sampling program.

Geotech Ltd. of Aurora, Ontario completed an airborne geophysical survey in October 2020 using its Versatile Time-Domain Electromagnetic (VTEM™ Plus) geophysical system, along with Horizontal Magnetic Gradiometer. This survey will cover the entire property at a 200-metre line spacing and to better define the interpretation of the 2019 airborne magnetometer, radiometrics and VLF-EM survey. That interpretation clearly showed that the structural trend of the Sokoman's Moosehead discovery crosses onto and continues along the main axis of the Stony Lake East property.

The interpretation of the VTEM (Versatile Time Domain Electromagnetic) System data was contracted out to Campbell & Walker Geophysics Ltd, of North Vancouver BC. The main interpretive tool used was resistivity depth imaging (RDI) which converts the EM profile decay data into an equivalent resistivity versus depth cross section, by deconvolving the measured time domain EM data. RDIs provide reasonable indications of conductor relative depth and vertical extent, as well as accurate 1D layered-earth apparent conductivity /resistivity structure across flight lines.

The interpretation shows two highly significant areas of interest, that are coincident with various anomalies from earlier work, and will improve our understanding of the geological setting of these areas. The two areas are the Jumper's Pond zone and Island Pond. Additionally, there are numerous indications of potential narrow vertical conductive zones in the basement rocks beneath the Botwood sediments. This new information will be used to refine plans for the upcoming 2021 field season which includes drilling.

Subsequently, Campbell and Walker was contracted to complete a 3D inversion study of the 2019 airborne magnetometer survey data. Combined with previous groundwork (sampling of rocks and tills), these inversions provide a valuable guide to the next phases of exploration. In particular, four areas have been identified as high priority targets for phased follow-up ground geophysical surveys. Two of these targets (Jumper's Pond and Moonlight) have been selected for the first phase of Induced Polarization (IP) surveying, for a total of 60 line kilometres.

The inversion study of the airborne magnetic survey data was completed by Sean Walker of Campbell & Walker Geophysics, North Vancouver, BC. Due to the size of the block the inversion was carried out in two steps. A coarse inversion was performed, where the full block was inverted into 80 x 80 x 40 m cells. The recovered model was then used as the reference point for a fine inversion. For the fine inversion, the block was divided into three parts and each part was inverted using 40 x 40 x 20 m cells. The three parts were then merged into a single final model.

Also in October 2020, K9 contracted Leading Edge Geomatics of Lincoln, New Brunswick to conduct a LiDAR and Imagery survey over the Stony Lake Project. The survey will assist with ground mapping to extrapolate geomorphology and both regional and local geologic structures.

A till sampling survey, comprising 76 samples, was completed in October 2020. The work was completed by Overburden Drilling Management (ODM), of Ottawa, ON. The program was a follow up to on-going compilation of historic exploration work on the property that has identified a large area with highly anomalous gold values in tills collected in 1989 by Teck Explorations Limited. These are clustered around the Island Pond – Moccasin Lake area in the central part of the property. Calculated visible gold assays, by Overburden Drilling Management, yielded 15 samples with values over 1500 ppb, four of which had values of 11787, 12754, 14092 and 19502 ppb au. Analysis of non-magnetic heavy mineral concentrates by Chemex Labs yielded 16 samples with values >1000 ppb au. Four of these samples were reported as >10,000 ppb au, which was the upper detection limit.

A brief, two-week program of mapping and sampling was also completed in October 2020, using 2 two-person crews of geologists. Results have been recently received and are being evaluated.

Significant Results:

- Eight areas of highly anomalous to high grade gold mineralization have been identified.
- The gold mineralization is hosted in quartz feldspar porphyry, pyrite, and arsenopyrite bearing reduced sandstone, quartz stockwork, and quartz veins.
- The gold mineralization exhibits arsenic-antimony-molybdenum geochemical associations with a high gold to silver ratio.
- The gold mineralization is characterized by sericite, silica, ankerite, carbonate, and chlorite alteration typically as pervasive alteration and envelopes around quartz stockwork and quartz veins.
- Pyrite and arsenopyrite (1-3% total sulphide) are common to the gold mineralization in all samples containing greater than 50 ppb gold.

Eaglehead Property

The Company owns 100% of the Eaglehead copper-molybdenum-gold property; an exploration stage project (15,956 Ha) located in the Liard Mining District in northern British Columbia, 40 kilometers east of Dease Lake.

District filed on SEDAR a National Instrument 43-101 Technical Report, dated October 21, 2019, on the Eaglehead Property, which was prepared by Robert A. (Bob) Lane, M.Sc, P.Geo. of Moose Mountain Technical Services as Qualified Person. The Report recommended a future exploration program, requiring expenditures of approximately $1,500,000 and concluded that there are no current mineral resources or mineral reserves attributed to the Eaglehead Property. The Technical Report indicates that the Eaglehead porphyry Cu-Mo-Au-Ag Property has considerable merit and that further exploration is warranted to more fully evaluate the potential of the project to host an economic calc-alkalic porphyry Cu-Mo-Au-Ag deposit.

On February 10, 2020, the Company entered into a property sales agreement with Northern Fox Copper Inc. ("**Northern Fox**"), a wholly owned subsidiary of Copper Fox Metals Inc., where District agreed to sell to Northern

Fox all of its right, title and interest in the Eaglehead project located in the Liard Mining Division of northern British Columbia.

The consideration to be received by District includes a 0.5% net smelter return royalty on any future production; cash payments totaling $1,200,000 and assumption by Northern Fox of the reclamation bonds in the amount of $212,000, which was deposited by District with the Ministry of Mines for the Province of British Columbia.

The Eaglehead project was placed on care and maintenance in 2018.

Matachewan Gold Project

The Matachewan Gold project (formerly the Whiskey Jack project) is a joint venture with O3 Mining Inc (formerly Alexandra Minerals) and District Copper Corp. The joint venture is shared on a 50:50 basis with O3 acting as Operator. The project consists of 86 single and boundary cells (1,328 hectares) located in the southwest portion of Cairo Township in the Timiskaming Mining District, Province of Ontario, NTS sheet 41P/15. The project is located approximately 5 kms east of Alamos Gold Inc's Young Davidson gold mine and 1.5 km east of the town of Matachewan. The property is subject to a 3% NSR from production. Upon receipt of payments totalling $1 million pursuant to the NSR, the NSR payable from production is reduced to 2%.

Due to the lack of expenditures on this project over the past few years and the Company's previous focus on copper exploration, District wrote down the value of the project to $1. With the change in focus to gold exploration in mid 2018, District is considering proposing an exploration program for 2020 to O3 Mining Inc.

The Matachewan property is located approximately 5 kms east of the Young Davidson Mine. The Young Davidson mine is a mid-tier (180,000 to 190,000 oz's per year - Alamos Gold's 2019 production guidance) underground producing gold mine with proven and probable reserves of 37.9 Mt grading 2.67 g/t gold containing 3.26 million ounces of gold as at December 2018.

The property lies within Matachewan gold district in the southwest portion of the Abitibi Greenstone belt. The Abitibi Greenstone belt hosts the Kirkland-Larder Lake trend along which the Val D'Or, Cadillac, Rouyn-Noranda, Kirkland Lake, and Matachewan gold districts occur. These gold districts are reported to have a combined historic production of 34 million ounces of gold. The Larder Lake-Cadillac Break is interpreted to be the main structural control on gold mineralization in the Young-Davidson deposit and in the Matachewan gold district.

The exploration model for the property is gold bearing sulphide mineralization like the Young Davidson Mine within shear hosted, sub-vertical, silica and carbonate altered structures in mafic volcanics and syenite and dioritic intrusives associated with the Larder Lake-Cadillac Break.

The property is underlain by an assemblage of mafic to ultra-mafic volcanic rocks and numerous porphyritic syenite to quartz diorite intrusives on the eastern portion of the property. A prominent north-south trending diabase dike swarm like that which occurs on the Young Davidson property occur in the center of the project. It is interpreted that the major east-northeast trending deformation zone that crosses the center of the property is a splay fault off the Larder Lake-Cadillac Break structure.

Historical exploration of the property reported gold assays from pyritic chert in proximity to grey porphyritic syenites of 2,500 ppb (2.5g/t) and 5,900 ppb (5.9g/t) over 2 meter intervals from trench 9A and grab samples of 64,800 ppb (64.8g/t), 14,400 ppb (14.4 g/t), 2,380 ppb (2.38g/t) and 940 ppb and 690 ppb from the bedrock around trench 9A (Brisbane 1981).

Exploration completed by District's predecessor company in 2003 consisted of surface sampling, a limited ground geophysical survey and a small diamond drilling program. This work reported gold mineralization in quartz veins in mafic volcanics, weakly pyritic altered volcanics, iron formation, pyritic interflow sediments, green carbonate altered zones and in weakly pyritic syenite intrusive. Two rock chip samples of volcanic breccia are reported to have assayed 1,445ppb (1.45g/t) and 1,090ppb (1.09 g/t) each over a 3m interval. The geophysical survey defined eleven targets within the property that exhibit chargeability, resistivity, and magnetic signatures.

The limited diamond drilling program completed in 2008 intersected several intervals of gold mineralization including 2.25 g/t Au over 6m, 4.14 g/t Au over 1.5m, and 5.34 g/t Au over 1.5m. No follow-up drilling of these mineralized intervals has been completed. Unfortunately, most of the technical data generated by the prior trenching and drilling programs is not available for review as is typical with long life projects that have been explored by several exploration companies.

5. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	January 31, 2021 *3 months ended*	**October 31, 2020** *3 months ended*	**July 31, 2020** *3 months ended*	**April 30, 2020** *3 months ended*
Loss before taxes	$ 88,742	$ 105,453	$ 78,087	$ 76,103
Net loss	125,546	259,876	77,723	71,787
Comprehensive loss	125,546	259,876	77,723	71,787
Comprehensive loss per share, basic and diluted	0.00	0.00	0.00	0.00

	January 31, 2020 *3 months ended*	**October 31, 2019** *3 months ended*	**July 31, 2019** *3 months ended*	**April 30, 2019** *3 months ended*
Loss before taxes	$ 71,191	$ 97,655	$ 72,294	$ 181,890
Net loss	17,347	92,058	55,442	11,057,239
Comprehensive loss	17,347	92,058	55,442	11,057,239
Comprehensive loss per share, basic and diluted	0.00	0.00	0.00	0.08

The Company's quarterly operating expenses decreased in Q1 2021 compared to Q4 2021 due to a decrease in professional fees.

6. DISCUSSION OF OPERATIONS

Three Months Ended January 31, 2021 Compared to Three Months Ended January 31, 2020

For the three months ended January 31, 2021, the Company recorded a comprehensive loss of $125,546 or $0.00 per share compared to a comprehensive loss of $17,347 or $0.00 per share in the comparable period ended January 31, 2020. The increase in comprehensive loss is due to increase in professional fees, the fair value adjustment of marketable securities and the decrease in recovery of exploration expenses in the current comparable period.

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Discussion
Accretion	$473	$473	Accretion remained unchanged.
Consulting Fees	$51,000	$51,500	Consulting fees remained relatively unchanged.
Director Fees	$Nil	$5,000	Directors' fees decreased due to the resignation of two directors at the beginning of Q2 2020.
Office	$3,909	$3,453	Office expenses remained relatively unchanged.
Professional Fees	$20,438	$305	Professional fees increased due to increased legal fees related to the sale of the Eaglehead property.
Rent	$1,500	$2,250	Rent decreased due to a reduction in rent.
Shareholder Communications	$9,618	$6,406	Shareholder communications increased due to an increase in news releases.
Transfer Agent and Regulatory Fees	$1,804	$1,804	Transfer agent and regulatory fees remained unchanged.
Flow-Through Premium Income	$Nil	($6,499)	Flow-through premium income decreased due to the flow-through obligation being extinguished in the fiscal year ended 2020.
FV Adjustment of Marketable Securities	$37,500	$Nil	The increase in FV adjustment of marketable securities is due to the K9 shares depreciating in value during Q1 2021.
Interest Income	($696)	($719)	Interest income remained relatively unchanged.
Recovery of Exploration Expenses	$Nil	$(46,626)	Recovery of exploration expenses was due to the BCMETC refund in Q1 2020.

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 January 31, 2021, the Company had a cash balance of $43,080 (October 31, 2020 - $26,799). 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.

Working Capital

As at January 31, 2021, District had a negative working capital of $73,190 (October 31, 2020 – ($21,018)). The working capital decreased for the three months ended January 31, 2021 compared to the year ended October 31, 2020 as a result of there being no private placements in Q1 2021 and the Company incurring general operational costs.

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.

District has no long-term debt and no long-term liabilities, other than its decommissioning provision of $239,582 (October 31, 2020 - $239,109). The Company has no capital lease obligations, operating or any other long-term obligations, other than its monthly office rent of $750.

Cash Flow Highlights

	Three Months Ended	
	January 31, 2021	January 31, 2020
Cash used in operating activities	$ (56,620)	$ (5,951)
Cash provided by/(used in) investing activities	72,900	(10,070)
Cash provided by financing activities	-	-
Decrease in cash and cash equivalents for the period	16,280	(16,021)
Cash and cash equivalents balance, beginning of year	26,799	50,184
Cash and Cash Equivalents Balance, End of Period	**$ 43,080**	**$ 34,163**

Capital Risk Management

District Copper's capital structure consists of common shares, stock options and warrants. The Company manages its capital structure and adjusts it, based on available funds, to support the acquisition and exploration of mineral properties. The Board does not establish quantitative returns on capital criteria for management.

The properties in which District currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. To carry out and pay for planned exploration and development, along with operating administrative costs, the Company will fund such costs out of anticipated future working capital predicated upon additional amounts being raised.

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, 2021. The Company's invests its surplus cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, all held with major Canadian financial institutions.

8. RELATED PARTY TRANSACTIONS

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

At January 31, 2021, included in accounts payable and accrued liabilities is $121,250 (October 31, 2020 – $81,875) owing to a company controlled by a director, $37,800 (October 31, 2020 – $23,625) owing to a company controlled by an officer, $2,100 (October 31, 2020 - $2,100) owing to a director of the Company, and $41,660 (October 31, 2019 - $41,660) owing to Copper Fox.

For the three months ended January 31, 2021 and 2020, the Company incurred the following expenditures for key management personnel and the companies that are directly controlled by them.

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020
Statement of Operations Items		
Consulting fees	**$ 51,000**	$ 51,500
Director fees	**-**	5,000
Total	**$ 51,000**	$ 56,500

9. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES

Fair Value

The estimated fair value of accounts payables approximates their carrying value due to the immediate or relatively short period to maturity. Cash and 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 fulfill 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 and short-term investments. 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.

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 to ensure that there is enough capital in order to meet short term obligations. As at January 31, 2021, the Company has cash totaling $43,080 (October 31, 2020 - $26,799) and accounts payable and accrued liabilities of $281,671 (October 31, 2020 - $249,243) 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, 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 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, 2021, 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 year ended October 31, 2020 (available under District Copper's SEDAR profile at www.sedar.com). 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

On February 10, 2020, the Company entered into a property sales agreement with Northern Fox Copper Inc. ("**Northern Fox**"), a wholly owned subsidiary of Copper Fox Metals Inc., where District has agreed to sell to the Northern Fox all of its right, title and interest in and to 6 contiguous mineral claims covering approximately 15,956 hectares of lands located in the Liard Mining Division of northern British Columbia, historically referred to by District as the Eaglehead Property.

The sale is subject to the reservation a 0.5% net smelter return royalty for District on any future production. The consideration due and payable to District for the Eaglehead Property is the total sum of $1,200,000, plus the assumption by Northern Fox of the reclamation bonds in the amount of $212,000, which has been deposited by District with the Ministry of Mines and BMO.

Under the terms of the agreement, Northern Fox has paid a non-refundable deposit of $50,000 upon signing the agreement. An additional $150,000 will be paid upon the closing of the agreement and the balance of the purchase price in the amount of $1,000,000 will be payable in three annual installments of $340,000, $330,000 and $330,000, respectively, on each anniversary of the closing date.

The $1,000,000 unpaid portion of the purchase price is guaranteed by Copper Fox and is to be secured by a general security agreement to be registered against the assets and undertaking of Northern Fox. The assets of Northern Fox include 33,283,264 common shares of District Copper. The disposition of the Eaglehead Property will by definition and under TSX Policies be considered a non-arm's length transaction as Northern Fox currently owns 24.40% of the issued and outstanding shares of District, and no longer has Board representation on District, as Elmer Stewart and Mike Smith, both directors for Copper Fox, resigned before the purchase agreement was signed.

On February 13, 2020, Copper Fox paid a non-refundable deposit of $50,000 towards the purchase of the Eaglehead property.

Once the Company receives regulatory approval from the Minister of Mines, which is expected in Q2 2021, the deal will be finalized.

12. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

There were no shares issued during the three months ended January 31, 2021.

There were no shares issued during the year ended October 31, 2020.

c) Warrants

A summary of changes in share purchase warrants for the three months ended January 31, 2021 and the year ended October 31, 2020 are as follows:

	March 25, 2021		October 31, 2020	
	Number of Warrants Outstanding	**Weighted Average Exercise Price**	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, Beginning of Year	-	$ -	28,252,942	$ 0.10
Expired	-	-	(28,252,942)	0.10
Balance, End of Period/Year	-	$ -	-	$ 0.10

As at March 25, 2021, there were no share purchase warrants outstanding or exercisable.

On March 29, 2020, 18,750,000 warrants expired. On October 12, 2020, 352,942 warrants expired. On August 8, 2020, 9,150,000 warrants expired.

As at March 25, 2021, the weighted average remaining contractual life of the share purchase warrants was Nil years (October 31, 2019 – 0.532 years) and the weighted average exercise price was $Nil (October 31, 2019 - $0.100).

13. OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended January 31, 2021, 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 three months ended January 31, 2021.

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.

Depreciation

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

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

Site Closure and Decommissioning Provisions

The Company assesses its mineral property's decommissioning provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future decommissioning obligation. The actual future expenditures may differ from the amounts currently provided.

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.

Contingencies

The assessment of contingencies involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or un-asserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to disclose as a contingent liability or when assessing the impact on the carrying value of the Company's assets. Contingent assets are not recognized in the Company's financial statements.

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.sedar.com.