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

**FOR THE YEAR ENDED  
OCTOBER 31, 2023**

*(Expressed in Canadian Dollars)*

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**As of February 12, 2024**

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## DISTRICT COPPER CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For the Year Ended October 31, 2023

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### 1. INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of District Copper Corp., (referred to as "District", the "Company", "us" or "our") provides analysis of the Company's financial results for the year ended October 31, 2023. The following information should be read in conjunction with the accompanying audited annual financial statements for the year ended October 31, 2023, 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 year ended October 31, 2023. Financial information contained herein is expressed in Canadian dollars, unless otherwise stated. All information in this MD&A is current as of February 12, 2024, 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 February 12, 2024.

#### Description of Business

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

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

On October 31, 2023, and February 12, 2024, the Company had (i) 21,294,161 and 21,794,161 common shares issued and outstanding; (ii) 3,000,000 and Nil share purchase warrants to acquire common shares outstanding and (iii) 1,400,000 options to acquire common shares outstanding.

#### Head Office

# 142 - 1146 Pacific Blvd.  
Vancouver, BC V6Z 2X7  
Canada  
Tel: +1-604-363-3506

#### Share Information

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

#### Investor Information

Financial reports, news releases and corporate information can be accessed on our website at [www.districtcoppercorp.com](http://www.districtcoppercorp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com)

#### Registered Office

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

<b>Directors</b>	<b>Officers and Position</b>
Jevin Werbes	Jevin Werbes, President and CEO
Chris Healey	Braden Jensen, CFO
Braden Jensen	Marion McGrath, Corporate Secretary
Dillon Sharan	

  

<b>Audit Committee</b>	<b>Compensation Committee</b>
Chris Healey (Audit Chairman)	Jevin Werbes
Jevin Werbes (Non-Independent)	Chris Healey
Dillon Sharan	Dillon Sharan

### Qualified Person

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

## 2. DISCLOSURE OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

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

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

### **3. FORWARD-LOOKING STATEMENTS**

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

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

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

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

These statements are not guaranteeing 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**

### **Stony Lake Project**

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

The Stony Lake project lies within Exploits sub-zone of 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, felsic to mafic intrusives and volcanic flows and breccias 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.

The 2022 drill program at Jumper's Pond has been completed. The drill program consisted of 8 diamond drill holes, for a total of 2,919 meters. The drill holes were designed to follow up on the extremely wide mineralized zone encountered in hole JP21-022 during the 2021 drilling season. That drill hole intersected a 127.4-meter zone of continuous gold mineralization, averaging 0.61 g/t over the entire length of the zone (see K9 release dated September 29, 2022).

### **Discussion of results:**

The gold mineralization occurs within a broad deformation zone characterized by shearing and brecciation hosted in a sequence of intermediate to mafic volcanic rocks. As previously reported, significant gold mineralization is interpreted to be concentrated along the axis of an anticlinal structure in the footwall of a major fault zone. The mineralization exhibits a strong spatial correlation to a positive chargeability anomaly. The mineralization remains open along strike and at depth.

Analytical results, to date, indicate a highly consistent pattern of gold distribution.

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In 2021, 12 samples from drill hole JP21-012 were sent to MSALABS in Langley, British Columbia for analysis using the metallics screening method. The half-core split samples were dry crushed to 70% passing 2 mm, then a 1000g split was pulverized to 85% passing 75µm. This was followed by a metallic screening of the 1000g, with a fire assay finish (30g fusion). The metallic screening method is commonly used to determine the proportion of coarse gold in a deposit. This year, for comparison, half of the remaining core was split, and submitted to Eastern Analytical, in Springdale, NL for analysis by the traditional fire assay method (see below under QA/QC Procedures).

The variations in the results from the two sets of analyses (shown in the table below) indicate the weighted average value of the traditional fire assays was approximately 16% lower than the average from the metallic screening. While there was some variability between individual samples, the weighted average gold content of the 13.0m intersection was 1021 ppb for MSALABS and 858 ppb for Eastern. Considering that the two analytical methods take completely different approaches to analyzing the gold content of each sample, this difference is fully within the expected variance between samples and indicates that there is now significant confidence in the reproducibility of results.

				2021 (MSA)			2022 (Eastern)		
Hole ID	From (m)	To (m)	Length (m)	sample ID	Au ppm	Au g/t	sample ID	Au ppm	Au g/t
JP21-012	247.00	249.20	2.20	145129	660	0.66	105060	475	0.48
JP21-012	249.20	250.13	0.93	145131	520	0.52	105061	524	0.52
JP21-012	250.13	251.00	0.87	145132	1100	1.10	105062	805	0.81
JP21-012	251.00	252.00	1.00	145133	1300	1.30	105063	1215	1.22
JP21-012	252.00	252.70	0.70	145135	990	0.99	105064	1198	1.20
JP21-012	252.70	253.30	0.60	145136	1390	1.39	105065	1882	1.88
JP21-012	253.30	255.00	1.70	145137	1070	1.07	105066	653	0.65
JP21-012	255.00	255.64	0.64	145138	1010	1.01	105067	894	0.89
JP21-012	255.64	257.00	1.36	145139	870	0.87	105068	610	0.61
JP21-012	257.00	258.00	1.00	145141	1990	1.99	105069	1327	1.33
JP21-012	258.00	259.00	1.00	145142	1611	1.61	105070	1603	1.60
JP21-012	259.00	260.00	1.00	145143	316	0.32	105071	294	0.29
			weighted average		1022	1.02		858	0.86

Further evidence of the consistency in gold values is that fact that most of the intersections to date exhibit reasonably consistent gold concentration within each intersection. An example of this is shown in the following table, showing a portion of JP22-029.

Hole #	From	To	Length	sample #	ppb Au	g/t Au
JP22-029	248.40	249.00	0.60	215531	1172	1.17
JP22-029	249.00	250.00	1.00	215532	1289	1.29
JP22-029	250.00	251.00	1.00	215533	2673	2.67
JP22-029	251.00	251.85	0.85	215535	3371	3.37
JP22-029	251.85	252.85	1.00	215536	1532	1.53
JP22-029	252.85	253.85	1.00	215537	1943	1.94
JP22-029	253.85	254.40	0.55	215538	1496	1.50

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JP22-029	254.40	255.40	1.00	215539	1482	1.48
JP22-029	255.40	255.80	0.40	215541	2053	2.05
JP22-029	255.80	256.70	0.90	215542	1138	1.14
JP22-029	256.70	257.70	1.00	215543	2350	2.35
JP22-029	257.70	258.70	1.00	215544	2451	2.45
JP22-029	258.70	259.70	1.00	215545	2269	2.27
JP22-029	259.70	260.70	1.00	215546	939	0.94
JP22-029	260.70	261.70	1.00	215547	2826	2.83
JP22-029	261.70	262.70	1.00	215548	2924	2.92
JP22-029	262.70	263.85	1.15	215549	2328	2.33
JP22-029	263.85	264.85	1.00	215551	911	0.91
JP22-029	264.85	265.85	1.00	215552	1149	1.15
JP22-029	265.85	266.60	0.75	215553	1710	1.71
JP22-029	266.60	267.10	0.50	215555	2457	2.46
JP22-029	267.10	268.10	1.00	215556	2034	2.03
JP22-029	268.10	268.80	0.70	215557	1162	1.16

Weighted average grades for the mineralized intervals were estimated using a 0.2 g/t Au cut-off. Weighted average grade intervals include sample intervals below cut-off provided that the interval below the cut-off did not exceed a 2.0 m core interval. Intervals reported in this release are core lengths; there are insufficient data points to determine true widths at this time.

A summary of the significant intervals of gold mineralization intersected in the recent drilling program are presented in the following table:

Hole #	From	To	length	g/t Au
JP22-025	343.45	349.90	6.45	0.33
JP22-026	<b>74.80</b>	<b>89.00</b>	<b>14.20</b>	<b>0.51</b>
including	<b>74.80</b>	<b>79.90</b>	<b>5.10</b>	<b>0.96</b>
	<b>105.50</b>	<b>115.70</b>	<b>10.20</b>	<b>0.80</b>
including	<b>106.50</b>	<b>107.50</b>	<b>1.00</b>	<b>1.89</b>
and	<b>114.27</b>	<b>115.70</b>	<b>1.43</b>	<b>2.63</b>
	170.45	171.45	1.00	0.87
	197.00	200.00	3.00	0.33
	288.50	291.50	3.00	0.42
JP22-027	346.60	347.60	1.00	0.46
JP22-028	139.00	146.40	7.40	0.16
	<b>155.40</b>	<b>164.90</b>	<b>9.50</b>	<b>0.87</b>
	<b>202.80</b>	<b>204.25</b>	<b>1.45</b>	<b>1.23</b>
	237.50	240.00	2.50	0.72
	305.80	307.80	2.00	0.43
	<b>316.85</b>	<b>318.60</b>	<b>1.75</b>	<b>2.13</b>



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JP22-029	<b>238.75</b>	<b>270.50</b>	<b>31.75</b>	<b>1.52</b>
including	<b>248.40</b>	<b>268.80</b>	<b>20.40</b>	<b>1.91</b>
including	<b>250.00</b>	<b>263.50</b>	<b>13.50</b>	<b>2.14</b>
	315.05	316.05	1.00	0.25
	330.61	333.60	2.99	0.40
	342.75	346.25	3.50	0.79
JP22-030	140.50	141.00	0.50	0.23
	155.10	156.80	1.70	0.44
	181.60	182.60	1.00	0.77
	201.25	203.65	2.40	0.49
	<b>225.00</b>	<b>252.35</b>	<b>27.35</b>	<b>1.88</b>
including	<b>229.50</b>	<b>244.35</b>	<b>14.85</b>	<b>3.18</b>
including	<b>234.50</b>	<b>237.35</b>	<b>2.85</b>	<b>5.36</b>
	321.00	324.00	3.00	0.19
	344.00	344.70	0.70	0.29
JP22-031	26.00	31.00	5.00	0.30
	<b>149.00</b>	<b>155.80</b>	<b>6.80</b>	<b>1.71</b>
including	<b>151.00</b>	<b>155.80</b>	<b>4.80</b>	<b>2.32</b>
	272.12	273.12	1.00	0.61
	287.85	288.85	1.00	0.31
JP22-032	45.35	48.35	3.00	0.32
	<b>180.00</b>	<b>183.00</b>	<b>3.00</b>	<b>1.18</b>
	191.45	193.40	1.95	0.77

3D modelling of the geology, structure and mineralized intervals for all drill holes completed on the Jumper's Pond target is in progress and results will be reported on completion of this work. It is expected that these activities should define the strike direction and dip of the main mineralized structure to effectively plan the next phase of drilling at Jumper's Pond.

In the summer of 2023, a brief soil sampling program was completed (311 samples). Analytical results are pending.

**Quality Control and Quality Assurance**

The project operator (K9) employs a rigorous QA/QC protocol on samples submitted for analysis including the insertion of blanks, reference standard and duplicated into its sample streams. For every 40 samples, one blank and three standards are inserted. In addition, one reject duplicate is included in every batch of 40 samples. To date, no significant discrepancies have been detected in the results of the blanks, standards, and duplicates.

K9 uses the services of Eastern Analytical in Springdale NL, using their fire assay and 34 element ICP package for sample analysis. Eastern Analytical is ISO 17025 Accredited in Fire Assay Au, as well as for their multi-acid ore grade assays in Cu, Pb, Zn, Ag, Fe and Co.

**Copper Keg Project**

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

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

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

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

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

A one-week mapping program was completed on the property in April 2021. The objectives were to develop baseline whole rock geochemistry of the lithologies present on the property, and to determine whether any significant trends in alteration and/or geochemistry exist on the property. Within the Nicola Group volcanics, five distinct units were identified during the mapping program. This is consistent with earlier regional mapping by Government geologists. The Guichon Batholith, which intrudes the Nicola volcanics, was observed to outcrop along the northeastern part of the claims in typically large, blocky, high-relief cliff faces. Tertiary Kamloops group basalts occupy the high relief plateaus in the southern portion of the claims. The Barnes Creek fault was observed to generally follow the trend of the intrusive contact between the Nicola Group volcanics and the Guichon Creek batholith.

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

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

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

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

#### Highlights:

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

#### 3D Magnetic Inversion

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

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

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

In October 2023, a soil sampling program was completed on several claims. 175 samples were collected. Analysis of the results is pending.

**Eaglehead Property**

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 Northern Fox all of its right, title and interest in the Eaglehead Property.

The sale is subject to the reservation of a 0.5% NSR for District on any future production. Northern Fox has the option to purchase one half of the NSR from District Copper, exercisable from the date of the agreement and up to two years from the date of commencement of production of the project, for \$1,000,000. 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 of \$212,000.

Under the terms of the agreement, Northern Fox has paid a non-refundable deposit of \$50,000 (received) upon signing the agreement. An additional \$150,000 (received) was 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 (received), \$330,000 (received) and \$330,000, respectively, on each anniversary of the closing date.

The \$1,000,000 unpaid portion of the purchase price is to be guaranteed by Copper Fox, in the form of a promissory note, and is to be secured by a general security agreement to be registered against the assets and undertaking of Northern Fox.

The sale of the Eaglehead property was finalized on April 19, 2021, at which time Northern Fox assumed the reclamation bonds of \$212,000. The Company received a promissory note of \$1,000,000, of which \$670,000 has been paid and \$330,000 is current as it is due within 12 months.

**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.

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On July 15, 2022, the Company sold the Matachewan Gold Project for \$25,000.

**5. SUMMARY OF QUARTERLY RESULTS**

The quarterly results are as follows:

	<b>October 31, 2023</b> 3 months ended	<b>July 31, 2023</b> 3 months ended	<b>April 30, 2023</b> 3 months ended	<b>January 31, 2023</b> 3 months ended
Loss before non-operating items	\$ (196,482)	\$ (170,440)	\$ (186,908)	\$ (171,682)
Loss	(195,872)	(186,640)	(219,758)	(139,682)
Comprehensive Loss	(195,872)	(186,640)	(219,758)	(139,682)
Comprehensive loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

  

	<b>October 31, 2022</b> 3 months ended	<b>July 31, 2022</b> 3 months ended	<b>April 30, 2022</b> 3 months ended	<b>January 31, 2022</b> 3 months ended
Loss before non-operating items	\$ (194,641)	\$ (70,423)	\$ (521,072)	\$ (83,208)
Income (loss)	(282,641)	(45,424)	(360,829)	(128,583)
Comprehensive Income (loss)	(282,641)	(45,424)	(360,829)	(128,583)
Comprehensive gain (loss) per share, basic and diluted	(0.01)	(0.00)	(0.02)	(0.01)

The Company's quarterly operating expenses increased in Q4 2023 compared to Q3 2023 due to an increase in consulting fees.

**6. DISCUSSION OF OPERATIONS****Year ended October 31, 2023, Compared to Year ended October 31, 2022**

For the year ended October 31, 2023, the Company recorded comprehensive loss of \$741,952 or \$0.03 per share compared to a comprehensive loss of \$817,477 or \$0.04 per share in the comparable year ended October 31, 2022. The decrease in comprehensive loss is due to the decrease in share-based compensation offset by the increase in consulting fees.

	<b>Year Ended October 31, 2023</b>	<b>Year Ended October 31, 2022</b>	<b>Discussion of Variance in Expenses</b>
<b>Advertising and Promotion</b>	\$78,545	\$52,364	Advertising and promotion increased as the Company decided to record the Q2 2022 investor relations campaign as a prepaid expensed and amortize it quarterly until the conclusion of the investor campaign on December 31, 2023. Originally, the entire amount had been expensed in Q2 2022.
<b>Consulting Fees</b>	\$517,909	\$437,599	Consulting fees increased as the Company decided to record the Q2 2022 investor relations campaign as a prepaid expensed and amortize it

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	<b>Year Ended October 31, 2023</b>	<b>Year Ended October 31, 2022</b>	<b>Discussion of Variance in Expenses</b>
			quarterly until the conclusion of the investor campaign on December 31, 2023. Originally, the entire amount had been expensed in Q2 2022.
<b>Director Fees</b>	\$6,000	\$3,000	Directors' fees increased as the Company brought in a new director in Q3 2022.
<b>Office</b>	\$23,441	\$24,356	Office expenses remained relatively unchanged.
<b>Professional Fees</b>	\$35,309	\$58,306	Professional fees decreased as there was less activity in Q1-Q4 2023 compared to Q1-Q4 2022.
<b>Rent</b>	\$5,344	\$7,200	Rent decreased due to the company giving up its office lease in Q3 2023.
<b>Share based Compensation</b>	\$Nil	\$234,764	Share based compensation decreased because there were no options granted in 2023.
<b>Shareholder Communications</b>	\$45,779	\$43,195	Shareholder communications increased as the Company decided to record the Q2 2022 investor relations campaign as a prepaid expensed and amortize it quarterly until the conclusion of the investor campaign on December 31, 2023. Originally, the entire amount had been expensed in Q2 2022.
<b>Transfer Agent and Regulatory Fees</b>	\$13,185	\$8,560	Transfer agent fees increased due to increased TSX:V filings.
<b>FV Adjustment of Marketable Securities</b>	(\$27,500)	(\$88,000)	The decrease in FV adjustment of marketable securities is due to the stock's per share value not decreasing as much in 2023 as it did in 2022.
<b>Gain on Sale of Marketable Securities</b>	\$11,060	\$114,868	The decrease in gain on sale of marketable securities is due to less shares being sold in 2023 compared to 2022.
<b>Gain on Sale of Property</b>	\$Nil	\$24,999	The decrease in the gain on the sale of property is due to the Company selling

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	Year Ended October 31, 2023	Year Ended October 31, 2022	Discussion of Variance in Expenses
			the Whiskey Jack property in Q3 2022 and not selling any property in Q3 2023.

## 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 October 31, 2023, the Company had a cash balance of \$322,086 (October 31, 2022 - \$367,554). 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 October 31, 2023, District had a working capital of \$701,499 (October 31, 2022 – \$1,152,047). The working capital decreased for the year ended October 31, 2023, compared to the year ended October 31, 2022, due to a decrease in prepaid expenses.

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

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

**Cash Flow Highlights**

	Year Ended	
	October 31, 2023	October 31, 2022
Cash used in operating activities	\$ (356,302)	\$ (1,116,719)
Cash provided by investing activities	310,834	663,314
Cash provided by financing activities	-	646,197
Increase in cash for the year	(45,468)	192,792
Cash, beginning of year	367,554	174,762
<b>Cash, End of Year</b>	<b>\$ 322,086</b>	<b>\$ 367,554</b>

**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 year ended October 31, 2023. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

**8. RELATED PARTY TRANSACTIONS**

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



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

At October 31, 2023, included in accounts payable and accrued liabilities is \$6,875 (October 31, 2022 – \$15,919) owing to companies controlled by directors, and \$Nil (October 31, 2022 - \$20,791) owing to Copper Fox.

As at October 31, 2023, Northern Fox owed the Company \$330,000 (October 31, 2022 – \$660,000) in the form of a promissory note (Note 6).

For the year ended October 31, 2023, and 2022, the Company incurred the following expenditures for key management personnel and the companies that are directly controlled by them.

	As at October 31, 2023		As at October 31, 2022	
<u>Statement of Financial Position Item</u>				
Exploration and evaluation assets	\$	9,375	\$	11,250
<b>Total</b>	<b>\$</b>	<b>9,375</b>	<b>\$</b>	<b>11,250</b>

  

	Year Ended October 31, 2023		Year Ended October 31, 2022	
<u>Statement of Income (loss) Item</u>				
Consulting fees	\$	239,500	\$	220,027
Director fees		6,000		3,000
Share-based compensation		-		234,764
<b>Total</b>	<b>\$</b>	<b>245,500</b>	<b>\$</b>	<b>457,791</b>

## 9. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES

### Fair Value

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

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

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

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

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

### Risk Management

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

a) Credit Risk

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

b) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk and requirements by maintaining sufficient cash balances and or through additional financings and or sale of properties to ensure that there is enough capital to meet short term obligations. As at October 31, 2023, the Company has cash totaling \$322,086 (October 31, 2022 - \$367,554) and accounts payable and accrued liabilities of \$46,803 (October 31, 2022 - \$88,043) 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 October 31, 2023, 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, 2023 (available under District Copper's SEDAR profile at [www.sedar.com](http://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**

There are no proposed transactions for the year ended October 31, 2023.

## **12. DISCLOSURE OF OUTSTANDING SHARE DATA**

### **Common Shares**

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

During the year ended October 31, 2023, the Company had the following share issuances:

There were no shares issued during the year ended October 31, 2023.

Subsequent to year end, on February 6, 2024, the Company issued 500,000 shares relating to the Copper Keg project.

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During the year ended October 31, 2022, the Company had the following share issuances:

On November 22, 2021, the Company closed a non-brokered private placement for gross proceeds of \$430,000. The private placement consisted of 4,300,000 units at a price of \$0.10 per unit. Each unit was comprised of one common share and one transferrable share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.15 per share for a period of two years following the date of closing. As compensation for the placement of the units, the Company paid share issuance costs of \$18,803.

On December 21, 2021, the Company issued 1,000,000 common shares at a value of \$160,000 for the Copper Keg property.

On March 31, 2022, 1,300,000 warrants were exercised, and 1,300,000 common shares were issued for proceeds of \$195,000.

On May 17, 2022, 250,000 options were exercised, and 250,000 common shares were issued for proceeds of \$40,000.

On August 15, 2022, the Company issued 500,000 common shares at a value of \$45,000 for the Copper Keg property.

c) Warrants

A summary of changes in the share purchase warrants as of the date of this MD&A and the year ended October 31, 2022, are as follows:

	As at		Year Ended	
	February 12, 2024		October 31, 2022	
	Number of	Weighted	Number of	Weighted
	Warrants	Average	Warrants	Average
	Outstanding	Exercise	Outstanding	Exercise
		Price		Price
<u>Balance, Beginning of Year</u>	<b>3,000,000</b>	<b>\$ 0.10</b>	-	\$ -
Granted	-	-	<b>4,300,000</b>	<b>0.15</b>
Exercised	-	-	<b>(1,300,000)</b>	<b>0.15</b>
Expired	<b>(3,000,000)</b>	-	-	-
<b>Balance, End of Year</b>	<b>-</b>	<b>\$ -</b>	<b>3,000,000</b>	<b>\$ 0.15</b>

On November 22, 2021, 4,300,000 warrants were issued in the private placement.

On November 3, 2022, the Company amended the exercise price of the warrants from \$0.15 to \$0.10.

On November 22, 2023, 3,000,000 warrants expired unexercised.

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d) Stock Options

A summary of changes in the options as of the date of this MD&A and the year ended October 31, 2022, are as follows:

	As at February 12, 2024		Year Ended October 31, 2022	
	Number of Options Outstanding	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price
<u>Balance, Beginning of Year</u>	1,400,000	\$ 0.15	-	\$ -
Granted	-	-	1,650,000	0.15
Exercised	-	-	(250,000)	0.16
<b>Balance, End of Year/Period</b>	<b>1,400,000</b>	<b>\$ 0.15</b>	<b>1,400,000</b>	<b>\$ 0.15</b>

On December 23, 2021, the Company granted 1,400,000 stock options to directors and officers of the Company. The stock options are exercisable at a price of \$0.16 per share for a period of three years following the date of grant and were subject to a four month hold period.

On May 17, 2022, 250,000 stock options were exercised for net proceeds of \$40,000.

On July 4, 2022, the Company granted 250,000 stock options to a director and an officer of the Company. The stock options are exercisable at a price of \$0.10 per share for a period of three years following the date of grant and were subject to a four month hold period.

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

Number of Options Outstanding	Option Exercise Price	Options Exercisable as of February 12, 2024	Option Expiry Date
1,150,000	\$ 0.16	1,150,000	December 23, 2024
250,000	0.10	250,000	July 3, 2025
<b>1,400,000</b>	<b>\$ 0.15</b>	<b>1,400,000</b>	

**13. OFF-BALANCE SHEET ARRANGEMENTS**

During the year ended October 31, 2023, 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 year ended October 31, 2023.

## **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 unasserted 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](http://www.sedar.com).