



## District Announces Closing of Acquisition of Tomtebo Project

Vancouver, B.C.

**June 30, 2020– District Metals Corp. (TSX-V: DMX; "District" or the "Company")** is pleased to announce that further to its news release of February 28, 2020 and May 8, 2020, it has completed its acquisition of a 100% ownership of the Tomtebo and Trollberget properties (together, the "**Properties**") from Viad Royalties AB (the "**Seller**"), a wholly-owned subsidiary of EMX Royalty Corp. (TSX-V:EMX) ("**EMX**"). The acquisition of the Properties by the Company is hereinafter referred to as the "**Transaction**".

Garrett Ainsworth, President & CEO of District, commented: "It has been a pleasure working with EMX, from the due diligence phase through to the closing of the Tomtebo and Trollberget transaction. We are pleased to have EMX as a large shareholder, with a 9.9% ownership in the Company. District is well underway with our exploration plans for Tomtebo, located in the prolific Bergslagen Mining District of south-central Sweden, with a strong partner that has been operating in Scandinavia since 2012."

As consideration for the Transaction, the Company (a) issued to EMX 5,882,830 common shares in the capital of the Company (the "**Closing Shares**"); (b) paid to EMX cash consideration of \$35,000; (c) granted to EMX a 2.5% net smelter royalty on each of the Properties as described in the Company's news release dated February 28, 2020; (d) entered into a shareholder rights agreement with EMX pursuant to which, among other things, EMX has been granted a top-up right (the "**Top-Up Right**") to maintain its proportionate shareholding in the Company at no additional consideration until the earlier of the five year anniversary of the closing of the Transaction and completion of a financing raising gross proceeds of at least \$600,000, up to a maximum of 3,000,000 common shares in the capital of the Company.

Pursuant to an amended and restated purchase agreement (the "**Amended Purchase Agreement**") among the Company, District Metals AB (the "**Buyer**"), a wholly-owned subsidiary of the Company, the Seller and EMX, the parties agreed that due to the requests for transfer of the mineral licences to the Buyer being delayed as a result of the global Covid-19 pandemic, the mineral licenses will be held in trust for the Company pending approval, during which time the Company will have unrestricted access to the Properties for exploration.

Also in connection with the closing of the Transaction, pursuant to the previously announced services agreement between the Company, Vector Geological Solutions Inc., (the "**Consultant**")

and Daniel MacNeil, as principal of the Consultant, the Company issued 466,390 common shares in the capital of the Company to the Consultant (the "**Finder Shares**") and agreed to issue up to an additional 33,610 shares on the issuance of at least 448,134 common shares pursuant to the Top-Up Right, on or before 12 months following the closing date. The Consultant is at arm's length to the Company.

Pursuant to applicable securities laws, the Closing Shares and the Finder Shares are subject to a four-month hold period from the closing date of the Transaction.

### **About District Metals Corp.**

District Metals Corp. is led by industry professionals with a track record of success in the mining industry. The Company's mandate is to seek out, explore, and develop prospective mineral properties through a disciplined science-based approach to create shareholder value and benefit other stakeholders.

The advanced exploration stage Tomtebo Property is located in the Bergslagen Mining District of south-central Sweden is the Company's main focus. Tomtebo comprises 5,144 ha, and is situated between the historic Falun Mine and Boliden's Garpenberg Mine that are located 25 km to the northwest and southeast, respectively. Two historic polymetallic mines and numerous polymetallic showings are located on the Tomtebo Property along an approximate 17 km trend that exhibits similar geology, structure, alteration and VMS/SedEx style mineralization as other significant mines within the district. Mineralization that is open at depth and along strike at the historic mines on the Tomtebo Property has not been followed up on, and modern systematic exploration has never been conducted on the Property.

On Behalf of the Board of Directors

*"Garrett Ainsworth"*

President and Chief Executive Officer

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

### **Cautionary Statement Regarding "Forward-Looking" Information.**

*All statements, trend analysis and other information contained in this news release relative to markets about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, including, without limitation, statements relating to the Top-Up Right and the Company's primary focus are forward-looking statements. Forward-looking information is subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking information. Important factors that could cause actual results to differ materially from District's expectations include fluctuations in commodity prices and currency exchange rates; uncertainties surrounding the results of planned exploration activities; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and native groups in the exploration of properties and the issuance of required permits; the need to obtain additional financing to meet the minimum*

*expenditure requirements to maintain an interest in the Tomtebo property; uncertainty as to the availability and terms of future financing; and the possibility of delay in exploration programs or forfeiture of the Properties if such financing is not secured in a timely fashion or at all. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. District does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.*