



District Receives Approval of Sågtjärn Mineral License Applications in Central Sweden

Vancouver, B.C.

July 31, 2023

July 31, 2023 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); (“District” or the “Company”) is pleased to report that Bergslagen Metals AB (a 100% owned Swedish subsidiary of District) has received approval from the Bergsstaten (Mining Inspectorate) for the Sågtjärn nr 101 and 102 mineral license applications to explore for copper, zinc, lead silver, gold, molybdenum and cobalt over a 4,068 hectare (ha) area located in the Jämtland and Västernorrland Counties in central Sweden (Figure 1).

The Sågtjärn mineral licenses are in good standing for a three-year term that ends on May 10, 2026. Renewal for an additional three years will require payment of mineral license fees to the Swedish Mining Inspectorate, and the completion of at least some geological, geochemical, or geophysical work on the mineral license before May 10, 2026.

Sågtjärn Property Highlights:

- Mineral license Sågtjärn nr 101 contains the **Sågtjärn Uranium Deposit**. A Technical Report prepared for Continental Precious Minerals Inc. by Telluride & Associates dated September 20, 2005 on the Sågtjärn Deposit calculated an historical mineral resource estimate for U_3O_8 of:
 - **Historical Inferred Mineral Estimate: 756,000 tonnes** at a grade of **0.068% U_3O_8** containing **1,137,585 lbs of U_3O_8** using a 200 ppm uranium cut off¹.

The above mineral resource estimate is considered to be an “historical estimate” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource, and the Company is not treating this historical estimates as a current Mineral Resource. The Company would need to conduct an exploration program, including twinning of historical drill holes in order to verify the Sågtjärn Deposit historical estimate as a current mineral resource.

- The Sågtjärn Deposit remains open in all directions, and contains the following drill result highlights:

- Hole SGT-77-007 intersected **8.7 m at 0.13% U₃O₈** from 60.3 to 69.0 m.
 - Hole SGT-77-011 intersected **7.0 m at 0.18% U₃O₈** from 86.0 to 93.0 m.
 - Hole SGT-79-011 intersected **5.2 m at 0.13% U₃O₈** from 132.6 to 137.8 m.
 - Hole SGT-80-001 intersected **4.6 m at 0.13% U₃O₈** from 146.5 to 151.1 m.
- Mineral license Sågtjärn nr 102 contains the **Staverberget Mineral Occurrence**, which is highlighted by:
 - **Historical boulders** that returned assays from background levels **up to 1.3% Cu, 1.8% Mo and 1.3 g/t Au.**
 - **Limited historical drilling** intersected **0.8 m at 1.46% U₃O₈, 1.26% Mo, 0.25% Pb, 0.2% Zn, 0.2% Cu, and 10 g/t Ag.**
 - A moratorium on uranium mining and exploration in Sweden was imposed in 2018. The current Swedish Government has expressed a positive stance on re-evaluating the moratorium.

Garrett Ainsworth, CEO of District, commented: “Through our generative review of energy metals properties in Sweden we continue to add historical mineral resources to District’s portfolio of properties through the mineral license application process. The Sågtjärn Uranium Deposit contains a significant historical estimate of uranium that remains open in all directions. Uranium was the only metal analyzed at the Sågtjärn Deposit, but it is apparent from review of the historical data and drill core that there is potential for other metals of interest to be present.

Although the moratorium on uranium mining and exploration imposed by the Swedish Government in 2018 remains, the Company continues to be encouraged by some positive media reports regarding the Swedish Government’s stance to lift the uranium moratorium. The Company and its consultants continue to monitor next steps by the Government, and will update shareholders as developments arise.”

Background

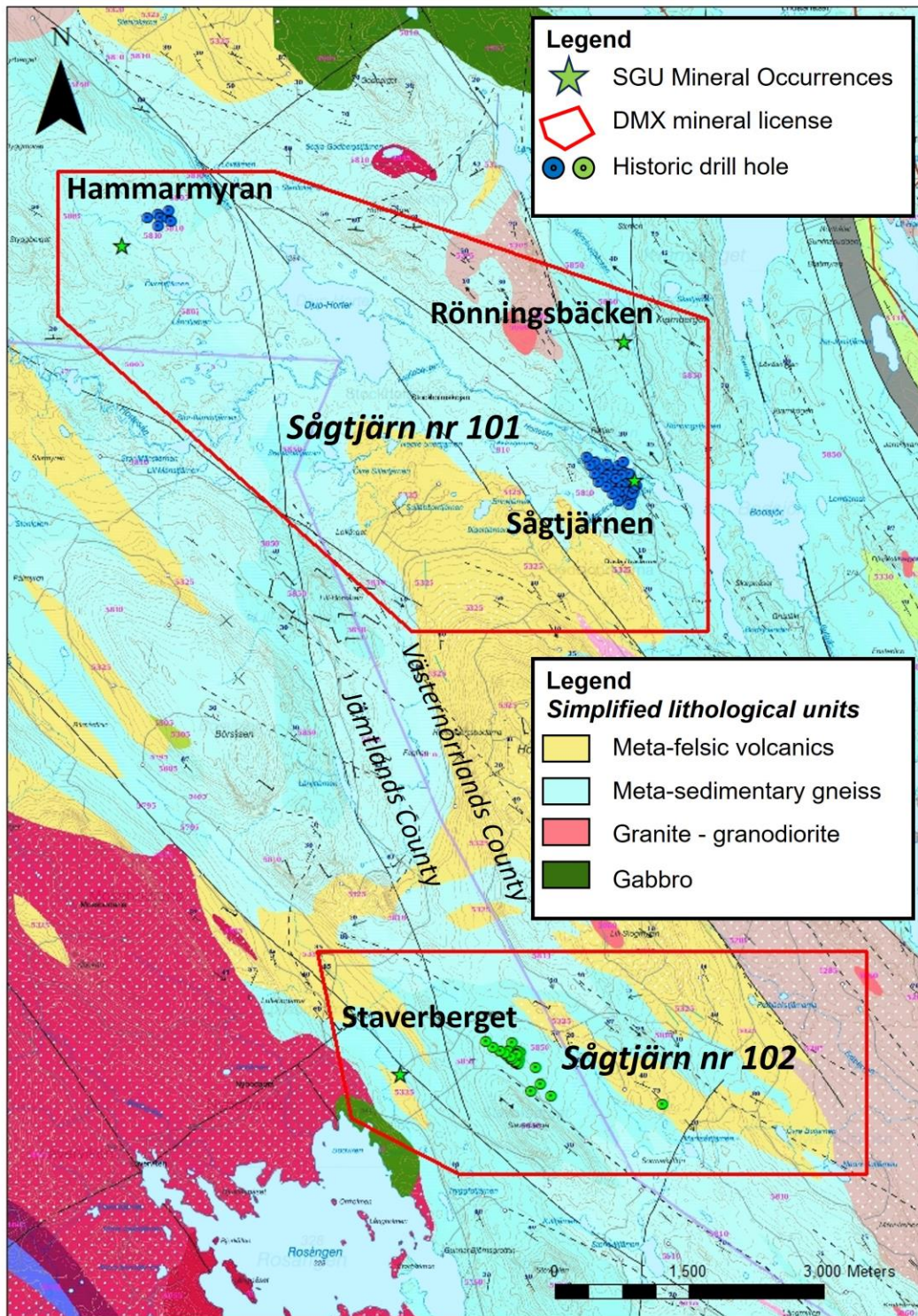
The mineral occurrences on the Sågtjärn Property were discovered during follow-up work of geochemical soil anomalies in 1974 by the Swedish Geological Survey (SGU). Detailed outcrop mapping, boulder hunting and sampling started in 1975 followed by ground geophysical surveys and systematic geochemical sampling.

Drilling commenced in 1977 and was completed in early Spring 1980. Forty-three diamond drill and four percussion holes were drilled during this period giving a total of 6,655 m at the Sågtjärn Uranium Deposit. A preliminary historical mineral resource estimate of 757,145 tonnes at a grade of 0.087% U₃O₈ containing 1,464,883 lbs of U₃O₈. This preliminary historical estimate was based on the profile calculation method using a minimum 2 m width and a 300 ppm uranium cut-off based on XRF analysis². *This historical mineral resource estimate is based on a 1981 Report by L-O Forsberg and F. Kullman, Swedish Geological Survey. It is considered to be “historical estimates” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource, and the Company is not treating this historical estimate*

as current Mineral Resource. This preliminary historical mineral resource estimate was revised by Telluride & Associates' technical report dated September 20, 2005¹.

The Sågtjärn Uranium Deposit remains open in all directions, especially towards the northwest where hole SGT-80-001 intersected 4.6 m at 0.13% U_3O_8 from 146.5 to 151.1 m. The historical drill cores have not been analyzed for other potentially economic elements of interest.

Figure 1: Sågtjärn Mineral Licenses



The Sågtjärn area is dominated by Proterozoic meta-sedimentary rocks which have suffered up to upper amphibolite metamorphic grades. Three main rock units are observed, being a biotite-sillimanite-cordierite gneiss of probably argillitic origin (shale), a quartz-feldspar-sillimanite gneiss of probably arenitic origin (arkose – greywacke) separated by a boudinaged and folded

garnet-amphibole (iron) skarn unit. There are two types of pegmatoids associated with the skarn unit, which are irregular, sheet like zones within the gneissic units. The pegmatoids vary in thickness from cm to meter scale and comprises approximately 20% of the rock volume at the Sångtjärn Uranium Deposit. The coarse grained greyish-white, biotite dominant pegmatoids host accessory uraninite, monazite, molybdenite and chalcopyrite, whereas the biotite-poor pegmatoid type is unmineralized. These pegmatoids have never been analyzed for lithium or rare-earth-elements.

Multiple companies have been exploring the area for base- and precious metals. This includes the Staverberget area with copper, molybdenum, and gold enriched boulders that assayed from background levels to 1.3% Cu, 1.8% Mo and 1.3 g/t Au hosted by metamorphosed, fine-grained mica-rich sediment-gneiss. Follow-up drilling in 1982 (987 m in 7 drill holes) intersected a 0.8 m mineralized interval with 1.46% U₃O₈, 1.26% Mo, 0.25% Pb, 0.2% Zn, 0.2% Cu, 10g/t Ag³.

The last company who held mineral licenses covering the Sångtjärn Property was Continental Precious Minerals from 2005 to 2014 where they drilled one hole (SGT-07-001) in the center of the Sångtjärn Uranium Deposit that returned confirmatory assay results. No modern exploration techniques including geophysics have been applied on the Sångtjärn Property.

References

¹ Phillips, Andrew H., 2005: Revised Introductory Technical Report on Eight Uranium Properties in Northern Sweden. Report Prepared for Continental Precious Minerals Inc. by Telluride & Associates.

² Forsberg, L-O. and Kullman, F., 1981: Sångtjärnen, Detailed Prospecting and Ore Estimation. Uranrapport 1981-3, Sveriges Geologiska Undersökning, BRAP 81033, p. 73.

³ Persson, G., 1983: Molybdenminerliseringen Steverbergt. Prospekteringsrapport, Sveriges Geologiska Undersökning, BRAP 82601, p. 45.

Technical Information

All scientific and technical information in this news release has been prepared by, or approved by Garrett Ainsworth, PGeo, President and CEO of the Company. Mr. Ainsworth is a qualified person for the purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

The data disclosed in this news release is related to mineral resource estimates that are considered to be “historical estimates” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource, and the Company is not treating this historical estimate as current Mineral Resource. The Company would need to conduct an exploration program, including twinning of historical drill holes in order to verify the Sångtjärn Uranium Deposit historical estimate as a current mineral resource.

The data disclosed in this news release is related to historical drilling results. District has not undertaken any independent investigation of the sampling nor has it independently analyzed the results of the historical exploration work in order to verify the results. District considers these historical drill results relevant as the Company is using this data as a guide to plan exploration programs. The Company's current and future exploration work includes verification of the historical data through drilling.

Mr. Ainsworth has not verified any of the information regarding any of the properties or projects referred to herein other than the Sågtjärn Mineral Licenses. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Sågtjärn Mineral Licenses.

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.

District is a polymetallic exploration and development company focused on the Viken and Tomtebo Properties in Sweden. The Viken Property covers 68% of the uranium-vanadium Viken Deposit, which is an asset with substantial exploration and development expenditures that resulted in the definition of large historic polymetallic resource estimates and positive economic studies in 2010 and 2014. The Viken Deposit is amongst the largest deposits by total historic mineral resources of uranium and vanadium in the world.

The advanced exploration stage Tomtebo Property is located in the Bergslagen Mining District of south-central Sweden 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.

For further information on the Tomtebo Property, please see the technical report entitled "NI 43-101 Update Technical Report on the Tomtebo Project, Bergslagen Region of Sweden" dated effective October 15, 2020 and amended and restated on February 26, 2021, which is available on SEDAR at www.sedar.com.

On Behalf of the Board of Directors

"Garrett Ainsworth"

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Cautionary Statement Regarding “Forward-Looking” Information.

This news release contains certain statements that may be considered “forward-looking information” with respect to the Company within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “is positioned”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved” and any similar expressions. In addition, any statements that refer to expectations, predictions, indications, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events. Forward-looking statements in this news release relating to the Company include, among other things, statements relating to the Company’s Sägtjärn Property to explore for copper, zinc, lead silver, gold, molybdenum and cobalt located in Jämtland and Västernorrland Counties, north-central Sweden; the Company’s planned exploration activities, including its drill target strategy and next steps for the Sägtjärn Property; and the Company’s interpretations and expectations about the results on the Sägtjärn Property.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, as of the date of this news release, including, without limitation, assumptions about the reliability of historical data and the accuracy of publicly reported information regarding past and historic mines in the Bergslagen district; the Company’s ability to raise sufficient capital to fund planned exploration activities, maintain corporate capacity; and stability in financial and capital markets.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks associated with the following: the reliability of historic data on District’s Properties; the Company’s ability to raise sufficient capital to finance planned exploration (including incurring prescribed exploration expenditures required by the Tomtebo Purchase Agreement, failing which the Tomtebo Property will be forfeited without any repayment of the purchase price); the Company’s limited operating history; the Company’s negative operating cash flow and dependence on third-party financing; the uncertainty of additional funding; the uncertainties associated with early stage exploration activities including general economic, market and business conditions, the regulatory process, failure to obtain necessary permits and approvals, technical issues, potential delays, unexpected events and management’s capacity to execute and implement its future plans; the Company’s ability to identify any mineral resources and mineral reserves; the substantial expenditures required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources; the Company’s dependence on one material project, the Tomtebo Property; the uncertainty of estimates used to calculate mineralization figures; changes in governmental regulations; compliance with applicable laws and regulations; competition for future resource acquisitions and skilled industry personnel; reliance on key personnel; title matters; conflicts of interest; environmental laws and regulations and associated risks, including climate change legislation; land reclamation requirements; changes in government policies; volatility of the Company’s share price; the unlikelihood that shareholders will receive dividends from the Company; potential future acquisitions and joint ventures; infrastructure risks; fluctuations in demand for, and prices of gold, silver and copper; fluctuations in foreign currency exchange rates; legal proceedings and the enforceability of judgments; going concern risk; risks related to the Company’s information technology systems and cyber-security risks; and risk related to the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. For additional information regarding these risks, please see the Company’s Annual Information Form, under the heading “Risk Factors”, which is available at www.sedar.com. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the Company. These factors and assumptions, however, should be considered carefully. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of such factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information. The forward-looking information is made as of the date of this news release, and the Company assumes no obligation to publicly update or revise such forward-looking information, except as required by applicable securities laws.

All scientific and technical information contained in this news release has been prepared by or reviewed and approved by Garrett Ainsworth, PGeo, President and CEO of the Company. Mr. Ainsworth is a qualified person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

