

*This offering document pursuant to the listed issuer financing exemption under section 5A.2 of National Instrument 45-106 – Prospectus Exemptions (the “**Offering Document**”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons whom they may be lawfully offered for sale. The securities offered under this Offering Document have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons or persons in the United States. “**United States**” and “**U.S. Person**” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Document. Any representation to the contrary is an offence. This Offering (as defined below) may not be suitable for you, and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

New Issue

May 12, 2025

**DISTRICT METALS CORP.
(the “Company” or “District”)**



PART 1: SUMMARY OF OFFERING

What are we offering?

Offering:	A non-brokered private placement of up to 18,518,518 common shares of the Company (the “ Common Shares ”) at a price of \$0.27 per Common Share, for gross proceeds of up to \$5,000,000 (the “ Offering ”).
Offering Price:	\$0.27 per Common Share (the “ Offering Price ”).
Offering Amount:	Up to 18,518,518 Common Shares, for gross proceeds of up to \$5,000,000.
Closing Date:	The Offering is expected to close on or about May 21, 2025 (the “ Closing Date ”), or such other date as the Company may determine.
Exchange:	The outstanding Common Shares are listed and posted for trading on the TSX Venture Exchange (the “ TSXV ”) under the symbol “DMX”, the Open Market of the Frankfurt Stock Exchange under the symbol “DFPP” and quoted on the OTCQB Venture Market under the symbol “DMXCF”. The Company’s Swedish deposit receipts are listed on the Nasdaq First North Growth Market (“ Nasdaq First North ”) under the symbol “DMXSE SDB”.
Last Closing Price:	On May 12, 2025, the last trading day prior to the date of this Offering Document, the closing price of the Common Shares on the TSXV was \$0.31. All references in this Offering Document to “dollars”, “C\$” or “\$” are to Canadian dollars, unless otherwise stated.

District is conducting a listed issuer financing under section 5A.2 of National Instrument 45- 106 Prospectus Exemptions (“NI 45-106”). In connection with this Offering, the issuer represents the following is true:

- **The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The issuer has filed all periodic and timely disclosure documents that it is required to have filed.**

- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$5,000,000.**
- **The issuer will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words “believes”, “may”, “plans”, “will”, “anticipates”, “intends”, “could”, “estimates”, “expects”, “forecasts”, “projects” and similar expressions, and the negative of such expressions.

Forward-looking information in this Offering Document includes, but is not limited to, statements regarding: the Offering and Concurrent Offering (as defined below) generally; the terms thereof; the use of the available funds; the intended use of the net proceeds from the Offering and Concurrent Offering; the jurisdictions in which the Offering and Concurrent Offering will be conducted; the filing of the offering materials and the satisfaction of the conditions of closing of the Offering and Concurrent Offering, including the receipt, in a timely manner, of required approvals, including the approval of the TSXV; the date of completion of the Offering and Concurrent Offering; the Company’s future plans, objectives, strategies and goals relating to its business; the Company’s Swedish polymetallic properties; the Company’s planned exploration activities, including its drill target strategy and next steps for the Swedish properties; the Company’s interpretations and expectations about the results on the Swedish properties; financial estimates including the expected costs of the Offering and Concurrent Offering; and the Company’s belief that its current available funds and proceeds from the Offering and Concurrent Offering will be sufficient to meet its general corporate and working capital requirements for the foreseeable future.

In connection with the forward-looking information contained in this Offering Document, we have made numerous assumptions, regarding, among other things: the TSXV will approve the Offering and Concurrent Offering; the amount to be raised; the use of the net proceeds of the Offering and Concurrent Offering as announced or at all; the satisfaction or waiver of the conditions of closing of the Offering and Concurrent Offering; the completion of the Offering and Concurrent Offering on the expected terms; the Company’s ability to capitalize on growth opportunities and implement its growth strategy; the Company’s ability to retain key personnel; the reliability of historical data and the accuracy of publicly reported information regarding past and historic mines in the Bergslagen district and in respect of the Swedish properties; the Swedish government will eventually lift or amend its moratorium on uranium exploration and mining in Sweden; the Company’s ability to raise sufficient capital to fund planned exploration activities, maintain corporate capacity; stability in financial and capital markets; the absence of material adverse changes in its business, the Company’s industry or the global economy; and that the risks and uncertainties enumerated below will not materialize. While we consider these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

There are known and unknown risk factors which could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this Offering Document. Known risk factors include, among others: the completion of the Offering and Concurrent Offering within the time contemplated; the reliability of historic data on District’s properties; the Company’s ability to raise sufficient capital to finance planned exploration; the Swedish government moratorium on uranium exploration and mining in Sweden and uncertainty with respect to the lifting of the moratorium on uranium exploration and mining in Sweden; 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 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 metals; 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.

All forward-looking information in this Offering Document is qualified in its entirety by this cautionary statement and we disclaim any obligation to revise or update such forward-looking information to reflect future results, events or developments, except as required by law.

PART 2: SUMMARY DESCRIPTION OF BUSINESS

What is our business?

District is a polymetallic exploration and development company focused on the Viken and Tomtebo properties in Sweden. The Company 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 Viken property (the "**Viken Property**") covers 100% of the uranium-vanadium Viken deposit (the "**Viken Deposit**"). On April 29, 2025, the Company disclosed the results of an inferred and indicated mineral resource estimate for the Viken Property. The advanced exploration stage Tomtebo property (the "**Tomtebo Property**") is located in the Bergslagen mining district of south-central Sweden and is situated between the historic Falun Mine and Boliden Minerals AB's ("**Boliden**") 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.

Under the terms of a definitive agreement dated October 27, 2023, Boliden and District will collaborate in the development of District's wholly-owned polymetallic Tomtebo Property and Boliden's wholly-owned polymetallic Stollberg property. Boliden has been granted the right to earn (the "**Earn-In Option**") up an eighty-five percent (85%) interest in the Tomtebo Property. Following exercise of the Earn-In Option, the Tomtebo Property will be contributed to a joint venture, along with Boliden's Stollberg property, under which District will control an initial fifteen percent (15%) interest. A summary of the terms of definitive agreement as between Boliden and District is presented in the press release of the Company on October 30, 2023.

The Company's head office is located at 1030 West Georgia Street, Suite 907, Vancouver, British Columbia, V6E 2Y3 Canada and the Company's registered office is located at 885 West Georgia Street, Suite 2200, Vancouver, British Columbia, V6C 3E8 Canada.

Recent developments

The key recent developments in the Company's business are as follows:

On April 29, 2025, District announced an inferred and indicated mineral resource estimate ("**MRE**") for the Viken Property in central Sweden. Please see the Company's press release dated April 29, 2025 for further details on the MRE.

On February 3, 2025, District announced pursuant to a definitive royalty purchase agreement it closed an acquisition of a 2.0% net smelter returns ("**NSR**") royalty, previously granted by the Company, over the remaining four mineral licences (Norra Leden, Norr Viken, Lill Viken and Storviken) covering the Viken Deposit located in Jämtland County,

central Sweden. As a result of this acquisition, District's 100% owned Viken Deposit is completely free of any NSR royalty.

On January 22, 2025, District announced it received confirmation that its Nasdaq First North listing application was approved. As a result, District's depositary receipts began trading on Nasdaq First North at market open (Sweden local time) on January 23, 2025, under the symbol "DMXSE SDB".

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Company in the 12 months preceding the date of this Offering Document.

In addition to the Common Shares being offered under the Offering, the Company will be offering for sale up to 3,703,703 Common Shares to be priced at \$0.27 per Common Share under applicable prospectus exemptions in accordance with NI 45-106 for additional gross proceeds of up to \$1,000,000 (the "**Concurrent Offering**"). The Common Shares issued pursuant to the Concurrent Offering will be subject to a four-month and one day hold period.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use the net proceeds from the Offering and Concurrent Offering for exploration work on the Viken Property, Tomtebo Property, Stollberg property, alum shale properties and for general corporate and working capital purposes.

PART 3: USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering and Concurrent Offering?

		Assuming 100% of the Offering	Assuming 100% of the Offering and Concurrent Offering
A	Amount to be raised by this Offering	\$5,000,000	\$6,000,000
B	Selling commissions and fees⁽¹⁾	\$250,000	\$300,000
C	Estimated Offering costs (e.g., legal, accounting, audit)	\$110,000	\$120,000
D	Net proceeds of Offering: D = A - (B+C)	\$4,640,000	\$5,580,000
E	Working capital as at most recent month end	\$2,470,571	\$2,470,571
F	Additional sources of funding⁽²⁾	\$1,500,000	\$1,500,000
G	Total available funds: G = D+E+F	\$8,610,571	\$9,550,571

(1) District has agreed to pay to Pareto Securities the Cash Commission (each, as defined below) as described below under "Fees and Commissions." This number reflects the maximum estimated Cash Commission payable under the Offering and Concurrent Offering, and does not contemplate potential reduced commissions in respect of sales to President's List purchasers (as defined below).

(2) Represents the funding expected from Boliden for the second half of 2025 pursuant to the approved exploration budget as announced in District's press release on February 10, 2025.

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of the Offering	Assuming 100% of the Offering and Concurrent Offering
Airborne geophysical surveys at Viken Property	\$825,000	\$825,000

Airborne geophysical surveys at alum shale properties	\$2,400,000	\$2,400,000
Complete NI 43-101 technical report in progress at Viken Property	\$70,000	\$70,000
Complete the ongoing drilling program at the Tomtebo Property	\$890,000	\$890,000
Complete the planned drilling program at the Stollberg property ⁽¹⁾	\$1,460,000	\$1,460,000
General corporate purposes	\$1,860,000	\$1,860,000
Unallocated working capital	\$1,105,571	\$2,045,571
Total: Equal to “G” Total Available Funds	\$8,610,571	\$9,550,571

(1) Represents the funding expected from Boliden for the second half of 2025 pursuant to the approved exploration budget as announced in District’s press release on February 10, 2025.

The above noted allocation represents the Company’s intentions with respect to its use of available funds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from this Offering and Concurrent Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company’s ability to execute on its business plan and financing objectives. Such uses will not include a significant acquisition, a restructuring transaction, or any transaction requiring approval of the Company’s security holders.

The most recent audited annual financial statements and interim financial report of the Company included a going-concern note. Management is aware, in making its going concern assessment, of an accumulated deficit from recurring losses, current liabilities that exceeded current assets and an ongoing dependence on its ability to generate future cash flows from operations and/or from external financing to meet its liabilities and commitments as they become due that may cast significant doubt on the Company’s ability to continue as a going concern. There can be no assurance that the Company’s business and strategy will enable it to generate or sustain positive cash flows from operations in future periods. The Offering and Concurrent Offering are intended to permit the Company to continue its operations and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

How have we used the other funds we have raised in the past 12 months?

District has not conducted any financing in the past 12 months.

PART 4: FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Offering and Concurrent Offering are being made pursuant to the terms and conditions of a finder’s fee agreement dated May 12, 2025 (the “**Finder’s Agreement**”) between the Company and Pareto Securities AB (“**Pareto Securities**”).

Pursuant to the Finder’s Agreement, the Company has agreed to pay to Pareto Securities a fee representing 5% of the aggregate gross proceeds of the Offering and Concurrent Offering (the “**Cash Commission**”). Notwithstanding the foregoing, to the extent that Common Shares are purchased by persons on a president’s list (the “**President’s List**”), the Company will pay the Agents a reduced Cash Commission representing 2.5% of the aggregate gross proceeds received from persons on the President’s List.

The Company has also agreed to reimburse Pareto Securities for their expenses and disbursements related to the Offering and Concurrent Offering, subject to the limitations agreed to in the Finder’s Agreement.

Do the Agents have a conflict of interest?

To the knowledge of the Company, it is not a “related issuer” or “connected issuer” of or to any of the Agents, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PART 5: PURCHASERS’ RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- (a) to rescind your purchase of these securities with District, or
- (b) to damages against District and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access District’s continuous disclosure at www.sedarplus.ca and may find additional information at the Company’s website, <https://districtmetals.com>.

Mr. Garrett Ainsworth P.Geo, President and Chief Executive Officer of the Company is the Company’s qualified person for this Offering Document within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and has reviewed and approved its scientific and technical content.

Purchasers should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of the Offered Shares.

CERTIFICATE OF THE COMPANY

May 12, 2025

This Offering Document, together with any document filed under Canadian securities legislation on or after May 12, 2024, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

(signed) GARRETT AINSWORTH

Garrett Ainsworth
President and Chief
Executive Officer

(signed) MARLIS YASSIN

Marlis Yassin
Chief Financial Officer