



District Reports on Additional Historic High Grade Polymetallic Drill Intercepts at the Former Tomtebo Mine

Vancouver, B.C.

July 27, 2020

July 27, 2020 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); ("District" or the "Company") is pleased to provide an update on the historical drill data compilation work, and the Leapfrog 3D geological model of the historic Tomtebo Mine located within District's polymetallic Tomtebo Property in the Bergslagen Mining District of south-central Sweden. In partnership with EMX Royalty Corp. (TSX-V:EMX), this work represents an important development for the Tomtebo Property that has never been previously conducted, and has already identified exceptional drill ready targets.

Historic drill highlights from the Steffenburgs zone at the Tomtebo Mine show substantial intervals of polymetallic mineralization from 200 to 317 m below surface that remains open along strike and at depth. The historic drill results from the Tomtebo Mine are from campaigns carried out by state-owned Stora AB between 1916 to 1972.

Steffenburgs Zone Historic Drill Highlights

The Steffenburgs zone covers the northwest quadrant of the Tomtebo Mine, and is dominated by silver-zinc-lead mineralization with lesser copper-gold mineralization. The holes highlighted below show mineralization as disseminated, stringer, semi-massive and massive sulphides that remains open along strike and at depth.

- Hole **TOMT70004** was drilled horizontally from the -200 m exploration drift level and intersected **16.17 m at 535.7 g/t AgEq₁ or 13.8% ZnEq₂** (2.00 to 18.17 m).
- Hole **TOMT70003** was drilled horizontally from the -200 m level and intersected **9.81 m at 441.3 g/t AgEq₁ or 11.4% ZnEq₂** (5.79 to 15.60 m).
- Hole **TOMT70011** was drilled horizontally from the -200 m level and intersected **1.55 m at 1,458.4 g/t AgEq₁ or 37.6% ZnEq₂** (26.95 to 28.50 m).
- Hole **TOMT71036** was drilled downwards at -66° from the -200 m level and intersected **9.5 m at 303.4 g/t AgEq₁ or 7.8% ZnEq₂** (118.5 to 128.0 m).

- Hole **TOMT71031** was drilled downwards at -63° from the -200 m level and intersected **17.75 m at 286.5 g/t AgEq₁ or 7.4% ZnEq₂** (108.8 to 126.55 m).
- Hole **TOMT71041** was drilled downwards at -75° from the -200 m level and intersected **29.44 m at 260.2 g/t AgEq₁ or 6.7% ZnEq₂** (5.32 to 34.76 m), **3.34 m at 349.4 g/t AgEq₁ or 9.0% ZnEq₂** (54.0 to 57.34 m), and **0.68 m at 500.0 g/t AgEq₁ or 12.9% ZnEq₂** (66.83 to 67.51 m).

The historic polymetallic drill results are reported in AgEq and ZnEq due to the high silver and zinc values that are also common throughout the Bergslagen Mining District. In 2019, reported revenue from Boliden’s nearby Garpenberg Mine was accounted by silver at 30%, zinc at 40%, lead at 20%, and gold-copper at 10%³.

The highlighted historic drill holes are shown on plan map and long section in Figures 1 and 2, respectively. Table 1 shows individual assay results for silver, gold, copper, zinc, and lead that comprise the AgEq and ZnEq values above.

Garrett Ainsworth, CEO of District, commented: “The size and scale potential at the former Tomtebo Mine is evident with these additional historic drill results that show wide intervals of strong polymetallic mineralization enriched with precious metals that is open in all directions. The first ever deep penetrating airborne electromagnetic and magnetic survey (SkyTEM312 HP) was recently flown on the Tomtebo Property, and we eagerly await for the final data by late-August, which will be subsequently interpreted by Condor Consulting and Geovista AB.”

Context of Historic Drill Results

Drill holes TOMT70003 and -70004 were drilled on either side of the -200 m exploration drift, which is interpreted to delineate an approximate 31 m wide northwest dipping silver-zinc-lead dominant mineralized horizon with a northeast plunge that remains wide open at depth. To date, only one interval with assay results has been located for hole TOMT70011, which was drilled to within six meters of TOMT70004. Hole TOMT70009 was drilled horizontally from the -200 m drift, and encountered substantial polymetallic mineralization 35 m to the southwest of hole TOMT70004.

Holes TOMT71036, -70029, -71031, and -71040 were drilled as a fan below the -200 m exploration drift towards the east to target a west dipping silver-zinc-lead dominant mineralized horizon. These four drill holes trace the mineralized horizon for 50 m along strike, and show core length intercepts of up to 17.75 m (true thickness unknown), which is wide open along strike and down dip.

Drill hole TOMT71041 was drilled below the -200 m exploration drift to the northeast along the strike of a silver-zinc-lead dominant mineralized horizon. This hole stayed within the interpreted northwest dipping mineralization for 29.44 m. Additional strong mineralized intercepts at depth support the presence of stacked mineralized horizons at the Steffenburgs zone.

These drill results are historical in nature. 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 will use this data as a guide to plan future exploration programs. The Company also considers the data to be reliable for these purposes, however, the Company's future exploration work will include verification of the data through drilling.

Next Steps at Tomtebo Property

- Historical data from the Tomtebo Mine continues to be digitized, compiled and interpreted, and further results will be released as interpretations are completed.
- A detailed airborne electromagnetic and magnetic survey (SkyTEM) recently commenced on the Tomtebo Property (see July 13, 2020 news release). The final SkyTEM data is expected by late-August, and then interpretive work will begin. Any conductive or magnetic high anomalies from the survey will be followed up as promising targets for high grade polymetallic mineralization.
- Conductive and magnetic high anomalies will be targeted as part of a broader prospecting, mapping, and sampling program in late-August. Detailed work will focus on the historic Tomtebo and Lövås Mines, and the numerous mineral occurrences on the Tomtebo Property.
- Dr. Rodney Allen, BSc, PhD, from Volcanic Resources has been retained to review all historical data and available drill core along with ongoing exploration data to assist in prioritizing drill targets. Dr. Allen was Manager, Geology Research and Development for the Boliden Group, in Sweden for ten years. Prior to that position, he studied several polymetallic ore deposits in Sweden. His geological interpretations were instrumental in the discovery of new ore bodies at Garpenberg and Renström.

Figure 1: Plan View of Steffenburgs Zone

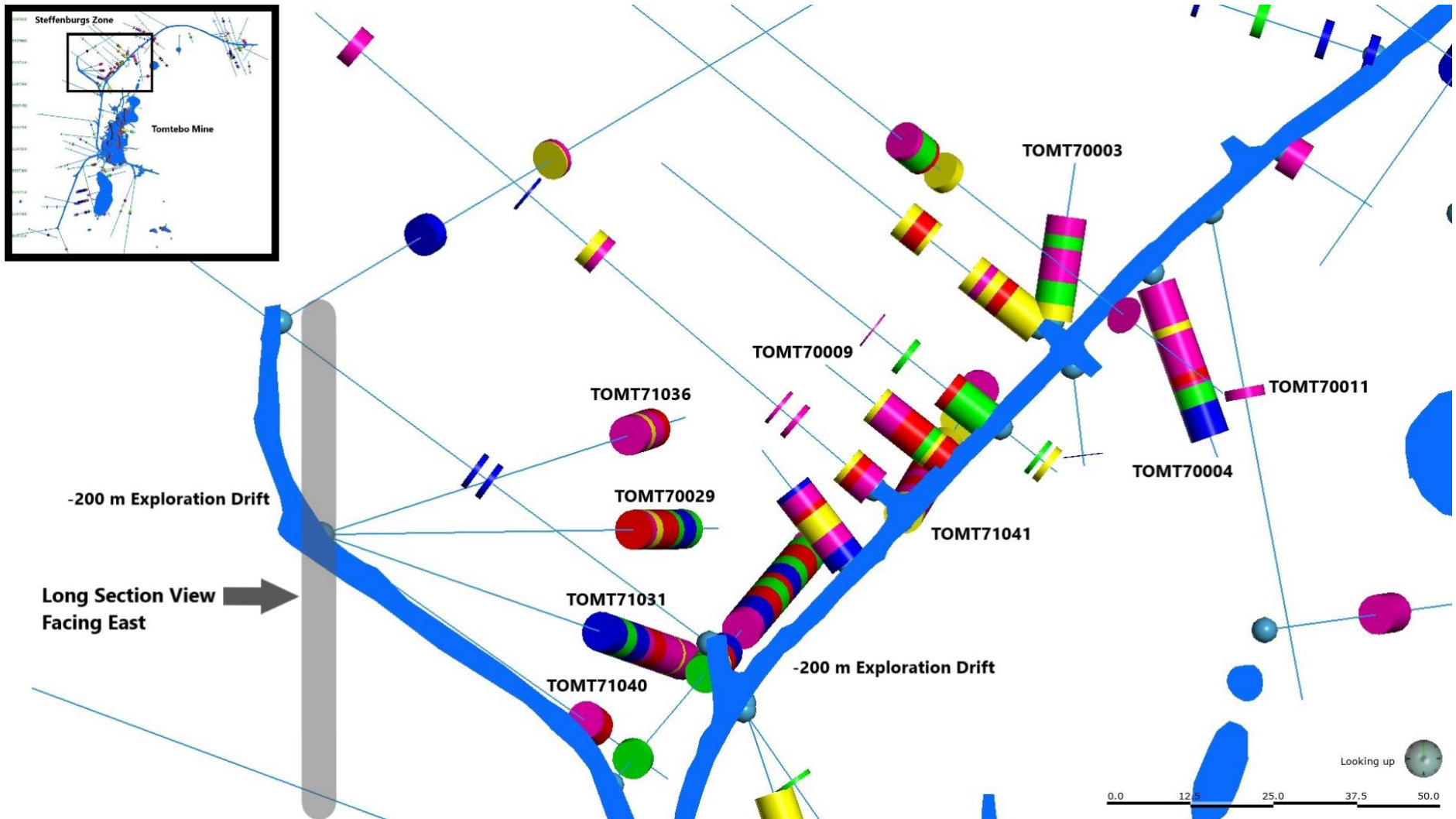


Figure 2: Long Section Facing East from Northwest Quadrant of Tomtebo Mine

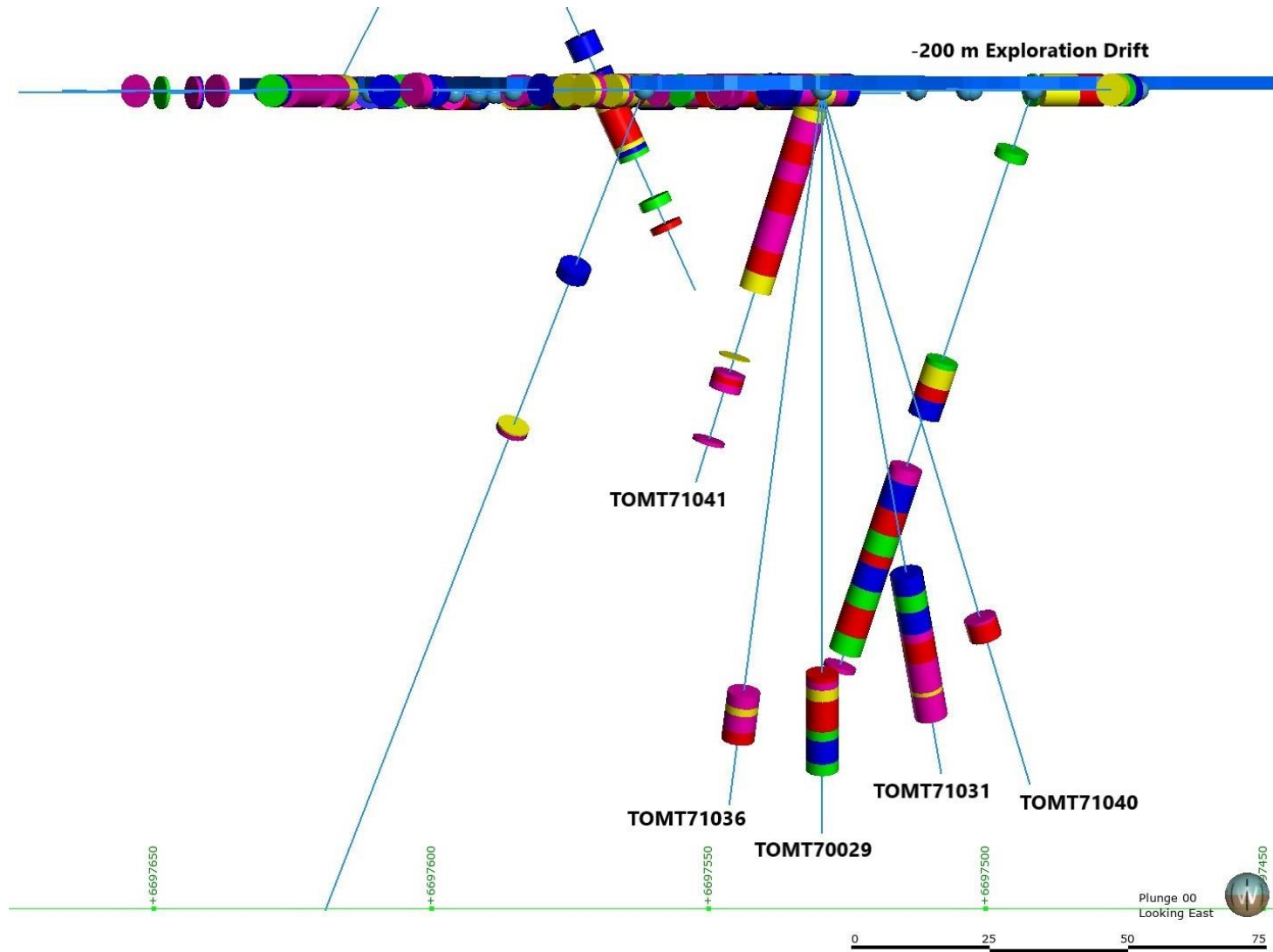


Table 1: Steffenburgs Zone Historical Drill Results

Drill Hole				Depths and Interval			Historical Assay Results						
Hole ID	Azimuth	Dip	Hole Type	From (m)	To (m)	Interval (m)	Ag (g/t)	Au (g/t)	Cu (%)	Zn (%)	Pb (%)	AgEq (g/t)	ZnEq (%)
TOMT70003	10	0	Underground	5.79	15.60	9.81	88.20	0.37	0.16	5.37	2.60	441.32	11.38
TOMT70004	162	0	Underground	2.00	18.17	16.17	93.02	1.03	0.22	5.42	2.86	535.68	13.82
TOMT70009	309	0	Underground	4.62	12.73	8.11	46.00	0.20	0.20	1.34	1.64	196.08	5.06
TOMT70011	170	0	Underground	26.95	28.50	1.55	222.00	1.00	0.27	16.90	13.00	1,458.44	37.62
TOMT70029	90	-66	Underground	114.92	125.42	10.50	57.91	0.42	0.65	1.43	0.54	241.62	6.23
TOMT71031	110	-63	Underground	108.80	126.55	17.75	55.51	0.75	0.98	0.91	0.53	286.54	7.39
TOMT71036	73	-66	Underground	118.50	128.00	9.50	25.39	1.29	0.18	1.98	1.23	303.38	7.82
TOMT71040	126	-63	Underground	106.60	110.64	4.04	84.84	0.78	na	na	na	170.12	na
TOMT71041	32	-75	Underground	5.32	34.76	29.44	69.02	0.81	0.41	0.99	0.67	260.24	6.71
				54.00	57.34	3.34	71.29	0.84	0.72	2.42	0.62	349.37	9.01
				66.83	67.51	0.68	80.00	0.70	0.40	6.50	1.50	499.56	12.88

Notes:

- True widths of the reported mineralized intervals have not been determined
- Metal prices used in USD for metal equivalent calculations were based on \$15.00/oz for Ag, \$1650/oz for Au, \$2.15/lb for Cu, \$0.85/lb for Zn and \$0.75/lb for Pb
- $AgEq\ equals = Ag\ g/t + (Au\ g/t \times 110) + (Cu\% \times 98.286) + (Zn\% \times 38.857) + (Pb\% \times 34.286)$
- $ZnEq\ equals = Zn\% + (Ag\ g/t \times 0.0257) + (Au\ g/t \times 2.831) + (Cu\% \times 2.529) + (Pb\% \times 0.882)$
- Metal equivalent calculations assume 100% recoveries
- na - not assayed
- These drill results are historical in nature. 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 will use this data as a guide to plan future exploration programs. The Company also considers the data to be reliable for these purposes, however, the Company's future exploration work will include verification of the data through drilling.

References

¹ AgEq equals = Ag g/t + (Au g/t × 110) + (Cu% × 98.286) + (Zn% × 38.857) + (Pb% × 34.286). Metal prices used in USD for metal equivalent calculations were based on \$15.00/oz for Ag, \$1650/oz for Au, \$2.15/lb for Cu, \$0.85/lb for Zn and \$0.75/lb for Pb. Metal equivalent calculations assume 100% recoveries.

² ZnEq equals = Zn% + (Ag g/t × 0.0257) + (Au g/t × 2.831) + (Cu% × 2.529) + (Pb% × 0.882). Metal prices used in USD for metal equivalent calculations were based on \$15.00/oz for Ag, \$1650/oz for Au, \$2.15/lb for Cu, \$0.85/lb for Zn and \$0.75/lb for Pb. Metal equivalent calculations assume 100% recoveries.

³ Boliden's Summary Report on Resources and Reserves for Garpenberg in 2019 - https://www.boliden.com/globalassets/operations/exploration/mineral-resources-and-mineral-reserves-pdf/2019/resources_and_reserves_garpenberg_2019-12-31.pdf contains the key assumptions, parameters and methods used to prepare the mineral resource and reserve estimates contained herein in respect of the Garpenberg Mine.

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*.

Mr. Ainsworth has not verified any of the information regarding any of the properties or projects referred to herein other than the Tomtebo and Trollberget Properties. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Tomtebo and Trollberget Properties.

The data disclosed in this news release related to drilling results is historical in nature. 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 will use this data as a guide to plan future exploration programs. The Company's future exploration work will include verification of the data through drilling.

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

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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.

This news release contains certain statements that may be considered “forward-looking statements” 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 state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved” and other similar expressions. In addition, statements in this news release that not historical facts are forward looking statements including anticipated results of future exploration and the results of additional compilation work.

These statements and other forward-looking information are based on assumptions and estimates that the Company believes are appropriate and reasonable in the circumstances, , 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 satisfy the exploration expenditure requirements required by the definitive purchase agreement between the Company and the vendor of the Tomtebo property (the "Definitive Purchase Agreement") by the times specified therein (failing which the Tomtebo Property will be forfeited without any repayment to the Company); and stability in financial and capital markets.

There can be no assurance that such statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include ; the risk that historic data regarding the Tomtebo property is unreliable, the risk that information concerning production and mineralization at current and historic mines within the Bergslagen District proves to be inaccurate; the risk that the Company will be unable to raise sufficient capital to finance planned exploration (including incurring prescribed exploration expenditures required by the Definitive Purchase Agreement, failing which the Tomtebo Property will be forfeited without any repayment of the purchase price); future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, delays or inability to receive required approvals, and other exploration or other risks detailed herein and from time to time in the filings made by the Company with securities regulators, including those described under the heading “Risks and Uncertainties” in the Company’s MD&A for the financial year ended June 30, 2020. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable law. Readers are cautioned not to put undue reliance on these forward-looking statements.