



District Executes Drilling Contract for Tomtebo Property

Vancouver, B.C.

January 18, 2021

January 18, 2021 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); ("District" or the "Company") is pleased to announce that a drilling contract has been executed with Hy-Tech Drilling Sweden AB (Hy-Tech) to conduct core drilling at the Company's polymetallic Tomtebo Property located in the Bergslagen Mining District in south-central Sweden. The contract is for a minimum of 5,000 m of core drilling that will focus on confirmation and expansion of polymetallic mineralization at the historic Tomtebo Mine. Drilling is expected to begin in late-February or early-March, and further details on the start date and specific targets to be drilled will be announced in due course.

Garrett Ainsworth, CEO of District, commented: "Hy-Tech Drilling is a leader in the diamond drilling industry, and have been operating successfully at Lundin Mining's Zinkgruvan Mine in Sweden since 2019. We are very pleased to have retained Hy-Tech to complete a minimum of 5,000 m of core drilling on our Tomtebo Property. Our drill permitting has gone exceptionally well thus far, and we are on track to commence drilling in line with our original forecast."

Hy-Tech has assembled an experienced drill crew, and will be utilizing a TECH 5000 track-mounted drill rig that is capable of drilling to depths of 2,000 m with NQ and 1,000 m with HQ. All of the planned drill holes will have their collars located before drilling commences with a Differential Global Positioning System (DGPS) to ensure targets are pierced optimally. Down-hole orientation surveys will be conducted with a non-magnetic and north seeking gyro tool, and drill core will be oriented to better understand the framework of polymetallic mineralization at Tomtebo. These are important tools that were not available during Stora AB's (past operator) drilling campaigns conducted between 1916 and 1972. Additionally, an AMC Centrifuge core cuttings management system will be utilized as part of District's commitment to meet and exceed environmental regulations.

Borehole electromagnetic surveys (BHEM) will be conducted on all of the holes completed, which is an important modern technology that was never done on any of the historic drill holes at the Tomtebo Mine. BHEM surveys will identify conductive bodies, indicate if a drill intersection is in the central or distal part of a conductive body, estimate the position of an off-hole conductive body, and can be combined with the July 2020 SkyTEM conductive data. The use of BHEM surveys at the Garpenberg Mine in the 1990's were instrumental in the discovery of several large polymetallic mineralized bodies.

The Company has also granted 50,000 stock options to a consultant of the Company, in accordance with the provisions of its stock option plan. Each stock option is exercisable at \$0.45 per common share (being the closing price of the Company's common shares on January 15, 2020, the grant date). All stock options have a term of five years and vest on the grant date.

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 Property. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Tomtebo Property.

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, located in the Bergslagen Mining District of south-central Sweden, is the Company's main focus. The Tomtebo Property comprises 5,144 ha, and is situated between the historic Falun Mine and Boliden's Garpenberg Mine 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 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

(604) 288-4430

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, general economic, market or business conditions, 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.