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District Metals Announces Closing of \$3 Million Brokered Private Placement Financing

Vancouver, B.C.

March 2, 2023

March 2, 2023 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); (“**District**” or the “**Company**”) has closed its previously announced brokered private placement financing pursuant to an agency agreement with PI Financial Corp. and Haywood Securities Inc. (together, the “**Agents**”), raising aggregate gross proceeds of \$3,000,000 (the “**Offering**”). Under the terms of the Offering, the Company issued a total of 20,000,000 units (the “**Units**”) at a price of \$0.15 per Unit.

Garrett Ainsworth, President & CEO of District, commented: “I would like to thank existing and new shareholders of District for their strong support on this financing where demand far exceeded the total amount raised. Over 90% of this financing was allocated to five institutional investors, three of which are new to our share registry. We are now sufficiently capitalized to advance our polymetallic properties and to take advantage of additional opportunities in Sweden.”

Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole such purchase warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company (a “**Warrant Share**”) at an exercise price of \$0.20 per Warrant Share for a period of 36 months from the closing date.

The net proceeds from the Offering will be used for exploration activities at the Company’s polymetallic properties in Sweden, and for working capital and general corporate purposes.

In connection with the Offering, the Company paid cash commissions of \$192,620 to PI Financial Corp. and \$48,155 to Haywood Securities Inc. and issued: 950,400 compensation options to PI Financial Corp., 237,600 compensation options to Haywood Securities Inc. and 12,000 compensation options to Leede Jones Gable Inc. Each such compensation option entitles the holder to purchase one common share of the Company at a price of \$0.15 per share for a period of 36 months from the date of issuance.

The offering remains subject to the final approval of the TSX Venture Exchange (the “**TSXV**”).

The Units were offered pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions*. Other than Units issued to insiders of the Company, the Units will not be subject to resale restrictions pursuant to applicable Canadian securities laws.

A related party of the Company purchased 150,000 Units in the Offering. The issuance of Units to this related party is considered to be a related party transaction within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 (“**MI 61-101**”). The Company has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 (and Policy 5.9) as the fair market value of the Units issued to such person does not exceed 25% of the Company’s market capitalization. The securities issued to the insider of the Company in the Offering are subject to a four-month hold period ending on July 3, 2023 in accordance with the policies of the TSXV.

The securities issued pursuant to the Offering 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 applicable U.S. state securities laws, and may not be offered or sold in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 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 and information that may be considered “forward-looking statements” and “forward looking information” within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking statements and 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 other similar expressions. In addition, statements in this news release that are not historical facts are forward looking statements, including statements or information concerning the use of proceeds of the Offering, final approval of the TSXV in connection with the Offering and the belief that the Company is sufficiently capitalized to advance its polymetallic properties and to take advantage of additional opportunities in Sweden.

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 future prices of precious metals; the price of other commodities such as coal, fuel and electricity; currency exchange rates and interest rates; favourable operating conditions; political stability; timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and market conditions in general; availability of equipment; the accuracy of mineral resource estimates and preliminary economic assessments; estimates of costs and expenditures to complete the Company’s programs and goals; and there being no significant disruptions affecting the development and operation of the project, including due to the COVID-19 pandemic.

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 risks associated with the business of the Company; business and economic conditions in the mining industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to inaccurate geological and engineering assumptions; risks relating to unanticipated operational difficulties; failure of equipment or processes to operate in accordance with specifications or expectations; cost escalations; unavailability of materials and equipment; government action or delays in the receipt of government approvals; industrial disturbances or other job action; unanticipated events related to health, safety and environmental matters; risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; and other risk factors as detailed from time to time in the Company’s continuous disclosure documents filed with Canadian securities regulators. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.