



District Receives Approval of Tåsjö Mineral License Applications in North-Central Sweden

Vancouver, B.C.

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May 30, 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 Tåsjö nr 101 to 105 mineral license applications to explore for vanadium, nickel, molybdenum, zinc, and rare earth elements (REE) located in the Jämtland and Västerbottens Counties, north-central Sweden (Figure 1). Similarly to District’s Viken Property that controls 68% of the uranium-vanadium Viken Deposit, the Tåsjö Property was assembled to target sedimentary rocks that are known to host critical energy metals and minerals.

Tåsjö Property Highlights:

- The **Tåsjö nr 101 to 105 mineral licenses** cover an area of **15,625 hectares (ha)** that are **prospective for uranium, REE, phosphate, vanadium, molybdenum, nickel, zinc, and copper**.
- In the **Tåsjö area**, Cambro-Ordovician sedimentary units overlie the Proterozoic intrusive basement, which is a **similar geological setting that hosts the Viken Deposit**.
- The **Tåsjö Field** was historically estimated to host **75 to 150 million tonnes grading 0.03 to 0.07% U₃O₈, 0.11 to 0.24% REE, and 3.75 to 7.5% phosphate (P₂O₅)¹**. *This historical exploration target estimate is based on a 1964 Report by G. Armands, Swedish Atomic Energy Company, and the Company is not treating it as a current mineral resource estimate. The potential quantity and grade is conceptual in nature, as there has not been sufficient exploration to define the target at this time; and it is uncertain that further exploration would result in the definition of a current resource. The magnitude of the exploration target was confirmed in a 2008 NI43-101 technical report by Andrew Browne of Geosynthesis Pty Ltd.*
- **Shallow historical drilling** in the Tåsjö area returned **positive results for uranium, REE, and phosphate in the Ordovician lycophoria schist** while the **much thicker underlying Cambro-Ordovician Alum Shale (Viken Deposit host unit) was not fully explored²**.

- The **Tåsjö** area hosts **one of the thickest units of Alum Shale in Sweden** that can reach **up to 400 meters in thickness** due to folding and overthrusting².
- Mineral License Tåsjö nr 104 contains a **historical drill hole** completed by the Swedish Geological Survey (SGU) in 1979 that **encountered Alum Shale from surface to the end of hole depth at 258.3 m**. It was logged several years after drilling and the **drill core was not assayed**.
- There is currently a moratorium on uranium mining and exploration that was imposed in 2018. The Swedish Government has a positive stance on re-evaluating and lifting the moratorium.

Garrett Ainsworth, CEO of District, commented: “Our acquisition of the Tåsjö Property through mineral license application is part of District’s strategy in building a portfolio of energy metals properties in Sweden. The Alum Shale is a potentially significant source of critical metals and minerals necessary for the green energy transition towards a low-carbon future at a time when domestic security of supply has become a priority for many European Countries.

The Company and its consultants continue to monitor developments with regard to the lifting of the moratorium on exploration and mining of uranium in Sweden. District remains optimistic that the current Swedish government is committed to re-evaluating the moratorium and pursuing policies which are positive for Sweden and a low-carbon Europe.”

Background

The Alum Shale in Sweden contains several of the innovation-critical metals and minerals used for the development of green technology needed to respond to the transition of zero-emission and electrification of society. Alum Shale are rocks where most of the constituent minerals originate from the sediments that were once deposited in the sea that covered large parts of Sweden, some 500 million years ago, which are now found at surface along the mountain edge of the Caledonian Front. Thrusting and deformation within the Alum Shale formation can result in thickening of over 100 m sequences.

Alum Shale contains various concentrations of metals and minerals currently included in the European Union (EU) list of Critical Raw Materials. Over time, additional metals and minerals may also be added to the EU list, which are not currently considered critical but where innovations and accessibility can change the status of their importance. In the future, this may further strengthen the utilization of Alum Shale as a natural resource³.

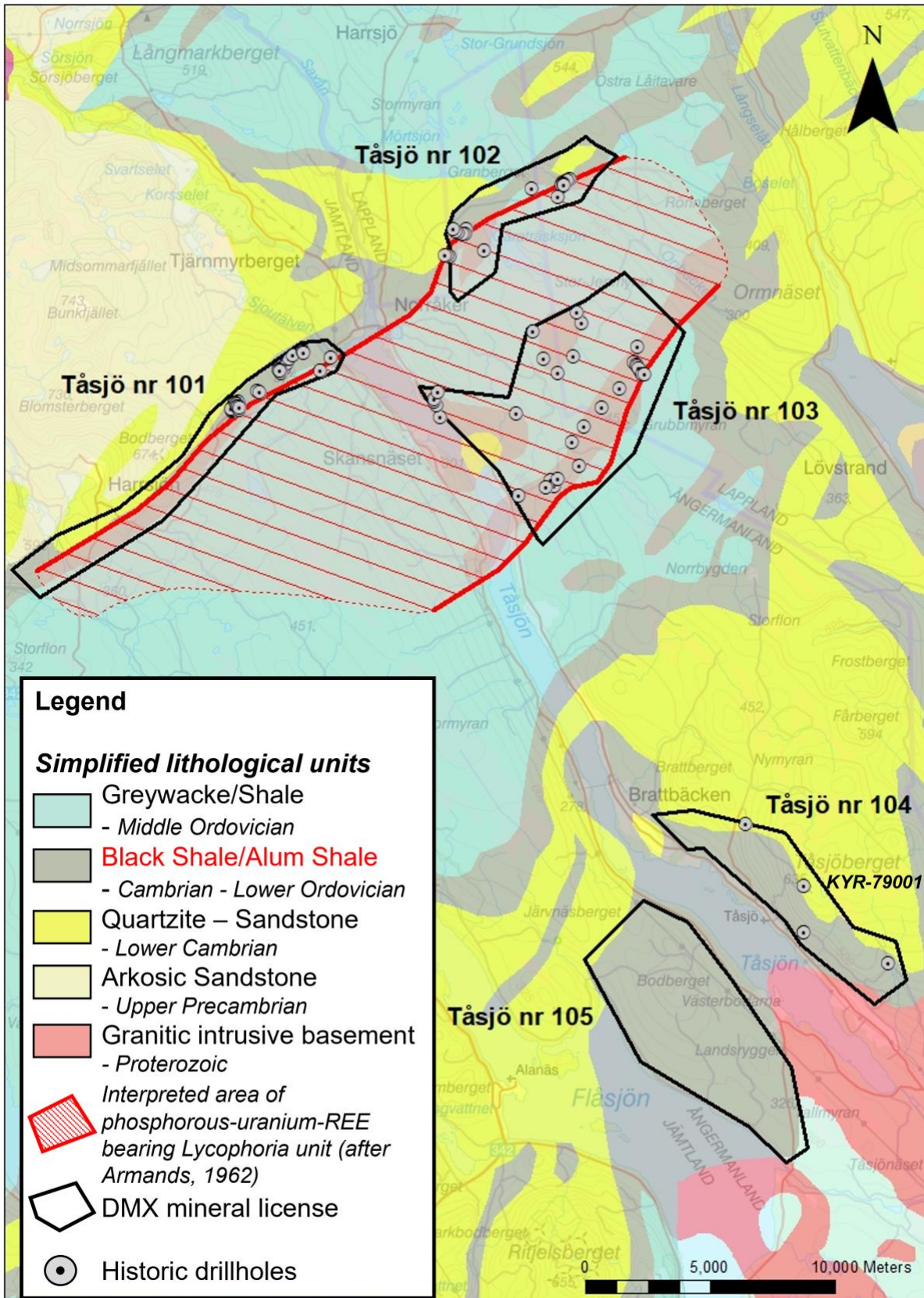
At the Tåsjö area, Alum Shale of Upper Cambrian age is found within the Fjällbränna Formation and is overlaid by the Ordovician Norråker Formation (previous Graywacke-Shale Formation). The Norråker Formation was deposited in a hinge zone representing the transition from a limestone dominated shelf facies towards east and successively deeper marine environment towards west with turbidite facies epiclastic sediments. Due to tectonic deformation and thrusting the thickness of the Alum Shale locally becomes more than 300 m thick. At Tåsjöberg, drill hole Kyrk-Tåsjö 79001 (Figure 1) encountered Alum Shale from surface to a depth of 258.3 m, which was logged several years after drilling and was never assayed.

The basal part of the overlying Norråker Formation is a calcareous, glauconitic, phosphatic sand-siltstone that is 5 to 8 m thick. It contains several coarse to fine repetitions until it passes into overlying siltstone and shale. This glauconitic-phosphatic unit is found throughout the Lower Paleozoic sequence from Skåne to Jämtland on top of the Alum Shale Formation. In the Tåsjö area this phosphatic Lycophoria unit is unusually thick (Figure 1). The phosphorus sediments are thought to have formed by upwelling of cold seawater onto a warmer shelf causing precipitation of apatite similar to phosphorite deposits.

In 1957, AB Atomenergi (Swedish Atomic Energy Company) discovered anomalous uranium in the Tåsjö Field in northernmost Jämtland close to the border to the Västerbotten County. Uranium was found in glauconite-phosphorite shale within the basal Ordovician unit that is outcropping sporadically within an area of 20 to 30 km long and 10 km wide. In total 68 drill holes were completed from 1961 to 1964 by AB Atomenergi. The area has also been drilled by Stora Kopparberg AB (7 drill holes), SGU (38 drill holes), and Vattenbyggnadsbyrån (41 drillholes), which totals 8,005 m of drilling. The investigations were focused on the Lycophoria Schist with little attention given to the Alum Shales².

Both Mawson Energy and Continental Precious Minerals held mineral licenses in the Tåsjö area from 2005 to 2012 for uranium and vanadium. Mawson drilled 53 shallow holes at the Kronotorpet prospect, and Continental Precious Minerals drilled 378 m in four holes.

Figure 1: Tåsjö Mineral Licenses



References

¹ Armands, G., 1964: Geologiska undersökningar i Tåsjö-området under 1963 och 1964 (in Swedish); AB Atomenergi KOP-102. [English translation: Geological investigations in the Tåsjö area, 1963 to 1964]. The Company is not treating this historical exploration target estimate as a current mineral resource and a qualified person has not done sufficient work to classify this estimate as a current mineral resource. The historical exploration target estimate predates current CIM (Canadian Institute of Mining, Metallurgy and Petroleum) categories, and Company is not aware of any more recent mineral resource estimate for the Tåsjö Property.

² Browne, A., 2008: Report on Current Resource Estimates for Klappibacken and Duobblon Uranium Properties, and Review of Tåsjö Uranium Project, Northern Sweden. Prepared for Mawson Resources Limited by Andrew Browne of GeoSynthesis Pty Ltd. Report number 080204. Report date: 22 February 2008.

³ <https://www.sgu.se/en/mineral-resources/mines-and-environmental-impact/alum-shale/>

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 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 Tåsjö Mineral Licenses. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Tåsjö 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 Tåsjo Property licenses to explore for vanadium, nickel, molybdenum, zinc, rare earth elements (REE) located in Jämtland and Västerbottens Counties, north-central Sweden; the Company’s planned exploration activities, including its drill target strategy and next steps for the Tåsjo Property; and the Company’s interpretations and expectations about the results on the Tåsjo 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.