



District Receives Approval of the Ardnasvarre Mineral License Application in Northern Sweden and Notes Recent Media Report Regarding Support for Uranium Mining and Exploration in Sweden

Vancouver, B.C.

June 22, 2023

June 22, 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 Ardnasvarre nr 1 mineral license application to explore for copper, molybdenum, zirconium, and rare earth elements (REE) over a 9,708 hectare (ha) area located in Norrbottens County, northern Sweden (Figure 1). The Ardnasvarre Property hosts several uranium, lead-zinc-silver and copper mineralized occurrences that were historically drilled by the Swedish Geological Survey and Boliden, respectively.

The Ardnasvarre nr 1 mineral license is in good standing for a three year term that ends on April 17, 2026. Renewal for an additional three years will require payment of mineral license fees to the Swedish Mining Inspectorate, and the completion of at least some geological, geochemical, or geophysical work on the mineral license before April 17, 2026.

Additionally, the Company wishes to report that in a recent Swedish media story entitled “After the nuclear power investments: The Minister for the Environment wants to see uranium mines in Sweden” (June 19, 2023), the Swedish Minister for the Environment, Romina Pourmokhtari (Liberal), was quoted saying “I believe that we need uranium mines in Sweden”. Further, the Swedish Minister for Energy and Business, Ebba Busch (Christian Democrats), was quoted saying “Sweden also needs more uranium to achieve greater fossil-free electricity production”. District welcomes these constructive statements from such prominent figures within the national government.

A link to the full article can be found here: <https://www.svt.se/nyheter/inrikes/miljoministern-vill-se-urangruvor-i-sverige>

Ardnasvarre Property Highlights:

- The **Ardnasvarre nr 1 mineral license** is located within the Arjeplog-Arvidsjaur uranium province and covers an area of **9,708 ha that is prospective for uranium, copper, zinc, lead, and rare earth elements (REE)**.
- The Ardnasvarre Property straddles the unconformity between exposed Svecofennian basement rocks and overlying Caledonide sedimentary rocks where **targets include stratabound, unconformity- and intrusive-related uranium and REE mineralization**. Additional targets include **sandstone-hosted lead and zinc mineralization, similar to the nearby historic Laisvall deposit**.
- The Ardnasvarre Property includes the **Labbas Uranium Zone** where drilling by the SGU in the 1970's and 1980's resulted in a **historical resource estimate of 86,478 tonnes at an average grade 0.12% U₃O₈ containing 228,780 lbs of U₃O₈** using a polygon resource estimation method¹. The Labbas zone contains elevated molybdenum and zirconium, and **remains open in all directions**.

This above mineral resource estimates are considered to be “historical estimates” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource, and the Company is not treating these historical estimates as current Mineral Resources. The Company would need to conduct an exploration program, including twinning of historical drill holes in order to verify the Labbas Uranium Zone historical estimate as a current mineral resource.

- **Labbas Uranium Zone:** A single hole (LAB08-001) was drilled in 2008 by Continental Precious Minerals that returned **7.0 m at 0.17% U₃O₈** from 50.0 to 57.0 m including a higher grade interval of **0.8 m at 0.94% U₃O₈** from 53.5 to 54.3 m (Table 1).
- A moratorium on uranium mining and exploration was imposed in 2018. The current Swedish Government has expressed a positive stance on re-evaluating the moratorium.

Garrett Ainsworth, CEO of District, commented: “Since late-2022 we have assessed numerous uranium and polymetallic occurrences and properties in Sweden with a view that eventually the uranium moratorium will be lifted as part of Sweden’s pro-nuclear energy stance to fuel the green energy transition and fulfill a low-carbon future. As part of that process, we identified the Ardnasvarre Property as a high-grade uranium and base-metal opportunity and acquired it through mineral license application.

Several different styles of uranium, lead-zinc-(silver) and copper mineralization occur on the Ardnasvarre Property with the most advanced being the intrusion-related Labbas Uranium zone that hosts a historical uranium resource estimate. The Labbas Uranium zone is situated at shallow depths (0 to 100 m) and remains open for potential expansion in all directions. No significant work has been done on the Ardnasvarre Property since the 1980's where uraniferous boulder tracing back to bedrock source was the main mode of exploration. The use of modern technical knowledge and exploration methods at Ardnasvarre will be especially beneficial in exploration on the Property.

Although the moratorium on uranium mining and exploration imposed by the Swedish Government in 2018 remains, the Company continues to be encouraged by some positive media reports regarding the Swedish Government's stance to lift the uranium moratorium. The Company and its consultants continue to monitor next steps by the Government, and will update shareholders as developments arise."

The Labbas Uranium zone was discovered by boulder hunting in 1971 and was drill tested with 4,740 m in 35 holes between 1973 and 1980. Disseminated to impregnation style uranium mineralization is hosted by foliated meta-granites and amphibolites. The historic mineral resource estimate indicates that mineralization extends for at least 100 m in strike length and averages 2 m in width² and remains open in all directions.

The Ardnasvarre Property (Figure 1) is located approximately 30 km north from the historic sandstone-hosted Laisvall Pb-Zn deposit, which was Europe's largest former lead mine (1941 – 2001: 64.3 Mt @ 4.0% Pb, 0.6% Zn and 9 g/t Ag)². The Labbas Pb-Zn zone (357 m in 9 holes) and Ardnesjaure area (1,781 m in 28 holes) have been explored and drilled in 1954 and 1969 respectively by Boliden to identify the autochthonous stratigraphy above the basement rocks, which includes the Laisberg Formation hosting the Laisvall deposit. This formation represents a transgressive, sandstone-dominated sequence with epigenetic, disseminated, mottled or banded galena-sphalerite mineralization hosted in two sandstone paleoaquifers (Lower and Upper Sandstone)³. Compilation of the historic exploration and drilling information is ongoing.

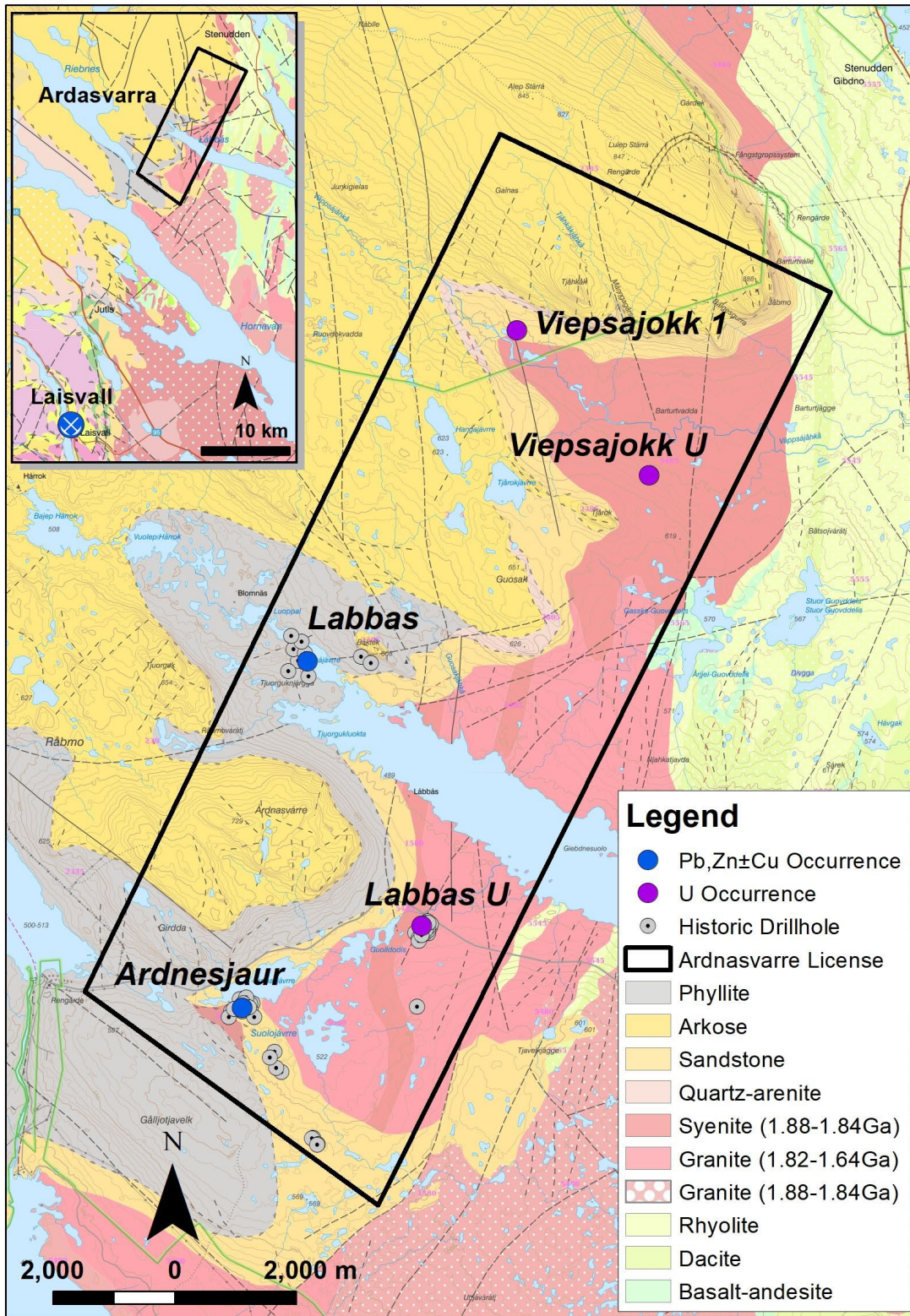
Table 1: 2008 Drill Hole at Labbas Uranium Zone

Drill Hole				Depths and Interval			Assay Results
Hole ID	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	U ₃ O ₈ (%)
BH08-01	270	-55	80.50 <i>incl.</i>	38.70	40.60	1.90	0.050
				48.50	49.16	0.66	0.010
				50.00	57.00	7.00	0.168
				53.50	54.30	0.80	0.937
				60.00	60.90	0.90	0.041

Notes:

- *Minimum thickness 0.5 m down hole.*
- *Cut-off grade of 0.01% U₃O₈ utilized.*
- *Maximum internal dilution 2.00 m down hole.*
- *True widths of the reported mineralized intervals have not been determined.*
- *U ppm has been converted to U₃O₈ ppm by multiplying the U ppm value by 1.17924.*
- *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.*

Figure 1: Ardnasvarre Mineral License



References

- ¹ Svensson, S., 1981. Uranium Prospecting in Norrland, Interim Report Nov. 1981. Sveriges Geologiska Undersökning. Uranrapport 1981-8.
- ² Ohlsson, L-G., 1992. Mineraliseringar och Industrimineralförkomster inom Arjeplogs Kommun, Report 10 Oct. 1992. Sveriges Geologiska Undersökning. Brap 94033.
- ³ Saintilan, N.J. et al, 2015. A Middle Ordovician Age for the Laisvall Sandstone-Hosted Pb-Zn Deposit, Sweden: A Response to Early Caledonian Orogenic Activity. *Economic Geology* 110, p1779-1801.

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 mineral resource estimates that are considered to be “historical estimates” under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource, and the Company is not treating these historical estimates as current Mineral Resources. The Company would need to conduct an exploration program, including twinning of historical drill holes in order to verify the Labbas uranium zone historical estimate as a current mineral resource.

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 Ardnasvarre Mineral License. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Ardnasvarre Mineral License.

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"

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 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 Ardnasvarre nr 1 mineral license to explore for copper, molybdenum, zirconium, and rare earth elements (REE) located in Norrbottens County, northern Sweden; the Company's planned exploration activities, including its drill target strategy and next steps for the Ardnasvarre Property; and the Company's interpretations and expectations about the results on the Ardnasvarre 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.

All scientific and technical information contained in this news release has been prepared by or reviewed and 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.