



District Applies for Additional Mineral Licenses over Alum Shale Energy Metal Targets in Sweden

Vancouver, B.C.

February 28, 2024

February 28, 2024 – District Metals Corp. (TSX-V: DMX) (OTCQB: DMXCF) (FRA: DFPP); (“District” or the “Company”) is pleased to report that Bergslagen Metals AB (a 100% owned Swedish subsidiary of District) has applied for eight mineral licenses covering a total area of 91,470 hectares (Figures 1 and 2). These applications target Alum Shale deposits, and have been registered with Bergsstaten (Mining Inspectorate of Sweden) to permit the exploration of vanadium, nickel, molybdenum, zinc, and other elements located in central and north-central Sweden. Bergsstaten is expected to reach a decision on the Company’s mineral license applications in the coming weeks.

Although there is currently a moratorium on uranium mining and exploration in Sweden, the Swedish Government has recently initiated an inquiry into abolishing the ban on uranium mining and exploration ([February 26, 2024 news release](#)).

District consolidated 100% of the Viken Energy Metals Deposit on January 15, 2024 ([news release here](#)), which is the largest undeveloped Alum Shale uranium-vanadium-potash-molybdenum-nickel-copper-zinc deposit in Sweden, and **amongst the largest deposits based on total historic mineral resources of uranium and vanadium in the world.**

Alum Shale deposits in Sweden typically contain a large inventory of critical energy metals that will be required as part of the green energy transition. In addition, potentially viable Alum Shale deposits are large and shallow, which simplifies and lowers the cost of the exploration, discovery, and development stages.

Highlights:

- Mineral License application **Viken nr 4** will increase the area of the Viken Property from 9,367 hectares (ha) to **37,211 ha**.
- Mineral License applications **Tåsjö nr 106 to 108** will increase the area of the Tåsjö Property from 15,625 ha to **34,317 ha**.

- Mineral License applications **Malgomaj 1001 to 1003** is a new property that covers an area of **37,131 ha**, and is located northeast of the Tåsjö Property.
- Mineral License application **Österkälén nr 101** is a new property that covers an area of **7,803 ha**, and is located southeast of the Tåsjö Property.

Garrett Ainsworth, CEO of District, commented: “The Alum Shale Formation in Sweden is vast and insufficiently explored. As a result, it represents an opportunity to be a significant contributor to the green energy transition in Sweden, Europe, and elsewhere.

These licence applications are the product of an elaborate methodology to vector in on high priority Alum Shale deposit targets developed by District in partnership with GeoVista AB. Alum Shales are radioactive and low-resistivity which is visible with airborne radiometric and Very Low Frequency (VLF) data, respectively. Also, potentially viable Alum Shale deposits need to be thickened substantially via structural thrusting, which is identifiable using detailed geological maps provided by the Swedish Geological Survey (SGU). Finally, glacial till geochemical data and a compilation of historical exploration work refined our selection of target Alum Shale deposits.”

Alum Shale deposits in Sweden are known to host uranium and vanadium, together with other commodities of interest, such as molybdenum, nickel, copper, zinc, potash, phosphate and rare earth elements (REE).

Viken nr 4 Mineral License Application

According to the SGU geological map, Alum Shale is only outcropping in two small areas. One in the south-west corner and another in the west, but the actual distribution might be different as the area is covered by soil and till, and any overlying limestone is likely very thin.

The airborne radiometric survey shows moderate to high values in the northern to south-eastern part of Viken nr 4. A large area of high conductivity dominates the western half of the application, with a similar smaller one in the east, close to the border with the Viken nr 3 mineral licence.

Thickening of the Alum Shale is likely, but not evident from the SGU geological map. Only two glacial till samples are located within the application where one of them shows a moderately anomalous value of uranium (4 ppm U), and the other shows highly anomalous vanadium (78 ppm V).

Tåsjö nr 106 to 108 Mineral License Applications

Tåsjö nr 106 is located adjacent southwest of Tåsjö nr 102 and contains the Fetsjön zone. The Fetsjön zone is part of several large historical exploration target estimates for uranium, vanadium, rare earth elements, phosphate and other energy metals and has seen extensive historic drilling. According to published SGU metallogenetic maps, the Fetsjön zone is within one of Sweden's most promising areas to host large Alum Shale deposits.

Tåsjö nr 107 is adjacent to Tåsjö nr 102 and 103, which covers the eastern part of the Alum Shale in the Tåsjö area. The lithology comprises Alum Shale with the overlying carbonate-rich unit and the underlying quartz-rich metasediments.

An airborne radiometric survey covers two thirds of the area, and shows moderate to high uraniferous radiometric values, especially in the center area. The airborne VLF survey only covers less than half of the perimeter, showing moderate to moderate-high conductive values with an enticing high conductivity area in the south of the application.

Some tectonic thickening is likely present as suggested by thrust faults shown in the SGU geological maps. No glacial till samples were available for Tåsjö nr 107.

According to the SGU geological map Tåsjö nr 108 is dominated by Alum Shale.

The SGU airborne radiometric survey shows relatively low uraniferous radiometric values, with some significantly elevated values in the west and south areas. The airborne VLF survey shows that the area is characterized by a strong high conductivity anomaly covering almost the entire area.

No obvious tectonic thickening is suggested by the SGU geological maps, and no glacial till survey data is available for Tåsjö nr 108.

Malgomaj 1001 to 1003 Mineral License Applications

Malgomaj nr 1001 is covered by Alum Shale and quartz-rich meta-sediments.

No airborne radiometric or VLF data was available for Malgomaj nr 1001.

Tectonic thickening of the Alum Shale is strongly suggested by the SGU geological map in the northern half of Malgomaj nr 1001 where a repeating sequence of Alum Shale and quartz-rich meta-sediments is shown.

Only two till samples were collected from the area by SGU, one in the center and one in the south, both showing anomalous U values (8.2 ppm in the center and 6 ppm in the south) as well as one value of 21 ppm Mo in the center.

Six grab rock samples from Malgomaj nr 1001 are reported in the SGU database, confirming the presence of Alum Shale with values up to 33 ppm U, 577 ppm V, 111 ppm Ni and 160 ppm Mo.

Malgomaj nr 1003 is characterized by an extensive presence of Alum Shale at surface.

The historical airborne radiometric survey indicates moderate to high uraniferous radiometric values over most of Malgomaj nr 1003, with the highest values also grouped in the center part of the application. No airborne VLF geophysical data was available for this area.

Significant tectonic thickening within Malgomaj nr 1003 is indicated by the SGU geological maps, with both the Alum Shale and the quartz-rich meta-sediments repeating within a nappe system.

The SGU glacial till survey shows multiple samples with anomalous uranium in the 3.5 to 11.4 ppm U range scattered all over Malgomaj nr 1003. In the central part of the area covered by the license application, several samples show anomalous vanadium up to 43.5 ppm V as well as anomalous phosphate up to 0.34 % P₂O₅ that is associated with REE of the Early Ordovician phosphatic siltstone in the Tåsjö area. This is further confirmed by the presence of anomalous lanthanum up to 32.7 ppm La in the glacial till samples from the same area. Molybdenum in the glacial till samples generally shows moderate anomalous values that reach up to 56 ppm Mo, while nickel shows values up to 46 ppm Ni.

Alum Shale has been confirmed within Malgomaj nr 1003, and eight grab samples showed values of up to 47 ppm U, 504 ppm V and 175 ppm Mo.

Österkålen nr 101 Mineral License Application

Österkålen nr 101 is covered by Alum Shales at surface as well as both the overlying carbonate-rich meta-sediments and the lower quartz-rich meta-sediments.

The historical airborne radiometric survey shows moderate uraniumiferous radiometric values with small but strongly radioactive areas in the south and north. Österkålen nr 101 is almost in its entirety characterized by a strong low-resistivity anomaly, based on the VLF airborne survey.

Tectonic thickening is likely given the presence of mapped overthrust faults.

No SGU glacial till surveys cover the area of this mineral license application or surrounding area.

Figure 1: Mineral License Application for Viken Property

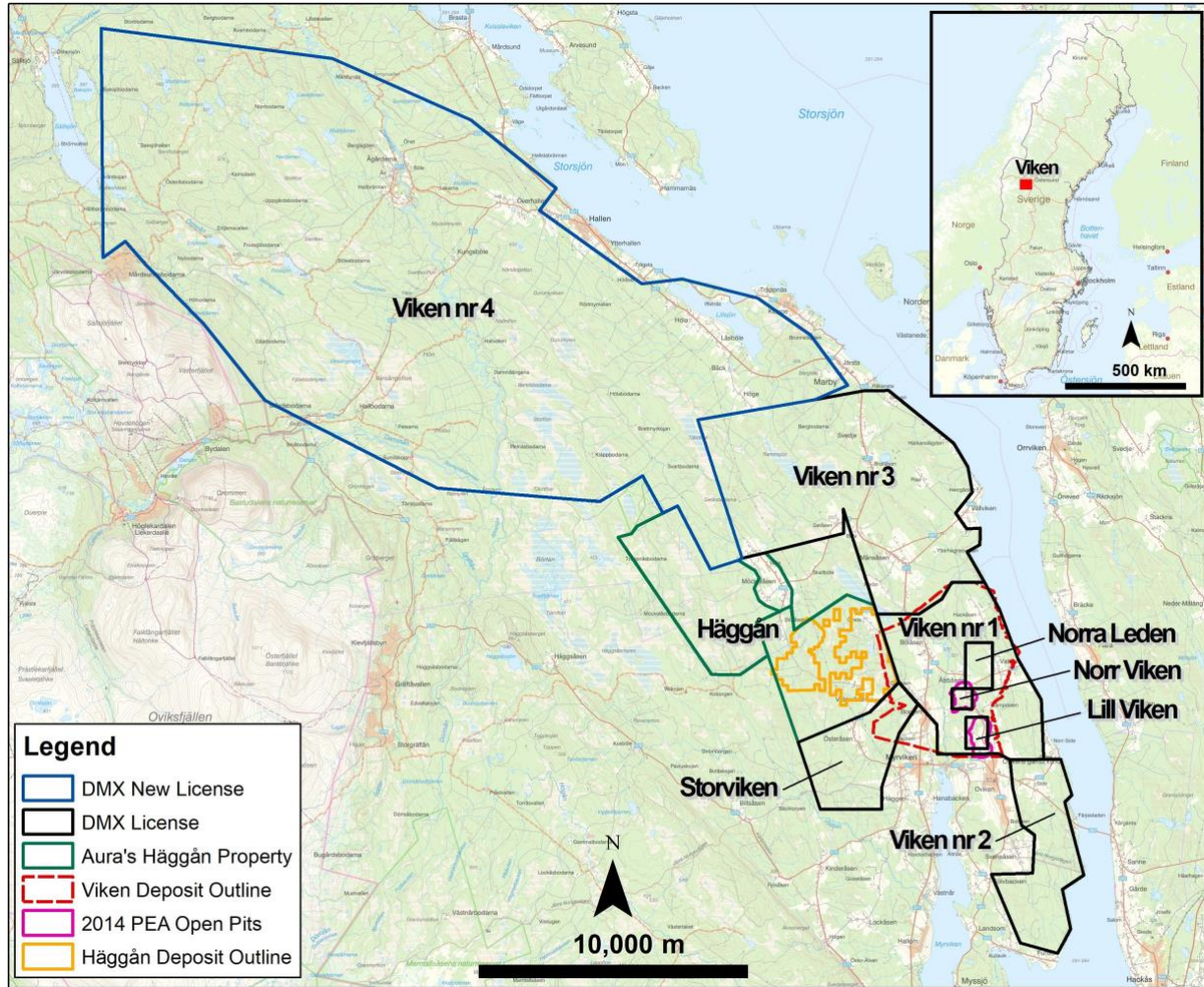
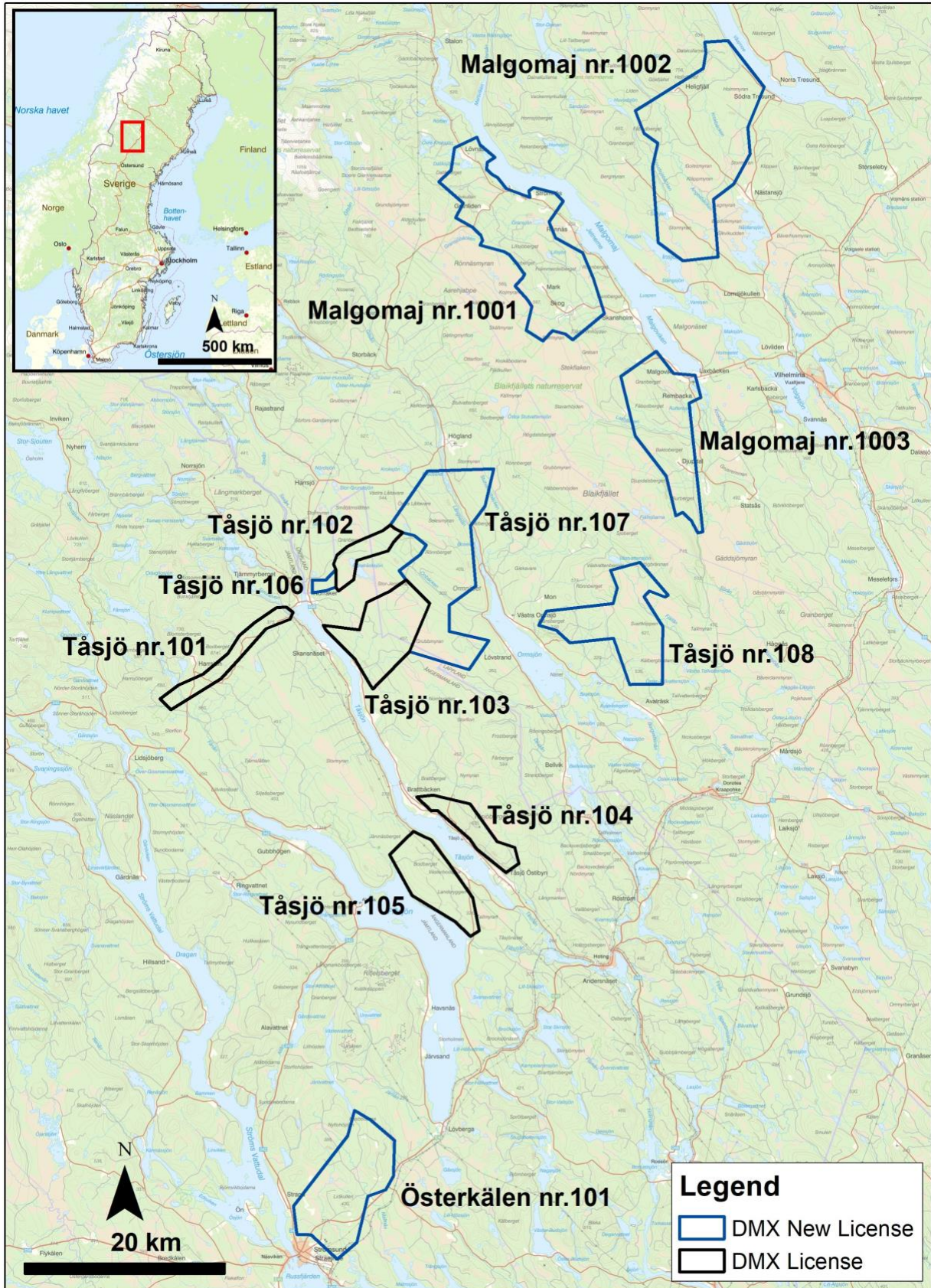


Figure 2: Mineral License Applications for Tåsjö, Malgomaj, Österkälén



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 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 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 District's Properties. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on District's Properties.

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 100% 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 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.sedarplus.ca.

On Behalf of the Board of Directors

“Garrett Ainsworth”

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Neither the 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 information in this news release relating to the Company include, among other things, statements relating to the Purchase Agreement and closing thereof; the Company’s Swedish polymetallic properties; the Company’s planned exploration activities, including its drill target strategy and next steps for the Swedish properties; and the Company’s interpretations and expectations about the results on the Swedish properties.

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; and in respect of the intention of the Swedish government to eventually lift or amend its moratorium on uranium exploration and mining in Sweden; 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; that the Swedish government maintains its moratorium on uranium exploration and mining in Sweden for the foreseeable future; 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 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 metals; 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 cybersecurity risks; and risk related to the outbreak of epidemics or pandemics or other health crises. For additional information regarding these risks, please see the Company’s Annual Information Form dated July 11, 2022, under the heading “Risk Factors”,

which is available at www.sedarplus.ca. 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 information 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 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.