



District Commences Drilling at the Stollberg Property in Sweden

Vancouver, B.C.

October 16, 2024

October 16, 2024 – District Metals Corp. (TSX-V: DMX) (OTCQB: DMXCF) (FRA: DFPP); (“District” or the “Company”) is pleased to announce the commencement of core drilling at the high grade polymetallic Stollberg Property located 35 km to the southwest of the Tomtebo Property (Figure 1) within the Bergslagen Mining District of south-central Sweden. The Stollberg-Tomtebo Properties are being explored in collaboration with Boliden Mineral AB.

Highlights:

- A total of **2,200 m of drilling in five to six holes is planned** at the historic **Grängsgruvan Mine** (operated from 1943 to 1978) located within the Stollberg Property (Figure 2).
- All drill holes will be followed up by Boliden’s in-house, state of the art, down-hole, three component electromagnetic (DHEM) survey¹.
- The Stollberg Property contains similar host rocks, structure, alteration, and mineralization styles as the Garpenberg Mineralized Trend, which gives significant support in making a similar new discovery^{2,3,4}.

Garrett Ainsworth, CEO of District, commented: “Over the last year important geological, geochemical, and geophysical data from the Stollberg Property has been obtained and compiled by the technical team through a collaborative process that has delivered priority areas for drilling. During this process the historic Grängsgruvan Mine stood out as one of several priority areas to drill within the Stollberg Property. From a property-wide perspective, the whole rock geochemistry from historic drill core and outcrop rock sampling at the Stollberg Property is highly analogous to the setting associated with Boliden’s operating Garpenberg Mine, which is a global tier one asset.

There are numerous historic drill holes with wide intervals of high grade polymetallic mineralization at the Grängsgruvan Mine. The Fall 2024 drill program will focus on step outs from known mineralization at the Grängsgruvan Mine to expand upon known mineralized bodies, and to potentially discover new polymetallic mineralized bodies.

Leading edge whole rock geochemistry and DHEM will be completed on all drill holes to increase the team's technical understanding of the Stollberg mineralized trend, and to increase the probability of making new discoveries.”

Stollberg Property Description

The Stollberg Mineralized Trend is located in the Bergslagen region of the Fennoscandian shield. The Stollberg Trend comprises a 5.0 km long steeply east-dipping belt of manganese-rich, magnetite and Zn-Pb-Ag sulphide deposits hosted by marble, skarn and hydrothermally altered meta-volcanic rocks. The deposits have been mined continuously from medieval times until 1982.

Most deposits in the Stollberg Mineralized Trend occur along the N-S striking eastern limb of an upright to steeply east-dipping, steeply south plunging syncline. The historic Grängsgruvan Zn-Pb-Ag Mine is located 2.0 km west of the historic Stollberg workings and is interpreted to be stratigraphically equivalent, representing the western limb of the syncline.

The core of the syncline comprises meta-sediments, which are separated from the mineralized horizon by 800 m of massive to banded rhyolitic meta-volcanic rocks. These hanging-wall rocks are generally not strongly altered but locally contain abundant patchy, calc-silicate aggregates and local zones of elevated cordierite, muscovite and quartz, interpreted as regional metamorphosed syn-volcanic alteration zones. Proximal to the mineralized horizon on the eastern limb, gradation into biotite and quartz rocks with abundant porphyroblasts (locally more than 50 vol.%) of garnet, gahnite, cordierite, andalusite, sillimanite and amphibole is observed. These grade further westward into marble and skarn, which is the main host to mineralization. Formation of these polymetallic deposits directly followed a major rhyolitic, volcanic eruption and formation of a submarine caldera. The earliest mineralization comprised exhalative iron oxides concurrent with limestone formation. Post-caldera subsidence and burial induced a shift in style of mineralization, whereby the limestone became a trap to replacement-type magnetite and Zn-Pb-Ag sulphide mineralization.

The polymetallic sulphide mineralization is dominated by sphalerite (Zn), pyrrhotite, arsenopyrite and lesser chalcopyrite (Cu) and pyrite. They grade irregularly into semi-massive and locally massive sulphide bodies, which are considerably richer in galena (Pb-Ag). Average grades in the mined deposits ranged between 0.5 to 5.0% Zn, 0.5 to 15.6% Pb, and 5 to 320 g/t Ag^{2,3,4}.

Boliden acquired the historic Grängsgruvan Zn-Pb-Ag Mine in 1972 and produced 0.26 Mt at 4.8% Zn, 2.1% Pb and 29 g/t Ag down to -225 m depth until mine closure in 1978⁴. Boliden restarted exploration activities in the Stollberg Mineralized Trend in 2000.

The newly discovered mineralization at the Västansjö deposit is situated on the eastern limb of the Stollberg syncline. A mineral resource estimate, compliant with SveMin's procedures, was delineated by Boliden in 2016⁵. Similarities in structural setting, alteration and mineralization style to the marble-skarn hosted Zn-Pb-Ag-(Cu-Au) deposit of Garpenberg imply potential for finding significant mineralization at the Stollberg Property^{2,3,4}.

Figure 1: Location of Stollberg and Tomtebo Properties

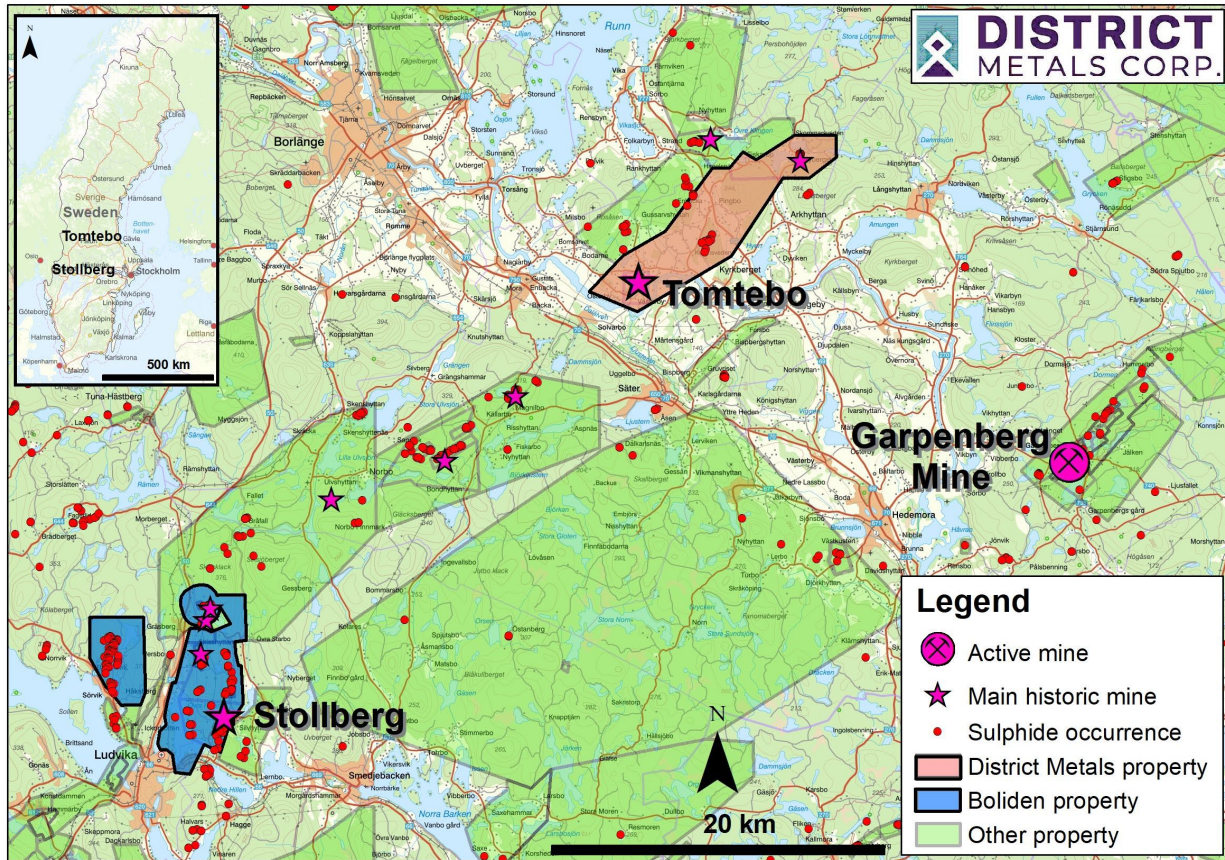
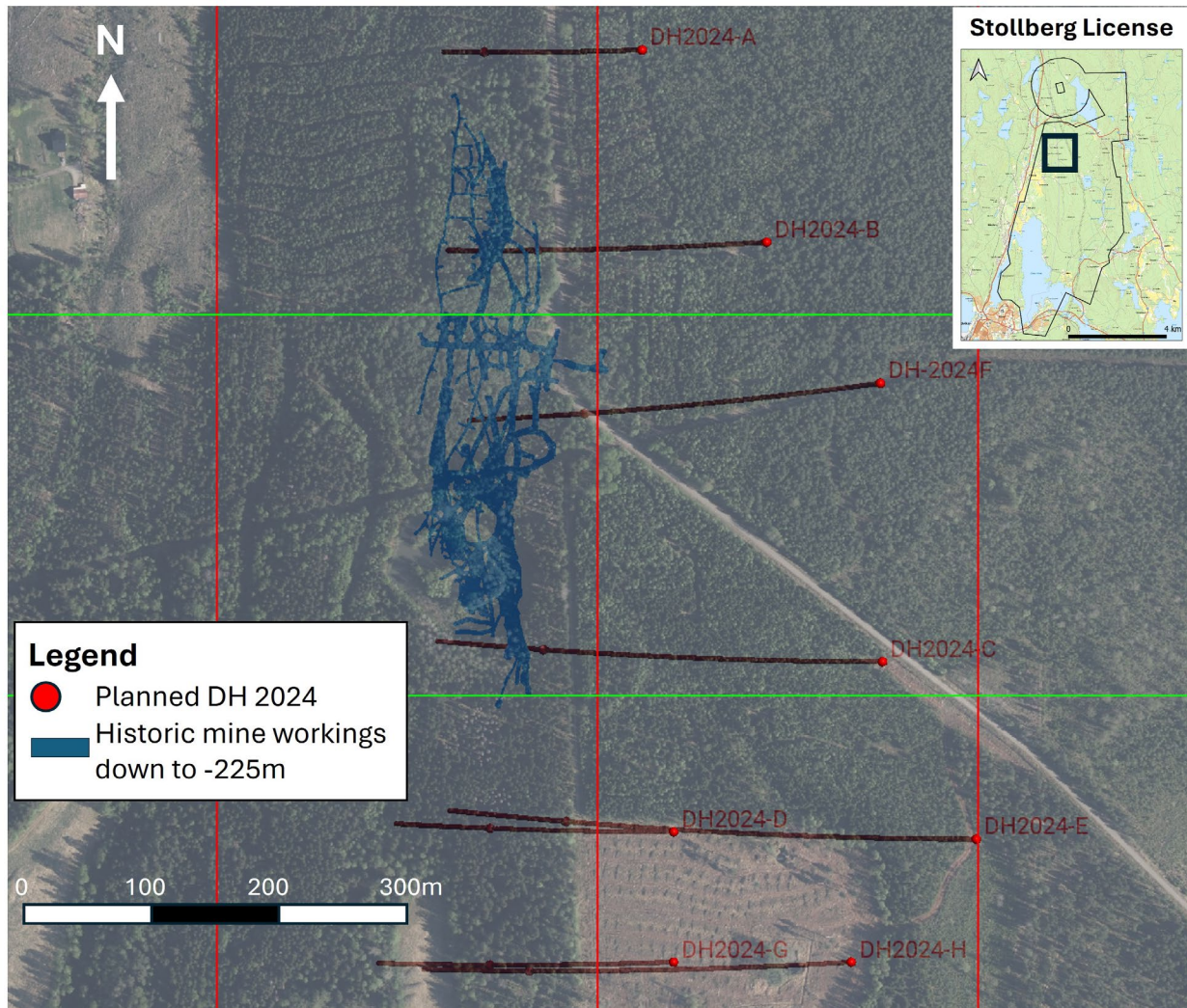


Figure 2: Proposed Drill Holes at the Historical Gränsgruvan Mine



References

- ¹ Allen, Rodney L., Jonsson, Rolf H. 2014. Boliden's Garpenberg Zn-Pb-Ag mine, Sweden – Critical factors behind the discoveries that turned mine closure into a large expansion project. SEG Conference Abstract 0393-000191. <https://www.segweb.org/SEG/Events/Conference-Archive/2014/Conference-Proceedings/data/papers/abstracts/0393-000191.pdf>
- ² Frank, K.S., Spry, P.G., Raat, H., Allen, R.A., Jansson, N.F and Ripa, M. (2019). Variability in the Geologic, Mineralogical, and Geochemical Characteristics of Base Metal Sulfide Deposits in the Stollberg Ore Field, Bergslagen District, Sweden. *Econ Geol* 114: 473–512. doi: <https://doi.org/10.5382/econgeo.4646>
- ³ Jansson N, Erismann F, Lundstam E, Allen RL (2013). Evolution of the Paleoproterozoic volcanic-limestone-hydrothermal sediment succession and Zn-Pb-Ag and iron oxide deposits at Stollberg, Bergslagen region, Sweden: *Econ Geol* 108: 309-335
- ⁴ Raat, H., Jansson, N.F., and Lundstam, E., (2013). The Gränsgruvan Zn-Pb-Ag deposit, an outsider in the Stollberg ore field, Bergslagen, Sweden: *Geology Applied to Mineral Deposits, Biennial Meeting, 12th, Uppsala, Sweden, August 12–15, 2013, Proceedings*, p. 12–15
- ⁵ Rönnblom-Pärson, E., (2016). Komplettering till ansökan om bearbetningskoncession Västansjö K nr 1, Smedjebackens Kommun, Dalarnas Län, 2016-02-29. Supporting document for mining concession application Västansjö K nr 1 from Boliden Mineral AB including a Mineral Resource Estimate to the Mining Inspectorate (Bergsstaten).

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