



## District Drills Shallow Polymetallic Sulphide Mineralization on the Gruvberget Property

Vancouver, B.C.

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**July 13, 2022 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP) ("District" or the "Company")** is pleased to report that the core drilling program has been completed at its polymetallic Gruvberget Property located in the Bergslagen Mining District of south-central Sweden.

Drilling at the Gruvberget Property commenced in early-June where 1,144 m in five holes (GRU22-001 to -005) have been completed (Figure 1). Drill core samples from these five holes will be shipped to ALS Geochemistry in Malå, Sweden for assay preparation and then to ALS Geochemistry in Loughrea, Ireland for analysis. Assay results are expected by late-August or early-September.

### Highlights

- **Polymetallic sulphide mineralization was intersected in four out of five drill holes** at the Gruvberget North zone. **Multiple mineralized intervals from 0.4 to 8.8 m in width were observed in each of the four mineralized drill holes.** The polymetallic sulphide mineralization comprises chalcopyrite (copper sulphide +/- gold), sphalerite (zinc sulphide), and galena (lead sulphide +/- silver) as **disseminated, impregnated, vein/stringer, and semi-massive sulphide mineralization.**
- The polymetallic mineralized system at the **Gruvberget North zone has been identified as possible Strataform Zn-Pb-Ag mineralization,** which would make it **analogous to Lundin Mining's Zinkgruvan Mine** located 190 km to the south of the Gruvberget Property.
- **Hole GRU22-003 intersected 8.8 m (127.4 to 136.2 m) of disseminated to semi-massive polymetallic sulphide mineralization.**
- **Hole GRU22-004 intersected 6.2 m (125.7 to 131.9 m) of disseminated to vein polymetallic sulphide mineralization.**
- **Hole GRU22-002 intersected 4.65 m (132.65 to 137.30 m) of disseminated to semi-massive polymetallic sulphide mineralization.**

Rodney Allen, Technical Advisor for District, commented: “The mineralized zone in the holes that we have drilled so far at Gruvberget comprises an up to 37 m thick interval of banded to locally massive, metamorphosed mudstone (meta-argillite), with subordinate 0.03 to 1.0 m thick intervals of skarn. The skarn is dominated by diopside with lesser epidote, actinolite and locally garnet. The mineralization comprises sphalerite with lesser galena, pyrite, pyrrhotite and chalcopyrite and occurs as irregular veinlets and layer-parallel laminae in the meta-argillite and thicker veins and patches in the skarn.

The sphalerite-galena-pyrite bands in the meta-argillite are foliated and folded and the main tectonic foliation forms an axial-plane foliation to these folds. These relationships indicate that the mineralization formed before the main tectonic foliation. The abundance of non-aluminous minerals in the skarn indicate that the skarn formed by hydrothermal replacement of former limestone or dolomite (which contain little or no aluminium) and not volcanic rocks or mudstone (which contain abundant aluminium).

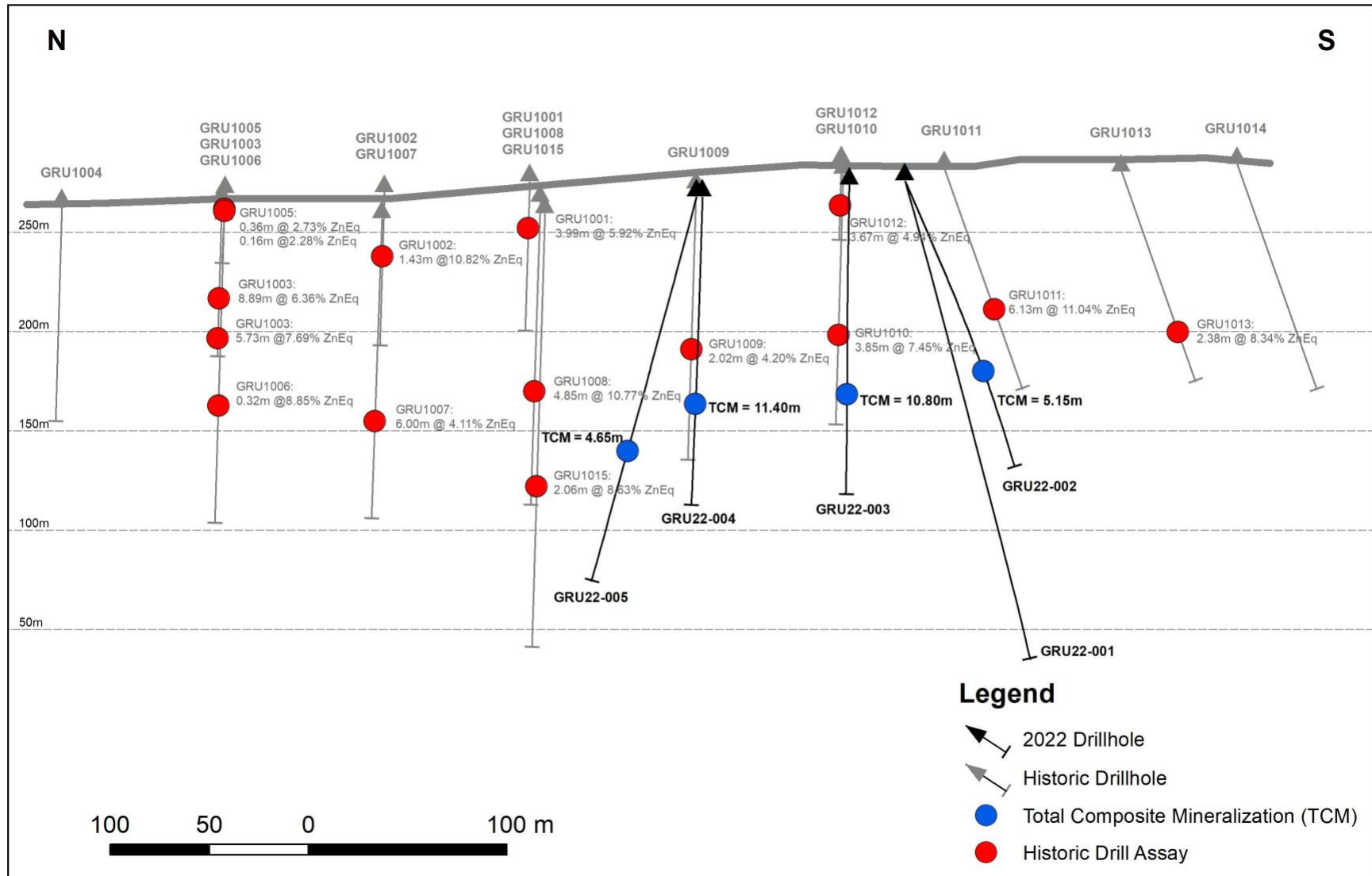
Mineralization within the skarn comprises veins and replacement patches and is clearly epigenetic. Mineralization within the meta-argillite comprises both veins and layer-parallel bands or laminae and could either be completely epigenetic or could be remobilized from original stratiform bedded mineralization during deformation and metamorphism. Thus, two alternative interpretations for the mineralization are plausible: (1) the mineralization is hydrothermal, metasomatic and epigenetic and resulted from hot metal-rich fluids being channelled along the stratigraphic interval of interbedded limestone and argillite, with the most intense mineralization occurring within the limestone beds that would have been an ideal reactive chemical trap for the mineralizing fluids, or (2) the mineralization comprised stratiform bedded sulphides in argillite interbedded with silica- and magnesium-altered limestone beds, and during deformation and metamorphism, the mineralization became remobilized into veins and the altered limestones were transformed to skarn. Both of these styles of mineralization occur as World-class deposits in Bergslagen, with Garpenberg being an example of the replacement style deposit, and Zinkgruvan an example of the stratiform-bedded style.”

Garrett Ainsworth, CEO of District, commented: “Our first pass drill program at the Gruvberget North zone has significantly advanced our understanding of the mineralizing system on the Property, and its potential. We encountered polymetallic sulphide mineralization in four out of five step-out drill holes where mineralization remains open in most directions. Strong continuity of mineralization at the North zone persists at depth and towards the north where we have coincident SkyTEM conductive and magnetic anomalies. Mineralization at the North zone remains open at a vertical depth of 160 m, which is important given that the polymetallic mineralized systems at the Garpenberg and Zinkgruvan Mines extends to depths of 1,600 m or more.

Review of the drill core by Rodney Allen and Anders Zetterqvist, who are geological experts in the Bergslagen District, has provided us with new insights on the possible type of polymetallic mineralizing system present at the Gruvberget North zone. Whole rock geochemistry will continue to be an important tool in confirming the geological units and alteration intensity, which will direct the next drill campaigns.

Much of the Gruvberget Property is covered by a thin veneer of glacial till (2 to 20 m), so we have recently conducted a pilot soil sampling program over and away from the Gruvberget North zone. The soil samples recovered will be analyzed by ionic leach and conventional (ICP-MS) analysis to determine which method is preferable before initiating a larger soil sampling program focused on and “down-ice” from our airborne geophysical target zones. Drill targets supported by coincident geochemical and geophysical anomalies provide an increased level of confidence when prioritizing targets.”

**Figure 1: Long Section Looking East at Gruberget North Zone**



## Drill Hole Summaries

### GRU22-001 (North Zone):

Hole GRU22-001 was drilled to the southwest (240°) at a dip of -60° to target mineralization approximately 60 m below historical hole GRU1011, which returned **6.1 m at 11.0% ZnEq<sup>1</sup>**.

After 8.0 m of overburden, the hole intersected granitic gneiss to 18.2 m that was underlain by amphibolite until 126.1 m. Granitic gneiss with intermittent mafic dykes was encountered from 126.1 to 210.6 m followed by Amphibolite until the end of hole depth at 290.5 m.

The host metapelite unit and accompanying polymetallic sulphide mineralization was not encountered. The re-emergence of the granitic gneiss unit in hole GRU22-001 suggests a structural repetition by folding or faulting, which could put the host metapelite unit further down dip of the hole.

### GRU22-002 (North Zone):

Hole GRU22-002 was drilled to the southwest (240°) at a dip of -45° from the same location as hole GRU22-001 to target mineralization approximately 30 m below historical hole GRU1011.

After 8.0 m of overburden, the hole intersected granitic gneiss to 20.0 m that was underlain by amphibolite until 113.0 m. The host metapelite unit was encountered from 113.0 to 175.0 m depth followed by feldspar porphyritic gneiss until the end of hole depth at 202.7 m.

The polymetallic sulphide mineralization comprises three diopside dominated skarn lenses. The Zn-Pb-Cu mineralization in the skarn is sphalerite dominated and hosts polymetallic sulphide stringers, blebs, bands, and semi-massive.

### GRU22-003 (North Zone):

Hole GRU22-003 was drilled to the southwest (268°) at a dip of -50° to target mineralization approximately 45 m below historical hole GRU1010, which returned **3.9 m at 7.5% ZnEq<sup>1</sup>**.

After 8.0 m of overburden, the hole intersected granitic gneiss to 34.0 m that was underlain by amphibolite until 117.0 m. The host metapelite unit was encountered from 117.0 to 187.5 m depth followed by feldspar porphyritic gneiss until the end of hole depth at 211.2 m.

The polymetallic sulphide mineralization comprises three diopside dominated skarn lenses. The Zn-Pb-Cu mineralization in the skarn is sphalerite dominated and hosts polymetallic sulphide bands, blebs and irregular stringers. At the margins of the skarns sphalerite is concentrated in bands hosting skarn clasts in a sulphide matrix.

### GRU22-004 (North Zone):

Hole GRU22-004 was drilled to the southwest (268°) at a dip of -50° to target mineralization approximately 40 m below historical hole GRU1009, which returned **2.0 m at 4.2% ZnEq<sup>1</sup>**.

After 8.0 m of overburden, the hole intersected granitic gneiss to 31.1 m that was underlain by amphibolite until 125.7 m. The host metapelite unit was encountered from 125.7 to 185.6 m depth followed by feldspar porphyritic gneiss until the end of hole depth at 209.9 m.

The polymetallic sulphide mineralization is hosted in the metapelite unit and is characterized by two distinct zones that comprise different mineralization settings. Firstly, from 125.7 to 137.3 m the mineralization is dominated by disseminated pyrite in a heterogeneously textured, locally silicified and cordierite bearing metapelite. Locally sphalerite occurs as foliation parallel stringers and stockwork. Some phlogopite-rich zones within are sphalerite-rich. Secondly, the majority of the Zn-Pb-Cu mineralization is associated with the skarn intervals whereas sphalerite is the dominant sulphide and occurs as bands and irregular lenses, and galena and chalcopyrite form irregular patches and stringers.

GRU22-005 (North Zone):

Hole GRU22-005 was drilled to the northwest (291°) at a dip of -60° from the same location as hole GRU22-004 to target mineralization approximately 30 m south of historical hole GRU1015, which returned **2.1 m at 8.6% ZnEq<sup>1</sup>**. A modeled SkyTEM conductor plate was also targeted with GRU22-005.

After 8.0 m of overburden, the hole intersected granitic gneiss to 40.4 m that was underlain by amphibolite until 135.5 m. The host metapelite unit was encountered from 135.5 to 197.5 m depth followed by feldspar porphyritic gneiss until the end of hole depth at 229.5 m.

The polymetallic sulphide mineralization comprises two diopside dominated skarn lenses. The Zn-Pb-Cu mineralization in the skarn is sphalerite dominated and hosts polymetallic sulphide bands, blebs and irregular stringers. At the margins of the skarns sphalerite is concentrated in bands hosting skarn clasts in a sulphide matrix.

## References

<sup>1</sup> Metal prices used in USD for the ZnEq calculation were based on Ag \$15.00/oz, Au \$1650/oz, Cu \$2.15/lb, Zn \$0.85/lb, and Pb \$0.75/lb. ZnEq equals = Zn% + (Ag g/t × 0.0257) + (Au g/t × 2.831) + (Cu% × 2.529) + (Pb% × 0.882). The use of ZnEq is to calculate cut-off grades for exploration purposes, and no adjustments were made for metal recovery.

## 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 drill core reported in this news release was logged and prepared at the District Metals AB core facility in Säter, Sweden before submittal to ALS Geochemistry in Malå, Sweden where the drill core is cut, bagged, and prepared for analysis. Sample pulps were sent to ALS Geochemistry in Ireland (an accredited mineral analysis laboratory) for analysis. Samples were analyzed using

a multi-element ultra trace method combining a four-acid digestion with ICP-MS analytical package (“ME-MS61”). Over limit sample values were re-assayed for: (1) values of copper >1%; (2) values of zinc >1%; (3) values of lead >1%; and (4) values of silver >100 g/t using the high-grade material ICP-AES analytical package (“ME-OG62”). Additional over limit sample values were re-assayed for: (1) values of zinc >30%; (2) values of lead >20% using the high precision analysis of base metal ores AAS analytical package (“Zn, Pb-AAORE”). Gold, platinum, and palladium were analyzed using the 30 g lead fire assay with ICP-AES finish analytical package (“PGM-ICP23”). Certified standards, blanks, and duplicates were inserted into the sample shipment to ensure integrity of the assay process. Selected samples were chosen for duplicate assay from the coarse reject and pulps of the original sample. No QA/QC issues were noted with the results reported.

Some of 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 Gruvberget Property. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Gruvberget Property.

### **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 is located in the Bergslagen Mining District of south-central Sweden is the Company's main focus. Tomtebo comprises 5,144 ha 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. 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.

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](http://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 planned exploration activities, including its drill target strategy and next steps for the Gruvberget Property; and the Company’s interpretations and expectations about the results on the Gruvberget 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 regarding the Tomtebo Property; 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](http://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.*