



District Intersects 25.5 m at 8.2% ZnEq on the Tomtebo Property

Vancouver, B.C.

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August 17, 2022 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); ("District" or the "Company") is pleased to report assay results for the two drill holes (TOM22-037B to -038) from the Spring 2022 drill program at the high grade polymetallic Tomtebo Property located in the Bergslagen Mining District in south-central Sweden. A total of 750 m in two drill holes was completed during this drill program that was carried out from mid-April to mid-May 2022, before moving the rig to the Gruvberget Property.

Drill hole TOM22-038 targeted the Steffenburgs zone massive sulphide lens down-plunge beneath holes TOM21-025 and -028, which were highlighted by down hole intercepts of **14.3 m at 14.2% ZnEq¹** (210.0 to 224.3 m) and **30.05 m at 10.9% ZnEq¹** (148.35 to 178.40 m), respectively. Hole TOM22-038 was drilled 40 m down-plunge from TOM21-025 where mineralization remains open at depth.

Highlights:

- **TOM22-038** intersected **25.5 m at 8.2% ZnEq¹** (249.0 to 274.1 m).
 - including **11.1 m at 11.1% ZnEq¹** (263.0 to 274.1 m).
 - including **3.6 m at 15.8% ZnEq¹** (263.0 to 266.6 m).
- **Bonanza grade gold interval of 384 g/t Au and 855 g/t Ag over 0.4 m** (273.7 to 274.1 m) intersected in hole TOM22-038 was capped at 10 g/t Au for the ZnEq calculation.

A drill hole plan and cross section are shown in Figures 1 to 2, and drill assay results are shown in Table 1. Drill hole summaries are reported [here](#).

Garrett Ainsworth, CEO of District, commented: "We continue to grow the Steffenburgs zone with another high grade polymetallic intersection from hole TOM22-038 that comprises **25.5 m at 8.2% ZnEq¹**. Elevated gold values continue to be observed above and below the massive sulphide lens at the Steffenburgs zone. The occurrence of **bonanza grade gold of 384 g/t over 0.4 m** in TOM22-038 now becomes an even more interesting target as we look to follow up where the VMS mineralization is open at depth, and partially along strike."

Hole TOM22-037B was drilled as an aggressive 665 m step out northeast from the historic Tomtebo Mine at a virgin regional target to test a magnetic high anomaly along the Tomtebo

Mine Volcanogenic Massive Sulphide (VMS) mineralized horizon. No significant assay results were returned and interpretation from the whole rock geochemistry data is underway to provide vectors for possible follow up drill holes at this exploration target area.

Drill hole TOM22-038 successfully intersected the Steffenburgs massive sulphide lens approximately 40 m down-plunge below previous significant intersections in holes TOM21-025 and -028. High grade polymetallic mineralization remains open at depth. Hole TOM22-038 also provides important geological information that extends our interpretation of the structure and zonation of mineralization at the Steffenburgs zone. The assay data shows elevated copper and gold grades in parts of the intensely altered footwall “feeder” zone prior to the massive sulphide lens that occurs further down-hole, which is common for VMS style mineralization. An irregular zone of intense stringer, stockwork, impregnation, semi-massive and massive polymetallic sulphides extends from 249.0 to 274.1 m. Continuous massive sulphides intersected over **3.6 m at 15.8% ZnEq¹** (263.0 to 266.6 m) in TOM22-038 represent the “base” of the massive sulphide lens with similar high grades encountered in hole TOM21-001, -025 and -028. The high grade precious metals interval from **273.7 to 274.1 m returned 384 g/t Au and 855 g/t Ag** occurs in a sheared chlorite altered zone just above the “top” of the massive sulphide lens.

Figure 1: Drill Hole Locations from Spring 2022 Program

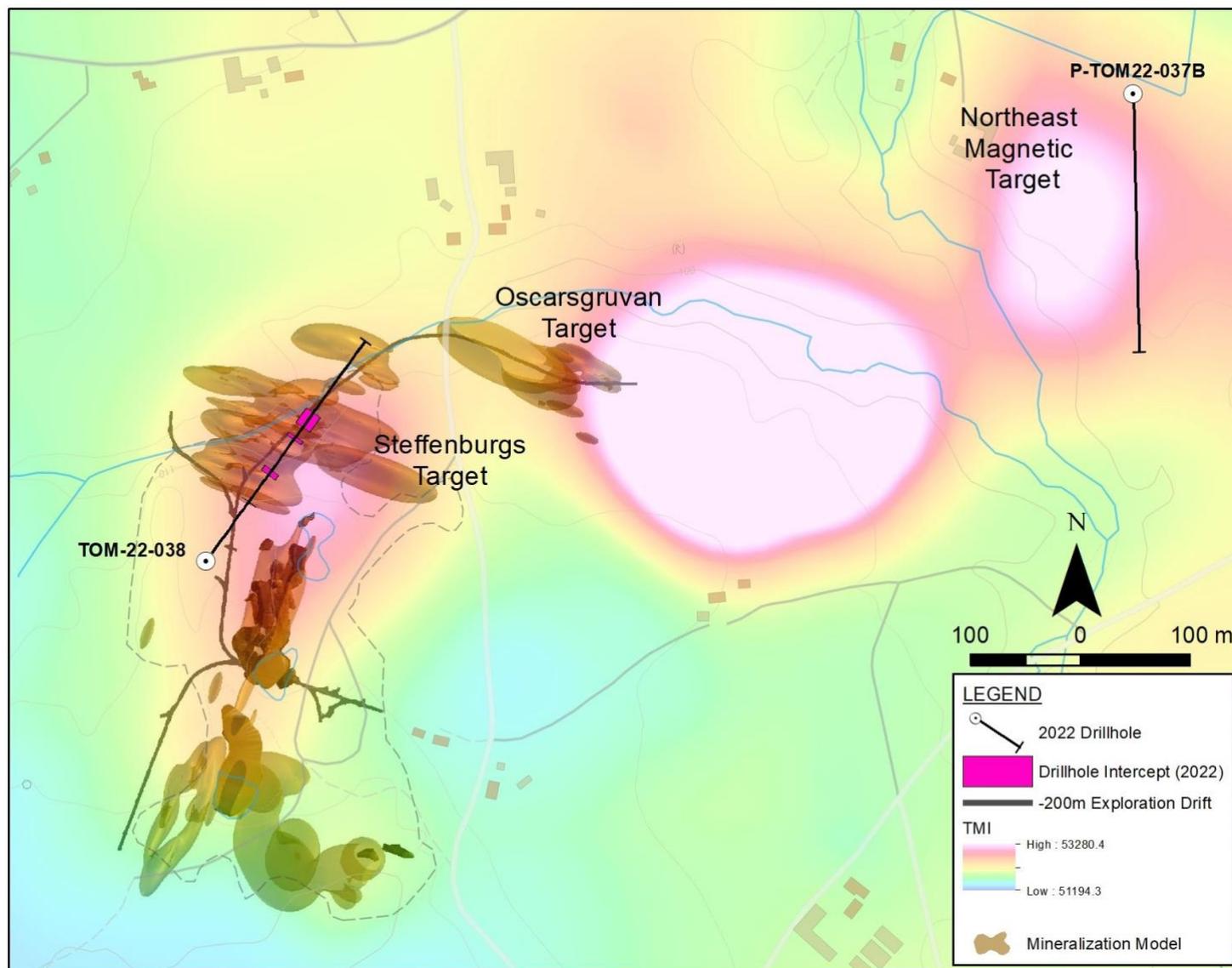


Table 1: Tomtebo Drill Assay Results

Drill Hole			Depths and Interval			Assay Results						
Hole ID	Azimuth	Dip	Total Depth (m)	From (m)	To (m)	Interval (m)	Ag (g/t)	Zn (%)	Pb (%)	Au (g/t)	Cu (%)	ZnEq (%)
TOM22-037B	180	-50	357.90	No significant results								
TOM22-038	35	-56	391.70	113.40	113.85	0.45	64	0.14	0.03	1.88	3.56	16.15
				163.80	172.80	9.00	19	0.17	0.06	0.43	0.57	3.36
				226.80	232.00	5.20	19	1.20	0.54	0.27	0.26	3.59
				249.00	274.50	25.50	65	2.40	2.05	0.63	0.22	8.24
			<i>incl.</i>	249.00	259.00	10.00	64	0.99	2.76	0.79	0.29	8.04
			<i>incl.</i>	263.00	266.60	3.60	109	7.81	3.82	0.38	0.31	15.85
			<i>incl.</i>	263.00	274.10	11.10	89	4.50	2.14	0.65	0.21	11.07
<i>incl.</i>	273.70	274.10	0.40	855	3.95	1.41	384.00*	0.23	56.20			

Notes:

- All intervals are core lengths, and true thicknesses are yet to be determined. Mineral resource modeling is required before true thicknesses can be estimated.
- Cut-off grade of 1.2% ZnEq was utilized, which may include up to 2.0 m of internal dilution. Underground mining cut-off at the nearby Garpenberg Mine was US\$29/tonne in 2021.
- Metal prices used in USD for the ZnEq cut-off calculations were based on Ag \$15.00/oz, Au \$1650/oz, Cu \$2.15/lb, Zn \$0.85/lb, and Pb \$0.75/lb.
- $ZnEq = Zn\% + (Ag\ g/t \times 0.0257) + (Au\ g/t \times 2.831) + (Cu\% \times 2.529) + (Pb\% \times 0.882)$
- The use of ZnEq is to calculate cut-off grades for exploration purposes, and no adjustments were made for metal recovery.
- * Gold value of 384 g/t was capped at 10 g/t Au for the ZnEq calculation.

References

¹ 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. $ZnEq\ equals = Zn\% + (Ag\ g/t \times 0.0257) + (Au\ g/t \times 2.831) + (Cu\% \times 2.529) + (Pb\% \times 0.882)$. 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 NQ-size 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.

Mr. Ainsworth has not verified any of the information regarding any of the properties or projects referred to herein other than the Tomtebo Property. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Tomtebo 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.

On Behalf of the Board of Directors

“Garrett Ainsworth”

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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 planned exploration activities, including its drill target strategy and next steps for the Tomtebo Property; the company’s interpretations and expectations about the mineralization of the Tomtebo Mine; the Company’s belief that the numerous gravity high anomalies identified at the historic Tomtebo Mine provide immense expansion potential; the Company’s belief that the modeled gravity high anomalies at the historic Tomtebo Mine could correspond with polymetallic and/or iron sulphide mineralization, or a mafic unit; and the Company’s belief that the gravity high anomaly located one kilometer to the northeast of the Tomtebo Mine represents a potential grassroots discovery opportunity with a modeled tonnage that compares with the historic production tonnage from the historic Falun Mine.

*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 satisfy the exploration expenditure requirements required by the definitive purchase agreement between the Company and the vendor of the Tomtebo Property (the “**Tomtebo Purchase Agreement**”) by the times specified therein; 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. 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.