



District Comments on Recent Media Reports to Lift the Uranium Moratorium in Sweden

Vancouver, B.C.

January 25, 2023

January 25, 2023 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); (“District” or the “Company”) is pleased to note that Swedish media has reported that a majority of the Swedish Parliament has resolved to allow for exploration and mining of uranium in Sweden. On January 19, 2023, The Liberals, a member of the current Swedish governing coalition, internally voted to support the lifting of the moratorium in place since 2018. A motion from the Moderate Party, to which Prime Minister Kristersson belongs, to remove the uranium mining moratorium in Sweden is expected to be voted on by the Swedish Parliament in March 2023.

Garrett Ainsworth, CEO of District, commented: “We are very pleased with the recent media reports out of Sweden that a majority by the newly formed government has reached a consensus to remove the moratorium on uranium mining. The implications related to this decision are potentially transformational for District Metals given our recent mineral license application of Viken nr 101, which covers most of the vanadium-uranium-molybdenum-nickel-copper-zinc Viken Deposit in Sweden. The polymetallic Viken Deposit is amongst the largest by total historic mineral resources of vanadium and uranium in the world (see [January 5, 2023 news release](#)).”

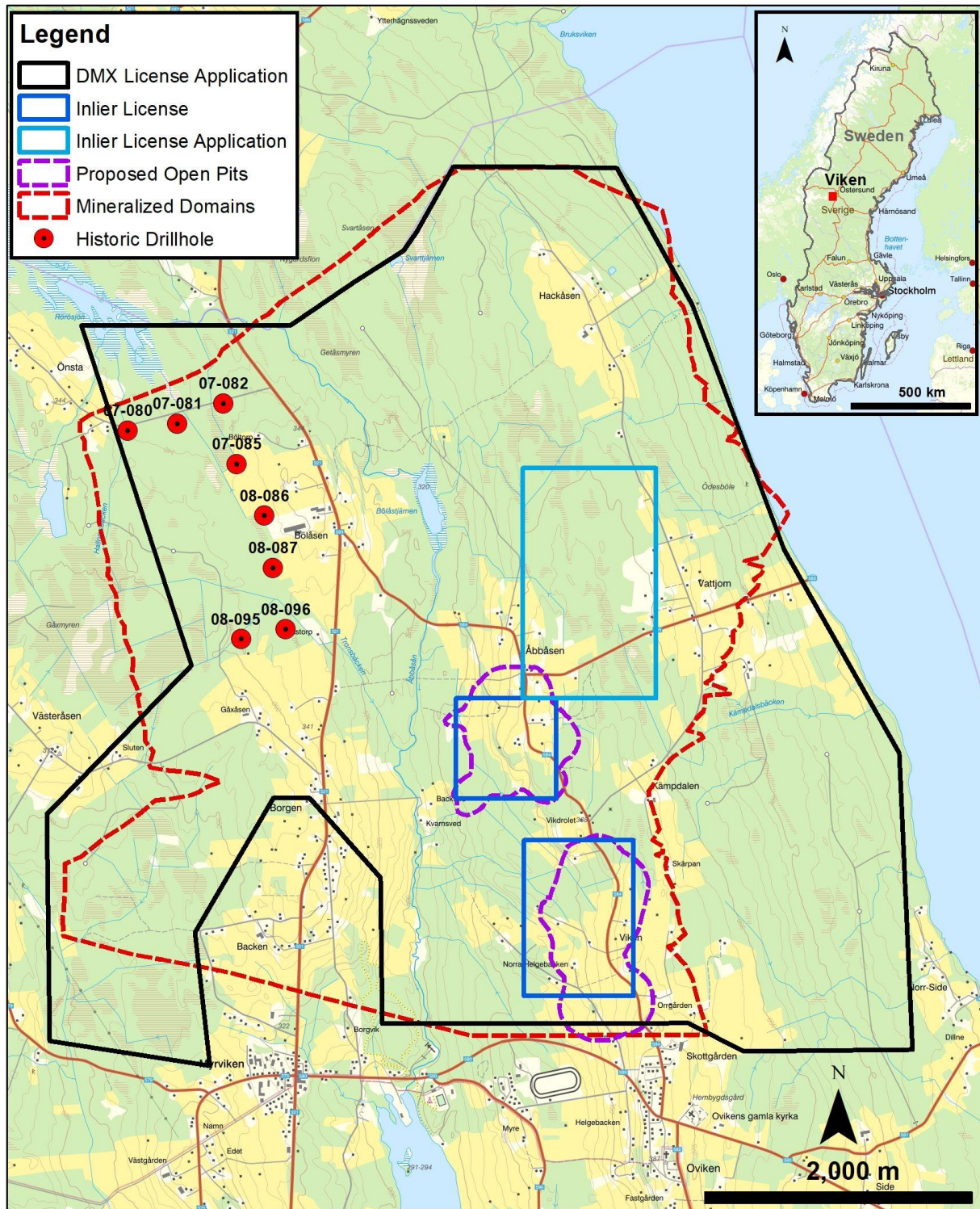
Sweden’s new government has indicated strong support for nuclear power and energy security. The new center-right coalition government formed in October 2022 has indicated support for expanding nuclear power in Sweden. There are currently six operating nuclear reactors in Sweden that supply about 40% of the country’s electricity, and the new government has called for the possible restart of Ringhals reactor units 1 and 2, as well as to prepare for the construction of new reactors.

The moratorium on exploration and mining of uranium in Sweden came into effect on August 1, 2018. The new center-right coalition government in Sweden put forth a motion on November 22, 2022 to revert the Minerals Act back to its original wording before August 1, 2018, such that uranium mining would be possible again in Sweden. The news from January 19, 2023 that the Swedish Government has obtained a majority to remove the moratorium on uranium is very positive for Sweden and a low-carbon Europe.

The Company has increased the size of the Viken nr 101 mineral license application to cover 76% of the polymetallic Viken Deposit (Figure 1), which will likely increase the timing from

late-February to May 2023 for approval of the application from the Swedish Mining Inspectorate.

Figure 1: Plan View of Viken Mineral License and Outline of Viken Deposit



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 Viken Deposit historical estimate as a current mineral resource.

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

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 application for a 2,302 hectare mineral license (Figure 1) to explore for vanadium, nickel, molybdenum, zinc, and other elements covering a portion of the polymetallic Viken Deposit located in Jämtland County, central Sweden; the expected timing of the Bergsstaten’s (Mining Inspectorate) decision on the Company’s Viken nr 101 mineral license application; the Company’s planned exploration activities, including its drill target strategy and next steps for the Viken Property; and the Company’s interpretations and expectations about the results on the Viken 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 likelihood of the Bergsstaten’s (Mining Inspectorate) decision to approve the Company’s Viken nr 101 mineral license application; the reliability of historic data regarding the Viken Deposit and 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 cybersecurity 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.

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