



District Receives Approval of Nianfors Mineral License Applications in Central Sweden

Vancouver, B.C.

September 5, 2023

September 5, 2023 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); (“District” or the “Company”) is pleased to report that Bergslagen Metals AB (a 100% owned Swedish subsidiary of District) has received approval from Bergsstaten (Mining Inspectorate) for the Nianfors nr 1 and 2 mineral license applications to explore for copper, zinc, molybdenum, yttrium and other rare earth elements (REEs) located in the Gävleborgs County, central Sweden (Figure 1).

The Nianfors mineral licenses are in good standing for a three-year term that ends on June 30, 2026. Renewal for an additional three years will require payment of mineral license fees to the Swedish Mining Inspectorate, and the completion of at least some geological, geochemical, or geophysical work on the mineral license before June 30, 2026.

Nianfors Property Highlights:

- Mineral license Nianfors nr 2 contains the **Majsaberget uranium-yttrium-molybdenum occurrence** that consists of **889 mineralized boulders** over an approximate **area of 500 m by 200 m¹**.
- Assay results from the **Majsaberget mineralized boulders** returned a **weighted average of 0.16% U₃O₈ and 0.08% Y¹**. A 1982 report by the Swedish Geological Survey (SGU) reported **mineralized boulder assays ranging from 0.01 to 1.4% U₃O₈, 0.08 to 0.69% Y, 0.05 to 0.22% Mo, and 0.02 to 0.31% Th²**.
- The **Majsaberget Occurrence** was historically **estimated to host at least 12,998,896 lbs U₃O₈ grading 0.07 to 0.14% U₃O₈⁴**. *This historical exploration target estimate is based on a 1985 Report by the SGU, and the Company is not treating it as a current mineral resource estimate nor is the Company aware of any more current estimate. The potential quantity and grade is conceptual in nature, as there has not been sufficient exploration to define the target at this time; and it is uncertain that further exploration would result in the definition of a current resource.*
- A moratorium on uranium mining and exploration in Sweden was imposed in 2018. The current Swedish Government has expressed a positive stance on re-evaluating the moratorium.

Garrett Ainsworth, CEO of District, commented: “We applied for the Nianfors mineral licenses based on the large boulder field and exploration target at the Majsaberget occurrence that has returned high grade uranium, yttrium, and molybdenum values. During my lead role in the 2012 discovery of the Triple R Uranium Deposit in the southwest Athabasca Basin, Saskatchewan the importance of following mineralized boulders “up-ice” to the bedrock source can’t be overstated. The mineralized boulder field and mineralized outcrop on the Nianfors Property underpins a very large exploration target that outcrops at surface.

The two styles of mineralization at Nianfors are very similar to what we have seen at our Sågtjärn Property, which makes the historical exploration target estimate at Nianfors very exciting. No known exploration work has been carried out at Nianfors since the early-1980’s, which makes it an ideal energy metals property to unlock using modern exploration techniques such as detailed UAV (drone) radiometric and magnetic surveys. In addition, recent forest clear cuts on the Nianfors Property has made for excellent access.”

Background

The Nianfors mineral occurrences were discovered in 1980 during follow-up work of airborne radiometric anomalies by the Swedish Geological Survey (SGU)¹. Detailed outcrop mapping, boulder hunting and sampling started in 1981-1982. Over 1,000 radioactive and mineralized boulders and outcrops have been mapped. Three areas of interest were outlined, including Nybodvallen, Nissamybäcken and Majsaberget (Figure 1).

The Nianfors Property and surrounding area is dominated by Proterozoic meta-sedimentary rocks which have experienced upper amphibolite metamorphic grades, forming porphyroblasts of cordierite, sillimanite and garnets. The meta-sedimentary rocks have been intruded by younger uraniumiferous meta-granite and meta-pegmatites. The two types of mineralization identified include neosome-pegmatite hosted which averages 0.07 to 0.09% U₃O₈, and impregnation mineralization within meta-sedimentary rocks which averages 0.14% U₃O₈⁴.

The Majsaberget occurrence appears to be the most prospective and includes 889 mineralized boulders that cover an area of 500 m by 200 m. Assays from the Majsaberget boulder field returned a weighted average of 0.16% U₃O₈ and 0.08% Y¹. A 1982 report by the SGU assayed seven mineralized boulders that returned results ranging from 0.01 to 1.4% U₃O₈, 0.08 to 0.69% Y, 0.05 to 0.22% Mo, and 0.02 to 0.31% Th².

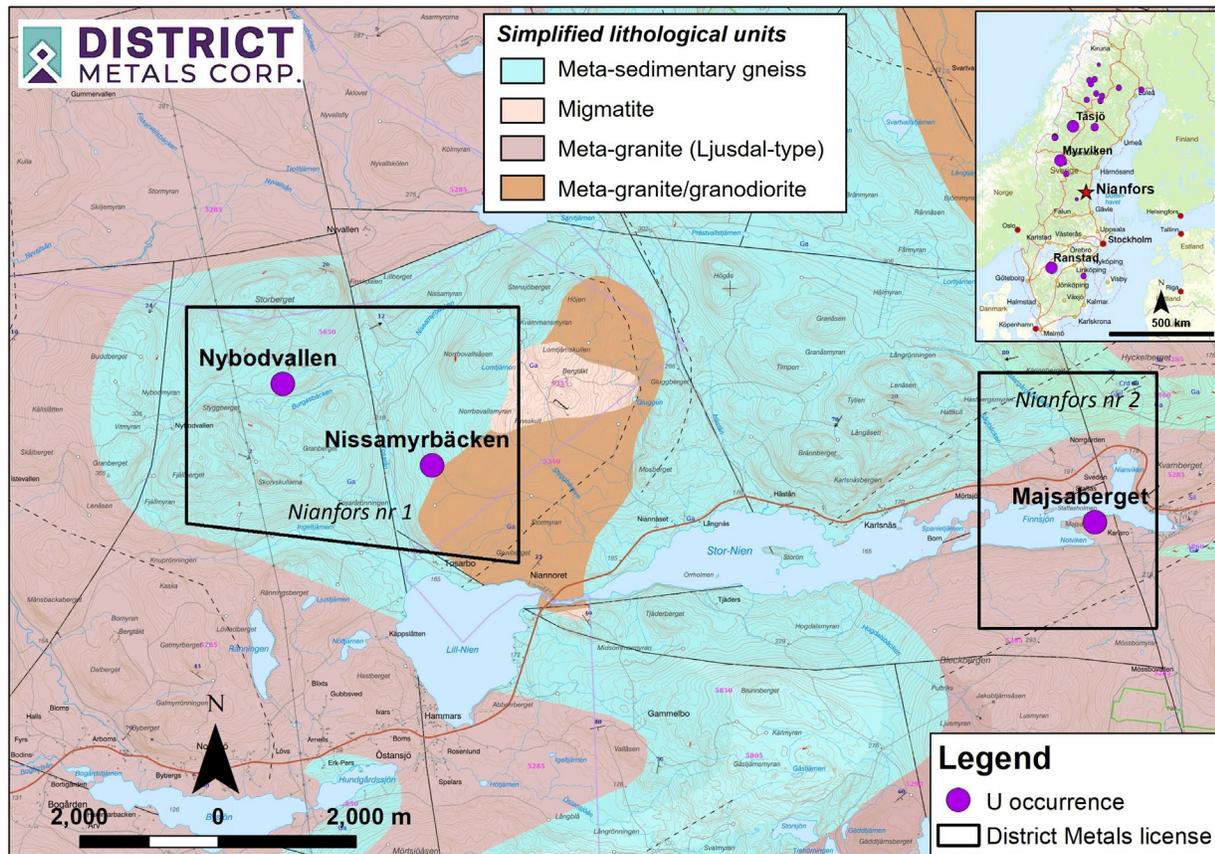
Several mineralized outcrops were also found at the Majsaberget occurrence. In the largest of the outcrops, the mineralized zone dips vertically and has a width greater than 4 m where historic assays returned 0.27% U₃O₈ and 0.1% Y.

Mapping of outcrop at the **Majsaberget Occurrence** generated a historical exploration target **estimated to host at least 12,998,896 lbs U₃O₈ grading 0.07 to 0.14% U₃O₈⁴**. *This historical exploration target estimate is based on a 1985 Report by the SGU, and the Company is not treating it as a current mineral resource estimate nor is the Company aware of any more current estimate. The potential quantity and grade is conceptual in nature, as there has not been sufficient*

exploration to define the target at this time; and it is uncertain that further exploration would result in the definition of a current resource.

Additional work including geophysical surveys and diamond drilling was highly recommended in a 1984 report by the SGU, but was never conducted at the Majsaberget occurrence³. No exploration work has been conducted on the Nianfors Property for approximately 40 years, and no modern exploration techniques including geophysics and multi-element sampling (including lithium or other REEs) has ever been conducted.

Figure 1: Nianfors Mineral Licenses



References

- ¹ Svensson, S., 1981: Uranium Prospecting in Norrland. Uranrapport 1981-8, Sveriges Geologiska Undersökning, BRAP 81083, p. 67.
- ² Forsberg, L-O., 1982: Uranium Prospecting in Norrland. Uranrapport 1982-12, Sveriges Geologiska Undersökning, BRAP 82042, p. 33.
- ³ Kullman, F., 1984: SKBF:s Detaljprospektering i S. Norrland. Uranrapport 1984-4, Sveriges Geologiska Undersökning, IRAP 84010, p. 52.
- ⁴ Forsberg, L-O., Kullman, F., Lofroth, B., 1985: Description of SKBS Mineral Reserves. Norrland. Uranrapport 1985-3, Sveriges Geologiska AB, IRAP 85026, p. 17.

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 Nianfors Mineral Licenses. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Nianfors Mineral Licenses.

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 68% 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 and positive economic studies 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
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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 Nianfors Property to explore for copper, zinc, molybdenum, yttrium and other rare earth elements (REEs) located in the Gävleborgs County, central Sweden; the Company’s planned exploration activities, including its drill target strategy and next steps for the Nianfors Property; and the Company’s interpretations and expectations about the results on the Nianfors 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; and in respect of the Nianfors Property; that the Swedish government will eventually lift or amend its moratorium on uranium 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 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 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.