



## District Announces Update on Acquisition of Tomtebo Project

Vancouver, B.C.

May 8, 2020

**May 8, 2020**– District Metals Corp. (TSX-V: DMX; "**District**" or the "**Company**") is pleased to announce that, further to its news release dated February 28, 2020, the Company has received acceptance in principle from the TSX Venture Exchange (the "**TSXV**") of the Company's acquisition of 100% ownership of the Tomtebo and Trollberget properties (together, the "**Properties**") pursuant to the previously announced purchase agreement dated February 27, 2020 (the "**Purchase Agreement**") between the Company and Viad Royalties AB (the "**Seller**"), a wholly-owned subsidiary of EMX Royalty Corp. (TSX-V:EMX) ("**EMX**"). The acquisition of the Properties by the Company is hereinafter referred to as the "Transaction".

Closing of the Transaction is expected to occur on or before June 22, 2020 subject to the terms of the Purchase Agreement and receipt of final acceptance from the TSXV however, trading in the Company's shares is expected to resume on or about May 12, 2020.

In connection with TSXV acceptance of the Transaction, the Purchase Agreement was amended to provide that:

- a) the maximum number of shares of the Company (the "**District Shares**") issuable to EMX pursuant to EMX's "top-up right" is 11,940,000 District Shares (the top-up right allows EMX to maintain its proportionate shareholding in the Company at no additional consideration until the earlier of the five year anniversary of the closing and completion of a financing raising gross proceeds of at least \$3 million); and
- b) the number of District Shares issuable to EMX in full or partial payment of the \$275,000 due upon announcement by the Company of each of a mineral resource estimate and preliminary economic assessment, will be calculated using *the higher of the 20 day* (or such shorter period required by the TSXV or other exchange or quotation system) volume-weighted average price of the District Shares on the TSXV (or such other exchange or quotation system as such shares are then listed or quoted) *and (ii) the Discounted Market Price (as defined in the policies of the TSXV)*.

For further details regarding the terms of the Transaction, please refer to the Company's news release of February 20, 2020 and the Purchase Agreement (including the aforementioned amendment thereto) filed on the Company's profile on [www.sedar.com](http://www.sedar.com).

Also in connection with the TSXV's acceptance of the Transaction, the Company confirms that Vector Geological Solutions Inc. ("**Vector**"), a consultant retained by the Company to identify potential mineral properties for acquisition by the Company is *not* a "non-arm's length party" to the Company or EMX and the 500,000 District Shares issuable to Vector as consideration for identifying the Properties and facilitating completion of the proposed Transaction will be issued as follows: (i) 299,140 District Shares, upon the issue by the Company of 3,274,257 District Shares to EMX on closing of the Transaction; (ii) 18,750 District Shares, upon payment by the Company to EMX of the \$35,000 cash payment due at closing of the Transaction; and (iii) as to the balance, upon the issuance by the Company of up to an additional 2,428,133 District Shares to EMX pursuant to the "top-up right" referred to above, in each case, if and to the extent paid or issued within 12 months of closing of the Transaction.

### **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 will be 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.

### **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.

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

On Behalf of the Board of Directors

“Garrett Ainsworth”

President and Chief Executive Officer

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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 statements” with respect to District Metals Corp. (“District Metals” or 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 state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. 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 relating to District Metals include, among other things, statements relating to: timing of the closing of the proposed Transaction including receipt of all regulatory approvals and satisfaction of all other conditions precedent; completion of the expenditure requirements thereunder, future commodity prices; District Metals’ planned exploration activities including costs, timing and results thereof; the adequacy of the Company’s financial resources and ability to raise additional funds as and when required and on reasonable terms; and timing, receipt and maintenance of all required approvals, consents and permits under applicable legislation.*

*These statements and other forward-looking information are based on opinions, assumptions and estimates made by District Metals 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 receipt of all regulatory approvals to the completion of the proposed Transaction; satisfaction of all conditions precedent to completion of the acquisition of the Properties; 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 Purchase Agreement by the times specified therein (failing which the Properties will be forfeited without any repayment to the Company); 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 District Metals 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 the following factors: a number of conditions precedent must be satisfied for the proposed Transaction to be completed (including regulatory approval); the risk that the Company will be unable to raise sufficient capital to maintain its mineral tenures and concessions in good standing, finance planned exploration (including incurring prescribed exploration expenditures required by the Purchase Agreement) and for general corporate purposes, the risk that the Company will not be able to explore and develop the Properties; the risk that if the required exploration expenditures are not incurred by the time specified therefor the Properties will be forfeited without any repayment of the purchase price; management and conflicts of interest; fluctuations in demand for, and prices of gold, silver and copper; inherent risks of exploration for mineral deposits, including that commercial quantities or grades of minerals may not be discovered; risks associated with the uncertainty of estimates of mineral resources governmental regulations, particularly those applicable to the mineral exploration and development*

*industry; environmental laws and regulations and associated risks, including climate change legislation; land reclamation requirements; the ability to obtain and maintain necessary rights, concessions and permits; risks of operating in a foreign jurisdiction and through foreign subsidiaries; a dependence on ability to attract and retain qualified management; limitations of insurance and uninsured risks; public social activism against companies undertaking natural resource development; risks associated with First Nations relations; competition; legal proceedings and the enforceability of judgments; anti-corruption and bribery regulations;; market events and general economic conditions globally; currency exchange rate risks. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect District Metals. 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.*