



District Commences Fieldwork at the Tomtebo Property

Vancouver, B.C.

September 2, 2020

September 2, 2020 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); ("District" or the "Company") is pleased to report that it has commenced field work on its polymetallic Tomtebo Project in the Bergslagen Mining District of south-central Sweden. Initial work consisting of geological mapping, prospecting and geochemical sampling has started at the former Tomtebo Mine, and regionally across the 5,144 hectare Property. This work will be further complemented by a review of available historic drill core from the Tomtebo Mine starting in mid-September. These fieldwork programs will augment the historical compilation work and recently flown SkyTEM survey in preparation for a drilling campaign at Tomtebo planned for early-2021.

Tomtebo Property Highlights

- Boliden's Garpenberg Mine is located 25 km to the southeast, and the historic Falun Mine is located 25 km to the northwest. Lundin Mining's Zinkgruvan Mine is located 175 km to the southwest.
- Tomtebo contains similar host rocks, structure, alteration, and mineralization styles as the Garpenberg, Falun, and Zinkgruvan Mines.
- Two historic mines, and numerous mineralized prospects are situated along a 17 km trend on the property. Mineralization at the historic Tomtebo and Lovas Mines appears to be open in all directions (Figure 1).
- Historic production at the Tomtebo Mine comprised 120,000 tonnes at 4.4% Cu₁. Historic production at the Lovas Mine comprised 330,000 tonnes at 3.5% Zn, 2.5% Pb, and 30g/t Ag₂.
- Development work and mining at the historical Tomtebo and Lovas Mines reached depths of 200 m and 190 m, respectively. Mining operations at Boliden's Garpenberg Mine and Lundin Mining's Zinkgruvan Mine are currently at depths of 1400 m and 1300 m, respectively, with resources that remain open at 1600 m.
- Previously reported historic drill results at the former Tomtebo Mine include:
 - Hole **TOMT65001** intersected **4.67 m at 1,087.0 g/t AgEq₃ or 28.0% ZnEq₄** at the Oscarsgruvan zone (see July 6th, 2020 news release).

- Hole **TOMT70004** intersected **16.17 m at 535.7 g/t AgEq₃ or 13.8% ZnEq₄** at the Steffenburgs zone (see July 27th, 2020 news release).
 - Hole **TOMT16008b** intersected **3.6 m at 3.98% Cu, 4.0 m at 11.79% Cu, and 3.4 m at 2.38% Cu** at the Gårdsgruvans zone (see August 11th, 2020 news release).
- Modern systematic exploration has never been previously conducted on the Tomtebo Property.

Garrett Ainsworth, CEO of District, commented: “Compilation of historical drill results at the Tomtebo Mine is complete, and Leapfrog 3D modeling of the mineralized zones continues, which will be greatly enhanced by the additional data obtained from the recently commenced fieldwork. As an authority in the Bergslagen Mining District, the presence of Dr. Rodney Allen at Tomtebo is significant given his key role in the discovery of polymetallic mineral resources at the world class Garpenberg Mine. The final SkyTEM data will be available very soon, and thereafter interpretations on the magnetic and conductive data will be developed as an additional layer to define our priority drill targets at the Tomtebo Mine and regionally across the Tomtebo Property.”

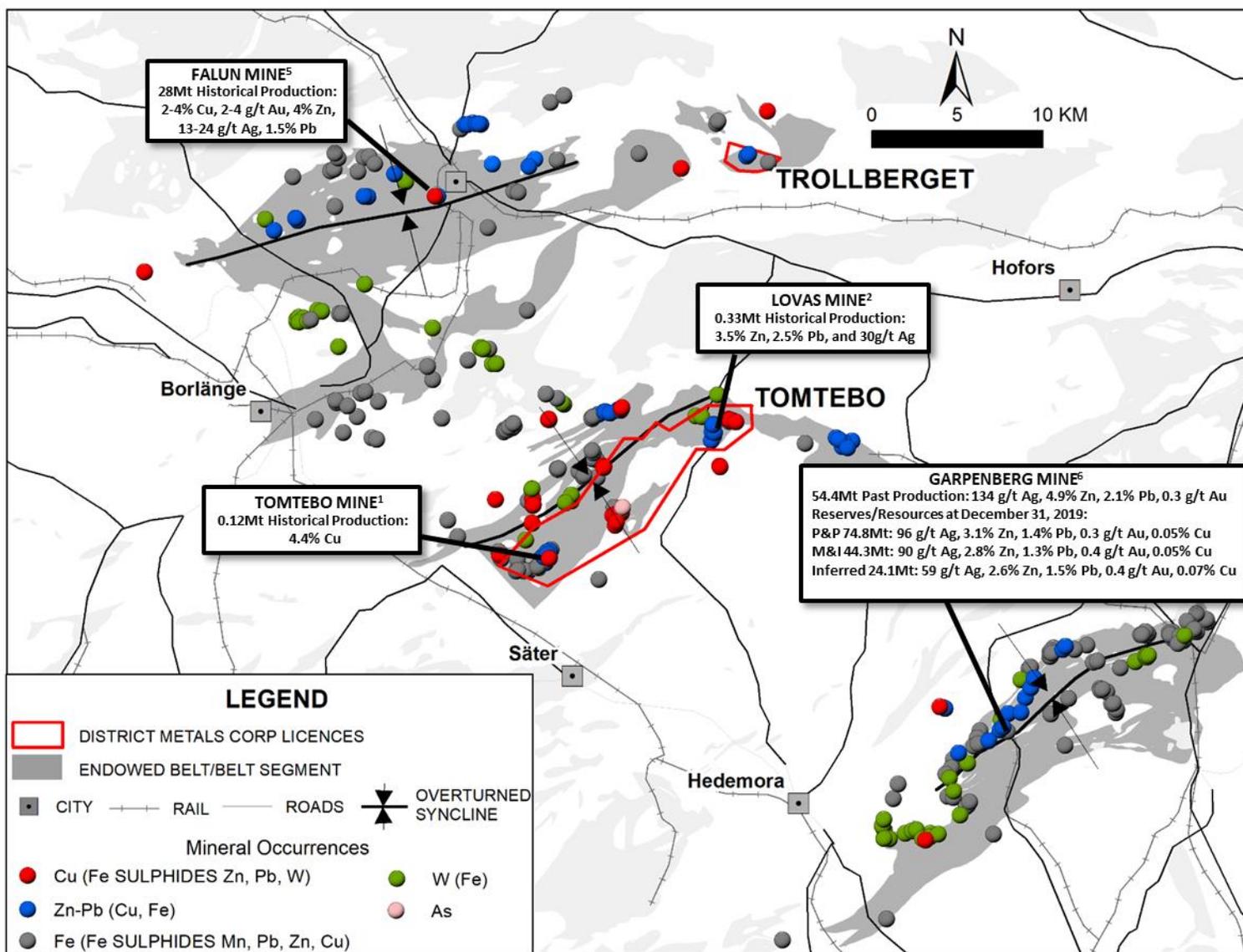
Fieldwork Program

Fieldwork comprising geological mapping, prospecting, and geochemical sampling at the historic Tomtebo Mine will be conducted by Dr. Rodney Allen and Hein Raat. Dr. Allen was Manager, Geology Research and Development for the Boliden Group in Sweden for ten years. Prior to that position, he studied several polymetallic ore deposits in Sweden. His geological interpretations were instrumental in the discovery of new ore bodies at Garpenberg and Renström. Mr. Raat was a Geologist for the Boliden Group in Sweden for eight years with the last four years being focused on polymetallic projects in the Bergslagen Mining District.

The review of historical drill results at the Tomtebo Mine prior to initiating fieldwork has provided valuable background information that will assist with the geological interpretation of trends, patterns, and zonation related to polymetallic mineralization. Mapping at the historic mine will focus on identifying controls of mineralization through detailed mapping of the geology, alteration, and structure in the open pits and where outcrop is present. Identification of strongly altered limestone to tremolite skarn will be a priority given the importance of this unit to other large polymetallic deposits in the Bergslagen Mining District. The structural data obtained will improve the 3D modeling of the mineralized zones at depth where frequent structural measurements were historically recorded from the -200 m exploration drift.

Regional fieldwork at Tomtebo will be conducted by Nicolai Metzger who is an economic geologist with a focus on precious and base metal exploration in Scandinavia. The regional work will focus on known polymetallic mineral occurrences, preliminary SkyTEM conductive and magnetic anomalies, and outcrop exposures. Special attention will be given to mapping out characteristic mafic volcanics and marble horizons that are often spatially related to polymetallic mineralization at the Garpenberg, Zinkgruvan, historic Falun, and historic Sala Mines.

Figure 1: Location Map of Tomtebo Property



Note: The nearby mines provide geologic context for Tomtebo, but this is not necessarily indicative that the Property hosts similar grades or tonnages of mineralization.

References

¹ Ed. Eilu, Pasi, 2012, Geological Survey of Finland, Special Paper 53, Metallogenic areas in Sweden, p. 154.

² Geological Survey of Sweden report grb_097, 1997.

³ $\text{AgEq equals} = \text{Ag g/t} + (\text{Au g/t} \times 110) + (\text{Cu\%} \times 98.286) + (\text{Zn\%} \times 38.857) + (\text{Pb\%} \times 34.286)$. Metal prices used in USD for metal equivalent calculations were based on \$15.00/oz for Ag, \$1650/oz for Au, \$2.15/lb for Cu, \$0.85/lb for Zn and \$0.75/lb for Pb. Metal equivalent calculations assume 100% recoveries.

⁴ $\text{ZnEq equals} = \text{Zn\%} + (\text{Ag g/t} \times 0.0257) + (\text{Au g/t} \times 2.831) + (\text{Cu\%} \times 2.529) + (\text{Pb\%} \times 0.882)$. Metal prices used in USD for metal equivalent calculations were based on \$15.00/oz for Ag, \$1650/oz for Au, \$2.15/lb for Cu, \$0.85/lb for Zn and \$0.75/lb for Pb. Metal equivalent calculations assume 100% recoveries.

⁵ Allen, R.L., Lundström, I., Ripa, M., and Christofferson, H., 1996, Facies analysis of a 1.9 Ga, continental margin, back-arc, felsic caldera province with diverse Zn-Pb-Ag-(Cu-Au) sulfide and Fe oxide deposits, Bergslagen region, Sweden: *Economic Geology*, v. 91, p. 979–1008.

⁶ https://www.boliden.com/globalassets/operations/exploration/mineral-resources-and-mineral-reserves-pdf/2019/resources_and_reserves_garpenberg_2019-12-31.pdf

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.

The data disclosed in this news release related to drilling results is historical in nature. 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 will use this data as a guide to plan future exploration programs. The Company's future exploration work will include verification of the data through drilling.

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.

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" 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" and other similar expressions. In addition, statements in this news release that not historical facts are forward looking statements including anticipated results of future exploration and the results of additional compilation work.

These statements and other forward-looking information are based on assumptions and estimates that the Company believes are appropriate and reasonable in the circumstances, 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 "Definitive Purchase Agreement") by the times specified therein (failing which the Tomtebo Property will be forfeited without any repayment to the Company); and stability in financial and capital markets.

There can be no assurance that such statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include ; the risk that historic data regarding the Tomtebo property is unreliable, the risk that information concerning production and mineralization at current and historic mines within the Bergslagen District proves to be inaccurate; the risk that the Company will be unable to raise sufficient capital to finance planned exploration (including incurring prescribed exploration expenditures required by the Definitive Purchase Agreement, failing which the Tomtebo Property will be forfeited without any repayment of the purchase price); future metal prices, , general economic, market or business conditions, \ and other exploration or other risks detailed herein and from time to time in the filings made by the Company with securities regulators, including those described under the heading "Risks and Uncertainties" in the Company's MD&A for the financial year ended June 30, 2019. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable law. Readers are cautioned not to put undue reliance on these forward-looking statements.