



## **District Intersects 8.65 m at 2.9% Copper, 0.4 g/t Gold and 3.0 m at 2.8% Copper, 1.2 g/t Au on the Tomtebo Property**

Vancouver, B.C.

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**June 28, 2021 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); ("District" or the "Company")** is pleased to report assay results on four drill holes (TOM21-013 to -016) from the maiden drilling program at the high grade polymetallic Tomtebo Property located in the Bergslagen Mining District in south-central Sweden. Drill holes TOM21-004 to -012 were completed at the Steffenburgs and Oscarsgruvan zones where drill core samples from these eight holes were batched together resulting in a longer turnaround time, and the Company expects these assay results will be released within the next two weeks.

Holes TOM21-013 to -016 were drilled below open pits where copper sulphides were historically extracted at the Gårdsgruvans zone in the southwest portion of the historic Tomtebo Mine. Of particular interest, holes TOM21-013 and -016 successfully intersected vein networks of copper-rich sulphides within strongly altered felsic volcanic rocks. These vein networks occur over intervals of approximately 50 m in both drill holes with sub-sections of higher grade copper mineralization highlighted below:

- **TOM21-013** intersected **8.65 m at 2.92% Cu and 0.43 g/t Au** (76.65 to 85.30 m) including **7.05 m at 3.47% Cu and 0.52 g/t Au** (77.45 to 84.50 m), and **5.15 m at 1.56% Cu and 0.32 g/t Au** (191.30 to 196.45 m).
- **TOM21-016** intersected **17.2 m at 0.94% Cu and 0.28 g/t Au** (191.6 to 208.8 m) including **3.0 m at 2.80% Cu and 1.21 g/t Au** (201.1 to 204.1 m).

Drill hole locations are shown in Figure 1, drill core photos are shown in Figures 2 and 3, and drill assay results are shown in Table 1.

Rodney Allen, Technical Advisor for District, commented: "Holes TOM21-013 and -016 drilled networks of copper-rich, pyrite-pyrrhotite-chalcopyrite veins within strongly altered felsic volcanic rocks. These vein networks are interpreted as feeder conduits in which high temperature fluids carrying Cu-Au-Zn-Pb-Ag flowed upwards towards the sea floor in a submarine volcanogenic hydrothermal system. In this type of volcanogenic system, mostly copper and some gold are precipitated in the hot cores of the feeder conduits, whereas zinc, lead, silver and the rest of the gold are carried further upwards in the conduit system, where at lower temperature, and just below the sea floor, they deposit Zn-Pb-Ag-Cu-Au veins and massive sulphide

mineralization. Considering the geometry of the stratigraphy and mineralization drilled so far at Tomtebo, it is likely that the copper zones drilled in TOM21-013 and -016 represent cores of the sub-seafloor feeder system that continues upwards to feed massive sulphide mineralization at the Steffenbergs zone (seen by drill hole TOM21-001) and other bodies yet to be drilled.

The widespread extent and the intensity of the copper-bearing vein networks indicate that Tomtebo has economic potential for both Cu-Au resources within the feeder vein system as well as high grade Zn-Pb-Ag-Cu-Au massive sulphide at a higher stratigraphic level.

The mineral assemblage of the alteration zones that host the copper vein networks is quartz-cordierite-anthophyllite-phlogopite-chlorite±gahnite±magnetite. This is an amphibolite facies (medium grade) metamorphic mineral assemblage that represents metamorphism of earlier syn-volcanic quartz-chlorite-sericite alteration. It is common in Volcanogenic Massive Sulphide (VMS) mineral systems World-wide that strong quartz-chlorite±sericite alteration hosts the most copper-rich part of the feeder vein network.

The rocks drilled at Tomtebo are volcanic rocks that have been strongly hydrothermally altered and mineralized, then strongly metamorphosed, foliated and folded. The original character of the host volcanic rock is largely obscured by these subsequent processes. However, relict primary features of the volcanic rocks occur locally as small windows within the otherwise intensely altered and deformed rocks, and enable us to build a picture of the original architecture of the volcanic system. Holes TOM21-013 to -016 encountered textures that are characteristic of dense glassy volcanic rocks, especially felsic lavas and shallow intrusive domes, and suggest that the copper-rich feeder zones are hosted at least partly by a lava dome or shallow intrusive dome. Lava domes and shallow intrusions are typically the main host for copper-rich feeder zones in the footwall of VMS deposits.

Other parts of several drill holes encountered massive coarsely clastic rocks that are probably pumice-rich deposits from explosive eruptions, and banded rocks that are interpreted as altered stratified felsic volcanic ash. Thus, combining all the evidence extracted from the drilling so far, suggests that Tomtebo contains one or more rhyolitic lava/intrusive domes, enclosed by massive and stratified felsic pumice and ash. This is the classic setting for VMS ore deposits and several of the polymetallic deposits in the Bergslagen.

Lithochemical samples have been collected from the drill cores and sent to ALS laboratory in order to help interpret the distribution of the lava/intrusive domes and to interpret the position and geometry of the sea floor horizon above these lava domes where massive sulphide mineralization formed.”

Garrett Ainsworth, CEO of District, commented: “Our first few holes into the Gårdsgruvans zone have returned exceptionally strong copper results and associated alteration that exhibits the presence of multiple robust and long lasting copper-rich feeder zones, which is an important feature of other large polymetallic deposits in the Bergslagen District.

We have now concluded our maiden Spring 2021 drill program at Tomtebo totaling 5,611 m in 22 holes, which has been a great success on a number of different levels. Our field personnel and Hy-Tech Drilling AB executed this drill program with the upmost professionalism. Permitting

for the planned Phase II drill program in September/October 2021 has already commenced. This pause in drilling will allow us to compile and interpret all of the newly obtained data to prioritize targets for an exciting Phase II drill program that will include large step outs and testing of regional targets up to a kilometer away from the historic Tomtebo Mine.”

### **Drill Hole Summaries from Gårdsgruvan Zone**

#### **TOM21-013**

Hole TOM21-013 was drilled at an angled orientation (-65° dip) to the southeast (110° azimuth). It was designed to target copper mineralization down dip from the Gårdsgruvan open pit and within the vicinity of historic drill intercepts that returned several meters of high grade copper and were not assayed for gold or other metals of interest. This hole is dominated by homogenous and massive looking altered felsic volcanic rocks with varying assemblages of alterations associated with variable amounts of disseminated pyrite (up to 3% locally). Intense quartz-chlorite-cordierite alteration started at 68.0 m with disseminated pyrite>chalcopyrite. Strong copper mineralization was observed as stringer and vein-style feeder conduits from 77.0 to 84.0 m. Varying disseminated sulphides, including traces of chalcopyrite traces stopped at 128.0 m. A second zone of similar style disseminated sulphide mineralization started at 185.0 m with strong copper stringer/vein-style mineralization between 194.0 to 196.5 m. Disseminated sulphides ended at around 262.0 m and are followed by a homogenous quartz>muscovite>phlogopite altered felsic volcanic rock with a more clastic texture. The hole ends at 280.8 m.

#### **TOM21-014**

Hole TOM21-014 was drilled at an angled orientation (-55° dip) to the southeast (110° azimuth). It was drilled 50 m north of TOM21-013 to target zinc-lead-silver mineralization logged in a historic drill hole from the -200 m exploration drift. Hole -014 was dominated by homogenous and massive looking altered felsic volcanic rocks with varying assemblages of alterations. Traces of chalcopyrite were observed from 96.0 to 104.0 m, and disseminated sulphides abruptly stopped after 110.0 m until the end of hole depth of 287.3 m.

#### **TOM21-015**

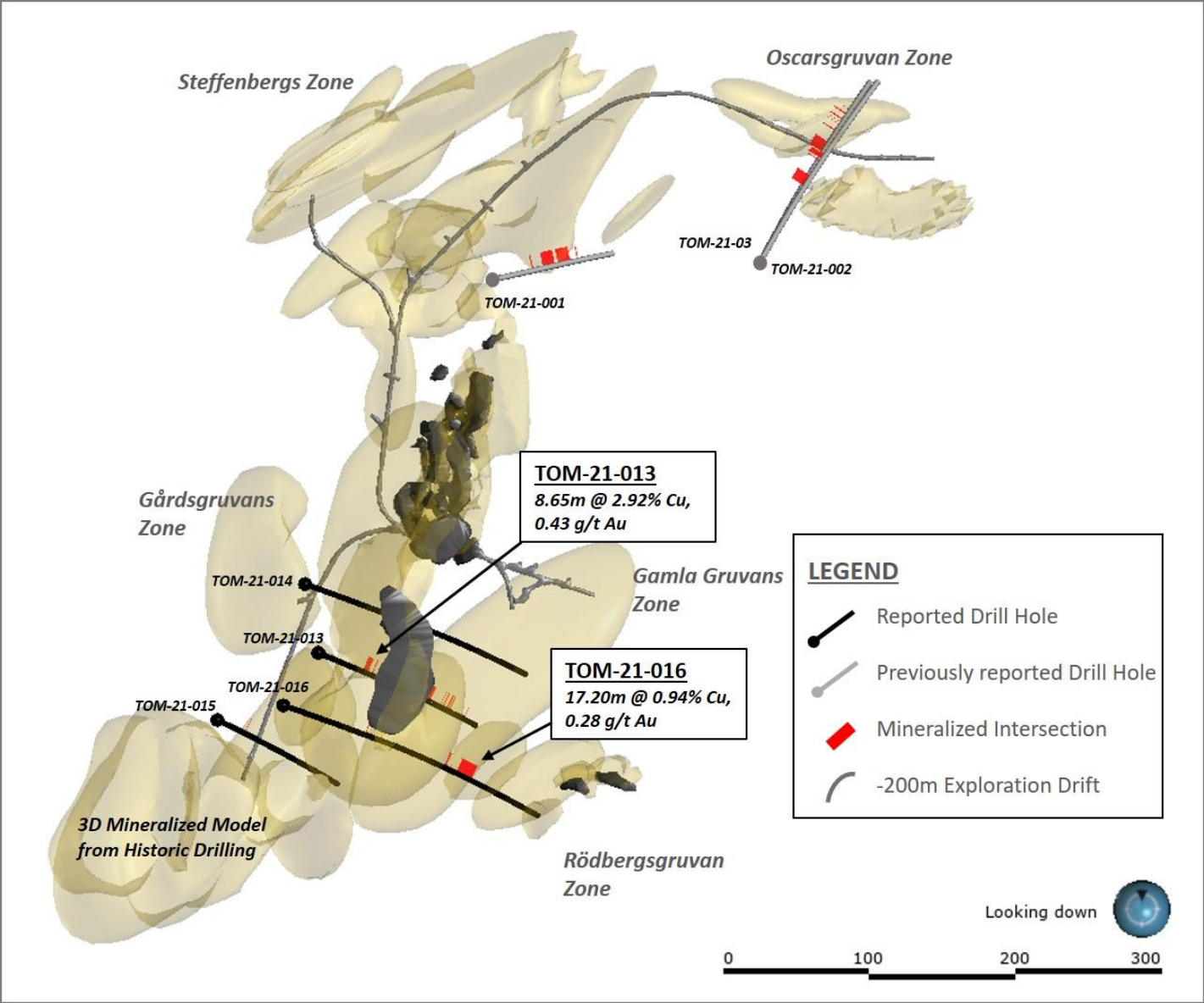
Hole TOM-21-015 was drilled at an angled orientation (-70° dip) to the southeast (110° azimuth) and was collared 100 m south of TOM21-013. The target for this hole is historically logged Cu-mineralization in historic drill hole TOM69005 with missing assay data. Both lithology and alteration styles are similar to holes TOM21-013 and -014. Sulphides (dominantly pyrite) vary from traces to local disseminations but in general less than 1%. Impregnation of pyrite>chalcopyrite was observed between 63.0 and 64.0 m. The alteration signature changes from 212.0 m to more dark-grey quartz>>phlogopite-cordierite alteration with disseminated sulphides that ends around 248m to the end of hole depth of 287.0 m.

#### **TOM21-016**

Hole TOM-21-016 was drilled at an angled orientation (-46° dip) to the southeast (110° azimuth). This hole targeted copper mineralization from historic drill holes TOM56005 and TOM71016

that were not assayed for gold or other metals of interest. Historic hole TOM69001 drilled horizontally from the -200 m exploration drift, indicated disseminated Cu-mineralization with missing assays at the end of the hole, which was a second target. Massive and homogenous altered felsic volcanic rocks were encountered with varying assemblages of alterations. An interval of dark grey quartz-chlorite-anthophyllite-cordierite alteration with local pyrite>chalcopyrite impregnations and stringers were observed between 80.0 and 103.0 m. The second target encountered strong copper mineralization from 191.0 to 210.0 m, which is interpreted as feeder zone veins in a sub-seafloor hydrothermal system. At 223.0 m the alteration changes from strong to moderate until the end of the hole depth of 290.0 m.

**Figure 1: Plan View Drill Holes at Tomtebo Mine**



**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)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	CuEq (%)	
TOM21-013	110	-65	280.80	<b>76.65</b>	<b>85.30</b>	<b>8.65</b>	<b>2.92</b>	<b>0.43</b>	<b>13.92</b>	<b>0.02</b>	<b>0.00</b>	<b>3.56</b>	
			<i>incl.</i>	<b>77.45</b>	<b>84.50</b>	<b>7.05</b>	<b>3.47</b>	<b>0.52</b>	<b>16.55</b>	<b>0.02</b>	<b>0.00</b>	<b>4.23</b>	
			<i>incl.</i>	<b>77.45</b>	<b>83.15</b>	<b>5.70</b>	<b>3.63</b>	<b>0.51</b>	<b>16.72</b>	<b>0.02</b>	<b>0.00</b>	<b>4.38</b>	
				91.65	93.30	1.65	0.42	0.07	2.40	0.01	0.00	0.52	
				101.65	102.90	1.25	0.41	0.08	2.35	0.01	0.00	0.53	
				<b>107.60</b>	<b>108.00</b>	<b>0.40</b>	<b>1.68</b>	<b>0.48</b>	<b>9.74</b>	<b>0.02</b>	<b>0.00</b>	<b>2.32</b>	
				111.95	122.00	8.05	0.42	0.08	2.60	0.01	0.00	0.54	
				<b>191.30</b>	<b>196.45</b>	<b>5.15</b>	<b>1.56</b>	<b>0.32</b>	<b>11.08</b>	<b>0.10</b>	<b>0.00</b>	<b>2.07</b>	
			<i>incl.</i>	<b>194.00</b>	<b>196.45</b>	<b>2.45</b>	<b>2.79</b>	<b>0.56</b>	<b>19.86</b>	<b>0.15</b>	<b>0.00</b>	<b>3.68</b>	
				214.00	215.40	1.40	0.87	0.07	4.93	0.01	0.00	1.01	
				219.00	220.20	1.20	0.70	0.23	15.55	0.02	0.00	1.12	
				<b>225.75</b>	<b>228.35</b>	<b>2.60</b>	<b>1.36</b>	<b>0.49</b>	<b>15.71</b>	<b>0.03</b>	<b>0.00</b>	<b>2.08</b>	
				230.55	231.90	1.35	0.34	0.12	4.76	0.01	0.00	0.53	
	258.20	259.00	0.80	0.20	0.04	10.35	2.24	0.22	1.31				
TOM21-014	110	-55	287.30	<b>No Significant Results</b>									
TOM21-015	110	-70	287.00	63.00	63.95	0.95	0.90	0.22	4.51	0.01	0.00	1.19	
TOM21-016	110	-46	290.00	89.00	90.00	1.00	0.53	0.06	1.77	0.01	0.00	0.62	
					177.50	179.50	2.00	0.41	0.03	2.08	0.02	0.00	0.47
					<b>191.60</b>	<b>208.80</b>	<b>17.20</b>	<b>0.94</b>	<b>0.28</b>	<b>8.01</b>	<b>0.19</b>	<b>0.01</b>	<b>1.42</b>
				<i>incl.</i>	<b>201.10</b>	<b>204.10</b>	<b>3.00</b>	<b>2.80</b>	<b>1.21</b>	<b>26.52</b>	<b>0.77</b>	<b>0.02</b>	<b>4.73</b>

**Notes:**

- All intervals are core lengths, and true thicknesses are yet to be determined. A mineral resource modeling is required before true thicknesses can be estimated.
- Cut-off grade of 0.50% CuEq utilized, which may include up to 2.0 m of internal dilution. Underground mining cut-off at the nearby Garpenberg Mine was US\$32/tonne in 2020.
- Metal prices used in USD for the CuEq cut-off calculation were based on Ag \$15.00/oz, Au \$1650/oz, Cu \$2.15/lb, Zn \$0.85/lb, and Pb \$0.75/lb.
- CuEq equals = Cu% + (Au g/t x 1.1192) + (Ag g/t x 0.0102) + (Zn % x 0.3953) + (Pb % x 0.3488)
- The use of CuEq is to calculate cut-off grades for exploration purposes, and no adjustments were made for metal recovery.



**Figure 2: TOM21-013 Sulphide Mineralization from 76.0 to 80.5 m**



**Figure 3: TOM21-016 Sulphide Mineralization from 200.9 to 205.75 m**



### 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 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.

Some of the data disclosed in this news release is related to historical drilling 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 drill 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 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.

On Behalf of the Board of Directors

*“Garrett Ainsworth”*

President and Chief Executive Officer

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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 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 “**Definitive 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 Definitive 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](http://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.*