



District Closes the Acquisition of the Svärdsjö Property

Vancouver, B.C.

October 6, 2021

October 6, 2021 – District Metals Corp. (TSX-V: DMX) (FRA: DFPP); (“District” or the “Company”) is pleased to announce that further to its news release of July 22, 2021 the Company has completed its acquisition of a 100% interest in the polymetallic Svärdsjö Property from a wholly-owned subsidiary of EMX Royalty Corp. (TSX-V:EMX) (“EMX”). The acquisition of the Svärdsjö Property by the Company is hereinafter referred to as the **“Transaction”**.

Garrett Ainsworth, President & CEO of District, commented: “The Svärdsjö Property is an excellent bolt on property to our flagship Tomtebo Property located 25 km apart, and also within the prolific Bergslagen Mining District of south central Sweden. The Svärdsjö Property is an advanced stage exploration property where historical records show that the Svärdsjö Mine produced 1.03 Mt at 112 g/t Ag, 6.0% Zn, 2.7% Pb, 0.6% Cu and 0.4 g/t Au from 1887 to 1989¹. More recent work by Boliden discovered significant polymetallic mineralization to the southwest of the Svärdsjö Mine that remains open². Compilation of historical exploration data is well underway, and we plan to conduct a detailed heliborne electromagnetic and magnetic (SkyTEM 312HP) survey at Svärdsjö before the end of the year.”

As consideration for the Transaction, the Company: (a) issued to EMX 1,659,084 common shares in the capital of the Company (the **“Closing Shares”**); (b) paid to EMX cash consideration of CDN\$35,000; (c) granted to EMX a 2.5% net smelter royalty on the Svärdsjö Property; (d) will incur CDN\$1,000,000 of eligible work expenditures on the Svärdsjö Property within five years from closing, (e) make certain milestone payments upon a mineral resource estimate and/or preliminary economic assessment, and (f) reimburse EMX for mineral license fees previously paid by it, all as described further in the Company’s news release dated July 22, 2021.

Pursuant to applicable securities laws, the Closing Shares are subject to a four-month hold period from the closing date of the Transaction.

References

¹ Sveriges Geologiska Undersökning (SGU) Map Viewer:
<https://apps.sgu.se/kartvisare/kartvisare-malm-mineral.html>

² A. Fahlvik, 2018: Hydrothermal alteration and lithogeochemical marker units at the Svärdsjö Zn-Pb-Cu deposit, Bergslagen, Sweden, and their implication for exploration.

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 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, 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, 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 to 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 Tomtebo 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"

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 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, the Company’s plan to conduct a detailed airborne electromagnetic and magnetic (SkyTEM 312HP) survey at Svärdsjö before the end of the year; the Company’s expectation that it will meet its obligation to incur CDN\$1,000,000 of eligible work expenditures on the Svärdsjö Property within five years from closing, milestone payments for a mineral resource estimate and/or preliminary economic assessment, and reimbursement of mineral license fees; and the company’s interpretations and expectations about the mineralization of the Tomtebo 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 agreements between the Company and the vendors of the Company’s mineral properties (the “**Definitive Purchase Agreements**”) 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 Agreements, 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. 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.