

District Metals Corp. Announces Non-Brokered Private Placement

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VANCOUVER, May 20, 2020 - [District Metals Corp.](#) (TSX-V: DMX; "District" or the "Company") is pleased to announce a non-brokered private placement offering of up to 15,000,000 common shares of the Company (the "Shares") at a price of CDN\$0.12 per share to raise gross proceeds of up to CDN\$1,800,000 (the "Private Placement").

Closing of the Private Placement is subject to all necessary regulatory approvals including acceptance from the TSX Venture (the "TSXV") Exchange. All securities issued in connection with the Private Placement will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada. Certain insiders of the Company may acquire shares under the Private Placement.

As described in the Company's news releases dated February 28, 2020 and May 8, 2020, the Company has entered into a definitive agreement to acquire a 100% interest in the Tomtebo property, subject to final approval of the TSXV Exchange and satisfaction of other closing conditions. The Company intends to use the proceeds from the Private Placement to finance its initial exploration program at the Tomtebo property and for general working capital purposes. In the event the Company does not complete the acquisition of the Tomtebo property, the proceeds of the Private Placement will be used for the identification, assessment and acquisition of other prospective mineral properties, and for general corporate purposes.

To demonstrate continued support of the Company's growth plans, insiders of the Company, including certain directors and officers, are expected to participate in the Private Placement. Such participation is considered a related party transaction within the meaning of Multilateral Instrument 61-101 [MI 61-101](#); Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The related party transaction will be exempt from minority approval, information circular and formal valuation requirements pursuant to the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the gross securities to be issued under the Private Placement nor the consideration to be paid by the insiders will exceed 25% of the Company's market capitalization.

In connection with the Private Placement, the Company intends to pay cash finders' fees to eligible finders with a value equivalent to 6% of the aggregate gross proceeds raised from the sale of the shares subscribed for by subscribers introduced to the Company by the finders.

The Private Placement is subject to an over-allotment option exercisable in the sole discretion of the Company any time prior to closing to issue up to an additional 5,000,000 Shares for up to an additional \$600,000 of gross proceeds. (all references to "Private Placement" include references to any Shares issued pursuant to the over-allotment option).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available.

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

Company has entered into a definitive agreement to acquire a 100% interest the Tomtebo and Trollberget properties in the prolific Bergslagen District of Sweden. Upon completion of the proposed transaction, the Company's primary focus will be on the advanced exploration stage Tomtebo property.

On behalf of [District Metals Corp.](#)

Garrett Ainsworth, President and CEO

[District Metals Corp.](#)

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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.

All statements, trend analysis and other information contained in this news release relative to markets about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, including, without limitation, statements relating to the size of the Private Placement, the closing of the Private Placement and the anticipated use of proceeds of the Private Placement and the completion of the acquisition of the Tomtebo property are forward-looking statements. Forward-looking information is subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking information. Important factors that could cause actual results to differ materially from District's expectations include failure to complete the acquisition of the Tomtebo property, fluctuations in commodity prices and currency exchange rates; uncertainties surrounding the results of planned exploration activities, uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to meet the minimum expenditure requirements to maintain an interest in the Tomtebo property, uncertainty as to the availability and terms of future financing and the possibility of delay in exploration or development programs;. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. District does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

SOURCE [District Metals Corp.](#)

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