

District Announces Closing of \$2.4 Million Non-Brokered Private Placement, Grant of Stock Options and Change of Corporate Secretary

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VANCOUVER, June 8, 2020 - [District Metals Corp.](#) (TSX-V: DMX; "District" or the "Company") is pleased to announce to its news release of May 20, 2020 and May 22, 2020, it has closed a non-brokered private placement offering of 20,000 common shares of the Company (the "Shares") at a price of CDN\$0.12 per share for aggregate gross proceeds of CDN\$2.4 million (the "Private Placement").

The Private Placement included an affiliate of the Sprott Group who subscribed for 6.0 million Shares, representing 11.1% of the Company's outstanding common shares after completion of the Private Placement.

Garrett Ainsworth, President & CEO of District, commented: "I would like to welcome several new and prominent investors to [District Metals Corp.](#) through our recently completed and oversubscribed financing, and also thank existing shareholders for their continued support. We are now well-positioned to execute on our exploration plans to prove up the prospective Polymetal Tomtebo Property located in south-central Sweden."

As previously disclosed, the Company intends to use the net proceeds from the Private Placement to finance its initial exploration program at the Tomtebo property and for general working capital purposes or, in the event the Company does not complete the acquisition of the Tomtebo property, for the identification, assessment and acquisition of other prospective mineral properties for general corporate purposes.

Certain insiders of the Company subscribed, directly or indirectly for an aggregate of 189,000 Shares pursuant to the Private Placement. Such participation is considered a "related party transaction" within the meaning of TSX Venture Exchange and Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The related party transaction will be exempt from minority approval 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 Shares purchased by the insiders nor the consideration to be paid by the insiders exceeds 25% of the Company's market capitalization.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement. Details of the Private Placement and the participation therein by related parties of the Company were not settled until shortly before closing and the Company wished to close on an expedited basis for sound business reasons.

All Shares issued in connection with the Private Placement will be subject to a four-month hold period from the closing of the Private Placement under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws in jurisdictions outside Canada.

In connection with the Private Placement, the Company paid a total of \$60,036 in finders fees (representing 6% of the aggregate gross proceeds from the sale of Shares subscribed for by persons introduced to the Company by such finders).

The Company has also granted a total of 1,865,000 stock options to directors, officers, employees and consultants of the Company, in accordance with the provisions of its stock option plan. Each stock option is exercisable at \$0.21 per common share (the closing price of the Company's common shares on June 2, 2020, the grant date). All stock options have a term of five years and vest on the grant date.

Further, the Company announces that Emily Davis has resigned as Corporate Secretary of the Company and Maria Wronka has been appointed to fill that role.

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 in 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.](#)

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[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 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 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 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. Media: Garrett Ainsworth, President and CEO, [District Metals Corp.](#), 604-628-2669, E:gainsworth@districtmetals.com SOURCE [District Metals Corp.](#)

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