

District Metals Announces Closing \$4.5 Million Bought Deal Private Placement Financing

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Vancouver, February 1, 2024 - [District Metals Corp.](#) (TSXV: DMX) (OTCQB: DMXCF) (FSE: DFPP); ("District" or the "Company") is pleased to announce that it has completed its previously announced bought deal private placement financing raising aggregate gross proceeds of C\$4,510,000 (the "Offering"). Under the terms of the Offering, the Company issued an aggregate of 20,500,000 units (the "Units") at a price of C\$0.22 per Unit (the "Offering Price"). The Offering was led by PI Financial Corp. ("PI Financial") as lead underwriter and bookrunner, on a behalf of a syndicate of underwriters including Haywood Securities Inc. (the "Underwriters").

Garrett Ainsworth, President & CEO of District, commented: "Demand to participate in this financing was overwhelmingly positive. We are very pleased to welcome several new and highly sophisticated investors to District, and I would like to thank our existing shareholders for their continued support."

It is an exciting time for District given that we have recently consolidated 100% ownership of the uranium-vanadium Viken Deposit, as a new uranium bull market with sound fundamentals has recently emerged."

Each Unit consists of one common share ("Common Share") in the capital of the Company and one half of one transferable Common Share purchase warrant (each whole such Common Share purchase warrant, a "Warrant"). Each whole Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of C\$0.30 for a period of 36 months from the closing date.

In consideration for the services provided by the Underwriters in connection with the Offering, the Company paid the Underwriters a cash commission of C\$270,600 and issued to the Underwriters an aggregate of 1,230,000 non-transferable compensation options (the "Compensation Options"). Each Compensation Option shall entitle the holder thereof to acquire one additional Common Share at a price of C\$0.22 for a period of 36 months from the closing date.

The net proceeds raised will be used to fund the advancement of the Company's projects and for general working capital purposes.

The securities issued in connection with the Offering, including any underlying securities, are subject to a hold period of four months and one day ending on June 2, 2024.

The directors and certain officers of the Company, and a greater than 10% shareholder (an "Insider"), have participated in the Offering. Garrett Ainsworth, a director and officer of the Company, subscribed for 30,000 Units; Doug Ramshaw, a director of the Company, subscribed for 30,000 Units; Joanna Cameron, a director of the Company, subscribed indirectly for 30,000 Units; Jonathan Challis, a director of the Company, subscribed for 30,000 Units; and the Insider subscribed for 3,200,000 Units (collectively, the "Related Party Participation"). The Related Party Participation constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Pursuant to sections 5.5(a) and 5.7(1)(a), the Company is exempt from obtaining a formal valuation and minority approval of the Company's shareholders in respect of the Related Party Participation due the fair market value of the Related Party Participation being below 25% of the Company's market capitalization for the purposes of MI 61-101.

The Company will file a material change report in respect of closing of the Offering. However, the material change report will be filed less than 21 days prior to the closing of the Offering, which is consistent with market practice and the Company deems reasonable in the circumstances.

Stock Option Grant

The Company has also granted a total of 3,100,000 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 \$0.28 for a Common Share (being the closing price of the Company's Common Shares on January 31, 2024, the date prior to the grant date). All stock options have a term of five years and vest on the grant date.

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 in the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or 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.

District is a polymetallic exploration and development company focused on the Viken and Tomtebo Properties in Sweden. The Viken Property covers 100% of the uranium-vanadium Viken Deposit, which is an asset with substantial exploration and development expenditures that resulted in the definition of large historic polymetallic resource estimates in 2010 and 2014. The Viken Deposit is amongst the largest deposits by total historic mineral resources of uranium and vanadium in the world.

The advanced exploration stage Tomtebo Property is located in the Bergslagen Mining District of south-central Sweden 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.

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.sedarplus.ca.

On Behalf of the Board of Directors

"Garrett Ainsworth"

President and Chief Executive Officer
(604) 288-4430

Neither the 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 information in this news release relating to the Company include, among other things, statements relating to the Offering, use of proceeds and filing of a material change report; the Company's expectations with respect to the market for uranium; the Company's Swedish polymetallic properties; the Company's planned exploration activities; and the Company's interpretations and expectations about the results on the Swedish properties.

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; and in respect of the Swedish properties; that the Swedish government will eventually lift or amend its moratorium on uranium exploration and mining in Sweden; the Company's ability to raise sufficient capital to fund planned exploration activities, maintain corporate capacity; 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 on District Metals' properties; the Company's ability to raise sufficient capital to finance planned exploration; that the Swedish government maintains its moratorium on uranium exploration and mining in Sweden for the foreseeable future; 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 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 metals; 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. For additional information regarding these risks, please see the Company's Annual Information Form dated July 11, 2022, under the heading "Risk Factors", which is available at www.sedarplus.ca. 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 information 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 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.

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