

District Metals Corp.

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District Metals to sell its 80% stake in Bakar property to Sherpa II Holdings

District Metals Corp (CVE:DMX) (OTCMKTS:MKVNF) told investors on Tuesday it is selling its high-grade copper-silver Bakar property on northern Vancouver Island, British Columbia to Sherpa II Holdings Corp (CVE:SHRP.P).

The resource group said it had struck a definitive agreement, under which Sherpa II will acquire an 80% stake in the asset for cash, shares and work commitments.

Cash of C\$50,000 and 1 million Sherpa II shares will be paid to District upon closing on or before September 17 this year, while C\$200,000 on work is scheduled to be spent within six months.

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The 15,687 hectare project boasts excellent access and infrastructure and lies within a copper-rich geological domain that hosts the past producing Island copper mine, the Hushamu deposit, and the Red Dog deposit.

The Island copper mine was operated by BHP PLC (LON:BHP) from 1971 to 1995 and produced 345 million metric tonnes of ore with average grades of 0.41% copper, 0.017% molybdenum, 0.19 grams per ton (g/t) gold and 1.4 g/t silver.

District said mapping and sampling were completed during the summer of 2019, which was largely focused on the Millington showing.

Here, channel sampling returned 10 metres (m) at 4.92% copper and 27.7 grams per ton (g/t) silver along the strike of a mineralized stratabound horizon with an approximate true thickness of at least 2.75m. Stream sediment and soil sampling also showed positive results that require follow up, the firm said.

"Exploration fieldwork planning is well underway for Bakar as part of the required transaction work expenditures, and further information will be released in due course," District added in a statement.

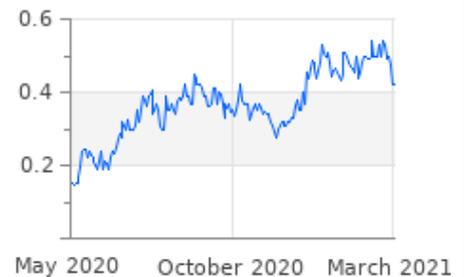
Sherpa II will also get a 2% net smelter royalty (NSR) from a previous agreement on one of the eight mineral claims that comprises Bakar, which covers 1,352 hectares (ha). The 2% NSR may be repurchased entirely for C\$6.5 million, noted District.

Contact the author at giles@proactiveinvestors.com

Price: 0.415

Market Cap: \$31.34 m

1 Year Share Price Graph



Share Information

Code: DMX

Listing: TSX-V

52 week High Low
0.59 0.125

Sector: Mining

Website: www.districtmetals.com

Company Synopsis:

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.

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