Defiance Silver Corp. Modifies Terms and Closes First Tranche of Private Placement

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Sept. 10, 2012) - Defiance Silver Corp ("Defiance") (TSX VENTURE:DEF) announces that the terms of the non-brokered private placement ("the Offering") announced on June 6, 2012 have been revised. Under the new terms Defiance will offer up to 2,500,000 units ("Units") at a price of $0.20 per Unit for gross proceeds of $500,000. The Offering is subject to an overallotment option whereby the Offering may be increased by up to 50%.

Defiance is also pleased to announce that it has closed the first tranche of its amended private placement with the issuance of 2,741,500 units at a price of $0.20 per Unit for gross proceeds of $548,300. These units are subject to a four month hold period expiring four months from the date of issue. Defiance management and directors have subscribed for a total of 678,500 Units; and IMPACT Silver Corp. (Defiance's single largest shareholder) acquired 452,000 Units.

Each Unit consists of one common share of the Company, one full common share purchase warrant ("Warrant") and one Silver Participation Right ("SPR"). Each Warrant will entitle the holder to purchase one common share of the Company for a period of 12 months at a price of $0.40 per share. Each Silver Participation Right will entitle the holder to receive 0.003 ounces of silver bullion or the equivalent value in Canadian dollars (being C$0.09 based on a C$30 per ounce silver price) from the Company's future silver production. Defiance believes that the innovative Silver Participation Right will provide a mechanism for participating investors to gain direct access to physical silver bullion and direct exposure to future upside in the price of silver.

Closing of the Offering, including the first tranche, is subject to receipt of all required regulatory approvals including the approval of the TSX Venture Exchange. The Company may pay finder's fees in compliance with TSX Venture Exchange policies on some or all of the Offering. Finder's fees of $8,134 are payable in connection with the first tranche of the private placement.

The proceeds from the Offering will be used at the discretion of the Company for: general working capital purposes, the ongoing refurbishment of the Santa Gabriela Mill and the development of the San Acacio Silver Mine.

About Defiance Silver:

Defiance Silver Corp. is a near term silver producer engaged in the acquisition, exploration, and development of advanced silver projects in Zacatecas Mexico. The Company's efforts are focused on: (1) the purchase and refurbishment of the 200 tpd Santa Gabriela Mill, (2) the exercising of an option to purchase the San Acacio Silver Mine, and (3) the definition of feed for the Santa Gabriela Mill from surface dumps and the San Acacio Silver Mine with its historical resource (see Defiance News Release dated November 1, 2011) and excellent potential for defining additional resources.

On behalf of Defiance Silver Corp.

Bruce Winfield
President and CEO

Forward-Looking Statements. This Defiance News Release may contain certain "forward-looking" statements and information relating to Defiance that are based on the beliefs of Defiance management, as well as assumptions made by and information currently available to Defiance management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including but not limited to, there being no assurance the private placement will be fully subscribed on the terms outlined above. Should any one or more risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. Defiance does not assume the obligation to update any forward-looking statement.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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