

Defense Metals Corp. Closes \$1 Million First Tranche of Private Placement & Provides Update on Flotation Pilot Plant

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VANCOUVER, June 12, 2020 - [Defense Metals Corp.](#) ("Defense Metals" or the "Company") (TSXV: DEFN) (OTCQB: DFMTF) (FSE: 35D) is pleased to announce that it has closed the first tranche of a non-brokered private placement (the "FT Private Placement") consisting of 3,460,000 flow-through units (the "FT Units") at a price of \$0.25 per FT Unit for gross proceeds of \$865,000. Each FT Unit is comprised of one flow-through share and one common share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at a price of \$0.35 per share for a period of twenty-four (24) months from the date of closing the FT Private Placement. The Company also closed the first tranche of a non-brokered private placement (the "Private Placement") consisting of 675,000 units (each, a "Unit") at a price of \$0.20 per Unit for gross proceeds of \$135,000. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at a price of \$0.30 per share for a period of twenty-four (24) months from the date of closing the Private Placement.

In connection with the closing of the first tranches of the FT Private Placement and the Private Placement (collectively, the "First Tranche"), the Company paid aggregate cash finder's fees of \$46,200 and issued 190,050 non-transferable finder warrants to certain brokers. The finder warrants are exercisable for twenty-four (24) months at a price of \$0.30 per common share.

The securities issued pursuant to the First Tranche are subject to a four month hold period from the closing date in accordance with applicable securities laws.

The Company expects to close the balance of the FT Private Placement and the Private Placement, consisting of up to 2,540,000 FT Units for gross proceeds of up to \$635,000 and up to 1,825,000 Units for gross proceeds of up to \$365,000, respectively, in one or more additional tranches.

Flotation Pilot Plant

The proceeds from the FT Private Placement will be used to complete the flotation pilot plant on the Company's Wicheeda rare earth element ("REE") project by the end of July 2020, with initial results expected in August 2020.

Defense Metals has reviewed and executed the Phase 2 flotation pilot plant proposal recommended by SGS Canada Inc. The objectives of pilot plant testing are to:

- Confirm metallurgy in a pilot plant environment;
- Generate data to support engineering; and
- Produce a large amount of concentrate for downstream hydrometallurgy testing.

The pilot plant will treat up to 30 tonnes of material in a continuous manner over 180 hours of operation, at an anticipated feed-rate of approximately 150 kg per hour. The approach will be to first commission the circuit in mid-June. This will be followed by a series of optimization runs through later June / early July. A continuous 48 hour run will serve to confirm metallurgy over extended operation in later July.

About SGS Canada Inc.

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 94,000 employees, it operates a network of

more than 2,600 offices and laboratories around the world.

About the Wicheeda REE Property

The 1,708 hectare Wicheeda REE Property, located approximately 80 km northeast of the city of Prince George, British Columbia, is readily accessible by all-weather gravel roads and is nearby to infrastructure, including power transmission lines, the CN railway and major highways.

Geologically, the property is situated in the Foreland Belt and within the Rocky Mountain Trench, a major continental geologic feature. The Foreland Belt contains part of a large alkaline igneous province, stretching from the Canadian Cordillera to the southwestern United States, which includes several carbonatite and alkaline intrusive complexes hosting the Aley (niobium), Rock Canyon (REE), and Wicheeda (REE) deposits.

About the Company

Defense Metals is an advanced mineral exploration company focused on the acquisition of mineral deposits containing metals and elements commonly used in the electric power market, military, national security and the production of green energy technologies, such as, high strength, light weight, rare earth magnets. Defense Metals' primary focus is to exercise its option to acquire 100% of the 1,708 hectare Wicheeda Rare Earth Element Project. [Defense Metals Corp.](#) trades in Canada under "DEFN" on the TSX Venture Exchange, in the United States, under "DFMTF" on the OTCQB, and in Germany on the Frankfurt Exchange under the symbol of "35D".

Qualified Person

The scientific and technical information contained in this news release as it relates to the Wicheeda REE Property has been reviewed and approved by Kristopher J. Raffle, P.Geo. (BC) Principal and Consultant of APEX Geoscience Ltd. of Edmonton, AB, a director of the Company and a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Neither the 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 news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

Cautionary Statement Regarding Forward Looking Information

This news release includes certain statements that constitute "forward-looking information or statements" within the meaning of applicable securities law, including without limitation, the Company's plans for its properties/projects, closing of additional tranches of the private placements and the use of funds from the First Tranche, completion of the pilot plant, other statements relating to the technical, financial and business prospects of the Company, and other matters.

Forward-looking statements address future events and conditions and are necessarily based upon a number of estimates and assumptions. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans",

"estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved), and variations of such words, and similar expressions are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements express or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of metals, anticipated costs and the ability to achieve goals, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company's planned exploration activities will be available on reasonable terms and in a timely manner. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks.

Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: (i) risks related to rare earth elements, and other commodity price fluctuations; (ii) risks and uncertainties relating to the interpretation of exploration results; (iii) risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses; (iv) that resource exploration and development is a speculative business; (v) that the Company may lose or abandon its property interests or may fail to receive necessary licences and permits; (vi) that environmental laws and regulations may become more onerous; (vii) that the Company may not be able to raise additional funds when necessary; (viii) the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; (ix) exploration and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in exploration and development; * competition; (xi) the potential for delays in exploration or development activities or the completion of geologic reports or studies; (xii) the uncertainty of profitability based upon the Company's history of losses; (xiii) risks related to environmental regulation and liability; (xiv) risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as "social licence"), including local First Nations; (xv) risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations relating to the continued exploration and development of the Company's projects; (xvi) risks related to the outcome of legal actions; (xvii) political and regulatory risks associated with mining and exploration; (xix) risks related to current global financial conditions; and (xx) other risks and uncertainties related to the Company's prospects, properties and business strategy. These risks, as well as others, could cause actual results and events to vary significantly.

Factors that could cause actual results to differ materially from those in forward looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, adverse weather conditions, increase in costs, equipment failures, litigation, the impact of Covid-19 or other viruses and diseases on the Company's ability to operate, failure of counterparties to perform their contractual obligations and fees charged by service providers. Investors are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements. The forward-looking statements included in this news release are made as of the date hereof and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

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