

Defense Metals Closes Oversubscribed Private Placement of \$6.1 Million

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VANCOUVER, Dec. 8, 2022 - [Defense Metals Corp.](#) ("Defense Metals" or the "Company") (TSXV: DEFN) (OTCQB: DF 35D) is pleased to announce it has closed a previously announced, oversubscribed non-brokered private placement financing ("Private Placement") for aggregate gross proceeds of \$6,094,020.66, consisting of 12,364,172 flow-through common shares of the Company (each, a "FT Share") at a price of \$0.28 per FT Share and 11,963,875 units of the Company (each, a "Unit") at \$0.22 per Unit.

Each FT Share is a "flow-through share" within the meaning of the Income Tax Act (Canada) (the "Act"). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.32 for a period of 24 months from closing.

The proceeds raised from the sale of the FT Shares will be used for advancing the Company's Wicheeda Rare Earth Element ("REE") Project that qualify as "Canadian Exploration Expenditures" (within the meaning of the Act) and the net proceeds from the sale of Units will be used for the Wicheeda Project as well as for general corporate and working capital purposes.

In connection with the Private Placement, the Company paid aggregate cash finder's fees of \$258,047.55 and issued 1,000,000 non-transferable finder warrants to certain brokers, 366,882 of which are exercisable at a price of \$0.22 per share and the remaining amount at a price of \$0.32 per common share for a period of 24 months from closing.

All securities issued under the Private Placement are subject to a four month hold period in accordance with applicable laws.

Stock Options

The Company also announces the granting of incentive stock options ("Options") to certain of its directors, officers and employees to purchase up to an aggregate 5,400,000 common shares of the Company at a price of \$0.22 per common share for a period of three (3) years. 250,000 Options granted to Bluesky Corporate Communications Ltd. will vest in stages over a period of 36 months in equal portions every three months starting three months after the date of grant. The remaining Options vest on the date of the closing of the Private Placement.

About the Wicheeda REE Project

The 100% owned 4,244-hectare Wicheeda REE Project, located approximately 80 km northeast of the city of Prince George, British Columbia, is readily accessible by all-weather gravel roads and is near infrastructure, including power transmission lines, the CN railway, and major highways.

The Wicheeda REE Project yielded a robust 2021 preliminary economic assessment technical report (PEA) that demonstrates an after-tax net present value (NPV@8%) of \$517 million, and 18% IRR[1]. A unique advantage of the Wicheeda REE Project is the production of a saleable high-grade flotation-concentrate. The PEA contemplates a 1.8 Mtpa (million tonnes per year) throughput open pit mining operation with 1.75:1 (waste:mill feed) strip ratio over a 19 year mine (project) life producing an average of 25,423 tonnes REO annually. A Phase 1 initial pit strip ratio of 0.63:1 (waste:mill feed) would yield rapid access to higher grade surface mineralization in year 1 and payback of \$440 million initial capital within 5 years.

Qualified Person

The scientific and technical information contained in this news release as it relates to the Wicheeda REE Project has been reviewed and approved by Kristopher J. Raffle, P.Geo. (BC) Principal and Consultant of APEX Geoscience Ltd. of Edmonton, Alberta, a director of Defense Metals and a "Qualified Person" as defined in NI 43-101.

About Defense Metals Corp.

[Defense Metals Corp.](#) is a mineral exploration and development company focused on the acquisition, exploration and development of mineral deposits containing metals and elements commonly used in the electric power markets, defense industry, national security sector and in the production of green energy technologies, such as, rare earths magnets used in wind turbines and permanent magnet motors for electric vehicles. Defense Metals owns 100% of the Wicheeda Rare Earth Element Deposit near Prince George, British Columbia, Canada. [Defense Metals Corp.](#) trades in Canada under the symbol "DEFN" on the Toronto Stock Exchange, in the United States, under "DFMTF" on the OTCQB and in Germany on the Frankfurt Exchange under "DFM".

For further information, please contact:

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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 contains "forward-looking information or statements" within the meaning of applicable securities laws, which may include, without limitation, statements that address the Private Placement, the intended use of proceeds of the Private Placement, advancing the Wicheeda REE Project, the Company's plans for its Wicheeda REE Project, and other statements relating to the technical, financial and business prospects of the Company, its project and other matters. All statements in this news release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking 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 rare earth elements, the anticipated costs and expenditures, the ability to achieve its 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. Such forward-looking information reflects the Company's views with respect to future events and is subject to risks, uncertainties and assumptions, including the risks and uncertainties relating to the interpretation of exploration results, risks related to the inherent uncertainty of exploration and cost estimates, the potential for unexpected costs and expenses and those other risks filed under the Company's profile on SEDAR at www.sedar.com. 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. 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, adverse weather and climate conditions, failure to maintain or obtain all necessary government permits, approvals and authorizations, failure to maintain community acceptance (including First Nations), risks relating to unanticipated operational difficulties (including failure of equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of personnel, materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), risks relating to inaccurate geological and engineering assumptions, decrease in the price of rare earth elements, the impact of Covid-19 or other viruses and diseases on the Company's ability to operate, the price of commodities, capital market conditions, restriction on labour and international travel and supply chains, loss of key employees, consultants, or directors, increase in costs, delayed drilling results, litigation, and failure of counterparties to perform their contractual obligations. The Company does not undertake to update forward-looking statements or forward-looking information, except as required by law.

<p>¹ Independent Preliminary Economic Assessment for the Wicheeda Rare Earth Element Project, British Columbia, Canada, dated January 6, 2022, with an effective date of November 7, 2021, and prepared by SRK Consulting (Canada) Inc. is filed under Defense Metals Corp.'s Issuer Profile on SEDAR (www.sedar.com).</p>
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