

Defense Metals Corp. Announces Private Placements for Aggregate Proceeds of \$12.5 Million With Lead Order from RCF Opportunities Fund II L.P. of \$6.6 Million

27.04.2023 | [CNW](#)

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VANCOUVER, April 27, 2023 - [Defense Metals Corp.](#) ("Defense Metals" or the "Company") (TSXV: DEFN) (OTCQB: DFMTF) (FSE: 35D) is pleased to announce a non-brokered private placement financing (the "LIFE Offering") of up to 22,367,977 Common Shares of the Company ("Common Shares") at a price of \$0.26 per Common Share, and a Concurrent Placement (as defined below) of up to 25,708,946 Common Shares at a price of \$0.26 per Common Share, for aggregate gross proceeds of C\$12.5 million (collectively, the "Offering"). As part of the Concurrent Placement, the Company has received a lead order from RCF Opportunities Fund II L.P. ("RCF") for approximately C\$6.6 million. John Robins, Strategic Advisor to the Company will also participate in the Offering.

Craig Taylor, CEO of Defense Metals, commented: "We are very pleased to welcome RCF as a key shareholder to the Company and recognize its investment as a strong validation of our project and our team. This financing will leave us well financed to continue to advance Wicheeda and fully funded to complete our Pre-Feasibility Study and progress other initiatives. We also appreciate the continued support of our existing shareholders including John Robins of Discovery Group."

Russ Cranswick, Partner and Head of RCF, further stated: "At Resource Capital Funds, we strive to invest in unique and high quality opportunities in the mining industry and we are excited to support Defense Metals as a pre-eminent REE developer with a highly strategic asset in North America as the market continues to sharpen its focus on the supply of these critical metals."

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 - Prospectus Exemptions ("NI 45-106"), the Common Shares issuable pursuant to the LIFE Offering will be offered for sale to purchasers resident in Canada, except Quebec, and/or other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the "Listed Issuer Financing Exemption"). Because the LIFE Offering is being completed pursuant to the Listed Issuer Financing Exemption, the Common Shares issued under the LIFE Offering will not be subject to a hold period pursuant to applicable Canadian securities laws.

Agentis Capital Mining Partners is acting as financial advisor to the Company. Finder's fees may be payable in connection with the LIFE Offering and/or the Concurrent Placement, all in accordance with the policies of the TSX Venture Exchange and applicable securities laws.

There is an offering document related to the LIFE Offering that can be accessed under the Company's profile at www.sedar.com and on the Company's website at www.defensemets.com. Prospective investors should read this offering document before making an investment decision.

In addition to the LIFE Offering, the Company intends to complete a concurrent private placement to purchasers pursuant to applicable exemptions under NI 45-106 (the "Concurrent Placement").

RCF has agreed to subscribe, as lead order in the Concurrent Placement, for approximately C\$6.6 million for 25,552,380 Common Shares, representing approximately 9.99% of the issued and outstanding common

shares of Defense Metals upon completion of the Offering. Closing of the lead order from RCF, as well as the LIFE Offering and Concurrent Placement, are conditional upon the Company raising minimum aggregate gross proceeds of C\$12.5 million (inclusive of RCF's lead order) from both the LIFE Offering and Concurrent Placement. In consideration for RCF agreeing to subscribe as lead order in the Concurrent Placement, RCF shall be granted the right to participate in subsequent equity or debt financings of the Company on a pro rata basis based on RCF's ownership stake (determined on a partially diluted basis immediately prior to the proposed financing), while RCF's ownership in the Company is greater than or equal to 5% (determined on a partially diluted basis). The Common Shares issued in the Concurrent Placement will be subject to a four month hold period.

The Company intends to use the net proceeds of the LIFE Offering and the Concurrent Placement to advance the Company's wholly-owned Wicheeda Rare Earth Elements Project ("Wicheeda") including: (i) the completion of the ongoing pre-feasibility study work; (ii) regional exploration activities; and (iii) general working capital and corporate expenses.

The closing dates of the Life Offering and the Concurrent Placement are expected to occur on or about May 18, 2023, or such later date or dates as the Company may determine, and are subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including conditional approval from the TSX Venture Exchange. Completion of the Concurrent Placement and the LIFE Offering are conditional upon the Company raising minimum aggregate gross proceeds of C\$12.5 million (inclusive of RCF's lead order) from both the LIFE Offering and the Concurrent Placement.

The Common Shares of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referenced in this press release, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Qualified Person

The scientific and technical information contained in this news release has been reviewed and approved by Kristopher J. Raffle, P.Geo. (B.C.), Principal and Consultant of APEX Geoscience Ltd. of Edmonton, Alberta, who is a director of Defense Metals and a "Qualified Person" as defined in National Instrument 43-101.

About the Wicheeda REE Property

Defense Metals 100% owned, 4,262-hectare (~10,532-acre) Wicheeda Light REE property is located approximately 80 km northeast of the city of Prince George, British Columbia; population 77,000. The Wicheeda REE Project is readily accessible by all-weather gravel roads and is near infrastructure, including hydro power transmission lines and gas pipelines. The nearby Canadian National Railway and major highways allow easy access to the port facilities at Prince Rupert, the closest major North American port to Asia.

The 2021 Wicheeda REE Project Preliminary Economic Assessment technical report ("PEA") outlined a robust after-tax net present value (NPV@8%) of \$517 million and an 18% IRR¹. This PEA contemplated an open pit mining operation with a 1.75:1 (waste:mill feed) strip ratio providing a 1.8 Mtpa ("million tonnes per year") mill throughput producing an average of 25,423 tonnes REO annually over a 16 year mine life. 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.

About Defense Metals Corp.

[Defense Metals Corp.](#) is focused on the development of its 100% owned Wicheeda Project that contains Rare Earth Elements that are commonly used in the defense industry, national security sector and in the production of green energy technologies, such as, rare earths magnets used in wind turbines and in permanent magnet motors for electric vehicles.

[Defense Metals Corp.](#) trades in Canada under the symbol "DEFN" on the TSX Venture Exchange, in the United States, under "DFMTF" on the OTCQB, and in Germany on the Frankfurt Exchange under "35D".

Defense Metals is a proud member of Discovery Group. For more information please visit:

