

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

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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 by 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 Wiccheda 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:

<http://www.discoverygroup.ca/>

For further information, please visit www.defensemets.com or contact:

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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 release.

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 relating to the terms and completion of the LIFE Offering and Concurrent Placement, the use of proceeds of the LIFE Offering and Concurrent Placement, advancing the Wicheeda REE Project, the expected benefits and outcomes of the hydrometallurgical pilot plant, the expected completion of the hydrometallurgical pilot plant and the expected timelines, the completion of the PFS, 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 and metallurgical results, risks related to the inherent uncertainty of exploration and development 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, the ability of the Company to complete the LIFE Offering and Concurrent Placement on the terms described herein, including obtaining the requisite approval of the TSX Venture Exchange, 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, metallurgical 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, an inability to predict and counteract the effects of COVID-19 on the business of the Company, including but not limited to, the effects of COVID-19 on 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 results, mitigation, 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.

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