

Defiance Silver to Acquire Mexico-Focused Green Earth Metals

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Vancouver, April 7, 2025 - [Defiance Silver Corp.](#) (TSXV: DEF) (FSE: D4E) (WKN: A1JQW5) ("Defiance" or the "Company") is pleased to announce that it has entered into a non-binding letter of intent ("LOI") with Green Earth Metals Inc. ("GEMS"), a privately held company holding a portfolio of assets in Mexico. Under the terms of the LOI, Defiance proposes to acquire all issued and outstanding shares of GEMS in a strategic transaction (the "Transaction"). The terms of the Transaction are discussed further below.

Transaction Highlights:

- **Strategic Acquisition:** Defiance proposes to acquire 100% of GEMS, a private British Columbia-based company founded by renowned discovery geoscientist Richard Osmond.
- **High-Quality Asset Portfolio:** GEMS holds rights to three drill-permitted copper-gold-silver-molybdenum projects in Mexico's Sonoran Desert porphyry copper belt, covering a total of 6,795.22 hectares.
- **Prime Mining Jurisdiction:** The acquired projects are strategically located near Alamos Gold's operating Mulatos Mine, where the recently permitted "Puerto del Aire" mine-extension is under development. The area hosts top tier copper deposits, including the Cananea and La Caridad Cu-Mo±Au porphyry systems-two of the largest copper mines in North America.
- **Significant Exploration Upside:** With drill permits already in place, Defiance plans to launch a comprehensive exploration campaign, including a diamond drill program at the Victoria project.

Chris Wright, Chairman and CEO of Defiance, commented:

"This acquisition aligns with Defiance Silver's core strategy of acquiring and advancing top tier mining projects. Our goal is to develop assets that will play a leading role in the future of gold, silver, and copper mining in Mexico. The Green Earth Metals team consists of seasoned mine financiers and global mineral explorers, and we are pleased to welcome them as shareholders. Securing this portfolio of drill-ready copper-gold-silver projects in Sonora-one of the world's premier copper-gold mining jurisdictions-represents a major step forward for Defiance. This transaction strengthens Defiance's asset base, enhances its exploration potential, and reinforces our commitment to unlocking value for shareholders."

The GEMS Assets-comprising the Victoria, Espiritu and Los Ocotes project areas-offer high-grade, district-scale potential in a proven mining jurisdiction. Situated in a region known for its rich mineral endowment, these assets are surrounded by large copper, gold, and silver mines operated by leading Tier-One global mining companies.

Strategic Location Near Major Producing Mines

The GEMS assets are situated in proximity to several large, active mining operations, including:

- La India Mine (Agnico Eagle)
- Mulatos Mine (Alamos Gold)
- Dolores Mine (Pan American Silver)
- Cananea Cu-Au-Mo Mine and La Caridad Cu Mine & SXEW Plant (Grupo Mexico)

These nearby operations demonstrate the region's rich mineral potential. However, the Company and its qualified personnel have not independently verified the technical information regarding these mines and this information should not be considered indicative of mineralization on the Company's properties.

Exploration Potential

Historical exploration and sampling across the GEMS projects have identified extensive geological features indicative of a large-scale hydrothermal Cu-Au system. These findings suggest strong potential for resource expansion using modern exploration techniques.

Victoria Project - Drill-Ready Copper-Gold-Molybdenum Asset

The Victoria Project consists of two non-contiguous mineral claims totaling 1,795.22 hectares in the Sonora, Mexico mining district. This region is home to several major mining operations, including Mulatos (Alamos Gold), Dolores (Pan American Silver), and the privately owned Piedras Verdes Mine (Frontera Copper).

Victoria is located within the highly productive Sonoran Desert porphyry copper belt, an area known for hosting significant copper-gold deposits. Exploration Highlights:

- Geological indicators suggest porphyry-style stockwork and breccia-hosted Cu-Mo-Au mineralization.
- Strong phyllic alteration overprinting potassic alteration, leading to leached capping at the surface and low surface copper grades.

The Company is committed to advancing exploration efforts on the Victoria, Espiritu and Los Ocotes projects and unlocking the full potential of this highly prospective, district-scale opportunity.

Figure 1 - Map of location of Victoria, relative to large active mining operations

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/2950/247526_7719e6c834216a4e_001full.jpg

Figure 2 - Photo of Victoria asset showing surface alteration of large hydrothermal system

To view an enhanced version of this graphic, please visit:

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Espiritu Project

The Espiritu Project, located near Sahuaripa, Sonora, spans 2,711 hectares and exhibits characteristics indicative of a large, metal-bearing hydrothermal system. Despite its promising geological setting, Espiritu remains underexplored.

Espiritu is strategically positioned within the highly productive Sahuaripa region of Sonora, Mexico, approximately 100 km from several major mining operations, including:

- La India Mine (Agnico Eagle)
- Mulatos Mine (Alamos Gold)
- Dolores Mine (Pan American Silver)

Los Ocotes Project

The Los Ocotes Project is a 2,283-hectare polymetallic vein asset located within the same regional trend as the Victoria and Espiritu projects.

The project is strategically positioned less than 40 km northeast of the La India and Mulatos gold mines and approximately 18 km northeast of [Minera Alamos Inc.](#)'s Santana Mine, a heap-leach gold operation.

Note regarding nearby mines for the Espiritu and Los Ocotes Projects: The Company and its qualified personnel have not independently verified the information on these nearby mining operations and such information is not necessarily indicative of mineralization on the Company's properties.

LOI TERMS

Under the terms of the LOI, Defiance proposes to issue common shares ("Defiance Shares") to GEMS shareholders in exchange for all of the issued and outstanding common shares of GEMS (the "GEMS Shares"), based on an exchange ratio of 1 Defiance Share for every 4.52 GEMS Shares. In total, Defiance proposes to issue 4,954,613 Defiance Shares of Defiance at a price of C\$0.0255 per share, for a total purchase price of C\$1,250,000 (excluding the Convertible Debenture Financing - see details below).

Upon the closing of the Transaction, GEMS will become a wholly-owned subsidiary of Defiance.

In connection with the Transaction, Defiance has also agreed to invest in GEMS through an unsecured convertible debenture (the "Convertible Debenture") for a total amount of C\$150,000 (the "Convertible Debenture Financing"). The Convertible Debenture will bear simple interest at 8.0% per annum and will mature two years from the closing of the Convertible Debenture Financing.

At the closing of the Transaction, the principal amount of the Convertible Debenture and accrued interest thereon will be convertible, for no additional consideration, into GEMS Shares at the option of Defiance, at a price of C\$0.05 per GEMS Share, subject to customary adjustments in accordance with the terms of the Convertible Debenture certificate. Notwithstanding the foregoing, in the event the LOI is terminated or the Transaction not completed, other than as a result of the failure of GEMS shareholders to tender at least 90% of their GEM Shares in exchange for Defiance Shares, the principal amount of the Convertible Debenture and accrued interest thereon will be converted into GEMS Shares at a conversion price of C\$0.05 per share in full payment of the Convertible Debenture. In the event Defiance does not complete the Transaction solely as a result of the failure of GEMS shareholders to tender at least 90% of their GEMS Shares in exchange for Defiance Shares, the Convertible Debenture will continue in accordance with its terms.

The completion of the Transaction is subject to numerous conditions customary to this type of transaction including, notably, the completion of a satisfactory due diligence on GEMS by Defiance, execution of a mutually acceptable definitive agreement between Defiance, GEMS and the shareholders of GEMS (the "Definitive Agreement") and any other ancillary agreements required to complete the Transaction, GEMS shareholders holding at least 90% of the GEMS Shares issued and outstanding having executed the Definitive Agreement, thereby accepting to tender their GEMS Shares in exchange for Defiance Shares, no material adverse change with respect to GEMS or Defiance having occurred, and the receipt of all required corporate and regulatory approvals, including the approval of the TSX Venture Exchange, and any other required approvals, consents, permits, waivers, exemptions and orders which may be required to complete the Transaction.

The Transaction is expected to be completed within a delay of approximately 75 days following the execution of the Definitive Agreement.

Qualified Person

Mr. George Cavey, P. Geo, Vice-President Exploration and Director of the Company, is a Qualified Person within the meaning of National Instrument 43-101 and has reviewed and approved the technical information contained in this press release.

On behalf of Defiance Silver Corp.

"Chris Wright"

CEO and Chairman of the Board

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About Defiance Silver Corp.

Defiance Silver Corp. (TSXV: DEF) (OTCQX: DNCVF) (FSE: D4E) is an exploration company advancing the district-scale Zacatecas project, located in the historic Zacatecas Silver District and the Tepal Gold/Copper Project in Michoacán state, Mexico. Defiance is managed by a team of proven mine developers with a track record of exploring, advancing, and developing several operating mines and advanced resource projects. Defiance's corporate mandate is to advance our projects through capital-efficient exploration focused on resource growth and new mineral discoveries.

Disclaimer

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

All statements, trend analysis and other information contained in this press release about anticipated future events or results constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding anticipated benefits of the Transaction, the closing of the Transaction and the timing and terms thereof, the potential of the combined projects of both companies (the "Projects"), the satisfaction of the conditions to the Transaction; the strengths, characteristics and potential of the Transaction; growth potential and expectations regarding the timing, receipt and anticipated effects of required consents and approvals; the impact of the Transaction on Defiance, GEMS and their respective shareholders and other stakeholders; and other anticipated benefits of the Transaction.

Although Defiance believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking statements since the Company can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information, including the risks, uncertainties and other factors identified in the Company's periodic filings with Canadian securities regulators, and assumptions made with regard to: the Company's ability to complete the proposed Transaction; the Company's ability to secure the necessary legal and regulatory approvals required to complete the Transaction; the estimated costs associated with the advancement of the Projects; and the Company's ability to achieve the synergies expected as a result of the Transaction. Forward-looking information is subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from the

Company's expectations include risks associated with the business of Defiance and GEMS; risks related to the satisfaction or waiver of certain conditions to the closing of the Transaction; non-completion of the Transaction; risks related to reliance on technical information provided by GEMS; risks related to exploration and potential development of the Projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups / local communities in the exploration and development of the Projects and the issuance of required permits; the need to obtain additional financing to develop the Projects and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risk factors as identified in Defiance's filings with Canadian securities regulators on SEDAR+ (available at www.sedarplus.ca).

The forward-looking information contained in this news release is made as of the date hereof and Defiance does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The foregoing statements expressly qualify any forward-looking information contained herein.

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