

Defense Metals Announces Closing of Private Placement for Gross Proceeds of \$5.4 Million

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VANCOUVER, May 21, 2025 - [Defense Metals Corp.](#) ("Defense Metals" or the "Company") (TSXV: DEFN) is pleased to announce that the Company has closed its previously announced brokered private placement (the "Brokered Offering") and non-brokered private placement (the "Non-Brokered Offering", and together with the Brokered Offering, the "Offerings") for aggregate gross proceeds of C\$5,439,495.

Mark Tory, President and CEO commented:

"We're very pleased to have closed this financing with strong participation from supportive shareholders and strategic investors. While the broader market remains selective, raising over C\$5.4 million is a clear vote of confidence in the strength of our Wicheada Rare Earth Project and our team's execution to date. With a positive pre-feasibility study now completed, these funds will support critical optimization work and ongoing environmental baseline studies as we advance Wicheada toward permitting and development. We remain fully committed to delivering one of North America's leading rare earth assets for the benefit of our shareholders and interested parties."

Under the Brokered Offering, the Company raised gross proceeds of C\$5,060,595, issuing 25,138,703 units of the Company (each a "Unit") at a price of C\$0.15 per Unit and 7,587,000 flow-through units of the Company (each, a "FT Unit," and together with the Units, the "Offered Securities") at a price of C\$0.17 per FT Unit. Under the Non-Brokered Offering, the Company raised gross proceeds of approximately C\$378,900 through the issuance of 2,228,824 FT Units.

Each Unit consists of one common share in the capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each FT Unit consists of one Common Share issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one-half of one Warrant also issued as a "flow-through share" within the meaning of the Income Tax Act (Canada). Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of C\$0.20 per Common Share, at any time on or before May 21, 2028.

Paradigm Capital Inc. as lead agent and sole bookrunner, and Agentis Capital Markets Limited Partnership (collectively, the "Agents") acted as agents under the Brokered Offering. In consideration for their services under the Brokered Offering, the Agents received a cash commission of C\$34,570,2,060,194 non-transferable compensation options (the "Compensation Options") and 1,886,541 Units, which the Agents received in lieu of C\$282,981 of cash commissions. Each Compensation Option is exercisable for one Common Share at a price of C\$0.15 per Common Share at any time on or before May 21, 2027. In addition, the Company paid a finder's fee of C\$21,000 and issued 123,529 Compensation Options to an arm's length finder in connection with the Non-Brokered Offering.

All securities issued pursuant to the Offerings are subject to a four-month restricted period ending on September 22, 2025, in accordance with applicable Canadian securities legislation. The Offerings are subject to the final approval of the TSX Venture Exchange (the "TSXV").

The Company intends to use the net proceeds raised from the sale of Units under the Offerings for non-flow-through eligible operating expenses and for general corporate and working capital purposes and the gross proceeds from the sale of the FT Units will be used for eligible flow-through expenditures on the Company's Wicheada Project. With these proceeds the Company will also continue to optimise the

Wicheada Project design, make further progress on environmental and permitting work and explore strategic initiatives to strengthen its ability to build the project in the shortest time frame possible.

Insiders of the Company participated in the Brokered Offering for approximately C\$988,306. The issuance of Units to insiders is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation requirements of MI 61-101 pursuant to section 5.5(a) and the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) in respect of such insider participation as the fair market value of the transaction, insofar as it involves interested parties, does not exceed 25% of the Company's market capitalization.

In connection with the completion of the Offerings, in accordance with their terms, secured convertible notes of the Company (the "Notes") with an aggregate principal amount of \$4,000,000, originally issued on October 11, 2024, will automatically convert into Common Shares at a deemed price of \$0.125 per share. This conversion will result in the issuance of an aggregate of 32,000,000 Common Shares (the "Principal Shares") to the holders of the Notes. Additionally, in full and final satisfaction of accrued interest on the Notes in the aggregate amount of \$42,835.62, subject to the approval of the TSXV, the Company will issue an additional 277,963 Common Shares (the "Interest Shares") to the Note holders. In accordance with the terms of the Notes, the Interest Shares will be issued at a price of \$0.1577 per Interest Share, being the greater of: (i) the volume-weighted average trading price of the Common Shares on the TSXV for the 20 consecutive trading days ending on the applicable pricing date, and (ii) the lowest price permitted under TSXV policies. The issuance of the Interest Shares is subject to TSXV approval.

The securities referred to in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the Company and management, as well as financial statements. "United States" and "U.S. person" have the respective meanings assigned in Regulation S under the U.S. Securities Act.

About Defense Metals Corp. and its Wicheada REE Deposit

Defense Metals Corp. is focused on the development of its 100% owned, 11,800-hectare (~29,158-acre) Wicheada Rare Earth Element (REE) property that is located on the traditional territory of the McLeod Lake Indian Band in British Columbia, Canada.

The Wicheada Project, approximately 80 kilometres (~50 miles) northeast of the city of Prince George, is readily accessible by a paved highway and all-weather gravel roads and is close to 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 Company recently completed a Preliminary Feasibility Study (PFS) that demonstrated the robust economics of the project.

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news 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, any statements (expressed or implied) relating to: advancing the Wicheeda Project, the use of proceeds from the Offerings, final TSXV approval of the Offerings, the issuance of the Interest Shares and TSXV approval of the Interest Shares.

Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. All statements in this news release, other than statements of historical facts, that address events, contribution 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+ (www.sedarplus.ca). 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 or obtain

Community acceptance (Rohstoff-Mining First Nations), risks relating to unanticipated operational difficulties

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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 engineering and pricing assumptions, decrease in the price of rare earth elements, the impact of viruses and diseases on the Company's ability to operate, restriction on labor and international travel and supply chains, loss of key employees, consultants, officers or directors, increase in costs, delayed 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.

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