Defense Metals Announces Best Efforts Private Placement Financing for Gross Proceeds of Up To $15 Million

written by Raj Shah | October 20, 2025

October 20, 2025 (Source) – Defense Metals Corp. (TSXV: DEFN) ("**Defense Metals**" or the "**Company**") is pleased to announce that it intends to complete a private placement consisting of (i) a brokered offering of up to 33,334,000 units of the Company (the "**Units**") for gross proceeds of up to approximately $10,000,000 (the "**Brokered Offering**"), and (ii) a non-brokered offering of up to 16,666,667 Units for gross proceeds of up to approximately $5,000,000 (the "**Non-Brokered Offering**"), all for aggregate gross proceeds of up to approximately $15,000,000 (collectively, the "**Offering**"). The Company has entered into an agreement with Paradigm Capital Inc., as lead agent on behalf of a syndicate of agents (collectively, the "**Agents**"), in connection with the Brokered Offering.

Each Unit will consist 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 Warrant will entitle the holder thereof to acquire one Common Share (each a "**Warrant Share**") at an exercise price of $0.45 for a period of three years following the Closing Date (as defined herein).

The Warrants will be subject to an acceleration provision whereby, if the closing price of the Common Shares on the TSX Venture Exchange (the "**TSXV**") equals or exceeds $0.90 for ten

consecutive trading days, the Company may, at its sole discretion, accelerate the expiry date of the Warrants by providing written notice to holders via news release. In such event, the Warrants will expire on the 30th day following the date of the news release, unless exercised prior thereto.

The Company has also granted the Agents an option (the "**Agents' Option**") to sell up to that number of additional Units equal to 15% of the Brokered Offering, for additional gross proceeds of up to approximately $1,500,030, exercisable, by notice in writing to the Company, at any time not less than 48 hours prior to the Closing Date. In addition, the Company may, at its sole discretion, increase the size of the Non-Brokered Offering by up to 15%, for additional gross proceeds of up to approximately $750,000.

The Agents will be paid a cash commission by the Company upon closing of the Brokered Offering, equal to 7% of the gross proceeds of the Brokered Offering, including any proceeds raised upon exercise of the Agents' Option. The Agents will also receive, on the Closing Date, compensation options entitling the Agents to acquire that number of Common Shares (the "**Compensation Shares**") as is equal to 7% of the number of Units issued pursuant to the Brokered Offering, including any exercise of the Agents' Option, at an exercise price of $0.30 per Compensation Share, exercisable for a period of three years following the Closing Date. Additional commissions and finder's fees may be payable in connection with the Non-Brokered Offering, in accordance with the policies of the TSXV. In addition, eligible finders will receive, for purchasers they have directly sourced, a cash commission from the Company upon closing of the Non-Brokered Offering equal to 7% of the gross proceeds attributable to such purchasers, including any proceeds raised from an upsize. Such finders will also be issued, on the Closing Date, finder's warrants entitling them to acquire that

number of Common Shares (the "**Finder's Shares**") equal to 7% of the number of Units sold to purchasers they have directly sourced under the Non-Brokered Offering, including any upsize, at an exercise price of $0.30 per Finder's Share for a period of three years following the Closing Date, in accordance with the policies of the TSXV.

The Company intends to use the net proceeds from the sale of the Units, together with its current working capital, to continue optimization test work on the flow sheet developed for and published within the 2025 pre-feasibility study, complete pilot plant test work supporting the optimized flow sheet, conduct energy and transmission studies, commence a feasibility study on the Wicheeda project in early 2026, and continue baseline studies in support of future permitting. Net proceeds will also be used for operating expenses and general corporate purposes.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), the Units will be offered for sale to purchasers resident in all provinces of Canada, other than Quebec, and/or other qualifying jurisdictions pursuant to the listed issuer financing exemption under Part 5A of NI 45-106, as amended by Coordinated Blanket Order 45-935 – *Exemptions from Certain Conditions to the Listed Issuer Financing Exemption* (the "**Listed Issuer Financing Exemption**"). The Unit Shares and Warrant Shares underlying the Units are expected to be immediately freely tradeable and will not be subject to a hold period pursuant to applicable Canadian securities laws. The Units sold under the Offering may also be issued to purchasers outside of Canada, including to purchasers resident in the United States, pursuant to one or more exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") which will be subject to resale restrictions. Purchasers are advised to

consult their own legal advisors in this regard.

An offering document related to the Offering (the "**Offering Document**") will be available under the Company's profile at www.sedarplus.ca and on the Company's website at www.defensemetals.com within the time period prescribed under NI 45-106. Prospective investors should read this Offering Document before making an investment decision.

The Offering is expected to close on or about October 31, 2025 (the "**Closing Date**") or such other date or dates and the Company and the lead Agent, on behalf of the Agents, may agree, and will be subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the conditional approval of the TSXV.

It is anticipated that insiders of the Company may participate in the Offering. The issuance of Units to insiders will be 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, will not exceed 25% of the Company's market capitalization.

The securities have not been, and will not be, registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an applicable exemption therefrom. This press release does not

constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor may there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Defense Metals

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

The Wicheeda 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.

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

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Caution Regarding Forward Looking Statements:

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators. These statements and information are based on facts currently available to the Company and there is no assurance that actual results will meet

management's expectations. Forward-looking statements and information may also be identified by such terms as "anticipates", "believes", "targets", "estimates", "plans", "expects", "may", "will", "could" or "would". While the Company considers its assumptions to be reasonable as of the date hereof, forward-looking statements and information are not guarantees of future performance and readers should not place undue importance on such statements as actual events and results may differ materially from those described herein. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking statements in this news release includes without limitation, statements with respect to the ultimate size of the Offering, the Company meeting all conditions for a timely closing of the Offering, including obtaining all required approvals, the proposed use of proceeds of the Offering, and the proposed closing date of the Offering. All forward-looking information contained in this press release is given as of the date hereof, and is based on the opinions and estimates of management and information available to management as of the date hereof. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include the risk associated with mineral exploration and development activities, the risk that the Company will encounter unanticipated geological factors, or the possibility that the Company may not be able to secure permitting and other agency or governmental clearances, necessary to carry out the Company's exploration and development plans, risks of political uncertainties and regulatory or legal changes in the jurisdictions where the Company carries on its business that might interfere with the Company's business and prospects. The reader is urged to refer to the Company's reports, publicly

available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca for a more complete discussion of such risk factors and their potential effects. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

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 release.