

*No securities regulatory authority or regulator has assessed the merits of the securities described in this offering document or reviewed this document. Any representation to the contrary is an offence. This Offering (as defined herein) may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

*The securities described in this offering document have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of the securities described herein within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

Offering Document under the Listed Issuer Financing Exemption

April 27, 2023



**DEFENSE METALS CORP.**  
(the “Company” or “Defense Metals”)

**SUMMARY OF OFFERING**

**What are we offering?**

<b>Offering:</b>	Common shares in the capital of the Company (“ <b>Common Shares</b> ”)
<b>Offering Price:</b>	\$0.26 per Common Share.
<b>Offering Amount</b>	A non-brokered private placement financing (the “ <b>Offering</b> ”) of up to 22,367,977 Common Shares at a price of \$0.26 per Common Share. Collectively, the Offering and the Concurrent Placement (as defined below) are subject to a minimum aggregate amount of 48,076,923 Common Shares for gross proceeds of C\$12.5 million.  All references in this offering document to “dollars”, “C\$” or “\$” are to Canadian dollars, unless otherwise stated.
<b>Concurrent Placement:</b>	In addition to the Offering, the Company intends to complete a concurrent private placement to purchasers pursuant to applicable exemptions under NI 45-106 (the “ <b>Concurrent Placement</b> ”) of up to 25,708,946 Common Shares at a price of \$0.26 per Common Share  RCF Opportunities Fund II L.P. (“ <b>RCF</b> ”) has agreed to subscribe, as lead order in the Concurrent Placement, for C\$6.6 million for 25,552,380 Common Shares. Closing of the lead order from RCF, as well as the 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 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.
<b>Closing Date:</b>	On or about May 18, 2023, or on such other date or dates as the Company may determine (the “ <b>Closing Date</b> ”).

<b>Exchange:</b>	The Common Shares are listed on the TSX Venture Exchange (the “ <b>TSXV</b> ”) under the symbol “DEFN” and listed on the OTCQB trading platform in the United States under the trading symbol of “DFMTF”, and listed on the Frankfurt Stock Exchange under the trading symbol of “35D”.
<b>Last Closing Price:</b>	The last closing price of the Common Shares on the TSXV on April 26, 2023, was \$0.28.

*No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

Defense Metals Corp. is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”). In connection with this Offering, the Company represents the following is true:

- The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Company has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,815,674.
- The issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This offering document contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “will”, “proposes”, “expects”, “targeted”, “possible”, “continue”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Company) are forward-looking statements. Examples of such forward-looking statements in this offering document include: closing of the Offering and Concurrent Placement, including the Company’s ability to raise the minimum aggregate amount of \$12.5 million; use of available funds, including the proceeds of the Offering and Concurrent Placement and the costs of the Offering and Concurrent Placement; the further development of the Wicheeda REE Project, including the Company’s business plans focused on the exploration and development of the Wicheeda REE Project and timeframes related to such exploration and development; completion of the pre-feasibility study on the Wicheeda REE Project and the expected timeline and costs to complete such study; costs and timing of future exploration and development activities; timing and receipt of approvals, consents and permits under applicable legislation; business objectives and milestones; and adequacy of financial resources. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Company based on information currently available to the Company.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this offering document include, without limitation, that the Company is able to raise sufficient investments from investors to complete the Offering and the Concurrent Placement, the availability and final receipt of required approvals, licenses and permits, sufficient working capital, access to adequate services and supplies, economic conditions, commodity (including REE) prices, interest rates, access to equity and debt markets and associated costs of funds, availability of a qualified work force, that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis, that engineering and exploration timetables and capital costs for the Company’s exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather or climate conditions, that any environmental and other proceedings or disputes are satisfactorily resolved, and that the Company maintains its ongoing relations with its business partners and governmental authorities.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance or developments could differ materially from those anticipated in such statements. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or developments to be materially different from any future results, performance or developments expressed or implied by the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Prospective investors should consider the risk factors set forth below, as well as risks described in the Company’s annual filings that are available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Risks which may impact the forward looking information contained in this offering document include but are not limited to, obtaining the requisite approval of the TSX Venture Exchange for the Offering and Concurrent Placement; the Company being unable to raise sufficient financing from investors to complete the Offering and Concurrent Placement; general political and economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices (including the price of rare earth elements); currency fluctuations; risks and hazards associated with the business of mineral exploration and development (including environmental hazards, potential unintended releases of contaminants, accidents, unusual or unexpected geological or structural formations); the speculative nature of mineral exploration and development; the speculative nature of mineral exploration and development; accuracy of metallurgical, drilling and other exploration results; geological, metallurgical, technical and drilling problems; unanticipated operating events; adverse weather and climate events; Company’s ability to obtain additional funding; environmental risks and remediation measures, including evolving environmental regulations and legislation; changes

in laws and regulations impacting exploration and mining activities; the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; legal and litigation risks; statutory and regulatory compliance; insurance and uninsurable risks; the Company's history of losses and negative cashflow, which will continue into the foreseeable future; the Company's inability to pay dividends; volatility in the Company's share price, the continuation of the Company's management team and the Company's ability to secure the specialized skill and knowledge; competition for and/or inability to retain drilling rigs, personnel and other services; the availability of capital on acceptable terms; failure to maintain or obtain all necessary government licenses, permits, approvals and authorizations; relations with and claims by local communities and non-governmental organizations; failure to maintain community acceptance (including First Nations); actual and perceived political risks in local jurisdictions; the effectiveness of the Company's internal control over financial reporting; cybersecurity risks; general business, economic, competitive, political and social uncertainties; and public health crises such as the COVID-19 pandemic and other uninsurable risks.

The forward-looking information contained in this offering document is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

## SUMMARY DESCRIPTION OF BUSINESS

### What is our business?

Defense Metals is a mineral exploration and development company focused on the acquisition, exploration and development of mineral deposits containing metals and elements commonly used in the electric power markets, 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 is focused on developing its 100% owned Wicheeda light rare earth element project (the “**Wicheeda REE Project**”) located near Prince George, British Columbia, Canada.

For more information on the Wicheeda REE Project, refer to the independent National Instrument 43-101 Technical Report titled “*Independent Preliminary Economic Assessment for the Wicheeda Rare Earth Element Project, British Columbia, Canada*” (the “**PEA**”) prepared by SRK Consulting (Canada) Inc., dated January 6, 2022, with an effective date of November 7, 2021. The PEA is available in its entirety on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”).

### Recent developments

There are no material recent developments in respect of the Company that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

Notably, certain recent developments include:

- On June 7, 2022, the Company announced commencement of diamond drilling at the Wicheeda REE Project.
- On September 7, 2022, the Company announced that it had entered into a Mineral Exploration Agreement with McLeod Lake Indian Band regarding the Wicheeda REE Project.
- On December 8, 2022, the Company closed its non-brokered private placement for aggregate gross proceeds of \$6,094,020.66, consisting of 12,364,172 flow-through common shares of the Company at a price of \$0.28 per flow-through common share and 11,963,875 units of the Company at a price of \$0.22 per unit.
- On January 11, 2023, the Company announced the appointment of Len Clough to the board of directors of the Company
- On February 7, 2023, the Company announced its engagement of SRK Consulting (Canada) Inc. to commence site geotechnical investigations at the Wicheeda REE Project
- On February 21, 2023, the Company announced that construction of the hydrometallurgical pilot plant has started and commissioning is scheduled to start in the second half of March. On April 12, 2023, the Company announced that Phase I of its hydrometallurgical pilot plant has been successfully completed. On April 25, 2023, the Company announced that Phase II of its hydrometallurgical pilot plant had commenced.
- On April 10, 2023, the Company announced that it had joined the Vancouver-based Discovery Group led by Mr. John Robins and Mr. Jim Paterson. In addition, Mr. Dale Wallster has been appointed to the Company's board of directors.

### Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

### What are the business objectives that we expect to accomplish using the available funds?

The Company intends to issue 22,367,977 Common Shares at a price of \$0.26 per Common Share relying on the listed issuer financing exemption pursuant to section 5A.2 of NI 45-106 pursuant to the Offering, and to issue 25,708,946

Common Shares at a price of \$0.26 per Common Share for aggregate gross proceeds of C\$12.5 million relying on applicable exemptions under NI 45-106 pursuant to the Concurrent Placement.

The business objective the Company expects to accomplish using the available funds raised in connection with the Offering and Concurrent Placement is to advance the Wicheeda REE Project including: (i) the completion of the ongoing pre-feasibility study work; (ii) regional exploration activities; and (iii) general working capital and corporate expenses. The Company expects these events will occur within the following time frames, with the following costs related to each event:

Event	Time Frame	Assuming 100% of offering <sup>(1)</sup>
Completion of Pre-Feasibility Study <sup>(2)</sup>	March 2024	\$11,500,000
Regional Exploration on Wicheeda REE Project	Summer 2023	\$500,000
General Working Capital and Corporate Expenses <sup>(3)</sup>	May 2023 – May 2024	\$1,792,145

Note:

- (1) Completion of the Concurrent Placement and the Offering are conditional upon the Company raising a minimum gross proceeds of C\$12.5 million (inclusive of RCF's lead order) from both the Offering and the Concurrent Placement.
- (2) Completion of the Pre-Feasibility Study is expected to include, but is not limited to, exploration drilling and assaying, updating resource estimates, sample processing and pilot testing, hydrometallurgical studies, geotechnical and hydrogeological drilling and testing, infrastructure geotechnical investigation, static and kinetic geochemical testing, social/archeological/heritage/meteorological baseline studies & engagement and progression of environmental assessments.
- (3) Working capital and general corporate purposes is expected to include director and officer fees, contractor and consulting fees, marketing fees, professional fees and general and administration expenditures.

## USE OF AVAILABLE FUNDS

**What will our available funds be upon the closing of the offering?**

		Assuming 100% of offering <sup>(1)</sup>
A	Amount to be raised by this offering <sup>(2)</sup>	\$5,815,674
B	Selling commissions and fees <sup>(3)</sup>	\$750,000
C	Estimated Offering costs (e.g., legal, accounting, audit)	\$40,000
D	Net proceeds of Offering: $D = A - (B+C)$	\$5,025,674
E	Working capital as at most recent month end (deficiency)	\$2,082,145
F	Additional sources of funding (the Concurrent Placement)	\$6,684,326
<b>G</b>	<b>Total available funds: <math>G = D+E+F</math></b>	<b>\$13,792,145</b>

Note:

- (1) Completion of the Concurrent Placement and the Offering are conditional upon the Company raising a minimum gross proceeds of C\$12.5 million (inclusive of RCF's lead order) from both the Offering and the Concurrent Placement.
- (2) Amount includes the Offering and Concurrent Placement.
- (3) The Company expects that a majority of the funds raised pursuant to the Offering and/or Concurrent Placement will be sourced through third party investment firms and other finders. Agentis Capital Mining Partners is acting as financial advisor to the Company. The Company expects to pay a finder's fee equal to 6% cash and 6% broker warrants on such funds.

### How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of offering <sup>(1)</sup>
Completion of Pre-Feasibility Study	\$11,500,000
Regional Exploration on Wicheeda REE Project	\$500,000
General Working Capital and Corporate Expenses	\$1,792,145
<b>Total</b>	<b>\$13,792,145</b>

Note;

(1) Completion of the Concurrent Placement and the Offering are conditional upon the Company raising a minimum gross proceeds of C\$12.5 million (inclusive of RCF's lead order) from both the Offering and the Concurrent Placement.

The above noted allocation of capital and anticipated timing represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Company intends to spend the proceeds from the Offering and Concurrent Placement as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan. See the "Cautionary Statement Regarding Forward-Looking Information" section above.

### How have we used the other funds we have raised in the past 12 months?

In the past 12 months, the Company raised aggregate gross proceeds of \$7,594,021. These proceeds were used as follows:

Previous Financing	Intended Use of Funds	Use of Funds to Date	Variance and Impact on Ability to Achieve Business Objectives and Milestones
<u>May 20, 2022</u> – Non-brokered private placement of 4,545,456 flow-through common shares of the Company for gross proceeds of \$1,500,000	For exploration and development of the Wicheeda REE Project	Complete	No variance or impact on business objectives and milestones. All funds were used for exploration and development.
<u>December 8, 2022</u> – Non-brokered private placement of 12,364,172 flow-through common shares of the Company for gross proceeds of \$3,461,968	For exploration and development of the Wicheeda REE Project	For exploration and development of the Wicheeda REE Project): \$2,626,312 (\$835,656 remaining)	No variance or impact on business objectives and milestones. All funds were used for exploration and development.
<u>December 8, 2022</u> – Non-brokered private placement of 11,963,875 units of the Company for gross proceeds of \$2,632,053	For general corporate and working capital purposes.	General corporate and working capital: \$2376,187 For the development of the Wicheeda REE Project: \$222,785 (\$33,081 remaining)	No variance or impact on business objectives and milestones other than some funds were spent on the Wicheeda REE Project. All funds were used for general corporate and working capital purposes which included accounts payable.

## FEES AND COMMISSIONS

**Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?**

The Company has not engaged a dealer in connection with the Offering or Concurrent Placement. The Company expects that a majority of the funds raised pursuant to the Offering and/or Concurrent Placement will be sourced through third party investment firms and other finders. Agentis Capital Mining Partners is acting as financial advisor to the Company. The Company expects to pay a finder's fee equal to 6% cash and 6% broker warrants on such funds.

## PURCHASERS' RIGHTS

### **Rights of Action in the Event of a Misrepresentation**

**If there is a misrepresentation in this offering document, you have a right**

- (a) to rescind your purchase of these securities with the Company, or**
- (b) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.**

**These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.**

**If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.**

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

## ADDITIONAL INFORMATION

**Where can you find more information about us?**

Security holders can access the Company's continuous disclosure filings on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.

For further information regarding the Company, visit our website at: [www.defensemets.com](http://www.defensemets.com).

*Investors should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in Common Shares.*



**CERTIFICATE OF THE COMPANY**

**This offering document, together with any document filed under Canadian securities legislation on or after April 27, 2022 contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

April 27, 2023

*/s/ "Craig Taylor"*

\_\_\_\_\_  
Craig Taylor  
Chief Executive Officer & Director

*/s/ "Ryan Cheung"*

\_\_\_\_\_  
Ryan Cheung  
Chief Financial Officer & Director