

Important Improvement To Defense Metals Process Flowsheet

Vancouver, British Columbia – January 14, 2025: Defense Metals Corp. (“Defense Metals” or the “Company”; TSX-V:DEFN / OTCQB:DFMTF / FSE:35D) is pleased to advise that it has added to the flowsheet of its hydrometallurgical plant a solvent extraction (“SX”) circuit in order to remove low-value Cerium (“Ce”) and Lanthanum (“La”). This additional circuit would increase the Neodymium and Praseodymium (“NdPr”) oxide assay of the mixed rare earth carbonate (“MREC”) from 14% on a total rare earth oxide (“TREO”) basis to at least 85%.

As a result, the “basket value” of the enhanced MREC would increase significantly and would be among the highest of any existing or planned light rare earth production outside of China. This has been confirmed by Argus Media which has compared the value of this product basket to that of all the companies for which they have data.

In addition, the enhanced MREC significantly reduces the required capacity of the product handling equipment, the mass of the MREC to be transported, and the mass of separation plant feed per unit of NdPr oxide. The elimination of La and Ce from the MREC makes the product far more attractive to downstream processors than the product which was initially envisaged to be produced. While this change to the flowsheet will somewhat increase the capital cost of the project it is believed that the benefits of this change will far outweigh its costs.

Mr. John Goode, P.Eng., Defense Metals Consulting Metallurgist said:

“The SX plant has been designed conservatively using industry standard and proven methods supplemented by bench scale tests. Hundreds of SX circuits similar to that proposed are successfully in operation around the world.”

Mr. Mark Tory, President and CEO added:

“I am impressed with the quality of the metallurgical work which has been done by the company under the leadership of John Goode who is recognised worldwide as one of the leading experts in this type of work.”

The pre-feasibility study that, as already announced, is expected to be released by Defense Metals in Q1, will include the SX circuit as part of the overall project design.

About Defense Metals Corp. and its Wicheeda Rare Earth Element Project

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

The Wicheeda REE 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.

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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 process flowsheet and other matters. 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 (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, 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 labour 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.