



DEFENSE METALS

**North America's Most Advanced
Rare Earths Developer**

Bridging the Critical Minerals Supply Gap

TSX-V: DEFN | OTCQB: DFMTF | FSE: 35D

April 2025



Forward-Looking Statements

This presentation includes certain statements that constitute “forward-looking information or statements” within the meaning of applicable securities law, including without limitation, the Company’s plans for its Wicheeda REE project, other statements relating to the technical, financial and business prospects of the Company, completing additional studies, complete pre-feasibility study on Wicheeda project, advancing the Wicheeda project, environmental studies, optimize pilot plants, completing project milestones in 2024 and onwards, expected timelines, and other matters. Forward-looking statements address future events and conditions and are necessarily based upon a number of estimates and assumptions. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved), and variations of such words, and similar expressions are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements express or implied by such 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 metals, anticipated costs and the ability to achieve 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, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company’s planned exploration activities will be available on reasonable terms and in a timely manner. 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.

Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation : (i) risks related to rare earth elements, and other commodity price fluctuations; (ii) risks and uncertainties relating to the interpretation of exploration and metallurgical results; (iii) risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses; (iv) that resource exploration and development is a speculative business; (v) that the Company may lose or abandon its property interests or may fail to receive necessary licences and permits; (vi) that environmental laws and regulations may become more onerous and risks related to adverse weather or climate events; (vii) that the Company may not be able to raise additional funds when necessary; (viii) the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations including risks relating to inaccurate geological, metallurgical and engineering assumptions; (ix) exploration and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in exploration and development; (x) competition; (xi) the potential for delays in exploration or development activities or the completion of geologic reports or studies; (xii) the uncertainty of profitability based upon the Company’s history of losses; (xiii) risks related to environmental regulation and liability; (xiv) risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as “social licence”), including local First Nations and risks relating to the impact of Covid-19 or other viruses and diseases on the Company’s ability to operate (xv) risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations relating to the continued exploration and development of the Company’s projects; (xvi) risks related to the outcome of legal actions; (xvii) political and regulatory risks associated with mining and exploration; (xix) risks related to current global financial conditions; and (xx) other risks and uncertainties related to the Company’s prospects, properties and business strategy. These risks, as well as others, could cause actual results and events to vary significantly. Factors that could cause actual results to

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Market & Industry Data

The information contained herein includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this presentation or ascertained the underlying economic assumptions relied upon by such sources. Not for Distribution; No Offering This is for information purposes only and may not be reproduced or distributed to any other person or published, in whole or part, for any purpose whatsoever. This does not constitute a general advertisement or general solicitation or an offer to sell or a solicitation to buy any securities in any jurisdiction. Such an offer can only be made by prospectus or other authorized offering document. This presentation and materials or fact of their distribution or communication shall not form the basis of, or be relied on in connection with any contract, commitment or investment decision whatsoever in relation thereto. No securities commission or similar authority in Canada or any other jurisdiction has in any way passed upon the adequacy or accuracy of the information contained herein. You should not rely upon this document in evaluating the merits of investing in our securities or for understanding our business.



The Critical Role of Rare Earth Elements

Rare earth elements are critical to modern technologies and permanent magnets essential to the net-zero transition



Automotive

- Electric Vehicle Motors
- Catalytic converters



Power Generation

- Wind turbines
- Other power generators



Aerospace/ Defense

- Plane Motors
- Submarines
- Guidance equipment
- Thermal barrier coatings



Robotics/ Electronics

- Robotics
- Computer screens
- Smartphones
- Batteries
- Hard drives



Chemicals / Catalysts

- Optical-quality glass
- Air pollution control



Healthcare

- MRI scanners
- CT scanners



Agriculture

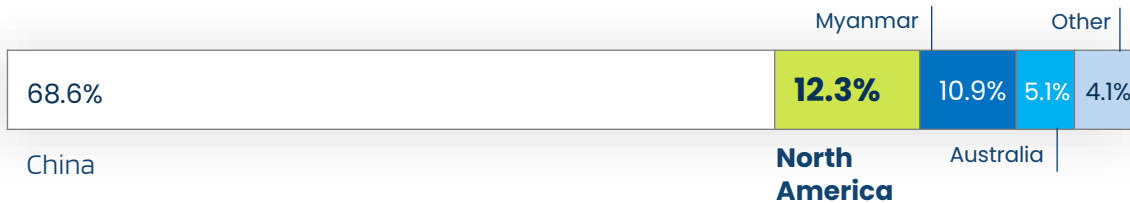
- Farm equipment motors
- Fertilizers



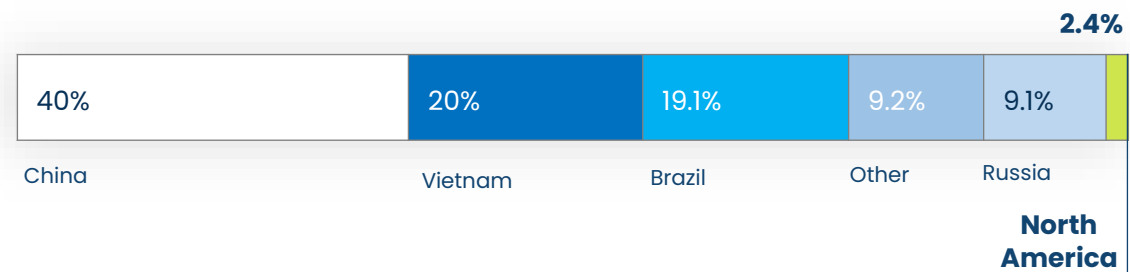
China Dominates The Rare Earths Supply Chain

China Dominates Every Step of the Rare Earth Supply Chain: From Mining and Beneficiation, to Smelting and Producing NdFeB Magnets

Rare Earth Elements 2023 Global Production

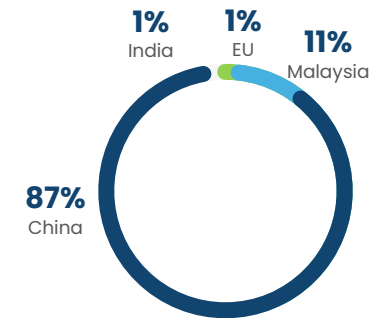


Rare Earth Elements 2023 Global Reserves



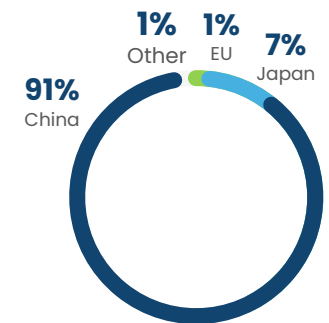
Refining & Metal Making

- Rare Earth Oxide
- Rare Earth Metal
- Rare Earth Alloy



Downstream Materials

- Permanent Magnet Material
- Catalyst Material



Critical Minerals Are A Key Policy Focus For Governments

Geopolitical tensions driving Western Governments, including Canada, to invest in critical minerals development and supply chains

Escalating Geopolitical Tensions



United States

25% tariff on rare earths permanent magnets, tantalum and hafnium from China



China

Export controls / bans on select critical and rare earth metals to the US, including elements essential for applications like semiconductors and aerospace engines (gallium, germanium, antimony)

Most recent export controls announced in February 2025 as a response to proposed US tariffs on China

Ban on export of rare earths separation and processing technology

Canada's Critical Minerals Strategy

\$1.5B	\$1.5B	\$192M	\$79M	30%
Critical Minerals Infrastructure Fund	Strategic Innovation Fund allocation for critical minerals	Critical Minerals Research, Development & Demonstration Program	Critical Minerals Geoscience & Data Initiative	Critical Minerals Exploration Tax Credit

Select Deployments



Why Defense Metals



Developing Canada's Premier Rare Earths Deposit

Deposit high in Neodymium (Nd) and Praseodymium (Pr) located near Prince George and in close proximity to existing infrastructure

Large Reserve and Favorable Mineralogy

Large, proven resource for potential long life mine and high-grade rare earths at surface with low strip ratio

Attractive Valuation

One of the lowest Price-to-Net Asset Value (P/NAV) ratios in Canadian critical minerals, highlighting a substantial opportunity for growth

Robust Economics with High Operating Margins

PFS shows pre tax NPV US\$1.8 billion and 24.6% IRR at the highest operating margins for rare-earths projects globally

Strong Leadership

Board and Senior Management with extensive experience in rare earths and strong relationships with Western governments (Canada, United States and the European Union)

Flexibility to Optimize Project

Stage 1 opportunity to produce 25,000 tpa of concentrate at >50% TREO (comparable to global producers) while Stage 2 is being completed



Strategic Location With Access To Infrastructure

- Strategically positioned 80 km from Prince George and accessible from a major forestry service road, which connects to Highway 97
- The 100% owned 11,800-hectare Wicheeda deposit, has power transmission lines, a gas pipeline and a major rail line nearby
- Prince George, British Columbia, is a mining centre, with a skilled workforce
- Port of Prince Rupert is 500km to the west and accessible by rail and road



Large Proven Reserve and Resource

Category	Tonnes (Million)	Grade > Cutoff			
		TREO ¹ (%)	TREO (kT)	Nd ₂ O ₃ (ppm)	Pr ₆ O ₁₁ (ppm)
Proven & Probable ²	25.5	2.4	619	2,661	961
M+I	29.2	2.3	662	2,512	901
Inferred	5.5	1.4	78	1,709	590

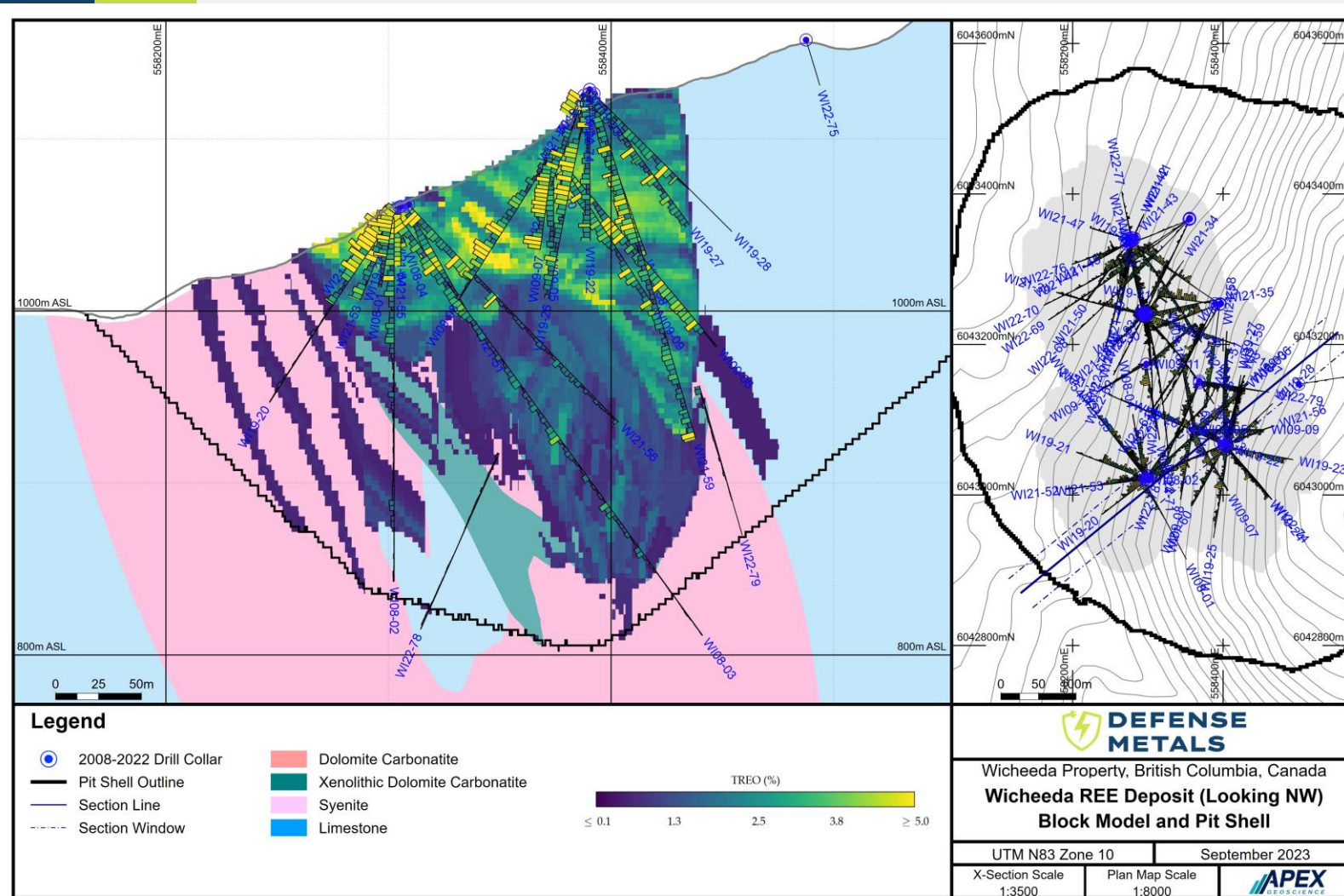
Note: Wicheeda is the only rare earth deposit in North America with current reserves other than Mountain Pass which is in production.

1. Refer Defense Metals News Release Dated February 18, 2025
2. Proven and probable reserves are a subset of M+I

Comparable Projects		
Project	Tonnes (M+I Million)	TREO ¹ (%)
Nolans (Arafura)	39.0	2.8
Wicheeda	29.2	2.3
Mt. Weld (Lynas)	28.5	6.6
Mountain Pass (MP)	24.4	6.2



High-Grade TREO at Surface



- Low strip ratio for mining 3.3:1
- Higher grades near surface lead to quicker payback



High Grade Concentrate is Comparable to Global Producers

Project	Stage	Grade (% TREO)	Flotation Concentration Grade and Recovery	Mineralogy
Wicheeda Canada	PFS Complete	2.3%¹	50% TREO, 60–80% recovery	Bastnaesite + Monazite
Mt. Pass (MP Materials, MPNYSE) ^{2,3} USA	Producer	8%	60% TREO, 67% recovery	Bastnaesite
Mt. Weld (Lynas Corp., LYC-ASX) ^{2,3} Australia	Producer	7%	40% TREO, 70% recovery	Monazite
Bayan Obo ^{2,3} China	Producer	6%	50% TREO, 60% recovery	Bastnaesite, Monazite
Sichuan ⁴ China	Producer	3.7%	50% - 60% TREO	Bastnaesite
Nolans (Arafura, ARU-ASX), Western Australia	Construction Phase	2.77%	<10% TREO	Monazite

1. See Defense Metals News Release Dated February 18, 2025

2. Verbaan, N., Bradley, K., Brown, N., and Mackie, S., 2015 A review of hydrometallurgical flowsheets considered in current REE projects. In: Simandl G.J. and Neetz, M. (Eds.). Symposium on Strategic and Critical Materials Proceedings. November 13–14, 2015, Victoria, BC EMPR, BCGS Paper 2015–3, pp. 147–162

3. These are commercial operations, and the results of Defense Metals' current results are from controlled lab testing and are not comparable

4. Ling ZHI LI, Xiaosheng YANG, ERES2014



Ability To Optimize Project In Two Stages

Stage 1: Beneficiation Plant

- Potential for early revenue generation with mineral concentrate as Stage 2 is being developed
- High-grade (50% TREO) comparable to global producers today



Stage 2: Hydrometallurgical And Initial Separation Plant

- Final product from hydrometallurgical and initial separation plant includes high-value precipitate
- High operating margins and basket value from removal of low-value cerium and lanthanum

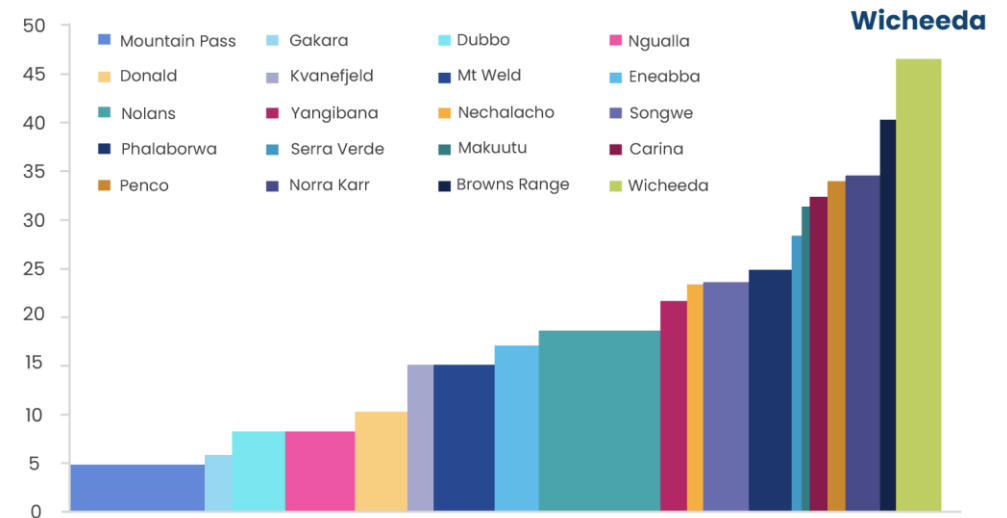


Robust Economics with High Operating Margins

PFS Economics – Feb 2025

NPV Pre Tax	US\$1.8 billion
NPV Post Tax	US\$1.0 billion
Payback Post Tax	3.7 years
IRR Pre Tax	24.6%
IRR Post Tax	18.9%
LOM Margin / kg TREO	71%
Revenue price for Breakeven (NdPrO equivalent in MREC)	\$37.42/kg

Rare Earth Adjusted Basket Value (\$/Kg TREO)



Source: Argus report for Defense Metals Feb 2025

- Final product from hydrometallurgical and initial separation plant includes high-value precipitate
- Removal of low value cerium and lanthanum drive high operating margins due to no associated penalties from separators



Critical Minerals Benchmarking

Company Name	Asset Name	Primary Commodity	Study	Market Capitalization (C\$M)	P / NAV (x)
Hastings Technology Metals	Yangibana	REO	Feas	\$59	0.25x
Western Copper and Gold	Casino	Copper	Feas	\$293	0.22x
Critical Elements	Rose	Lithium	Feas	\$120	0.22x
FPX Nickel	Baptiste	Nickel	Pre-Feas	\$77	0.20x
Frontier	Pakeagama Lake	Lithium	Pre-Feas	\$121	0.19x
Canada Nickel	Crawford	Nickel	Feas	\$148	0.15x
Giga Metals	Turnagain	Nickel	Pre-Feas	\$15	0.11x
Kutcho	Kutcho Creek	Copper	Feas	\$30	0.07x
Defense Metals	Wicheeda	REO	Pre-Feas	\$44	0.04x
Median					0.19x

Note: Median is exclusive of Defense Metals

1. Based on study estimates;

2. Based on proportional ownership



Strong Leadership Team

Mark Tory | President & CEO

Seasoned mining executive with over three decades in the resource sector. Mark has extensive international experience in mining, with 10 years in rare earths, including serving as CEO of Northern Minerals, a heavy rare earth development company.

Guy de Selliers | Executive Chairman

A highly experienced business leader with a background in engineering and finance, Guy has served on the boards of a number of large companies, including mining companies. He was also the Chairman of one of the largest regulated insurance companies in Belgium.

Michelle Tanguay | Lead, Environment and Social Performance

A mining industry leader with over 25 years' experience in environmental programs, permitting, and social performance, holding senior roles with companies such as GT Gold, Newmont, and Argonaut Gold.

John Goode | Metallurgical Consultant

A world-renowned metallurgist with decades of experience in rare earth and specialty metals. John specializes in process design and optimization.

Dale Wallster | Director

A successful prospector and geologist with a track record of high-value mineral discoveries. Dale brings over 30 years of exploration experience and has led the advancement of significant projects across multiple commodities.

Dr. Luisa Moreno, Ph.D. | Director

An expert in strategic and critical minerals with a PhD in physics engineering. Luisa advises global institutions on rare earths and emerging tech metals.

Suzanne Rich Folsom | Director

An internationally recognized authority on corporate governance, compliance, and ESG. Suzanne has served as General Counsel for Fortune 100 companies.

Ted Kavanagh | Director

A seasoned banking professional with over three decades in metals and mining finance, he served as Director of Metals & Mining Finance (Americas) at Société Générale until 2021.



Financial Snapshot

Capital Structure

As of April 9, 2025

Share Price (Apr 9): C\$0.135

Market Cap: C\$45.6M

Analyst Coverage



PARADIGM
CAPITAL

agentis
CAPITAL

260.7M

Common Shares
Issued and
Outstanding

2.3M

Share Purchase
Warrants
Outstanding

16.2M

Incentive Stock
Options O/S

311.5M

Fully Diluted

~5%

Management and
Insider Ownership

32.0M

Convertible Shares

Note: The convertible shares automatically convert upon a capital raising of >C\$4m





DEFENSE METALS

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MEMBER COMPANIES

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METALS

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ALTUS
ROYALTIES

K2
GOLD

KODIAK COPPER

PROSPECTOR
Metals Corp.

VALORE
METALS CORP

DISCOVERY GROUP

EXPLORE • DISCOVER • DEVELOP

An alliance of public companies, individually managed and focused on the advancement of **global mineral exploration** and mining projects, with a proven track record of generating shareholder value.

MEMBERS BENEFIT FROM:

- Integral Industry Relationships
- Increased Company Profile
- Significant Capital
- Proven Technical & Management Talent
- High-Quality Deal Flow

FOUNDED IN
2002

\$2.6+ Billion
IN M&A ACTIVITY

\$1+ Billion
IN EQUITY RAISED

RECENT SUCCESSES

GREAT BEAR
RESOURCES

\$1.8B

ACQUIRED BY **Kinross Gold** IN 2022

KAMINAK
GOLD CORPORATION

\$520M

ACQUIRED BY **Goldcorp** IN 2016

GREAT BEAR
ROYALTIES

\$200M

ACQUIRED BY **Royal Gold** IN 2022

NORTHERN
EMPIRE
RESOURCES CORP

\$117M

ACQUIRED BY **Coeur Mining** IN 2018