Defiance Drills 33.76m of 217g/t AgEq and Encounters Increasing Cu Grades at San Acacio Project

Vancouver, British Columbia--(Newsfile Corp. - January 15, 2024) - Defiance Silver Corp. (TSXV: DEF) (FSE: D4E) (WKN: A1JQW5) ("Defiance" or "The Company") is delighted to announce the results of the 2023 San Acacio diamond drill program, which returned wide intervals of well-developed silver, zinc, and lead mineralization with elevated gold and copper values. This release contains results from DDSA-23-67 through DDSA-23-72.

Additional drilling within the resource area has demonstrated that significant *in-situ* vein material, including semi-massive to massive sulfide phases (Figure 3), remain in place at shallow levels of the historic mine in the Almaden Zone (Figure 1). Previous drilling was not undertaken at these levels because it was incorrectly believed that no *in-situ* material remained.

The company is also highly encouraged by the intersection of notable epithermal-style silver mineralization at the deepest drilled levels of the Veta Grande system to date at the San Acacio project. Despite significant downhole deviation from the target, anomalous (~ 100 g/t AgEq) mineralization was hit 61m below the deepest known workings at the historical San Acacio mine.

Highlight of Results

Almaden Zone

- **DDSA-23-68** - returned **7.79m** of **391 g/t AgEq** (from 53.26m to 61.05m) within a **12.82m** interval grading **310 g/t AgEq** with **223.53 g/t Ag** from (53.26m to 66.08m).
- **DDSA-23-69** - encountered **32.32m** of **195 g/t AgEq** from (43.18m to 75.50m), including **6.39m** of **316 g/t AgEq** with **4.56% Zn**, **1.70% Pb, 0.26% Cu** (from 69.11 to 75.50m) hosted in a base-metal rich semi-massive to massive sulfide mineralization phase**.** Copper values were not included in the AgEq calculation for this release (Table 1).
- **DDSA-23-70** - returned **15.02m** of **353 g/t AgEq** (from 86.96m to 101.98m) within a longer interval of **33.76m** grading **217 g/t AgEq** (from 73.44m to 107.20m). This includes a **4.47m** interval of **265.31 g/t Ag**, **0.75 g/t Au**, **5.10% Pb**, **3.29% Zn**, **0.31% Cu** from 91.44m and a 0.62m subinterval of **1345 g/t Ag** from 91.44m.
- **Increasing copper grades** and the **presence of semi-massive to massive sulfide mineralization near surface** is encouraging, particularly given the location of the San Acacio project. The project is adjacent to Capstone Mining's Cozamin Cu-Ag mine, an operating copper mine located approximately 3km away.
- Both *in-situ* and previously-mined material (backfill) were encountered in this zone. Backfill represents significant mine/mill feed in operating mines in Mexico. Previously-mined material drilled in the holes reported in this release is on par with material currently being mined in the district.

San Acacio SE

- **DDSA-23-72** - represents the deepest interception of the VG system at the San Acacio project to date and **encountered anomalous epithermal-style silver mineralization**, including 0.97m of **130 g/t AgEq** and **117.00 g/t Ag** from (655.02m to 655.99m), within 1.76m grading 94 g/t AgEq from (654.23m to 655.99m).

Chris Wright, Chairman & CEO, commented: "We continue to be impressed by the strength of mineralization in the Veta Grande system both near-surface and at deeper levels. Our understanding of

the mineralization controls continues to guide both resource development and resource expansion drilling. Follow-up drilling at San Acacio will focus on adding ounces within the resource area - including recently-identified zones likely to contain shallow, intact mineralization - and on further testing the deep extensions of the Veta Grande system."

Select Table of Results

Hole ID	From (m)	To (m)	Interval (m)	Ag g/t	Au g/t	Cu %	Pb %	Zn %	AgEq g/t	Material type
DDSA-23-68	0.00	5.00	5.00	161.86	0.07	0.01	0.08	0.08	173	b
DDSA-23-68	31.35	33.82	2.47	105.33	0.07	0.00	0.02	0.05	114	a
Including	33.57	33.82	0.25	**808.00**	0.60	0.01	0.16	0.39	877	a
DDSA-23-68	53.26	66.08	**12.82**	**223.53**	0.36	0.02	0.45	**1.31**	**310**	a,b
Including	53.26	61.05	**7.79**	**306.86**	0.32	0.02	0.41	**1.36**	**391**	b
Including	61.05	66.08	**5.03**	94.48	0.42	0.03	0.51	**1.23**	**185**	a
DDSA-23-69	12.20	21.60	**9.40**	**123.99**	0.02	0.01	0.02	0.06	**128**	b
DDSA-23-69	43.18	75.50	**32.32**	**120.03**	0.20	0.06	0.41	**1.43**	**195**	a,b
Including	50.20	69.11	**18.91**	**165.86**	0.18	0.01	0.12	0.52	**202**	b
Including	69.11	75.50	**6.39**	81.44	0.43	**0.26**	**1.70**	**4.56**	**316**	a
Including	73.83	75.50	1.67	79.48	**0.51**	**0.44**	**2.61**	**6.81**	**419**	a
DDSA-23-70	73.44	107.20	**33.76**	104.99	0.31	0.07	0.97	**1.80**	**217**	a,b
Including	86.96	101.98	**15.02**	**162.23**	**0.60**	0.14	2.10	**2.49**	**353**	a
Including	91.44	95.91	**4.47**	**265.31**	**0.75**	**0.31**	5.10	**3.29**	**574**	a
Including	91.44	92.06	0.62	**1345.00**	**0.63**	0.04	0.75	**3.22**	**1526**	a
Including	97.70	99.89	2.19	**260.00**	0.49	0.04	0.22	**1.73**	**365**	b
DDSA-23-71	171.08	175.36	**4.28**	**126.20**	0.05	0.01	0.10	0.29	**143**	a
DDSA-23-71	185.60	190.66	**5.06**	113.31	0.14	0.01	0.08	0.34	**139**	a,b
Including	190.11	190.66	0.55	**549.00**	0.42	0.01	0.18	0.46	**605**	a
DDSA-23-72	654.23	655.99	1.76	84.55	0.01	0.01	0.06	0.21	94	a
Including	655.02	655.99	0.97	**117.00**	0.02	0.01	0.08	0.29	**130**	a

Table 1. - *Drilled intercepts from Defiance's San Acacio project reported in this release. Silver equivalent is calculated using the following formula: Silver-Equivalent AgEq g/t= (Au_ppm x 65.29973) + (Ag_ppm x 0.760043) + (Pb_% x 20.06204) + (Zn_% x 25.35313) / (0.760043). Metal price assumptions are Au: $2031, Ag: $23.64, Pb: $0.91, Zn: $1.15. A 30-day price average is used to determine USD metal prices, and 100% recovery has been assumed for all metals. At this stage of the project, reliable metallurgy has yet to be completed, and the reader is cautioned that 100% recoveries are never achieved. True thickness is assumed to be 50% - 80% of downhole width.*

Material type:

a- in-situ mineralized material
b- possible previously-mined material

Drill results in Table 1 are reported as entire drilled intervals, and some of the larger composited intervals may include possible previously-mined material, as denoted with the letter b in the 'material type' column. Our understanding of what constitutes previously-mined material vs oxidized/fault-

hosted in-situ *material is evolving; however, where possible the company has reported possible previously-mined material in separate subintervals. Previously-mined material and* in-situ *material have not been combined to calculate reported subintervals.*

Locations of historic mine workings at the project are variably known, and historic workings both with and without backfill material are encountered from time to time. Precise location validation of historic mine workings is not possible at this time due to limited safe underground access.

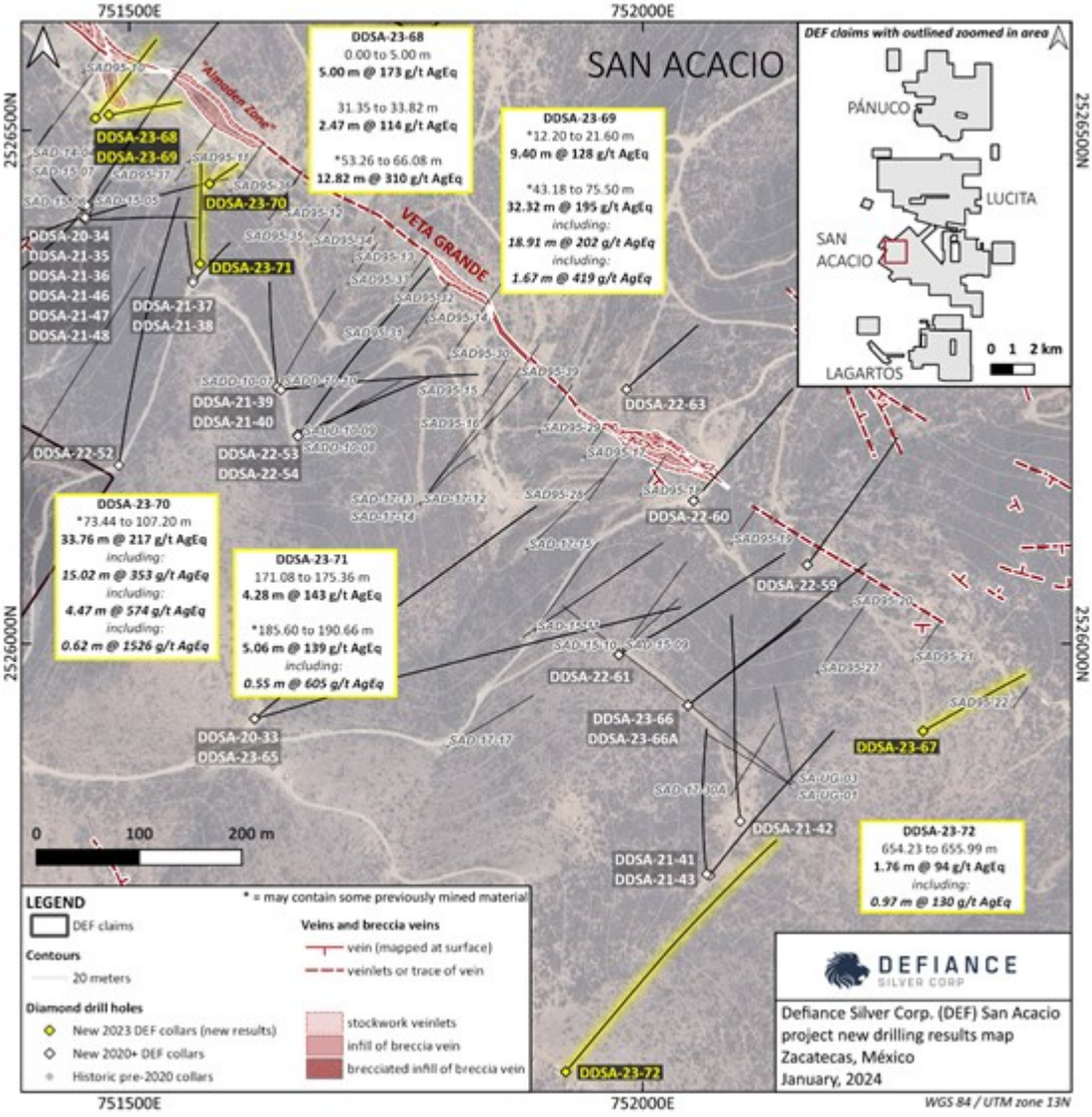

***Figure 1**. Plan map of San Acacio project area. Drill holes reported in this release are shown with yellowcollars and traces, with selected highlights in boxes. Coordinates are in UTM WGS84 Zone 13N.*

To view an enhanced version of this graphic, please visit:
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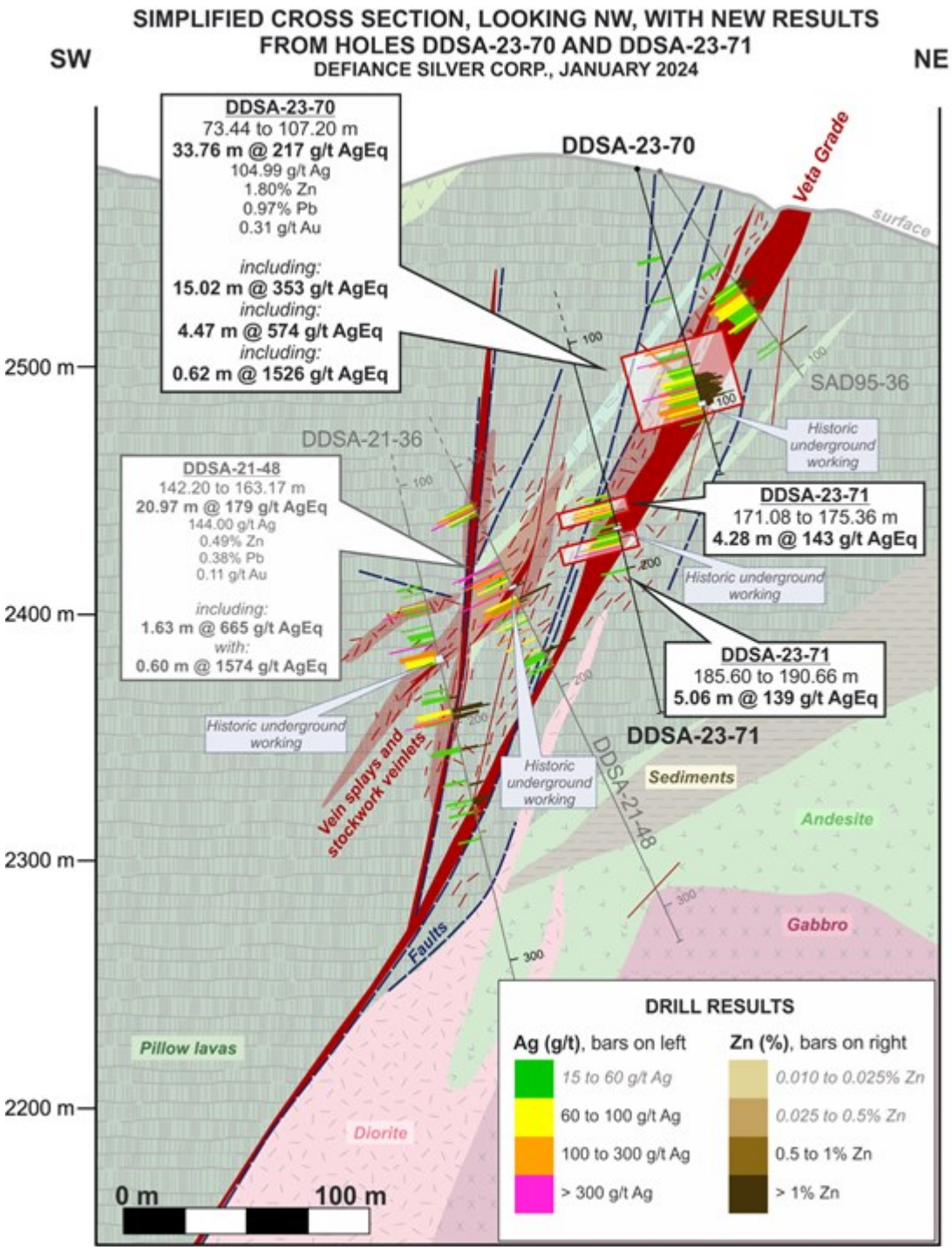

Figure 2. *Cross-section of holes DDSA-23-70 and DDSA-23-71. Results from the newassays of Defiance Silver drill core are highlighted in the red boxes.*

To view an enhanced version of this graphic, please visit:
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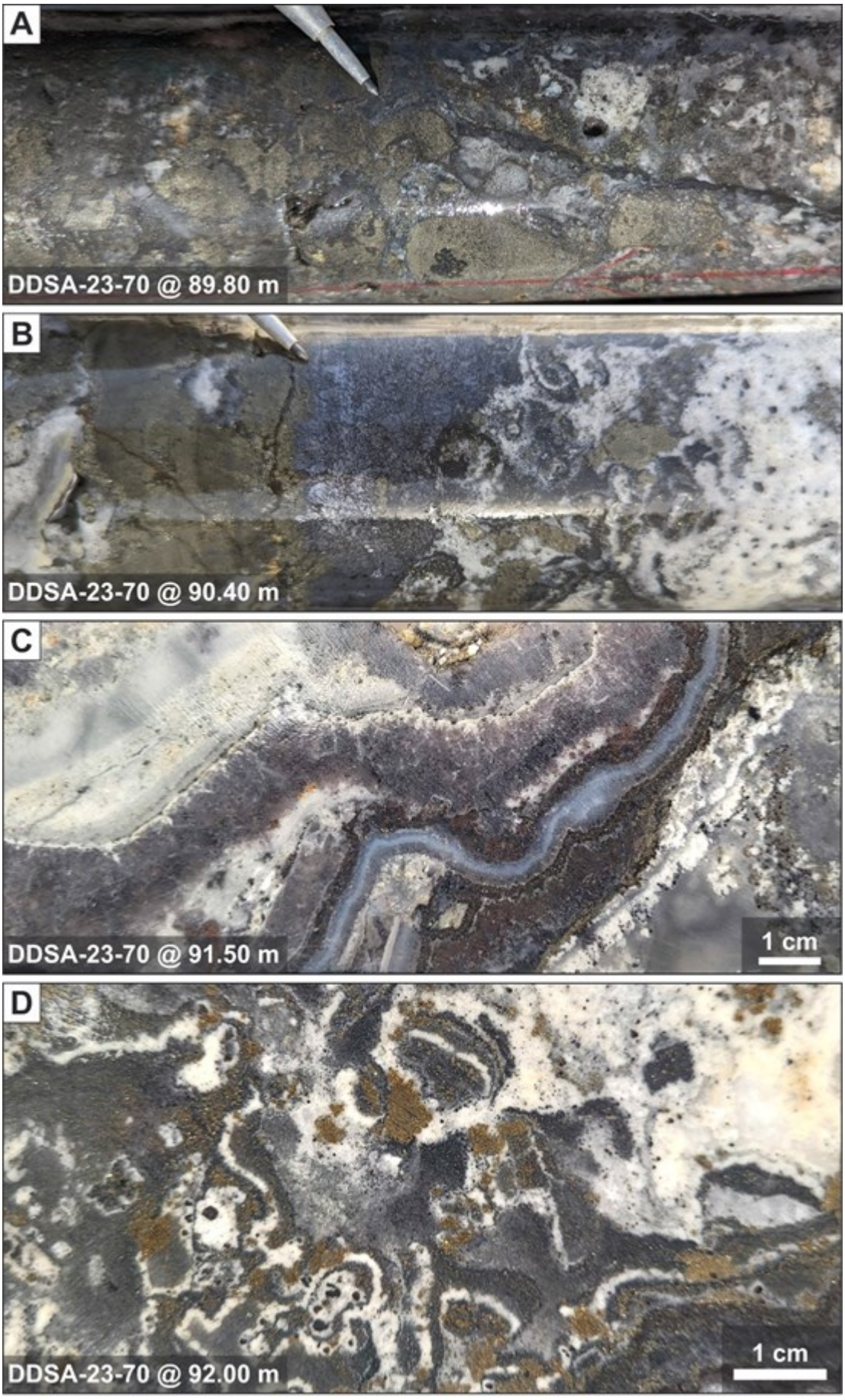

Figure 3. *Examples of semi-massive to massive sulfide (A & B) and high-grade (C & D) mineralization encountered in hole DDSA-23-70. Photos C & D are from the reported intercept 0.62m at 1526 g/t AgEq and 1345 g/t Ag from 91.44m.*

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/2950/194245_05877ee224a87b49_004full.jpg

Discussion of Results

NW San Acacio Project - Almaden Zone

DDSA-23-68 was designed as an infill hole between historic holes SAD95-10 and SAD95-11. It was the first of several holes in the Almaden zone targeting the Veta Grande system at previously undrilled shallow levels (Figure 1). DDSA-23-68 encountered three levels of mineralization: **5.00m of 173 g/t AgEq** from surface (surface waste dump material), **2.47m of 114 g/t AgEq** from 31.35m, including 0.25m at **877 g/t AgEq** from 33.57m (hanging wall veinlet array beneath surface amethyst veinlet zone), and **12.82m of 310 g/t AgEq** (from 53.26 to 66.08m) in the main Veta Grande structure. The main **Veta Grande (VG)** structure appears historically mined from 53.26 to 61.05m downhole and contains possible previously-mined material with recoveries greater than 80%.

DDSA-23-69 was drilled ~45m southeast of DDSA-23-68 (Figure 1) and ~60m above hole DDSA-21-47. Hole DDSA-23-69 was targeted to test below outcropping amethyst stockwork zones and the main Veta Grande at the Almaden Pit. The hole encountered **9.40m of 128 g/t AgEq** (from 12.20 to 21.60m) in an amethyst-bearing hanging wall veinlet array, which appears to contain previously-mined material with recoveries greater than 80%.

A wide intercept of the main Veta Grande structure returned **32.32m of 195 g/t AgEq** (from 43.18 to 75.70m) and encountered three distinct zones within the Veta Grande structure: an upper veinlet array zone, a possible previously-mined material zone, and a base-metal rich zone that historic miners left in place likely due to processing constraints. The base metal phase encountered in this hole returned a polymetallic interval of **6.39m of 316 g/t AgEq** with 4.56% Zn, 1.70% Pb, and 0.26% Cu (from 69.11m), including 1.67 m of 419 g/t AgEq (with 2.61% Pb, 6.81% Zn, 0.44% Cu from 73.83m). Possible previously-mined material was encountered from 50.22 - 69.11m; recoveries were greater than 80%.

DDSA-23-70, ~100m southeast of DDSA-23-69, encountered a **31.57m wide**, **very well mineralized zone of intact Veta Grande mineralization** (from 73.44 - 97.70m). A small historic working (2.19m from 97.70m) was encountered near the footwall contact of the Veta Grande structure, containing possible previously-mined material; a mineralised veinlet array zone was encountered in the footwall to the VG. This hole followed up on encouraging down-dip results from previous holes DDSA-21-36, DDSA-21-37 and DDSA-21-48.

A precious and base-metal-rich intercept of the Veta Grande returned **33.76m of 217 g/t AgEq** (from 73.44m to 107.20m), including **15.02m of 353 g/t AgEq** (from 86.96m) within the intact, *in-situ* portion of the VG. Included in this zone is an intercept of **4.47m of 574 g/t AgEq** from 91.44m, which contains **high-grade polymetallic mineralization** of **265.31 g/t Ag**, 0.75 g/t Au, **5.10% Pb**, **3.29% Zn**, and **0.31% Cu** hosted in a semi-massive to massive sulfide phase (Figure 3); this mineralization phase appears to be correlated with increasing copper grades. The highest grades of lead and copper to date at San Acacio were encountered in this hole (0.33m of **13.9% Pb and 0.87% Cu** from 92.06m); a 0.62 m interval with **1345 g/t Ag** was drilled from 91.44m

DDSA-23-71 was targeted to test the eastern extent of the Almaden zone and investigate potential structural offsets. The hole encountered **4.28m of 143 g/t AgEq** in a hanging wall veinlet-array zone above the Veta Grade. It also intercepted the Veta Grande structure ~65m down-dip of DDSA-23-70 (Figures 1 and 2). An interval of **5.06 m of 139 g/t AgEq** was encountered in the Veta Grande, including 0.55m of **605 g/t AgEq**.

The mineralized Veta Grande structure appears faulted in this location, and the massive-sulfide phase is not present. Oriented core structural data is currently being used in conjunction with mapping data to understand potential structural offsets and to plan future drilling in this zone.

SE San Acacio Project

DDSA-23-72 was drilled near the far southeastern extent of the resource area (Figure 1) and was designed to test the Veta Grade system deep, below underground workings encountered in hole DDSA-21-43. Hole DDSA-23-72 deviated away from its projected target - an interpreted mineralized shoot - but still encountered the projected Veta Grande system. The hole **intersected significant epithermal-style silver mineralization** and strong hydrothermal alteration, returning 1.76m of 94 g/t AgEq, including 0.97m of 130 g/t AgEq. This intersection is 61m below the deepest known underground workings at the historical San Acacio mine and demonstrates the **prospectivity of the system at depth**.

DDSA-23-67 was drilled directly southeast of the resource area near the end of the historic San Acacio mine (Figure 1). This hole was drilled to collect the oriented structural data required to advance the structural model in the southeast zone, which is an area of structural discontinuity. Several anomalous zones were encountered. Valuable structural data was collected and is being used to **more effectively target the continuation of the Veta Grande system**.

Collar Information for Reported Drill Holes:

Hole Number	Total Depth	Azimuth	Dip	Easting	Northing	Elevation (m)
DDSA-23-67	368.5	60	-72	752273	2525911	2619
DDSA-23-68	137.0	38	-45	751474	2526512	2541
DDSA-23-69	101.2	80	-45	751481	2526509	2541
DDSA-23-70	128.7	55	-75	751576	2526446	2581
DDSA-23-71	263.6	1	-64	751569	2526361	2603
DDSA-23-72	707.5	39	-62.5	751924	2525577	2716

Table 2. *Drill collar details. All coordinates in WGS84 UTM Zone 13N*

Discussion of Quality Assurance/Quality Control (QAQC) and Analytical Procedures:

Samples were selected based on the lithology, alteration, and mineralization characteristics; sample size generally ranges from 0.25 - 2m in width. Altered and mineralized intervals were sent for assay. One blank, one standard, and one duplicate were included within every 20 samples. Standard materials are certified reference materials (CRMs) from OREAS and CDN Resource Laboratories Ltd (CDN); the suite of standards contains a range of Ag, Au, Cu, Pb, and Zn values. Blanks, standards, and duplicates have been used to confirm the validity of the analytical results.

Samples were analyzed by ALS Limited. Sample preparation was performed at their Zacatecas, Mexico, prep facility, and analyses were performed at the Vancouver, Canada, analytical facility. All elements except Au and Hg were analyzed by a multi-element geochemistry method utilizing a four-acid digestion followed by ICP-MS detection [ME-MS61m]; mercury was analyzed after a separate aqua regia digest by ICP-MS. Overlimit assays for Ag, Pb, and Zn were conducted using the OG62 method (multi-acid digest with ICP-AES/AAS finish). Gold was measured by fire-assay with an ICP-AES finish [50g sample, Au-ICP22].

About Defiance Silver Corp.

Defiance Silver Corp. (TSXV: DEF) (OTCQX: DNCVF) (FSE: D4E) is an exploration company advancing the district-scale Zacatecas project, located in the historic Zacatecas Silver District and the Tepal Gold/Copper Project in Michoacán state, Mexico. Defiance is managed by a team of proven mine developers with a track record of exploring, advancing, and developing several operating mines and advanced resource projects. Defiance's corporate mandate is to expand the San Acacio and Tepal projects to become premier Mexican silver and gold deposits.

Mr. George Cavey, P. Geo, is a Qualified Person within the meaning of National Instrument 43-101 and has approved the technical information concerning the Company's material mineral properties contained in this press release.

On behalf of Defiance Silver Corp.

"Chris Wright"
Chairman of the Board

For more information, please contact: Investor Relations at +1 (604) 343-4677 or via email at info@defiancesilver.com.

www.defiancesilver.com

Suite 2900-550 Burrard Street
Vancouver, BC V6C 0A3, Canada
Tel: +1 (604) 343-4677
Email: info@defiancesilver.com

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Caution Regarding Forward-Looking Information

Information contained in this news release which are not statements of historical facts may be "forward-looking information" for the purposes of Canadian securities laws. Such forward-looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words "believe", "expect", "anticipate", "contemplate", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "understand" and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things: the Company's expectations regarding the ability of the Mining Bureau of Mexico City to reinstate ownership of the concessions to the Company, cooperation with the Mining Bureau relating to such reinstatement and the potential for any successful solution resulting therefrom.

Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Defiance, are inherently subject to significant technical, political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information. Factors and assumptions that could cause actual results or events to differ materially from current expectations include, among other things: the inability of the Company to regain possession of its concessions; political risks associated with the Company's operations in Mexico; the failure of the Mining Bureau in Mexico City to take any coercive action to reinstate ownership of the concessions to the Company; and the inability of the Company and its subsidiaries to enforce their legal rights in certain circumstances. For additional risk factors, please see the Company's most recently filed Management Discussions & Analysis for its quarter ended September 30,2023 available on SEDAR at www.sedarplus.ca.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained herein or incorporated by

reference. Accordingly, all such factors should be considered carefully when making decisions with respect to Defiance, and prospective investors should not place undue reliance on forward looking information. Forward-looking information in this news release is made as at the date hereof. The Company assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

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