

Defiance Silver Closes Initial Tranche of Private Placement

Vancouver, British Columbia--(Newsfile Corp. - February 28, 2024) - Defiance Silver Corp. (TSXV: DEF) (FSE: D4E) (WKN: A1JQW5) ("**Defiance**" or the "**Company**") announces that it has closed on February 27, 2024 (the "**Closing Date**") the first tranche of its previously announced non-brokered private placement (the "**Offering**") of units of the Company (the "**Units**") at a price of C\$0.10 per Unit (the "**Offering Price**"), for aggregate gross proceeds of C\$1,094,000.

Marketed Offering

Each Unit is comprised of one common share of the Company (each a "**Common Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will be exercisable by the holder thereof to acquire one common share of the Company (each a "**Warrant Share**") at a price of C\$0.20 at any time on or before the date which is 24 months after the Closing Date. The net proceeds of the Offering will be used by the Company for exploration and general working capital purposes. Under applicable securities legislation and the policies of the TSX Venture Exchange, the securities issued in this Offering are subject to a four-month hold period, expiring on June 28, 2024.

If at any time after the date which is four (4) months and one (1) day following the Closing Date, the closing price of the Common Shares on the TSX Venture Exchange, or such other stock exchange on which the Common Shares are listed or quoted, is equal to or greater than \$0.25 for a period of twenty (20) consecutive trading days, the Company shall be entitled to accelerate the expiry date of the Warrants such that the holders of Warrants shall only have a period of thirty (30) days to exercise the Warrants upon deemed receipt of an acceleration notice from the Company.

Related Party Transaction

Chris Wright, Chairman and CEO of the Company, purchased 600,000 Units through a related entity controlled by Mr. Wright, for a total consideration of \$60,000. Immediately after the closing of the private placement, Chris Wright owns directly or indirectly, or exercises control or direction over a total of 1,043,800 Common Shares and 300,000 Warrants of the Company.

James Bergin, Director of the Company, purchased 300,000 Units for a total consideration of \$30,000. Immediately after the closing of the private placement, James Bergin owns directly or indirectly, or exercises control or direction over a total of 600,000 Common Shares and 150,000 Warrants of the Company.

George Cavey, Vice President, Exploration and Director of the Company, purchased 500,000 Units through its related entity, OreQuest Consultants Ltd, for a total consideration of \$50,000. Immediately after the closing of the private placement, George Cavey owns directly or indirectly, or exercises control or direction over a total of 602,565 Common Shares and 250,000 Warrants of the Company.

Chris Wright, James Bergin, and George Cavey are hereinafter referred to collectively as the "**Insiders**".

The Insiders are considered "related parties" and "insiders" of the Company for the purposes of applicable securities laws and stock exchange rules. The subscription and issuance of common shares for the Insiders constitutes related party transactions, but are exempt from the formal valuation and minority approval requirements of Regulation 61-101 - *Protection of Minority Security Holders in Special Transactions* as neither the fair market value of the common shares and common share purchase warrants issued to each of the Insiders, nor the consideration paid by such Insiders, exceeds 25% of the Company's market capitalization.

Shares for Debt

Further to the Company's news release of January 10, 2024 and upon receipt of TSX Venture Exchange approval on February 6, 2024, the Company confirms that it has now issued 337,549 common shares extinguishing debt in the amount of \$46,640.

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.

On behalf of Defiance Silver Corp.

"Chris Wright"
Chairman of the Board

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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 ability to close a second tranche of the Offering.

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: political risks associated with the Company's operations in Mexico.

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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