

Defiance Silver Closes Second Tranche of Private Placement

Vancouver, British Columbia--(Newsfile Corp. - March 15, 2024) - Defiance Silver Corp. (TSXV: DEF) (FSE: D4E) (WKN: A1JQW5) ("**Defiance**" or the "**Company**") announces that it has closed on March 14, 2024 (the "**Closing Date**") the final tranche of its previously announced non-brokered private placement (the "**Second Tranche**" and, collectively with the first tranche which closed on February 27, 2024, the "**Offering**") of units of the Company (the "**Units**") at a price of C\$0.10 per Unit, for aggregate gross proceeds of C\$1,550,350 for the Second Tranche. In total, the Company issued 26,443,500 Units in the course of the Offering for total gross proceeds of C\$2,644,350.

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 Second Tranche 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 Second Tranche are subject to a four-month hold period, expiring on July 15, 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.

In connection with the closing of the Offering, the Company paid finder's fees comprised of a cash commission and non-transferable warrants (each a "**Finder Warrant**") to arm-length finders. Each Finder Warrant entitles the holder thereof to purchase common shares of the Company at a price of C\$0.10 per common share for a period of two (2) years following the date of issuance of the Finder Warrants, the whole in accordance with the rules and policies of the TSX Venture Exchange. In total, the Company paid an aggregate amount of C\$29,193 in cash commissions and issued 291,930 Finder Warrants to the arm-length finders in connection with the Offering.

Related Party Transaction

Windermere Capital Fund SPC - Breakaway Strategic Resource SP ("**Windermere**"), an insider of the Company, purchased 11,998,000 Units for a total consideration of C\$1,199,800. Immediately after the closing of the Second Tranche, Windermere Capital Fund SPC - Breakaway Strategic Resource SP owns directly or indirectly, or exercises control or direction over a total of 41,500,000 Common Shares and 3,045,750 Warrants of the Company.

Windermere is considered a "related party" and "insider" of the Company for the purposes of applicable securities laws and stock exchange rules. The subscription and issuance of common shares for Windermere constitutes a related party transaction, but is 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 Windermere, nor the consideration paid by Windermere, exceeds 25% of the Company's market capitalization.

Chris Wright, Chairman, CEO and director of the Company, is an affiliate of Windermere. As such, Mr. Wright did not vote on the resolution of the board of directors to approve the Offering and the agreements relating thereto.

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 advance our projects through capital-efficient exploration focused on resource growth and new mineral discoveries.

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

Disclaimer

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.

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.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/201839>