



## DEFIANCE SILVER CLOSES INITIAL TRANCHE OF PRIVATE PLACEMENT

For Release July 12th, 2024

TSXV: **DEF** | OTCQX: **DNCVF** | FSE: **D4E** | WKN: **A1JQW5**

July 12<sup>th</sup>, 2024 – Vancouver, British Columbia – Defiance Silver Corp. (“**Defiance**” or the “**Company**”) (TSXV: DEF; FSE: D4E; WKN: A1JQW5) announces that it has closed on July 12<sup>th</sup>, 2024 (the “**Closing Date**”) the first tranche of a non-brokered private placement (the “**Offering**”) of units of the Company (the “**Units**”) at a price of C\$0.20 per Unit (the “**Offering Price**”), for aggregate gross proceeds of C\$2,613,900.

### **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\$0.35 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 November 13, 2024.

In connection with the closing of the Offering, the Company paid finder’s fees comprised of an aggregate cash commission \$146,809.00 and an aggregate of 633,870 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\$0.20 per common share for a period of two (2) years following the Closing Date, the whole in accordance with the rules and policies of the TSX Venture Exchange.

### **Related Party Transaction**

Ron Sowerby, Director of the Company, purchased 100,000 Units for a total consideration of \$20,000. Immediately after the closing of the private placement, Ron Sowerby owns directly or indirectly, or exercises control or direction over a total of 2,714,973 Common Shares and 200,000 Warrants of the Company. Ron Sowerby is hereinafter referred to as the “**Insider**”.

The Insider is considered “related parties” and “insiders” of the Company for the purposes of applicable securities laws and stock exchange rules. The subscription and issuance of Units by the Insider constitutes related party transactions 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 each



of the Insiders, nor the consideration paid by such Insiders, exceeds 25% of the Company's market capitalization. The Insider abstained from voting on all matters relating to the Offering.

### **Other Corporate Matters**

The Company announces that it has previously engaged an arm's length party, AXINO Media GmbH, ("Axino") to perform services for the Company, including investor relations activities, as defined in accordance with the policies of the TSXV and applicable securities laws.

Pursuant to a corporate communication service agreement (the "**Service Agreement**") entered into with Axino on July 1<sup>st</sup>, 2024, Axino will receive an annual payment of €50,000, paid quarterly. In addition, fees for any translation services provided by Axino will result in an additional fee of €500 per item. Pursuant to the Service Agreement, Axino will provide services for a period of one year. At the discretion of the board of directors of the Company, Axino may also receive stock options, pursuant to TSXV policies. The Agreement is subject to acceptance by the TSXV and Axino has agreed to comply with all applicable securities laws and the policies of the Exchange in providing the services to the Company.

The Company previously entered into an arm's length administrative services agreement dated May 1, 2023 (the "**Agreement**"), for services provided by an officer of the Company. As part of the consideration payable by the Company under the Agreement, the Company has agreed to issue that number of Common Shares equal to \$1,330 per month (the "**Service Shares**"), to be issued on a semi-annual basis and pursuant to the policies of the TSXV. The Agreement was for a term of three months and has automatically renewed in accordance with its terms, terminable by either party providing 30 days' notice of such termination.

The deemed value of the Service Shares to be issued for a particular month, is to be the closing price of the Company's shares on the last trading day of the month. For services rendered under the Agreement between the period of January 1, 2024 and June 30, 2024, the Company intends to issue 52,375 Shares at a weighted average price of \$0.179 per share, subject to the approval of the TSXV.

The Service Shares issued are subject to a four month hold period, which will expire on a date that is four months and one day from the date of issuance. The Issuance of the Shares pursuant to the Service Shares remains subject to the approval of the TSXV. No new insiders will be created, nor will any change of control occur, as a result of the issuance of the Service Shares.

As certain insiders are party to the Agreement, it may be considered a "related party transaction" under Multilateral Instrument 61-101 *Protection of Minority Security Holders In Special Transactions* ("MI 61-101") and the TSXV. The Company is relying on the exemptions from the formal valuation and the minority shareholder approval requirements of MI-61-101 contained in section 5.5 (a) and Section 5.7 (1)(a) as the fair market value of the common shares being issued to insiders in connection with the Service Shares does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.



About Defiance Silver Corp.

*Defiance Silver Corp. (DEF | TSX Venture Exchange; DNCVF | OTCQX; D4E | Frankfurt) 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*

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Disclaimer

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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 and statements involve known and unknown risks and uncertainties that may cause Defiance’s actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking information and statements and accordingly, undue reliance should not be placed thereon... The words “believe”, “expect”, “anticipate”, “contemplate”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule”, “understand” and similar expressions identify forward-looking information.*

*Risks and uncertainties that may cause actual results to vary include but are not limited to the speculative nature of mineral exploration and development, including the uncertainty of reserve and resource estimates; operational and technical difficulties; the availability of suitable financing alternatives; fluctuations in gold and other commodity prices; changes to and compliance with applicable laws and regulations, including environmental laws and obtaining requisite permits; political, economic and other risks arising from Defiance’s Mexican activities; fluctuations in foreign exchange rates; as well as other risks and uncertainties which are more fully described in our annual*



*and quarterly Management's Discussion and Analysis and in other filings made by us with Canadian securities regulatory authorities and available at [www.sedarplus.ca](http://www.sedarplus.ca). 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.*