

*The securities described in this offering document have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and, subject to certain exemptions from registration under the U.S. Securities Act and applicable states securities laws, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of the securities described herein within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION  
(the “Offering Document”)

June 4, 2025



**DEFIANCE**  
SILVER CORP

**DEFIANCE SILVER CORP.**  
(the “Company” or “Defiance”)

**PART 1 SUMMARY OF THE OFFERING**

**WHAT ARE WE OFFERING?**

<b>Offering:</b>	Up to 32,000,000 units (the “Units”) comprised of one (1) common share of the Company (each a “Common Share” and collectively, the “Common Shares”) and one-half of one (1/2) common share purchase warrant (each common share purchase warrant referred to as a “Warrant”).  Each Warrant will entitle its holder to acquire one Common Share of the Company at a price of C\$0.35 for a period of two (2) years from the closing date of the private placement (the “Offering”).
<b>Offering Price:</b>	C\$0.25 per Unit (the “Offering Price”).
<b>Offering Amount:</b>	Up to a maximum of 32,000,000 Units, for gross proceeds of C\$8,000,000, subject to the Agent’s Option.
<b>Closing Date:</b>	On or about June 17, 2025 (the “Closing Date”).
<b>Agent</b>	Red Cloud Securities Inc. (the “Agent”) to act as sole agent and bookrunner.

<b>Agent's Option:</b>	The Company has granted the Agent an option (the " <b>Agent's Option</b> "), exercisable in full or part up to 48 hours prior to the Closing Date (as defined above), to sell up to an additional 8,000,000 Units (the " <b>Additional Units</b> ") at the Offering Price for additional gross proceeds of C\$2,000,000. As context requires, references to Units in this Offering Document shall include the Additional Units.
<b>President's List</b>	The Company shall have the right to include a list of subscribers to purchase up to 6,000,000 Units at the Offering Price for gross proceeds of up to C\$1,500,000 under the Offering (the " <b>President's List</b> ").
<b>Resale Restriction</b>	The Units are expected to be immediately freely tradeable in Canada under applicable Canadian securities. The Units offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and can only be transferred pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
<b>Exchange:</b>	The Common Shares of the Company are listed on the TSX Venture Exchange (" <b>TSXV</b> ") under the trading symbol "DEF" and quoted on the OTCQX in the United States under the symbol "DNCVF".
<b>Last Closing Price:</b>	On June 4, 2025, the closing price of the Common Shares on the TSXV was C\$0.29.

***No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.***

The Company is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions. In connection with this Offering, the Company represents the following is true:

- The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Company has filed all periodic and timely disclosure documents that it is required to have filed.
- The Company is relying on the exemptions in Coordinated Blanket Order 45-935 Exemptions from Certain Conditions of the Listed Issuer Financing Exemption (the "Order") and is qualified to distribute securities in reliance on the exemptions included in the Order.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed the greater

**of C\$25,000,000 and twenty percent (20%) of the aggregate market value of the Company's listed securities to a maximum of \$50,000,000 in a 12-month period.**

- **The Company will not close this Offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.**

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This Offering Document contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities laws (collectively, "forward-looking information"), which is based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. The forward-looking information included in this Offering Document are made only as of the date of this Offering Document. Such forward-looking information includes, but is not limited to, statements concerning future exploration plans at the Company's mineral properties, including exploration timelines and anticipated costs; completion of the Offering, the Company's expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; raising the maximum proceeds of the Offering; and completion of the Offering and the date of such completion. Forward-looking information relates to future events and future performance and includes statements regarding the expectations and beliefs of management based on information currently available to the Company. Such forward-looking information often, but not always, can be identified by the use of words such as "plans", "expects", "potential", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking information, including, without limitation, risks and uncertainties relating to: general business and economic conditions; regulatory approval for the Offering; completion of the Offering; changes in commodity prices; the supply and demand for, deliveries of, and the level and volatility of the price of gold, silver and other precious metals; changes in project parameters as exploration plans continue to be refined; costs of exploration including labour and equipment costs; risks and uncertainties related to the ability to obtain or maintain necessary licenses, permits or surface rights; changes in credit market conditions and conditions in financial markets generally; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the availability of qualified employees and contractors; the impact of value of Canadian dollar and U.S. dollar, foreign exchange rates on costs and financial results; market competition; exploration results not being consistent with the Company's expectations; changes in taxation rates or policies; technical difficulties in connection with mining activities; changes in environmental regulation; environmental compliance issues; and other risks of the mining industry. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the Company's annual filings that are available at [www.sedarplus.ca](http://www.sedarplus.ca). The

Company provides no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking information. Any forward-looking information speaks only as of its date, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

## PART 2 SUMMARY DESCRIPTION OF BUSINESS

### What is our Business?

Defiance is an exploration company advancing the district-scale Zacatecas project, located in the historic Zacatecas Silver District (which is comprised of its San Acacio project (the “**San Acacio Project**”) and its Lucita North and Lucita South projects) and the Tepal Gold/Copper Project in the municipality of Tepalcatepec, Michoacán state, Mexico (the “**Tepal Project**”). 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.

### Recent Developments

The Company’s recent developments have been documented in the Material Change Reports released over the past 12 months.

- On July 12, 2024, Defiance closed a first tranche of a non-brokered private placement of units of the Company at a price of C\$0.20 per unit, for aggregate gross proceeds of C\$2,613,900.
- On July 26, 2024, Defiance closed a second and final tranche of previously announced non-brokered private placement offering of units of the Company at a price of C\$0.20 per unit, for aggregate gross proceeds of C\$608,715.
- On December 10, 2024, the Company announced a Mineral Resource Estimate, prepared in accordance with the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, for the 100% owned Tepal Project, prepared by Micon International Limited.
- On January 16, 2025, Defiance closed a first tranche of a non-brokered private placement of units of the Company at a price of C\$0.20 per unit, for aggregate gross proceeds of C\$732,200.
- On February 7, 2025, Defiance closed a second tranche of a non-brokered private placement of units of the Company at a price of C\$0.20 per unit, for aggregate gross proceeds of C\$1,560,600.

- On February 12, 2025, Defiance closed a third and final tranche of a non-brokered private placement of units of the Company at a price of C\$0.20 per unit, for aggregate gross proceeds of C\$975,000.
- On April 7, 2025, Defiance announced that it had entered into a non-binding letter of intent (“**LOI**”) with Green Earth Metals Inc. (“**GEMS**”), a privately held company holding a portfolio of assets in Mexico. Under the terms of the LOI, Defiance proposes to issue common shares to GEMS shareholders in exchange for all of the issued and outstanding common shares of GEMS (the “**GEMS Shares**”), based on an exchange ratio of one (1) common share of Defiance for every 4.52 GEMS Shares (the “**GEMS Transaction**”). In total, Defiance proposes to issue 4,954,613 shares of Defiance at a price of C\$0.255 per share, for a total purchase price of C\$1,250,000. Upon the closing of the GEMS Transaction, GEMS will become a wholly-owned subsidiary of Defiance. For more information about the GEMS Transaction, see the news release of the Company dated April 7, 2025.
- On June 3, 2025, the Company announced that it had (i) secured rights under a six-year agreement to conduct surface exploration, drilling and engineering studies at the Tepal Project; (ii) successfully restructured the Tepal Option Agreement (as defined herein), thereby revising the payment schedule for the Tepal Option Payments (as defined herein); and (iii) secured an extension for the final payment of the option agreement on the San Acacio Project to June 30, 2026.

In summary, the terms of the LOI provide Defiance proposes to issue common shares to GEMS shareholders in exchange for all of the issued and outstanding common shares of GEMS (the “**GEMS Shares**”), based on an exchange ratio of one (1) common share of Defiance for every 4.52 GEMS Shares. In total, Defiance proposes to issue 4,954,613 shares of Defiance at a price of C\$0.255 per share, for a total purchase price of C\$1,250,000. Upon the closing of the GEMS Transaction, GEMS will become a wholly-owned subsidiary of Defiance.

For more information about the GEMS Transaction, see the news release of the Company dated April 7, 2025.

## **Material Facts**

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Company in the 12 months preceding the date of this Offering Document.

***There can be no guarantee that the Company will be successful in raising the maximum amount under this Offering, or any amount thereof.***

## **Business Objectives and Milestones**

### **What are the business objectives that we expect to accomplish using the available funds?**

The Company intends to use the proceeds raised from the Offering to continue exploration drilling in and around the known mineralization on all of its Zacatecas projects, to complete a NI 43-101 mineral resource estimate at San Acacio, and for exploration drilling and sampling campaigns at the Tepal Project. In addition, the Company intends to use part of the proceeds raised from the Offering to make periodic cash option payments on the Company’s Tepal Project (the “**Tepal**

**Option Payments**) under the terms of an option agreement, entered into by a predecessor company of Defiance on December 17, 2020, to repurchase the 2.5% net smelter return royalty associated with the Tepal Project from Minera Tepal, S.A. de C.V. over four years for total consideration of US\$4,850,000 (the **"Tepal Option Agreement"**). During the year ended June 30, 2023, the Company renegotiated and extended the term of the Tepal Option Agreement by a year and a half – to June 30, 2026 – and an additional option payment of US\$100,000 was paid on January 15, 2023, bringing the total consideration over the term of the agreement to US\$4,950,000. The Company intends to put proceeds from the Offering toward the Tepal Option Payments in an amount totalling C\$933,800 over the next 12 months.

### PART 3 USE OF AVAILABLE FUNDS

#### Available Funds

#### What will our available funds be upon the closing of the offering?

The expected availability of funds is C\$7,380,000 in the case that 100% of the Offering is sold and C\$9,260,000 in the case that the Agent also fully exercises the Agent's Option, which the Company believes to be sufficient to meet its business objectives for the next twelve months. For clarity, the Company has determined that it requires approximately C\$3,260,000 to meet such objectives.

		Assuming 100% of the Offering is Sold	Assuming Full Exercise of the Agent's Option
A	Amount to be raised by this Offering	C\$8,000,000	C\$10,000,000
B	Selling commissions and fees	C\$480,000	\$600,000
C	Estimated Offering costs (e.g. legal, accounting, audit)	C\$150,000	C\$150,000
D	Net proceeds of Offering: D=A – (B+C)	C\$7,370,000	C\$9,250,000
E	Working capital as at May 31, 2025, most recent month end (deficiency)	C\$10,000	C\$10,000
F	Additional sources of funding	C\$0	C\$0
G	Total available funds: G = D+E+F	C\$7,380,000	\$9,260,000

## Use of Available Funds

### How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of the Offering is Sold	Assuming Full Exercise of the Agent's Option
Tepal Option Payments	C\$933,800	C\$933,800
Exploration expense on the San Acacio Project	C\$4,941,920	C\$6,617,086
Exploration expense on the Tepal Project	C\$604,280	C\$809,114
Corporate and admin expenses	C\$900,000	C\$900,000
<b>Total</b>	<b>C\$7,380,000</b>	<b>C\$9,260,000</b>

The above noted allocation and anticipated timing represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan.

The most recent audited annual financial statements and interim financial report of the Company included a going-concern note. The Company is still in the exploration stage and the Company has not yet generated positive cash flows from its operating activities, which may cast doubt on the Company's ability to continue as a going concern. The Offering is intended to permit the Company to continue to explore its properties and conduct additional drilling with the goal of advancing its mineral properties, and is not expected to affect the decision to include a going-concern note in the next annual financial statements of the Company.

## Use of Funds from Previous Financings

### How have we used the other funds we have raised in the past 12 months?

Date of Financing and Funds Raised	Intended and Actual Use of Funds <sup>(1)</sup>	Use of funds to date
July 12, 2024 – gross proceeds of C\$2,613,900.	Exploration and general working capital purposes.	C\$2,613,900
July 26, 2024 – gross proceeds of C\$608,715.	Exploration and general working capital purposes.	C\$600,715



January 16, 2025 – gross proceeds of C\$732,200.	Exploration and general working capital purposes.	C\$732,200
February 7, 2025 – gross proceeds of C\$1,560,600.	Exploration and general working capital purposes.	C\$1,560,600
February 12, 2025 – gross proceeds of C\$975,000.	Exploration and general working capital purposes.	C\$975,000

**Note:**

- (1) There has been no variance between the intended use of funds, as previously disclosed by the Company and its actual use of such funds.

## PART 4 FEES AND COMMISSIONS

### Involvement of dealers or finders and their fees

**Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?**

<b>Agent:</b>	Red Cloud Securities Inc.
<b>Compensation Type:</b>	Cash fee and Broker Warrants (as defined herein).
<b>Cash Commission:</b>	The Company shall pay to the Agent a cash commission of 6.0% of the gross proceeds raised in respect of the Offering (reduced to 2.0% for the investors under the President's List).
<b>Compensation Options:</b>	The Company shall issue to the Agent broker warrants of the Company (the "Broker Warrants"), exercisable for a period of 36 months following the Closing Date, to acquire in aggregate that number of Common Shares of the Company which is equal to 6.0% of the number of Units sold under the Offering at an exercise price equal to the Offering Price (reduced to 2.0% for investors under the President's List).

### Dealer Conflicts

#### Does Red Cloud Securities Inc. have a conflict of interest?

To the knowledge of the Company, it is not a "related issuer" or "connected issuer" of or to Red Cloud Securities Inc., as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

## PART 5 PURCHASERS' RIGHTS



## Purchasers' rights

### Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- a. to rescind your purchase of these securities with the Company, or
- b. to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

## PART 6 ADDITIONAL INFORMATION

### Additional Information

#### Where can you find more information about us?

Security holders can access the Company's continuous disclosure at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website [www.defiancesilver.com](http://www.defiancesilver.com).

### U.S. Securities Laws Matters

The Units, Warrants and Common Shares (including the Common Shares underlying the Warrants) have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and, subject to certain exemptions from registration under the U.S. Securities Act and applicable states securities laws, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States.

Any placement agent utilized for sales in the United States is to agree that it will not offer or sell the Units within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except to certain "accredited investors" (as defined in Rule 501(a) of Regulation D ("**Regulation D**") under the U.S. Securities Act ("**U.S. Accredited Investors**") and/or qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) that also qualify as U.S. Accredited Investors in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions from the registration requirements of applicable securities laws of any state of the United States. Offers and sales of the Units will be made outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

This Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities in the United States to, or for the account or benefit of, U.S. persons or persons in the United States.

The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person, nor will certificates or other instruments representing the Common Shares underlying the Warrants issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States is available and provided that, subject to certain exceptions, the Company has received an opinion of counsel of recognized standing to such effect in form and substance reasonably satisfactory to the Company.

## **PART 7 DATE AND CERTIFICATE**

### **Certificate**

This Offering Document, together with any document filed under Canadian securities legislation on or after June 4, 2024, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Dated: June 4, 2025

/s/ "Chris Wright"

**Chris Wright**  
**Chief Executive Officer**

/s/ "Oleg Shcherbyna"

**Oleg Shcherbyna**  
**Chief Financial Officer**