

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Defense Metals Corp. (the “Company”)
228 – 1122 Mainland Street
Vancouver, BC V6B 5L2

2. Date of Material Change

December 8, 2022

3. News Release

News release was issued and disseminated on December 8, 2022 through a newswire distribution service and filed on SEDAR.

4. Summary of Material Change

The Company closed a previously announced, oversubscribed non-brokered private placement financing (the “**Private Placement**”) for aggregate gross proceeds of \$6,094,020.66, consisting of 12,364,172 flow-through common shares of the Company (each, a “**FT Share**”) at a price of \$0.28 per FT Share and 11,963,875 units of the Company (each, a “**Unit**”) at a price of \$0.22 per Unit.

5. Full Description of Material Change

5.1 Full Description of Material Change:

The Company closed the Private Placement for aggregate gross proceeds of \$6,094,020.66, consisting of 12,364,172 FT Shares at a price of \$0.28 per FT Share and 11,963,875 Units at a price of \$0.22 per Unit.

Each FT Share is a “flow-through share” within the meaning of the *Income Tax Act* (Canada) (the “**Act**”). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.32 for a period of 24 months from closing.

The proceeds raised from the sale of the FT Shares will be used for advancing the Company’s Wicheeda Rare Earth Element Project that qualify as “Canadian Exploration Expenditures” (within the meaning of the Act) and the net proceeds raised from the sale of Units will be used for the Wicheeda Project as well as for general corporate and working capital purposes.

In connection with the Private Placement, the Company paid aggregate cash finder’s fees of \$289,817.35 and issued 1,049,246 non-transferable finder warrants to certain brokers, 366,882 of which are exercisable at a price of \$0.22 per share, 128,571 exercisable at a price of \$0.28 per share and the remaining amount exercisable at a price of \$0.32 per share, for a period of 24 months from closing.

All securities issued under the Private Placement are subject to a four month hold period in accordance with applicable securities laws.

5.2 Disclosure for Restructuring Transactions:

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this material change report is:

Craig Taylor, CEO
Tel: (604) 318-4053
Email: craig@defensemetals.com

9. Date of Report

December 9, 2022