

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the common shares (the “**Common Shares**”) of Defense Metals Corp. (the “**Company**”) issuable upon the conversion of a C\$500,000 secured convertible note (the “**Convertible Note**”) issued by the Company to RCF Opportunities Fund II L.P. (“**RCF**”) as part of the Company’s non-brokered bridge financing of secured convertible notes (the “**Note Financing**”). The head office of the Company is located at:

Defense Metals Corp.
Suite 1020 – 800 West Pender Street
Vancouver, British Columbia
V6C 2V6

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

RCF is a private investment fund existing under the laws of the Cayman Islands, which is ultimately managed by RCF Management LLC (“**RCF Management**”), which has control and direction over RCF’s investments. RCF Management operates as a private equity firm existing under the laws of the Cayman Islands.

The head office address of RCF and RCF Management LLC is as follows:

RCF Opportunities Fund II L.P.
1400 Wewatta Street, Suite 850
Denver, Colorado
80202

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On October 11, 2024, the Company issued the Convertible Note to RCF pursuant to the Note Financing. Pursuant to the terms of the Convertible Note, at any time up to seven days prior to a Mandatory Conversion Event (as defined in the Convertible Note), RCF may elect to convert the principal amount of the Convertible Note into Common Shares at a deemed price per Common Share of C\$0.125 (the “**Conversion Price**”), in accordance with the terms set out in the Convertible Note. Upon the occurrence of a Mandatory Conversion Event, the principal of the Convertible Note will automatically convert into Common Shares at a 15% discount to the applicable price of the offering

implied by such Mandatory Conversion Event, provided that if such conversion price would be less than the Conversion Price, there will be no mandatory conversion.

The Convertible Note will bear interest from the date of issuance at the rate of 10% per annum, payable quarterly in Common Shares, subject in each instance to approval of the TSX Venture Exchange (the “TSX-V”), in accordance with the conversion rights set forth in the Convertible Note. The deemed share price used to calculate the number of Common Shares to be issued pursuant to such interest payments will be determined by using the greater of (i) the volume-weighted average trading price per share on the TSX-V for the 20 consecutive trading days ending on the last day of each three month period after the issue date, and (ii) the lowest price permitted under the policies of the TSX-V. The Convertible Note is secured against all personal property of the Company, including a security interest against the Company’s mining claims in respect of the Wicheeda REE Project. All note holders under the Note Financing will rank *pari passu* among themselves.

Immediately prior to the issuance of the Convertible Note, RCF owned and controlled a total of 25,836,263 Common Shares, representing approximately 9.99% of the issued and outstanding Common Shares. Assuming the conversion of the principal amount of the Convertible Note at the Conversion Price, RCF would own 29,836,263 Common Shares, representing approximately 11.36% of the issued and outstanding Common Shares.

2.3 State the names of any joint actors.

RCF and RCF Management are joint actors with respect to the acquisition of the Convertible Note.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

See Items 1.1 and 2.2 above.

Immediately prior to the issuance of the Convertible Note, RCF owned and controlled a total of 25,836,263 Common Shares, representing approximately 9.99% of the issued and outstanding Common Shares. Assuming the conversion of the principal amount of the Convertible Note at the Conversion Price, RCF would own 29,836,263 Common Shares, representing approximately 11.36% of the issued and outstanding Common Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

RCF acquired the Convertible Note, which is convertible into Common Shares of the Company.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Items 2.2 and 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See Items 2.3 and 3.1 above.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2 above.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer’s business or corporate structure;**
- (g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

RCF acquired the Convertible Note in accordance with RCF’s investment policy to generate proceeds from its investment in the Company. RCF may from time to time acquire additional securities of the Company, dispose of some or all of the existing or additional securities or may continue to hold its securities in the Company.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option

arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

In connection with the Note Financing, RCF entered into an investor rights agreement with the Company and Guy de Selliers, Executive Chairman of the Company, pursuant to which each will receive certain board observer rights, cashflow reporting rights and rights to participate in future financings of the Company.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED October 11, 2024.

RCF OPPORTUNITIES FUND II L.P.

By RCA Opportunities II L.P., General Partner

By RCFM GP L.L.C., General Partner

By: (signed) "*Mason Hills*"

Name: Mason Hills

Title: General Counsel