

PRESS RELEASE

Defense Metals Corp. issues Convertible Note to RCF Opportunities Fund II L.P.

October 11, 2024, Denver, Colorado. RCF Opportunities Fund II L.P. (“**RCF**”) reports that it has filed an early warning report under National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in connection to its acquisition of a C\$500,000 secured convertible note (the “**Convertible Note**”) issued by Defense Metals Corp. (the “**Company**”) to RCF as part of the Company’s non-brokered bridge financing of secured convertible notes (the “**Note Financing**”).

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.

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.

The Company’s head office is located at Suite 1020 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6.

To obtain a copy of the early warning report filed under applicable Canadian securities laws in connection with the transactions hereunder, please see the Company’s profile on the SEDAR+ website at www.sedarplus.ca.

About RCF Opportunities Fund II L.P.

RCF is a private investment fund existing under the laws of the Cayman Islands. RCF is ultimately controlled by RCF Management LLC. For further information and to obtain a copy of the early warning report, please contact:

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