

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and address of the Company**

**Defiance Silver Corp.**  
Suite 2900-550 Burrard Street  
Vancouver, BC V6C 0A3

**Item 2 Date of material change**

June 10, 2021

**Item 3 News release**

The press release was issued on June 10, 2021 through Newsfile Corp.

**Item 4 Summary of material change**

Defiance Silver Corp. (“Defiance”) announced on June 10, 2021 that it has closed the previously announced brokered private placement of 12,777,778 units (the “Units”) at a price of C\$0.90 per Unit (the “Offering Price”) for gross proceeds of C\$11,500,000 (the “Offering”). The Offering was led by Red Cloud Securities Inc. and included Canaccord Genuity Corp. and Jett Capital Advisors, LLC (collectively, the “Agents”).

**Item 5 Full description of material change**

Defiance Silver Corp. announced on June 10, 2021 that it has closed the previously announced brokered private placement of 12,777,778 units at a price of C\$0.90 per Unit for gross proceeds of C\$11,500,000. The Offering was led by Red Cloud Securities Inc. and included Canaccord Genuity Corp. and Jett Capital Advisors, LLC.

Each Unit consists of one common share of the Company (each, a “Unit Share”) and one half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire one common share of Defiance at an exercise price of C\$1.35 per share until June 10th, 2023.

Defiance intends to use the net proceeds from the Offering for exploration of the Company's projects and for general working capital purposes.

In connection with the Offering, the Agents received a cash commission of C\$605,152 and 672,391 non-transferable compensation options, each entitling the Agents to purchase one Unit of the Company at a price of C\$0.90 per Unit until June 10, 2023.

Insiders of Defiance subscribed for a total of 91,222 Units for total gross proceeds of \$82,100 under the Offering. Participation by insiders constitutes a related party transaction as defined under Multilateral Instrument 61-101. The issuance of securities to such related parties is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority shareholder approval requirements of Section 5.6 of MI 61-101 pursuant to Subsection 5.7(b) of MI 61-101 as the purchase of securities does not exceed 25% of the Company's market capitalization. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101. The Company did not file a material change

report 21 days prior to the closing of the Offering as the details of the participation of insiders of the Company had not been confirmed at that time.

**Item 6            Reliance on subsection 7.1(2) of National Instrument 51-102**

N/A

**Item 7            Omitted Information**

None

**Item 8            Executive Officer**

Sherry Roberge, Chief Financial Officer  
Tel: (604) 839-5958

**Item 9            Date of Report**

June 21, 2021