

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and address of the Company

Defiance Silver Corp. (“Defiance” or the “Company”)
Suite 2900-550 Burrard Street
Vancouver, BC V6C 0A3

Item 2 Date of material change

June 20, 2025.

Item 3 News release

The news release was issued on June 20, 2025 through Newsfile Corp.

Item 4 Summary of material change

On June 20, 2025, Defiance closed its previously announced “best efforts” brokered private placement of units of the Company at a price of C\$0.25 per unit, for aggregate gross proceeds of C\$15,000,000, and its concurrent non-brokered private placement of units of the Company at a price of C\$0.25 per unit, for aggregate gross proceeds of C\$1,500,000.

Item 5 Full description of material change

5.1 Full Description of Material Change

On June 20, 2025, Defiance closed the Company’s previously announced “best efforts” private placement (the “**Brokered Offering**”) by selling 60,000,000 units of the Company (each a “**Unit**”) at a price of C\$0.25 per Unit (the “**Offering Price**”), for aggregate gross proceeds of C\$15,000,000, which includes the full exercise of the agent’s option.

Each Unit consisted of one common share of the Company (each, a “**Common 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 (a “**Warrant Share**”) at a price of C\$0.35 at any time on or before June 20, 2027.

In connection with the Brokered Offering, Red Cloud Securities Inc. (the “**Agent**”) acted as sole agent and bookrunner. The Agent received a cash commission of C\$824,950 and were issued 3,299,800 non-transferable common share purchase warrants (the “**Broker Warrants**”) as consideration for their services in the Brokered Offering. Each Broker Warrant is exercisable into one Common Share at the Offering Price at any time on or before June 20, 2027.

The Company intends to use the net proceeds from the Brokered Offering for further exploration work on the Company’s projects, to complete a mineral resource estimate at its San Acacio project, to make periodic cash option payments on its Tepal project, and to provide general working capital to support operations.

The Units were issued to Canadian purchasers pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - *Prospectus Exemptions* (“**NI 45-106**”), as amended by Coordinated Blanket Order 45-935 – *Exemptions from Certain*

Conditions of the Listed Issuer Financing Exemption (the “**Listed Issuer Financing Exemption**”) and to purchasers outside of Canada (including to purchasers resident in the United States pursuant to one or more exemptions from the registration requirements of the United States Securities Act of 1933, as amended). The Common Shares and the Warrant Shares underlying the Units are immediately freely tradeable in accordance with applicable Canadian securities legislation if sold to purchasers resident in Canada.

Related Party Transaction

George Cavey, Vice President, Exploration and Director of the Company, subscribed under the Brokered Offering for 100,000 Units through its related entity, OreQuest Consultants Ltd, for a total consideration of \$25,000 (the “**Related Party Transaction**”).

The Related Party Subscription is considered to be a “related party transaction” of the Company for purposes of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). In completing the Related Party Subscription, the Company relied upon exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. Specifically, the Company is exempt from the formal valuation requirement in Section 5.4 of MI 61-101 in reliance on Subsection 5.5 (b) of MI 61-101 insofar as no securities of the Company are listed or quoted for trading on prescribed stock exchanges or stock markets.

Additionally, the Company is exempt from the minority approval requirement in Section 5.6 of MI 61- 101 for the Related Party Subscription in reliance on Subsection 5.7(1)(a) of MI 61-101 as the fair market value of such Related Party Subscription, insofar as they involve interested parties, is not more than the 25% of the Company’s market capitalization.

The Company did not file a material change report more than 21 days before the expected closing date of the Offering as the details of the Related Party Subscription was not settled until shortly prior to the closing of the Offering, and the Company wished to close the Offering on an expedited basis for sound business reasons.

Concurrent Non-Brokered Offering

The Company completed its previously announced non-brokered private placement (the “**Non-Brokered Offering**”) concurrently with the Brokered Offering by issuing 6,000,000 units of the Company (each, a “**NB Unit**”) at a price of C\$0.25 per NB Unit, for additional gross proceeds of up to C\$1,500,000.

Each NB Unit consists of one common share of the Company (each, a “**NB Common Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**NB Warrant**”). Each NB Warrant entitles the holder thereof to purchase one NB Common Share at a price of C\$0.35 at any time on or before June 20, 2027. The NB Units were offered under the “accredited investor” and “minimum amount investment” exemptions in accordance with NI 45-106.

In connection with the closing of the Non-Brokered Offering, the Company paid a cash commission of C\$90,000 to an arm’s-length finder. Additionally, the Company issued 360,000 non-transferable finder warrants (each, a “**Finder Warrant**”) to the arm’s-length finder. Each Finder Warrant is exercisable into one NB Common Share at a price of C\$0.25 at any time on or before June 20, 2027.

The net proceeds of the Non-Brokered Offering will be used to provide general working capital.

All securities issued under the Non-Brokered Offering are subject to a hold period of four months and one day, expiring on October 21, 2025.

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

N/A

Item 7 Omitted Information

None.

Item 8 Executive Officer

The executive officer who can answer questions regarding this report is Chris Wright, Chief Executive Officer & Chairman of the Board, can be reached at +1 (604) 343-4677 and by email at info@defiancesilver.com.

Item 9 Date of Report

June 30, 2025