



DEFENSE METALS CORP.

CANADIAN RARE EARTH PROJECT FOR THE COMING ELECTRIFICATION

TSXV: DEFN

OTCQB: DFMTF

FSE: 35D

FORWARD LOOKING STATEMENTS

This presentation includes certain statements that constitute "forward-looking information" within the meaning of applicable securities law, including without limitation, the Company's plans for its properties/projects, other statements relating to the technical, financial and business prospects of the Company, completing additional studies, initiation of pilot plant, update mineral resource estimate, additional drilling, completing the acquisition of Spectrum Mining Corporation, start baseline environmental studies, project milestones, and other matters.

Forward-looking statements address future events and conditions and are necessarily based upon a number of estimates and assumptions. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved), and variations of such words, and similar expressions are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements express or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of metals, anticipated costs and the ability to achieve goals, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company's planned exploration activities will be available on reasonable terms and in a timely manner. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks.

Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: (i) risks related to rare earth elements, and other commodity price fluctuations; (ii) risks and uncertainties relating to the interpretation of exploration results; (iii) risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses; (iv) that resource exploration and development is a speculative business; (v) that the Company may lose or abandon its property interests or may fail to receive necessary licences and permits; (vi) that environmental laws and regulations may become more onerous and risks related to adverse weather or climate events; (vii) that the Company may not be able to raise additional funds when necessary; (viii) the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; (ix) exploration and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in exploration and development; (x) competition; (xi) the potential for delays in exploration or development activities or the completion of geologic reports or studies; (xii) the uncertainty of profitability based upon the Company's history of losses; (xiii) risks related to environmental regulation and liability; (xiv) risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as "social licence"), including local First Nations and risks relating to the impact of Covid-19 or other viruses and diseases on the Company's ability to operate; (xv) risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations relating to the continued exploration and development of the Company's projects; (xvi) risks related to the outcome of legal actions; (xvii) political and regulatory risks associated with mining and exploration; (xix) risks related to current global financial conditions; and (xx) other risks and uncertainties related to the Company's prospects, properties and business strategy. These risks, as well as others, could cause actual results and events to vary significantly.

Factors that could cause actual results to differ materially from those in forward looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, adverse weather conditions, increase in costs, equipment failures, litigation, failure of counterparties to perform their contractual obligations and fees charged by service providers. Investors are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements. The forward-looking statements included in this presentation are made as of the date hereof and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

Forward Looking Statements or Information Related to Exploration:

Relating to exploration, the identification of exploration targets and any implied future investigation of such targets on the basis of specific geological, geochemical and geophysical evidence or trends are future-looking and subject to a variety of possible outcomes which may or may not include the discovery, or extension, or termination of mineralization. Further, areas around known mineralized intersections or surface showings may be marked by wording such as "open", "untested", "possible extension" or "exploration potential" or by symbols such as "?". Such wording or symbols should not be construed as a certainty that mineralization continues or that the character of mineralization (e.g. grade or thickness) will remain consistent from a known and measured data point. The key risks related to exploration in general are that chances of identifying economical reserves are extremely small.

The scientific and technical content of this presentation has been reviewed and approved by Kris Raffle, P.Geol., a Director of the Company and a Qualified Person as defined by National Instrument 43-101. Visit www.sedar.com for further information and disclosure on the Company.

Market & Industry Data

The information contained herein includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this presentation or ascertained the underlying economic assumptions relied upon by such sources.

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DEFENSE METALS OVERVIEW

- Future Supplier of Critical Material for the Global Green Agenda
- Robust Preliminary economic assessment
- Top jurisdiction globally in a location with infrastructure and ease of access
- High grade open pit resource with favourable mineralogy, Indicated Resources of 5Mt @ 2.95% TREO (Total Rare Earth Oxide) and, Inferred Resources of 29Mt @ 1.83% TREO¹
- Conventional metallurgy has yielded high grade saleable REE flotation concentrate (52% REO in pilot plant²)
- Strong Technical Team



¹ Reported at a 0.5% TREO cut-off grade. See Defense Metals News Release Dated November 24, 2021.

² See Defense Metals News Release Dated September 23, 2020

NdFeB MAGNETS UTILIZATION

60
Nd
Neodymium

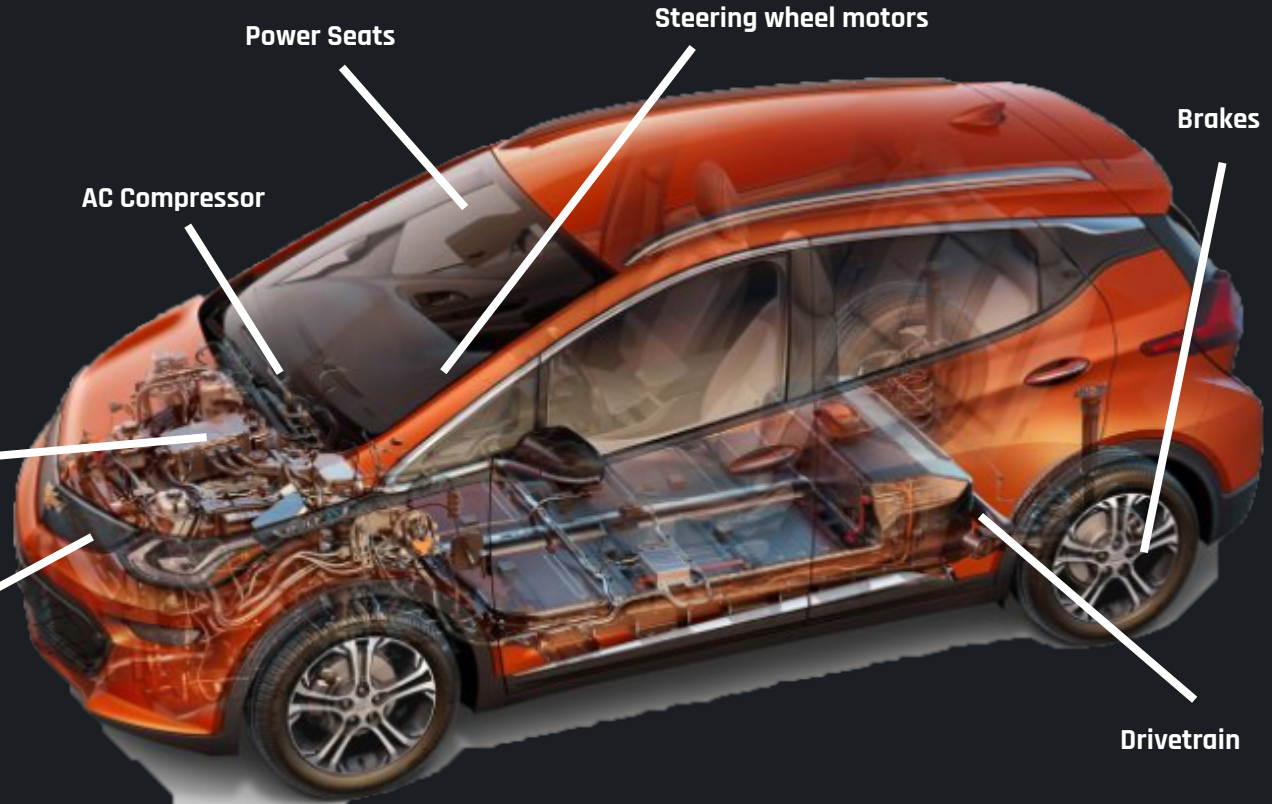
59
Pr
Praseodymium

Electric Drives +
Generators

58
Ce
Cerium

57
La
Lanthanum

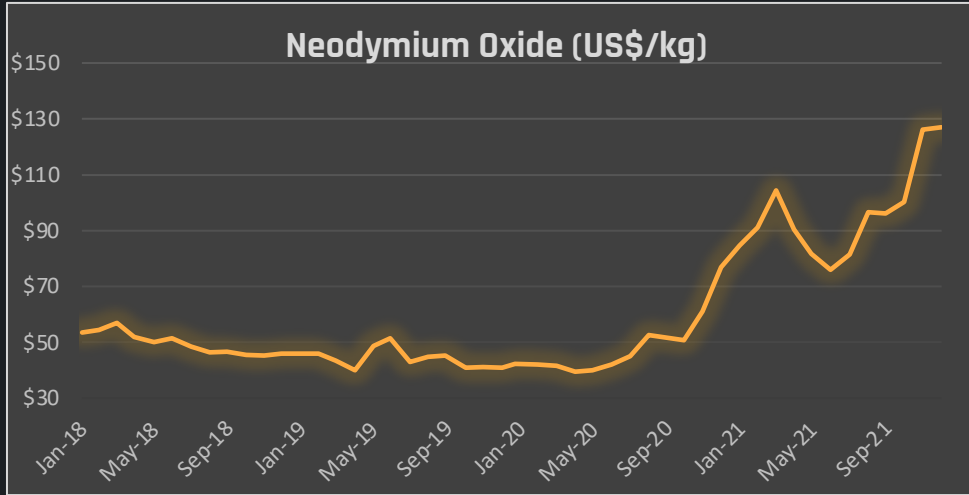
Catalytic
Converter/Hybrid
Batteries



EV ADOPTION – A DRIVER FOR REE DEMAND

- Resulting growth in NdPr demand is forecast to drive a potential supply deficit by 2030
- IEA forecasts 10 fold increase in EV adoption by 2030
- A typical EV uses between 1kg and 3kg of neodymium-iron-boron (NdFeB) magnets in standard drivetrain motors
- Every 10M in new EVs requires an additional ~10,000 tonnes of NdPr or ~20% of current annual global supply. Over 70M EV vehicles are expected to be sold when internal combustion engine vehicles are phased out
- NdPr based magnets are found in 93% of all EV motors. Tesla, GM, Ford, VW, Hyundai, Toyota and many other OEMs build vehicles using these magnets

Nd PRICING TRENDS



Source: Asian Metals

Rare earths prices reached a bottom in 2016 from the 2011 highs, and stay at stable prices until 2019, but high demand elements like Nd and Pr have since reached new highs.

Neodymium and Praseodymium prices have increased 64% and 108%, respectively in the past 12 months.

**Defense Metals PEA utilizes 3-year historical average pricing
~US\$55/kg for Neodymium and Praseodymium, below current prices**

Preliminary Economic Assessment Results - 2021

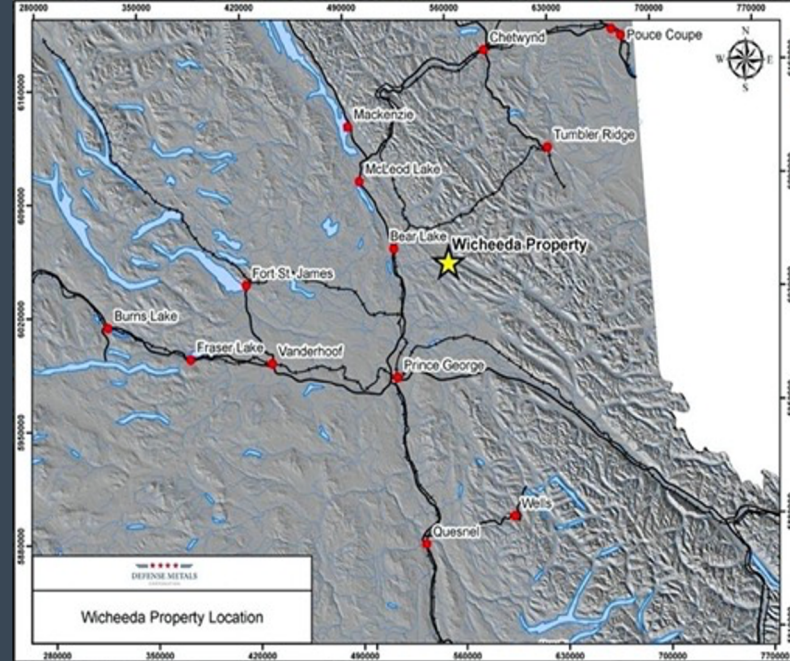
- **The project has a pre-tax net present value (NPV) of \$765 million, and after-tax NPV of \$512 million, at 8% discount rate. The pre-tax internal rate of return (IRR) is 20%, and the after-tax IRR is 16%.**
- **Initial capital expenditures (CAPEX) are \$461 million. The capital payback is 5 years**
- **Revenues average \$397 million per year. Operating margin of 65.2%.**
- **Average annual REO production of 25,423 tonnes.**
- **Production of a saleable high-grade flotation-concentrate, with average 43% TREO**
- **Base case economics of US\$5.76/kg TREO in flotation concentrate and US\$14.04/kg TREO mixed REE carbonate precipitates.**

WICHEEDA DEPOSIT IN STRATEGIC LOCATION

Strategically positioned alongside a major forestry service road connected to **Highway 97**

Major hydroelectric power line, major gas pipeline and a Canadian National railway line in the nearby village of **Bear Lake**

Prince George is a strategic mining centre, with skilled workforce



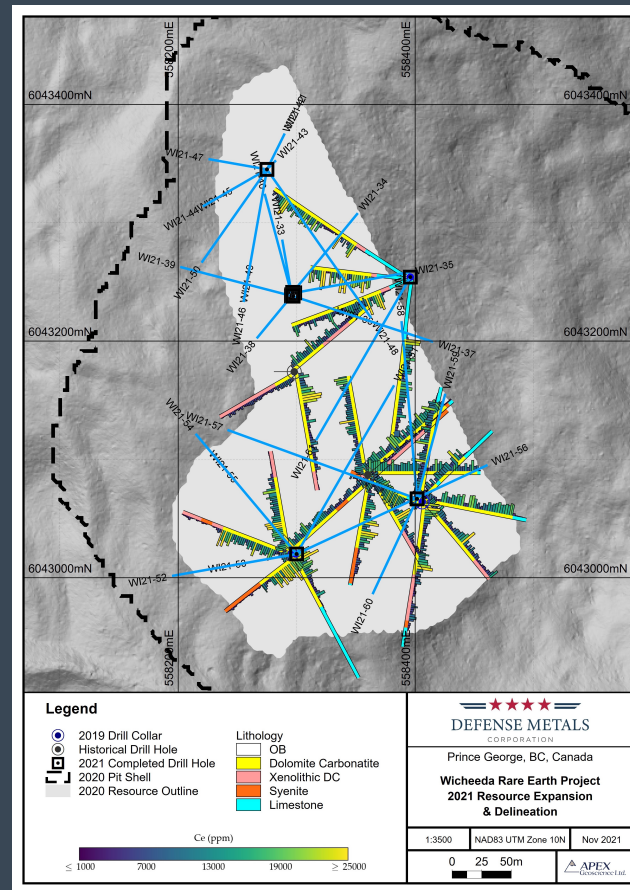
2021 DIAMOND DRILLING

During 2021, in anticipation of a positive PEA outcome, Defense Metals completed a **29-hole 5,349 metre resource expansion and delineation** diamond drill program.

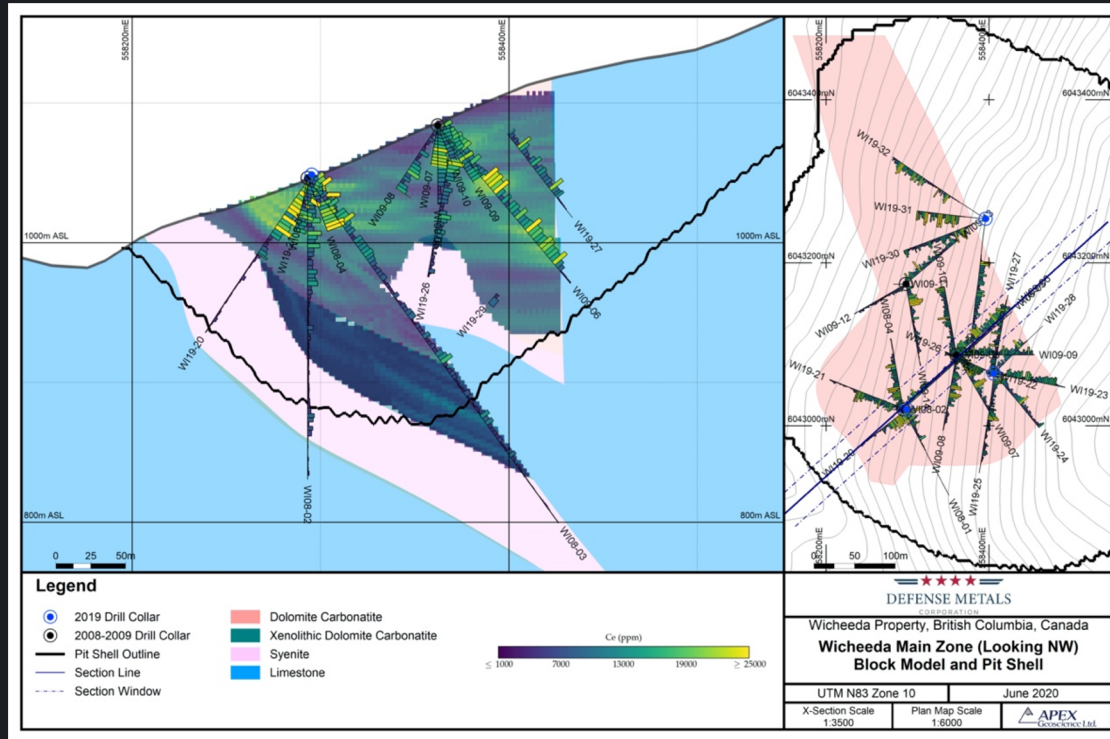
To support ongoing **advanced economic studies** through the development of an updated geological model and mineral resource estimate.

- Drilling **results expected Q1**.
- Program goal to **expand** and **upgrade** existing resources.
- **Multiple** drill holes intersected visually mineralized dolomite carbonatite **beyond depths predicted** in the geological model.

Wiccheada Deposit Drill Plan



WICHEEDA RESOURCE BLOCK MODEL AND LERCHS-GROSSMAN CONCEPTUAL PIT SHELL



UPDATED WICHEEDA MINERAL RESOURCE

November 24, 2021¹ Defense Metals announced an **Updated Resource Estimate** for the Wicheeda Project representing a **36% increase in contained metal** compared to previous mineral resource due to estimation of additional medium and heavy REE's and establishment of a lower economic cut-off

Indicated Resources of 5,031,000 tonnes averaging 2.95% TREO² (Total Rare Earth Oxide) and, **Inferred Resources of 29,467,000 tonnes averaging 1.83% TREO** reported at a cut-off grade of 0.5% TREO contained within a Lerchs-Grossman (LG) optimized pit shell

Cutoff (TREO %)	Million Tonnes > Cutoff	Grade > Cutoff											
		TREO ² (%)	TREO (Tonnes)	CeO ₂ (%)	La ₂ O ₃ (%)	Pr ₆ O ₁₁ (%)	Nd ₂ O ₃ (%)	Sm ₂ O ₃ (ppm)	Gd ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Ho ₂ O ₃ (ppm)
0.5	5.0	2.95	148,184	1.44	1.04	0.11	0.30	296	126	60	33	11	3
0.5	29.5	1.83	538,757	0.89	0.61	0.08	0.21	240	112	50	32	10	4

¹ See Defense Metal News Release Dated November 24, 2021. The Mineral Resource Estimate is classified according to the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated November 29th, 2019 and CIM "Definition Standards for Mineral Resources and Mineral Reserves" dated May 10th, 2014. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that any part of the mineral resources discussed herein will be converted to a mineral reserve in the future. All figures are rounded to reflect the relative accuracy of the estimates. Total may not sum due to rounding. A technical report relating to the PEA will be filed on SEDAR within 45 days of this news release

² Total rare earth oxide, sum of 10 oxides: CeO₂, La₂O₃, Nd₂O₃, Pr₆O₁₁, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃ and Ho₂O₃

GLOBAL PROJECT COMPARISONS

WICHEEDA GRADE AND METALLURGY COMPARES FAVOURABLY WITH GLOBAL PRODUCING PROJECTS

PROJECT	COUNTRY	DEVELOPMENT STAGE	GRADE (%TREO)	FLOTATION CONCENTRATE GRADE AND RECOVERY	Mineralogy	Initial Capex	Annual Production
Wicheeda ¹	Canada	PEA	2%	43%TREO, 65-70% recovery (>1.5% TREO)	Parasite/ Bastnaesite + Monazite	C\$461M	Target ~25,000 tpy TREO
Mt. Pass (MP Materials, MP-NYSE) ^{2,3}	USA	Operating	8%	65% TREO	Bastnaesite	US\$170M for Stage II	~40,000 tpy TREO
Mt. Weld (Lynas Corp., LYC- ASX) ^{2,3}	Australia	Operating	15.4%	40% TREO, 70% recovery	Monazite	A\$500M expansion	14,562 tpy TREO
Bayan Obo ^{2,3}	China	Operating	6%	50% TREO, 60% recovery	Bastnaesite, Monazite	Undisclosed	~50,000 tpy TREO
Ashram (Commerce Resources, CCE-TSXV) ²	Canada	PEA	1.8%	10% TREO	Monazite, Bastnaesite, Xenotime	C\$763M	16,850 tpy TREO
Strange Lake, Torngat Metals ⁴	Canada	Development	1%	3.5% TREO	Allanite and Gerenite/Gado- linite/Kainosite	TBD	TBD
Nechalacho, Vital Metal (ASX: VML) ⁵	Canada	Development	9% (0.1Mt North T-Zone)	36% TREO (0.1Mt North T-Zone)	Bastnaesite	No PEA	TBD

¹ See Defense Metals News Release Dated November 24, 2021

² Verbaan, N., Bradley, K., Brown, N., and Mackie, S., 2015 A review of hydrometallurgical flowsheets considered in current REE projects. In: Simandl G.J. and Neetz, M. (Eds.), Symposium on Strategic and Critical Materials Proceedings, November 13-14, 2015, Victoria, British Columbia Ministry of Energy and Mines, British Columbia Geological Survey Paper 2015-3, pp. 147-162

³ These are commercial operations, and the results of Defense Metals' current results are from controlled lab testing and are not comparable

⁴ NI 43-101 Technical Report for the Updated Mineral Resource for the Strange Lake Property, Quebec Canada, effective date of February 15, 2017

⁵ <https://vitalmetals.com.au> (accessed December 2, 2021)

PROJECT MILESTONES + TIMELINE

- Flotation and hydro metallurgy optimization
- Infill drilling to upgrade resources
- Start hydromet pilot plant
- Environmental studies

- Complete pre-feasibility Study
- Infill and geotechnical drilling
- Demo plant FEED*

- Complete feasibility study
- Project financing



- Finalize flowsheet
- Start pre-feasibility study
- Engage potential off-takers

- Start feasibility study
- Start small scale production at demo plant

MANAGEMENT AND DIRECTORS

CRAIG TAYLOR

CEO & Director

Since 1994 Mr. Taylor has been President and CEO of Vanville Projects Ltd., a private company which provides products and services to resorts, hotels and restaurants worldwide. From March 2008 until December 2016, Mr. Taylor was a director of Saber Capital Corp., a former capital pool company, which completed its qualifying transaction and was renamed Emblem Corp. In addition, he was a director of Advantage Lithium Corp., a TSX-V listed junior exploration company, from March 2007 until August 2016. From April 2012 until April 2016, he was a director of Clear Mountain Resources Corp., a TSX-V listed junior resource exploration company (now named Patriot One Technologies Inc.). Mr. Taylor has also served as director and officer of several other public companies engaged in mineral exploration and development.

RYAN CHEUNG

CFO & Director

Ryan Cheung, CPA, CA, has been providing accounting, management, securities regulatory compliance services to private and public-listed companies. Mr. Cheung also serves as an officer and/or director of a number of public-listed companies. Mr. Cheung holds a Bachelor of Commerce degree from the University of Victoria and is a member of the Chartered Professional Accountants of British Columbia.

KRISTOPHER J. RAFFLE

QP & Director

Kristopher J. Raffle, B.Sc., P.Geo. serves as the Qualified Person for the Company. Mr. Raffle is also a current director of New Placer Dome Gold Corp. Mr. Raffle is a Partner and Principal Geologist with Edmonton-based leading geologic consulting firm APEX Geoscience Ltd. Mr. Raffle has over 20 years' experience conducting property evaluation, intensive exploration data analysis, exploration program design, and geological modelling with respect to Archean and Calritype gold, copper-gold porphyry, gold-silver epithermal, volcanic-hosted massive sulphide (VMS), rare earth element and kimberlite diamond deposits throughout Canada, USA, and Mexico.

MANAGEMENT AND DIRECTORS

LUISA MORENO, PHD

Director

Dr. Luisa Moreno is a Physics Engineer, with a PhD in Materials Science and Mechanics from Imperial College London, in the United Kingdom. She held positions as Senior Analyst, at Toronto based investment. She is known as a leading analyst in rare earths and has published several reports and articles for the investment community. Currently, Dr. Moreno is the Chief Executive Officer of Graphano Energy Ltd. and the Managing Director of Tahuti Global Inc., a company that she founded. As a strategic consultant she assists both public and private companies and institutional investors with economic and technical assessments of mineral assets and technologies. She also works with government institutions tasked with mineral development, value addition and supply chain development. Dr. Moreno is also on the board of directors of several companies developing strategic minerals and green technologies. She is a recognized strategic minerals specialist and a common guest speaker on television and at international conferences.



ANDREW BURGESS

Director

Mr. Andrew S. Burgess, C.A., C.P.A. is a Chartered Accountant and a Certified Public Accountant. He is currently the CFO of Spectrum Mining Corporation. He is an experienced professional with more than 35 years accounting, finance and financial reporting experience with listed companies. Mr. Burgess has a broad base of experience with natural resource, service and industrial companies in the areas of general management, financial and management reporting, taxation, corporate reorganizations, investments, acquisitions, divestitures, equity and debenture financing, budgeting, investor relations and administration. He has extensive public company and IPO experience.

MAXIMILIAN SALI

Director

Mr. Sali has been in the capital markets for 10 years managing private family assets. He is the president of Baccarat Investments Inc., a private company providing consulting and management services to public companies along with investing.

DEFENSE METALS PROJECT EXPERTISE

- SGS Canada Inc. – the world's leading testing, inspection and certification company
- SRK Consulting (Canada) Inc. – leaders in fields such as due diligence, technical studies, mine waste and water management, permitting and mine rehabilitation
- APEX Geoscience Ltd. – leading Canadian-based geological consulting services provider
- Sinosteel Equipment & Engineering Co., Ltd. – product trading and mining project construction, granted EPC contract for the 60,000 tpa Browns Range, Western Australia REE Project pilot plant located
- Welsbach Holdings – Invests and develops projects that are related to technology materials and clean energy generation

FINANCIAL SUMMARY

Capital Structure

* Share Price (Dec. 2, 2021)	\$0.24 Cdn.
* Basic Shares Outstanding	81.30 MM
* Warrants	23.20 MM
* Broker Warrants	1.38 MM
* Options	7.17 MM
* Fully Diluted Shares	113.05 MM

Listings: TSXV: DEFN / OTCQB: DFMTF / FSE: 35D

Last Funding: \$5MM @ .325 Cdn. May 18th, 2021

Zero Debt / Management & Insiders: ~ 5.0 %

Market Capitalization: \$19.51 MM

Option to acquire 100% of Spectrum Mining Corporation
(the Wicheeda Project)

DEFENSE METALS CORP.

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EXCHANGE LISTING

TSX-V: **DEFN** - OTCQB: **DFMTF** - FSE: **35D**

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