



## **DEFIANCE SILVER AND VALORO RESOURCES COMPLETE MERGER**

**FOR RELEASE: January 7, 2019**

**TSXV: DEF & VRO  
OTC: DNCVF & GIXEF**

Defiance Silver Corp. (“Defiance”) (TSX-V: DEF) and ValOro Resources Inc. (“ValOro”) (TSX-V: VRO) are pleased to announce that their friendly merger (“Transaction”) under the *Business Corporations Act* (British Columbia) to create a leading diversified explorer with an advanced portfolio of Mexican silver and gold projects was completed effective 11:59 pm on Monday, December 31, 2018.

The name of the combined company is Defiance Silver Corp. and its trading symbol is DEF with no changes to its CUSIP number or ISIN. It has approximately 120.07 million common shares outstanding, of which shareholders of Defiance own 86.07% and the former shareholders of ValOro own approximately 13.92%. Letters of Transmittal have been mailed to ValOro’s shareholders so they can exchange their ValOro shares for Defiance shares.

Peter J. Hawley, President and CEO of Defiance, stated “We are pleased to complete the merger with ValOro and look forward with a shared common vision to unlock further exploration potential at the San Acacio silver project and Tepal gold project. Given the rise in precious metal prices and with these two advanced projects, we believe the time is right to unlock their value to shareholders”

Dunham Craig, former President and CEO of ValOro, stated “We are pleased with the closing of the transaction and wish to thank all the participants and shareholders. With two drill ready projects in Mexico and recent news indicating the new Mexican government will be supportive of mining, we look forward to a dynamic and exciting 2019”.

The combined management team is being led by

- Mr. Peter J. Hawley as President and Chief Executive Officer,
- Ms. Evelyn Abbott as Chief Financial Officer and Corporate Secretary and
- Ms. Gillian Kearvell as Vice President of Exploration.

Defiance’s new Board is comprised of

- Mr. Peter J. Hawley,
- Mr. Darrell Rader,
- Mr. Paul Smith,
- Mr. Randy Smallwood and
- Mr. Ron Sowerby (who replaced George Brack, appointed to Defiance’s board at the

closing of the transaction, who resigned as a director of Defiance to avoid any conflicts from his role as chair of Capstone Mining Corp. and the proximity and similarity of Defiance's major project to Capstone's Cozamin mine.).

Dunham Craig will be an advisor to the Board and join the Board at Defiance's next annual general meeting slated for March 27, 2019.

The ValOro Shares are currently halted from trading and are expected to be de-listed from the TSX Venture Exchange shortly.

In support of this transaction, Defiance's principal lender has agreed to increase its loan facility from \$700,000 to approximately \$1.50 million, on similar terms. As partial consideration for the increased loan facility, Defiance will issue 2,346,790 bonus warrants to the lender, each warrant entitling the lender to acquire one common share of Defiance at \$0.18 until December 21, 2019. The issuance of the bonus warrants is subject to the approval of the TSX Venture Exchange.

Defiance has deferred its previously announced financing, as provided for in the Arrangement Agreement and in ValOro's information circular, until market conditions warrant.

#### **About Defiance Silver Corp.**

**Defiance Silver Corp. (DEF | TSX Venture Exchange; DNCVF | OTC; D4E | Frankfurt)** is a silver explorer and developer advancing the San Acacio Deposit, located in the historic Zacatecas Silver District of central Mexico. Defiance is managed by a team of proven mine developers with a track record of exploring and developing 7 operating mines to date. Defiance's corporate mandate is to expand San Acacio to become one of Mexico's premier high-grade wide vein silver deposits. [Details of the San Acacio Deposit](#) are available on our website.

#### **About ValOro Resources Inc.**

**ValOro Resources Inc. (VRO | TSX Venture Exchange)** is a mineral exploration and development company focused on acquiring, exploring, and developing mineral resource opportunities with the potential to host profitable mining operations. The Company's primary focus is the 100% owned Tepal Gold/Copper Project in Michoacán state, Mexico.

On behalf of Defiance Silver Corp.

*"Peter J. Hawley"*

Interim President & CEO

Chairman of the Board, Director

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*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

On behalf of ValOro Resources Inc.

*"Dunham L. Craig"*

President, CEO & Director

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