

**PRISM RESOURCES INC.**  
**Suite 214, 3540 West 41<sup>st</sup> Avenue**  
**Vancouver, British Columbia V6N 4E6**  
**Tel: (604) 803-4883 Fax: (604) 682-0318**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general meeting (the “Meeting”) of the shareholders of **PRISM RESOURCES INC.** (the “Company”) will be held at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, on Friday, June 29, 2018 at 11:00 a.m., local time, for the following purposes:

1. To receive the consolidated financial statements of the Company for its fiscal period ended December 31, 2017, the report of the auditor and the related management discussion and analysis;
2. To elect directors of the Company for the ensuing year;
3. To appoint an auditor of the Company for the ensuing year;
4. To ratify and approve the Company’s share option plan for continuation until the next annual general meeting of the Company; and
5. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting.

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of Proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of Proxy and in the Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of Proxy and in the Information Circular to ensure that such shareholder’s shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.**

**DATED** at Vancouver, British Columbia, this 29<sup>th</sup> day of May, 2018.

**BY ORDER OF THE BOARD**

*“Robert W. Baxter”*

**Robert W. Baxter**  
**Chief Executive Officer**

**PRISM RESOURCES INC.**  
**Suite 214, 3540 West 41<sup>st</sup> Avenue**  
**Vancouver, British Columbia V6N 4E6**  
**Tel: (604) 803-4883 / Fax: (604) 682-0318**  
**www.prismresourcesinc.com**

**INFORMATION CIRCULAR**  
as at May 23, 2018 *except as otherwise indicated*

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Prism Resources Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 29, 2018 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Company”, “we” and “our” refer to **Prism Resources Inc.** “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and directors of the Company and legal counsel for the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may choose one of the following methods to do so:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) via the internet through Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Registered Shareholders must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

## Beneficial Shareholders

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are. The Company will pay intermediaries, including Broadridge Financial Solutions ("Broadridge"), to deliver proxy-related materials to NOBOs. The Company will not pay for delivery of proxy-related materials to OBOs.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a beneficial owner, and the Company or its agent sent these materials to you directly, your name, address and information about your holdings of securities were

obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“VIF”) in lieu of the proxy provided by the Company. The VIF will name the same persons as are named on the Company’s form of Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

#### **Notice to Shareholders in the United States**

The solicitation of proxies involve securities of a company located in Canada and are being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the British Columbia *Business Corporations Act* (the “BCA”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a

foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the “Board”) of the Company has fixed May 23, 2018 as the record date (the “Record Date”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Company were listed for trading on NEX until July 27, 2016 when the Common Shares commenced trading on the TSX Venture Exchange (“TSXV”). As of May 23, 2018, there were 51,745,393 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, the only person or corporation that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company at May 23, 2017 is:

<b><u>Shareholder Name</u></b>	<b><u>Number of Common Shares Held<sup>(1)</sup></u></b>	<b><u>Percentage of Issued Common Shares</u></b>
Trevali Mining Corporation	5,750,000 <sup>(1)</sup>	11.1%

Note:

- <sup>(1)</sup> The information was initially made available to the Company via participation in the transaction disclosed in the News Releases of July 8 and July 26, 2016 and the News Release filed May 28, 2018 under the Company’s profile at [www.sedar.com](http://www.sedar.com). Dr. Cruise, a director of the Company, is also the President, Chief Executive Officer and a director of Trevali Mining Corporation.

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of Alberta and British Columbia at [www.sedar.com](http://www.sedar.com) are specifically incorporated by reference into, and form an integral part of, this Circular:

- The audited financial statements of the Company for the financial year ended December 31, 2017, the auditor’s report thereon and the related management’s discussion and analysis as SEDAR filed on April 27, 2018.
- The Company’s News Releases as SEDAR filed on February 22, 2018 and on May 28, 2018.

Copies of documents incorporated herein by reference may also be obtained by a Shareholder upon request without charge from the Company’s Corporate Secretary at Suite 214, 3540 West 41<sup>st</sup> Avenue, Vancouver, BC, V6N 4E6, Tel: (604) 803-4883, or Toll Free: 1-800-863-8655, or Fax: (604) 682-0318.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein.

If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The size of the Board was set by the directors for the last annual general meeting at six directors. Pursuant to the Articles of the Company and the BCA, the Board appointed an additional director. Accordingly, to continue the current number of directors and pursuant to the Articles of the Company the Board has set the number of directors to be elected to the Board at the Meeting at seven (7). Shareholders are asked to consider the persons set forth below in the following table as director nominees, and vote at the Meeting to elect them as directors for the ensuing year.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director’s office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

### *Advance Notice Provision*

Pursuant to the Advance Notice Provisions contained in the Articles of the Company, the Board has determined that notice of nominations of persons for election to the Board at the Meeting must be made following the requirements of such Advance Notice Provisions. To the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Articles and, subject to the receipt of any such nomination, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

The following table sets out the names of management’s seven nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, at May 23, 2018.

<b>Name of Nominee; Current Position with the Company and Province and Country of Residence</b>	<b>Period as a Director of the Company</b>	<b>Present Principal Occupation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Robert William Baxter <sup>(5)</sup> President, Chief Executive Officer (“CEO”) and Director Lima, Peru	Since January 11, 2012	President and Chief Executive Officer of the Company (2012 to present)	3,325,000 <sup>(6)</sup>
Scott M. Ross <sup>(2)(3)(4)</sup> Director, Interim Chief Financial Officer (“CFO”) and Corporate Secretary British Columbia, Canada	Since June 5, 2009	Interim CFO and Corporate Secretary of the Company (2009 to present).	676,000 <sup>(7)</sup>

<b>Name of Nominee; Current Position with the Company and Province and Country of Residence</b>	<b>Period as a Director of the Company</b>	<b>Present Principal Occupation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Robert Parsons <sup>(2)(3)</sup> Director British Columbia, Canada	Since February 28, 2012	Independent Consultant and Board Director.	196,000 <sup>(8)</sup>
Julian Bavin Director Santiago, Chile	Since May 25, 2012	Founding Partner of private exploration companies in Australia (Sasak Resources group, 2010 to present), and in Chile (Minera Valentin, Minera Copanor 2011 to present).	1,100,000 <sup>(9)</sup>
Brian Kerzner <sup>(2)(3)</sup> Director British Columbia, Canada	Since May 25, 2012	Retail and real estate entrepreneur (1987 to present); Founder and President of Rocky Mountain Chocolate Factory Canada Inc (1987 to present)	3,450,000 <sup>(10)</sup>
Timothy Charles Moody <sup>(4)(5)</sup> Director Bristol, United Kingdom	Since January 14, 2016	Businessman, retired. Former Vice President and Director for Business Development of Rio Tinto (2010 to 2015)	500,000 <sup>(11)</sup>
Dr. Mark Cruise <sup>(4)(5)</sup> Director British Columbia, Canada	Since July 29, 2016	President, Chief Executive Officer and Director of Trevali Mining Corp. (2007 to present)	5,750,000 <sup>(12)</sup>

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. Member of Audit Committee.
3. Member of the Compensation Committee.
4. Member of the Corporate Governance and Nominating Committee.
5. Member of the Corporate Responsibility Committee.
6. Mr. Baxter also holds options to purchase a further 900,000 Common Shares.
7. Mr. Ross holds 600,000 Common Shares directly and an additional 76,000 Common Shares through Skibo Capital Corporation (“Skibo”), a company over which Mr. Ross has control and direction. Mr. Ross also holds options to purchase a further 500,000 Common Shares and Warrants to purchase 100,000 Common Shares. Of these Mr. Ross holds Warrants to purchase 75,000 Common Shares personally and Skibo holds Warrants to purchase 50,000 Common Shares.
8. Mr. Parsons also holds options to purchase 500,000 Common Shares and Warrants to purchase 50,000 Common Shares.
9. Mr. Bavin also holds options to purchase 375,000 Common Shares and Warrants to purchase 50,000 Common Shares.
10. Mr. Kerzner also holds options to purchase 500,000 Common Shares and Warrants to purchase 250,000 Common Shares.
11. Mr. Moody also holds options to purchase 475,000 Common Shares and Warrants to purchase 250,000 Common Shares.
12. These Common Shares are held by Trevali Mining Corporation, the controlling shareholder of the Company, for which Dr. Cruise is the President, Chief Executive Officer and a director. Dr. Cruise personally holds options to purchase 500,000 Common Shares.

None of the nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

## **Penalties, Sanctions and Cease Trade Orders**

No proposed director is, as at the date of this information circular, or has been, within ten (10) years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- c. while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d. has, within the ten (10) years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees named herein as directors of the Company until the close of the next annual general meeting.**

## **APPOINTMENT OF AUDITOR**

On December 21, 2017, the Board determined not to nominate DeVisser Gray LLP, Chartered Professional Accountants, for appointment as auditor of the Company; and subject to shareholder approval at the Company's next annual general meeting, to appoint Crowe MacKay LLP, Chartered Professional Accountants, to be auditor of the Company. Accordingly the Company sent Notice of Change of Auditor to both DeVisser Gray LLP and to Crowe MacKay LLP. Copies of the Notice of Change of Auditor, the letter from DeVisser Gray LLP as former auditor, and the letter from Crowe MacKay LLP as successor auditor were filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on December 22, 2017, and copies are also attached as Schedule A hereto.

Crowe MacKay LLP, Chartered Professional Accountants, of Suite 1100, 1177 West Hastings Street, Vancouver, British Columbia, V6E 4T5, will be nominated at the Meeting for appointment as auditor of the Company.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Crowe MacKay LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The provisions of National Instrument 52-110 – *Audit Committees* (“NI52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

### **The Audit Committee’s Charter**

The audit committee has a charter, a copy of which is attached as Schedule “A” to the Information Circular dated May 2, 2006 and SEDAR filed on May 3, 2006.

### **Composition of the Audit Committee**

Members of the audit committee are Robert Parsons (Chairman), Brian Kerzner and Scott M. Ross. Messrs. Parsons and Kerzner are the independent members of the audit committee. Mr. Ross is not independent as he is the Interim CFO and Corporate Secretary of the Company. All audit committee members are considered to be financially literate.

### **Relevant Education and Experience**

Each member of the Company’s audit committee has adequate education and experience relevant to their performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See further information for each audit committee member below.

### ***Scott M. Ross – Interim CFO, Corporate Secretary of the Company – Non-Independent Director***

Mr. Ross has many years of experience working with public and private companies. From 1988 to 1999 he served as Manager, Development for Canlan Investment Corporation, a public real estate development company specializing in the construction and management of recreational ice rink facilities across North America and golf course residential development in British Columbia. Since 2001 he has served as Vice-President and director of Rosstree Capital Corporation, a private investment holding company and he is currently a director and President and Chief Executive Officer of Bearclaw Capital Corp., a reporting issuer on the TSXV. He has a Bachelor of Arts (Hons) from Queen’s University, Kingston, Ontario.

### ***Robert Parsons – Independent Director***

Mr. Parsons is a Chartered Accountant and Chartered Professional Accountant and a retired partner of PricewaterhouseCoopers after a career spanning 34 years. He currently serves on the Advisory Board of the Indonesian Mining Association and the International Affairs Committee of the Prospectors and developers Association of Canada. He has served on the boards of the PDAC (1985-2003), the Indonesian Mining Association, the Canada Indonesia Chamber of Commerce, the World Mines Ministries Forum, the Canadian Minerals Industry Federation, the Advisory Council of the Centre for Resource Studies at Queens University, and the Professional Advisory Board of the Government of Canada’s Petroleum Monitoring Agency. He has previously served on the boards of several listed exploration companies and

currently serves on the boards of Eagle Hill Exploration Corp. and Indico Resources Ltd. Mr. Parsons is an active independent consultant in developing countries, where he has advised over 20 governments on mineral policy matters. In 2013, Mr. Parsons was awarded the Queen Elizabeth II Diamond Jubilee Medal for his contribution to Canada’s mining industry.

**Brian Kerzner – Independent Director**

Since 1987, Mr. Kerzner has been a successful entrepreneur in retailing and real estate. Mr. Kerzner is the Founder and President of Rocky Mountain Chocolate Factory Canada Inc., which operates retail chocolate stores from coast to coast in Canada. He has also founded several other private companies that have completed extensive residential and commercial development in Toronto, Phoenix, Whistler and Vancouver. Mr. Kerzner has been extensively involved in providing seed capital for many successful public and private companies in the resources, environmental and technology sectors. Mr. Kerzner is an Honours graduate of the University of Toronto Bachelor of Commerce (B.Com) program and was a director of Norsemont Mining Inc. He is also a member of the BC Children’s Hospital Circle of Care and is actively involved in many other charitable organizations.

**Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Crowe MacKay LLP.

**Reliance on Certain Exemptions**

The Company has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110 since the commencement of its financial year ended December 31, 2017. The Company’s auditor, Crowe MacKay LLP, has not provided any material non-audit services to the Company since the commencement of the Company’s financial year ended December 31, 2017.

**Pre-Approval Policies and Procedures**

See the Audit Committee Charter for specific policies and procedures for the engagement of non-audit services.

**External Auditor Service Fees**

The audit committee has reviewed the nature and amount of the non-audit services provided by Crowe MacKay LLP to the Company to ensure auditor independence. Fees incurred with Crowe MacKay LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Auditor (Crowe MacKay LLP) in Year Ended December 31, 2017</b>	<b>Fees Paid to Auditor (DeVisser Gray LLP) in Year Ended December 31, 2016</b>
Audit Fees <sup>(1)</sup>	\$12,000	\$11,250
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$12,000</b>	<b>\$11,250</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the consolidated financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## Exemption

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by conducting quarterly reviews of the Company’s consolidated financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

The independent Board members are Robert Parsons, Julian Bavin, Timothy Moody and Brian Kerzner. The non-independent directors are Robert Baxter, President and CEO; Scott M. Ross, Interim CFO and Corporate Secretary; and Mark Cruise, who is the President, Chief Executive Officer and a director of the Company’s major shareholder, Trevali Mining Corporation.

### Directorships

The current directors are board members of other reporting issuers as follows:

Name of Director	Name of Reporting Issuer	Exchange Listed
Robert W. Baxter	Pan Global Resources Inc. Xiana Mining Inc. Indico Resources Ltd.	TSXV TSXV TSXV
Robert Parsons	Indico Resources Ltd. Pan Global Resources Inc.	TSXV TSXV
Scott M. Ross	Bearclaw Capital Corp.	Frankfurt, TSXV
Julian Bavin	Exeter Resource Corporation	TSX, NYSE, Frankfurt
Brian Kerzner	Pan Global Resources Inc. Indico Resources Ltd. Xiana Mining	TSXV TSXV TSXV
Timothy Charles Moody	Pan Global Resources Inc. Indico Resources Inc. Xiana Mining Inc.	TSXV TSXV
Mark Cruise	Trevali Mining Corporation Velocity Minerals Ltd.	TSX NEX

## **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

## **Ethical Business Conduct**

The Board finds that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Corporate Governance and Nominating Committee considers the size of the Board each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

## **Compensation**

The Compensation Committee determines compensation for the directors and the executive officers. The Compensation Committee members are Robert Parsons, Brian Kerzner and Scott Ross. The role of the Compensation Committee includes evaluating the performance of the CEO and the Board, approving all compensation for executive officers and directors, recommending compensation plans, including equity-based compensation plans, to the Board, and reviewing annually the Company's benefits programs.

## **Other Board Committees**

Members of the Corporate Governance and Nominating Committee are: Timothy Moody, Scott Ross and Dr. Mark Cruise. This committee monitors corporate governance issues, including the governance of the Board and Board committees. Its mandate includes establishing criteria for selection of directors, recruiting candidates and making recommendations to the Board for nominees as director; recommending to the Board corporate governance principles addressing the size, composition and responsibilities of the Board and its committees, and recommending changes to corporate governance principles from time to time; and evaluating the performance of directors, the Board and its committees.

The Corporate Responsibility Committee consists of Timothy Moody, Dr. Mark Cruise and Robert Baxter. The role of this committee is to review the development and implementation of strategies, policies and management systems of the Company relating to corporate responsibility. Corporate responsibility encompasses all of those activities through which the Company seeks to integrate the public interest into its day-to-day activities, decision-making, and business planning. These activities include the Company's performance relating to sustainability of operations, safety, health, environmental stewardship, local communities and society, and its engagement with employees, shareholders, suppliers, communities, governments, non-governmental organizations and other interested groups.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

## COMPENSATION OF EXECUTIVE OFFICERS

### General Provision

“Named Executive Officer” (“NEO”) means each of the following individuals:

- (a) a Chief Executive Officer (“CEO”);
- (b) a Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at December 31, 2017.

### Compensation and Discussion Analysis

The Company has not been in a position to compensate any of its officers or directors for approximately the previous eight years. The Company commenced compensating its officers and directors as of July 1, 2016; and relies solely on discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation.

### Option Based Awards

The Company has a share option plan in place that is dated for reference April 23, 2013, as amended and restated June 13, 2013 (the “Plan”). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board, and provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than ten years after the issuance of such option.

Previous grants of option-based awards are taken into account when considering new grants of options. Subject to Plan requirements, TSXV policy requirements and any necessary regulatory approval, the Shareholders must authorize certain amendments to the Plan.

### Summary of Compensation Table:

The compensation paid to the NEOs during the Company’s three most recently completed financial years ended December 31, 2017, 2016 and 2015 is as set out below:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Robert Baxter <sup>(1)</sup> CEO	2016	Nil	Nil	31,500	Nil	Nil	Nil	120,000	151,500
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott Ross <sup>(2)</sup> Interim CFO	2016	Nil	Nil	15,750	Nil	Nil	Nil	21,000	36,750
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Dufresne <sup>(3)</sup> Vice President, Exploration (VPE)	2016	Nil	Nil	15,750	Nil	Nil	Nil	46,665	62,415

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Oscar Ruiz <sup>(4)</sup> former CFO	2016	Nil	Nil	15,750	Nil	Nil	Nil	25,380	41,130
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ken Morgan <sup>(5)</sup> former CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Baxter was appointed President, CEO and a director of the Company on January 11, 2012.
- (2) Mr. Ross was appointed Interim CFO on December 7, 2016. These amounts were paid to Skibo Capital Corporation, a company wholly owned by Mr. Ross, for consulting services. Mr. Ross served as former CFO from January 2010 to January 2016 and while he serves in the role of interim CFO will work closely with the Board to locate a successor CFO.
- (3) Mr. Dufresne was appointed Vice President Exploration on September 20, 2016 and signed an initial one-year consulting agreement with the Company.
- (4) Mr. Oscar Ruiz was appointed CFO on January 14, 2016 and resigned as CFO on December 6, 2016. Subsequent to the financial year end, on March 7, 2017 the 300,000 options granted to Mr. Ruiz were cancelled.
- (5) Mr. Morgan was Interim CFO from September 14, 2011 to May 25, 2012 and was appointed CFO on May 25, 2012. He resigned as CFO on January 14, 2016.

## Incentive Plan Awards

### Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2017 for each NEO.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Robert Baxter	600,000	0.10	July 29, 2019	60,000	Nil	Nil	Nil
	500,000	0.32	May 23, 2017	Nil	Nil	Nil	Nil
Scott Ross	300,000	0.10	July 29, 2019	30,000	Nil	Nil	Nil
	250,000	0.32	May 23, 2017	Nil	Nil	Nil	Nil
Richard Dufresne	300,000	0.17	Sept 20, 2019	9,000	Nil	Nil	Nil
Oscar Ruiz	300,000 <sup>(2)</sup>	0.10	July 29, 2019	30,000	Nil	Nil	Nil
Ken Morgan	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of December 31, 2016, which was \$0.20, and the exercise or base price of the option.
- (2) These options were cancelled on March 7, 2017.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the year ended December 31, 2017, for each NEO:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Baxter	60,000	Nil	Nil
Scott Ross	30,000	Nil	Nil
Richard Dufresne	30,000	Nil	Nil
Oscar Ruiz	30,000	Nil	Nil
Ken Morgan	Nil	Nil	Nil

### **Pension Plan Benefits**

The Company does not have a pension plan and does not pay pension benefits to any of its NEOs.

### **Termination and Change of Control Benefits**

The Company signed a Consulting Agreement with Robert Baxter, director and CEO, on July 1, 2016, the terms of which include a fee of \$240,000 annually, such fee being reviewable annually, provision of management personnel life insurance, medical and dental insurance; and 30 days paid leave annually and reimbursement of all reasonable expenses. Termination provisions entitle Mr. Baxter to: (a) upon termination without cause by the Company within 30 days following date of termination, a payment of one year's fee and benefits, or (b) upon termination without cause after a Change of Control, within 30 days following date of termination, payment of 2 years of fees and benefits and immediate vesting of all previously granted, but as yet unvested, share options at the termination date.

On July 1, 2016 the Company signed a Consulting Agreement with Scott Ross, director, Interim CFO and Corporate Secretary, the terms of which include a fee of \$42,000 annually, such fee being reviewable annually, provision of management personnel life insurance, medical and dental insurance; and 30 days paid leave annually and reimbursement of all reasonable expenses. Termination provisions entitle Mr. Ross to: (a) upon termination without cause by the Company within 30 days following date of termination, a payment of one year's fee and benefits, or (b) upon termination without cause after a Change of Control, within 30 days following date of termination, payment of 2 years of fees and benefits and immediate vesting of all previously granted, but as yet unvested, share options at the termination date.

On September 20, 2016 the Company signed a Consulting Agreement with Richard Dufresne, Vice-President Exploration, the terms of which include a fee of \$160,000 annually, such fee being reviewable annually, provision of management personnel life insurance, medical and dental insurance; and 30 days paid leave annually and reimbursement of all reasonable expenses. Termination provisions entitle Mr. Dufresne to: (a) upon termination without cause by the Company within 30 days following date of termination, a payment of one year's fee and benefits, or (b) upon termination without cause after a Change of Control, within 30 days following date of termination, payment of 2 years of fees and benefits and immediate vesting of all previously granted, but as yet unvested, share options at the termination date.

The Company has no provisions for termination or change of control benefits with any of its other officers and directors.

## Director Compensation

The compensation provided to directors, excluding directors included in NEO disclosure above, for the Company's financial year ended December 31, 2017, is:

### Summary Compensation Table

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Robert Parsons	12,500	Nil	15,750	Nil	Nil	Nil	28,250
Julian Bavin	6,281	Nil	15,750	Nil	Nil	Nil	22,031
Brian Kerzner	10,000	Nil	15,750	Nil	Nil	Nil	25,750
Timothy Moody	10,000	Nil	15,750	Nil	Nil	Nil	25,750
Mark Cruise	10,000	Nil	15,750	Nil	Nil	Nil	25,750

Note:

<sup>(1)</sup> For the tenure of each director see the table under "Election of Directors" above.

### Outstanding share-based awards and option-based awards

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2017, for each director, excluding a director who is already set out in disclosure for a NEO of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Robert Parsons	300,000	0.10	July 29, 2019	30,000	Nil	Nil	Nil
	200,000	0.32	May 23, 2017	Nil	Nil	Nil	Nil
Julian Bavin	300,000	0.10	July 29, 2019	30,000	Nil	Nil	Nil
	200,000	0.32	May 23, 2017	Nil	Nil	Nil	Nil
Brian Kerzner	300,000	0.10	July 29, 2019	30,000	Nil	Nil	Nil
	200,000	0.32	May 23, 2017	Nil	Nil	Nil	Nil
Timothy Moody	300,000	0.10	July 29, 2019	30,000	Nil	Nil	Nil
Mark Cruise	300,000	0.10	July 29, 2019	30,000	Nil	Nil	Nil

Note:

<sup>(1)</sup> This amount is calculated based on the difference between the market value of the securities underlying the options at the end of December 31, 2016, which was \$0.20, and the exercise or base price of the option.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the year ended December 31, 2017, for a director, excluding a director who is already set out in the disclosure above for a NEO of the Company:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Parsons	30,000	Nil	Nil
Julian Bavin	30,000	Nil	Nil
Brian Kerzner	30,000	Nil	Nil

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Timothy Moody	30,000	Nil	Nil
Mark Cruise	30,000	Nil	Nil

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See disclosure under “*Option Based Awards*” under “*Statement of Executive Compensation*” above, and under “*Share Option Plan*” under “*Particulars of Matters to be Acted Upon*” below, for disclosure on the Company’s equity compensation regime.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2017.

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Plan)	4,850,000	\$0.17	85,039
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	4,850,000	\$0.17	85,039

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company or have any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, as of the end of the most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended December 31, 2017, or has any interest in any material transaction in the current year or as of the date hereof other than as set out herein or in a document disclosed to the public.

On April 21, 2017 the Company completed a private placement of 2,395,000 Units at \$0.18 each for gross proceeds of \$431,100. Each Unit consisted of one Common Share and a warrant to purchase one additional Common Share at \$0.35 each until April 21, 2020. Scott Ross purchased 150,000 Units personally and Skibo purchased 50,000 Units.

On February 22, 2018, the Company announced its intention to enter into loan agreements for loans, in aggregate of \$100,000, with certain shareholders, including certain directors of the Company, with each lender loaning the Company \$30,000, except Scott Ross, who is loaning \$10,000. Pursuant to the loan agreements, the Company is to issue bonus Common Shares to each of the lenders, subject to TSXV

approval. Upon repayment of each loan, the corresponding lender is to receive the bonus Common Shares, calculated as the number of Common Shares equal to 20% of such lender's loan divided by the market price of such Common Shares at the end of the day on February 22, 2018. The bonus Common Shares issued will have an aggregate value of \$20,000. Brian Kerzner and Scott Ross, each a director of the Company, loaned \$30,000 and \$10,000, respectively and will receive 60,000 and 20,000 bonus Common Shares, respectively, upon repayment of the loan. Mr. Kerzner's bonus Common Shares are valued at \$6,000 and Mr. Scott's are valued at \$2,000.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Share Option Plan**

The Company has a Share Option Plan dated for reference April 23, 2013 as amended and restated effective June 13, 2013 (the "Plan"). The Plan is a rolling plan. Under the Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

To comply with the policies of the TSXV covering "rolling" option plans, continued grants under the Plan must be approved annually by the shareholders of the Company. At the Meeting shareholders will be asked to ratify and approve the Plan for continuation until the next annual general meeting of the Company.

As at May 23, 2018 there were 51,745,393 Common Shares issued and outstanding. Accordingly, under the Plan the Company has the authority to grant options to purchase up to a total of 5,174,539 Common Shares. At the date of this Information Circular, options to purchase an aggregate of 3,100,000 Common Shares are granted and outstanding under the Plan, representing 6.0% of the outstanding Common Shares in the capital of the Company.

### *Restrictions of the Share Option Plan*

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (a "Service Provider") in any 12 month period that exceeds 5% of the outstanding shares, unless the Company has obtained approval by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by Insiders and their Associates (both as defined in the Plan), ("Disinterested Shareholder Approval");
- (b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12-month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without the prior consent of the TSXV;
- (d) The Company must not grant an option to a Consultant in any 12-month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (e) The number of optioned shares issued to any one Optionee within any 12 month period must not exceed 5% of the outstanding shares unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (f) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

### ***Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- (c) For options granted to Service Providers, the Board must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) An Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to:
  - (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or
  - (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

A copy of the Plan will be available for inspection at the Meeting.

### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to ratify and approve the continuation of the Plan as follows:

“Resolved that the Company's Share Option Plan dated for reference April 23, 2013, as amended and restated effective June 13, 2013, be ratified and approved for continuation until the next annual meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

In the opinion of the Board, the Plan allows the Company the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting the Company's Secretary, telephone no. (604) 803-4883 or fax no. (604) 682-0318.

**The Board recommends that you vote in favour of the above resolution.**

**In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the above ordinary resolution. An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.**

#### **ADDITIONAL INFORMATION**

Financial information is provided in the audited consolidated financial statements of the Company for the year ended December 31, 2017, the report of the auditor and in the related management discussion and analysis (the "Financial Statements") and filed on [www.sedar.com](http://www.sedar.com). A copy of the Financial Statements will be available at the Meeting.

Additional information relating to the Company is available as filed on [www.sedar.com](http://www.sedar.com) and upon request from the Company's Secretary at Suite 214, 3540 West 41<sup>st</sup> Avenue, Vancouver, British Columbia, V6N 4E6, telephone number (604) 803-4883, or fax number (604) 682-0318. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

#### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**APPROVED** by the Board at Vancouver, British Columbia, this 29<sup>th</sup> day of May, 2018.

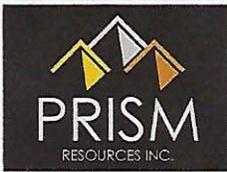
#### **BY ORDER OF THE BOARD**

*"Robert W. Baxter"*

**Robert W. Baxter**  
**President and Chief Executive Officer**

**SCHEDULE A**

**CHANGE OF AUDITOR PACKAGE**



214-3540 West 41st Ave. Vancouver B.C.- V6N 3E6  
Phone 604.803.4883 Fax 604.682.0318 Trading symbol TSX.V: PRS

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(the "Company")

**NOTICE OF CHANGE OF AUDITOR**  
(the "Notice")

**To: DeVisser Gray LLP, Chartered Professional Accountants**  
**And To: Crowe MacKay LLP, Chartered Professional Accountants**

1. The directors of the Company do not propose to re-appoint DeVisser Gray LLP, Chartered Professional Accountants, as auditors for the Company; and
2. The directors of the Company propose to appoint Crowe MacKay LLP, Chartered Professional Accountants, as auditors of the Company, effective November 20, 2017, to hold office until the next annual meeting of the Company.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Company confirms that:

1. DeVisser Gray LLP, Chartered Professional Accountants, was asked to resign as auditor of the Company, effective November 20, 2017, to facilitate the appointment of Crowe MacKay LLP, Chartered Professional Accountants, 1100 - 1177 West Hastings Street, Vancouver, British Columbia Canada V6E 4T5;
2. DeVisser Gray LLP, Chartered Professional Accountants, has not expressed any reservation in its report for the two most recently completed fiscal years, being the fiscal years ended December 31, 2016 and December 31, 2015 of the Company, nor for the period from the most recently completed period for which DeVisser Gray LLP, Chartered Professional Accountants, issued an audit report in respect of the Company and the date of this Notice;
3. In the opinion of the Board of Directors of the Company, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the most recently completed fiscal year of the Company nor any period from the most recently completed for which DeVisser Gray LLP, Chartered Professional Accountants, issued an audit report in respect of the Company and the date of this Notice; and
4. The Notice and Auditor's Letters have been reviewed by the Audit Committee and the Board of Directors.

Dated as of the 21<sup>st</sup> day of December, 2017

**PRISM RESOURCES INC.**

  
\_\_\_\_\_  
Scott Ross,  
Chief Financial Officer

December 21, 2017

**BRITISH COLUMBIA SECURITIES COMMISSION**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1L2

**ALBERTA SECURITIES COMMISSION**

Suite 600, 250-5 Street SW  
Calgary, Alberta T2P 0R4

Dear Sirs/Mesdames:

Re: **Prism Resources Inc. (the “Company”)**  
**Notice Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (the**  
**“Instrument”)**

---

We have been provided with and read the *Notice of Change of Auditor* dated December 21, 2017 (the “Notice”) with respect to our resignation as auditor of the Company provided as required under the Instrument. Pursuant to the Instrument, we confirm our agreement with the information contained in such Notice. This confirmation is based on our knowledge of the information as at the date of this letter.

We understand that the Notice along with this letter and a similar letter from Crowe MacKay LLP will be provided to the Company’s registered shareholders with the meeting materials relating to the Company’s next annual general meeting of shareholders.

Yours truly,



**DE VISSER GRAY LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

c.c. Prism Resources Inc.  
Crowe MacKay LLP



**Crowe MacKay LLP**  
Member Crowe Horwath International

1100, 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
+1.604.687.4511 Tel  
+1.604.687.5805 Fax  
+1.800.351.0426 Toll Free  
[www.crowemackay.ca](http://www.crowemackay.ca)

December 22, 2017

British Columbia Securities Commission  
Alberta Securities Commission

Dear Sirs/Mesdames:

**Re: Prism Resources Inc. – Notice of Change of Auditors**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the Notice of Change of Auditors ("the Notice") dated December 21, 2017 ("the Corporation") and, based on our knowledge of such information at this time, we agree with the information contained in the Notice.

We understand that a copy of the Notice and this letter will be provided to the shareholders of the Corporation.

Yours very truly,

A handwritten signature in black ink that reads "Crowe MacKay LLP".

**Crowe MacKay LLP**  
**Chartered Professional Accountants**