

PRISM RESOURCES INC.
3552 West 41st Avenue, PO Box 71030
Vancouver, British Columbia V6N 4J9
Tel: (604) 803-4883
www.prismresourcesinc.com

INFORMATION CIRCULAR
as at May 9, 2023 except as otherwise indicated

This Information Circular (the “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 14, 2023 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

In this 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. “Registered Shareholders” means shareholders whose Common Shares are registered in their names. “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 directors and/or officers 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 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 3rd 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 given in the proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number and the holder's 15-digit control number; or
- (c) via the internet at Computershare's website, www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's 15-digit control 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.

For this Meeting, Broadridge Financial Solutions, Inc. ("**Broadridge**") will mail the Meeting proxy materials to the Beneficial Shareholders. This year the Company will not be taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit the Company to deliver proxy-related materials directly to its NOBOs and OBOs. As a result, Beneficial Shareholders will receive a Voting Instruction Form ("**VIF**") from Broadridge, which VIF should be completed by the Beneficial Shareholder and returned to Broadridge in the envelope provided or by a delivery option described on the VIF itself, which contains complete instructions. Broadridge will tabulate the results of the VIFs received from Beneficial Shareholders and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs Broadridge receives.

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 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 involves securities of a company located in Canada and is 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.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended December 31, 2022 and 2021, together with the auditor's report thereon and related management discussion and analysis ("MD&A"), (the "Financial Statements"), which have been filed under the Company's profile on SEDAR at <https://www.sedar.com> will be tabled at the Meeting.

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 9, 2023 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 the TSX Venture Exchange ("TSXV") until September 27, 2022 when the Common Shares commenced trading on the NEX Board of the TSXV, the junior exchange of the TSXV, (the "Exchange") at the direction of the TSXV. The authorized capital of the Company consists of an unlimited number of Common Shares without par value without Special Rights or Restrictions attached thereto. As of May 9, 2023, there were 51,945,393 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 owns, directly or indirectly, or exercises 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 9, 2023 is:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Trevali Mining Corporation	5,750,000	11.07%

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

- The audited consolidated financial statements of the Company for the financial years ended December 31, 2022 and 2021, the auditor's report thereon and the related management's discussion and analysis as filed on SEDAR on April 12, 2023.
- The Audit Committee Charter, a copy of which is attached as Schedule "A" to the information circular dated May 2, 2006 and filed on SEDAR on May 3, 2006.

Copies of documents incorporated herein by reference also may be obtained by any Shareholder upon request without charge from the Company's Corporate Secretary at 3552 West 41st Avenue, PO Box 71030, Vancouver, BC, V6N 4J9, Tel: (604) 803-4883, or Toll Free: 1-800-863-8655.

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 director 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 Board has set the number of directors to be elected at the Meeting at four directors. The persons set forth in the following table will be nominated by management of the Company for election as director at the Meeting, to hold office as directors of the Company 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. At the date of this 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.

Nominees for Director

The following table sets out the names of management's four 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 9, 2023.

Name of Nominee, Current Position with the Company and Province and Country of Residence	Period as a Director of the Company	Present Principal Occupation, Business or Employment for the past five years	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Brian Kerzner ⁽⁴⁾⁽⁵⁾ <i>Director, President and Interim CEO</i> 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 ⁽⁶⁾

Name of Nominee, Current Position with the Company and Province and Country of Residence	Period as a Director of the Company	Present Principal Occupation, Business or Employment for the past five years	Common Shares Beneficially Owned or Controlled⁽¹⁾
Timothy Charles Moody ⁽²⁾⁽³⁾⁽⁵⁾ <i>Director</i> Bristol, United Kingdom	Since January 14, 2016	President and CEO Pan Global Resources Inc. (April 2017 to present) Vice President and Director for Business Development of Rio Tinto (2010 to 2015)	500,000 ⁽⁷⁾
Robert Parsons ⁽²⁾⁽³⁾⁽⁴⁾ <i>Director</i> British Columbia, Canada	Since February 28, 2012	Chartered Professional Accountant with PricewaterhouseCoopers (retired) (1968 to 2002)	196,000 ⁽⁸⁾
Scott M. Ross ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ <i>Director, Interim CFO and Corporate Secretary</i> British Columbia, Canada	Since June 5, 2009	CFO since June 2017 Corporate Secretary since June 2004	655,584 ⁽⁹⁾

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. Kerzner also holds options to purchase up to 600,000 Common Shares at an exercise price of \$0.10 per share expiring March 1, 2032.
- (7) Mr. Moody also holds options to purchase up to 600,000 Common Shares at an exercise price of \$0.10 per share expiring March 1, 2032.
- (8) Mr. Parsons holds options to purchase 600,000 Common Shares at an exercise price of \$0.10 per share expiring March 1, 2032.
- (9) Mr. Ross holds 544,662 Common Shares directly, 76,000 Common Shares through Skibo Capital Corporation, a company over which Mr. Ross has control and direction, 110,922 Common Shares through 243543 BC Ltd., a company over which Mr. Ross has control and direction, 307,796 shares indirectly through Rosstree Capital Corp. and 55,461 shares indirectly through Glendalough Capital Corp. Mr. Ross also holds options to purchase up to 900,000 Common Shares at an exercise price of \$0.10 per share expiring March 1, 2032.

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.

Occupation, Business or Employment of Director Nominees

Brian Kerzner – Director, President and Interim Chief Executive Officer and Member of the Corporate Governance Committee and Member of the Corporate Responsibility Committee

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. He was appointed as Interim President and CEO on April 30, 2021 following the passing of Robert Baxter.

Timothy Charles Moody – Director, Member of the Audit Committee, Member of the Compensation Committee and Member of the Corporate Responsibility Committee

Mr. Moody has over 30 years of experience in the mining industry, including mineral exploration, resource assessment, business development and strategy, and government relations. This includes 24 years with Rio Tinto from 1992 to 2015. During 2005-2010, he was exploration Director for the Project Generation Group and the Asia Region, and from 2010 to 2015, he was Vice President and Director for Business Development. He is President and CEO of Pan Global Resources Inc. and has been in that position since April 2017. Mr. Moody has an impressive track record in discovery of mineral resources and commercial transactions in Australia, Asia, Latin America, Africa, Europe and North America. This includes leading the teams in identification and exploration of several projects now in feasibility and/or production, including Mina Justa, Constanca, La Granja, Corani and Ollachea. As Director of Business Development at Rio Tinto, his responsibilities included corporate strategy, M&A and public market transactions, with recent achievements including takeover of Hathor Exploration Ltd. and leading the divestment of the Northparkes Mine. His work in the international arena has provided him with the opportunity to build an impressive network of business and government contacts.

Mr. Moody has a Bachelor of Science with Honours from the University of New England, a graduate of the Senior Leadership Program from the London Business School, a graduate of the Business Leadership Development Program from the Australian Graduate School of Management, and is a Fellow of the Society of Economic Geologists.

Robert Parsons – Director, Chair of the Audit Committee, Chair of the Corporate Governance and Nominating Committee and Chair of the Compensation Committee

Mr. Parsons is a Chartered Professional Accountant (CPA, CA) and retired PricewaterhouseCoopers (PwC) partner where his career spanned 34 years. At PwC, Bob headed up the firm's global mining practice. Following retirement from PwC, as an independent consultant Bob has advised more than twenty governments across the globe on mineral royalties. He has served as an expert witness in ten successful litigations involving mineral royalties, and was editor of Karl Harries' legal text Mining Royalties Between Private Parties published by Queens University at Kingston in 1996. Bob has served on the board of directors of nine listed mineral exploration companies including Weda Bay Minerals (acquired by Eramet), Norsemont Mining (acquired by Hudbay Minerals), Eagle Hill Exploration (acquired by Osisko), and Kennady Diamonds (acquired by Mountain Province). Bob is currently a director of Indico Resources Ltd. and Pan Global Resources Inc. 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. In 2005, the PDAC presented Bob with their Distinguished Services Award, and in 2013 the Government of Canada awarded him the Queen Elizabeth II Diamond Jubilee Medal for his contribution to Canada's mining industry. Mr. Parsons is a graduate of McGill University (B.Com, 1968) and a resident of British Columbia.

Scott M. Ross – Director, Interim Chief Financial Officer, Corporate Secretary, Member of Audit Committee, Member of Corporate Governance and Nominating Committee, Member of Compensation Committee and Member of Corporate Responsibility Committee

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.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director or proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Company in respect of which this Circular is prepared) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company in respect of which this Circular is prepared) that, 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
- (c) has, within the 10 years before the date of this 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.

Messrs. Ross, Parsons, Kerzner and Moody were each an officer or a director of Indico Resources Ltd., which was the subject of a cease trade order issued by the British Columbia Securities Commission on October 7, 2019 which order was revoked on March 1, 2022.

Penalties or Sanctions

Except as disclosed above, none of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about whether to vote for 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

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 re-appointment as auditor of the Company and the directors will be authorized to determine the auditor's remuneration. Crowe MacKay LLP has served as auditor for the Company since November 20, 2017.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Crowe MacKay LLP, Chartered Professional Accountants, as auditor of the

Company until the close of the next annual general meeting and to authorize the Directors to determine their remuneration.

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 filed on SEDAR on May 3, 2006.

Composition of the Audit Committee

Members of the audit committee are Robert Parsons (Chair), Timothy Moody and Scott M. Ross. Messrs. Parsons and Moody 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

See disclosure under “*Occupation, Business or Employment of Director Nominees*” above.

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, 2022. 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, 2022.

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.

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2022	Fees Paid to Auditor in Year Ended December 31, 2021
Audit Fees ⁽¹⁾	\$10,000	\$10,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$2,500	\$1,000
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$12,500	\$11,000

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.

Venture Issuer 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 and Timothy Moody. The non-independent directors are Brian Kerzner, President and Interim CEO and Scott M. Ross, Interim CFO and Corporate Secretary.

Directorships

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

Name of Director	Name of Reporting Issuer	Exchange
Robert Parsons	Pan Global Resources Inc. Indico Resources Ltd.	TSXV TSXV
Scott M. Ross	Bearclaw Capital Corp. Indico Resources Ltd.	TSX-NEX TSXV
Brian Kerzner	Pan Global Resources Inc. Xiana Mining Inc. Indico Resources Ltd.	TSXV TSXV TSXV
Timothy Charles Moody	Pan Global Resources Inc. Xiana Mining Inc. Mirasol Resources Ltd. Indico Resources Ltd.	TSXV TSXV TSXV TSXV

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 (Chair), Timothy Moody 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 Robert Parsons (Chair), Brian Kerzner and Scott Ross. Julian Bavin served as a member of this Committee until his resignation as a Director on February 25, 2022 when he was replaced by Brian Kerzner. 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 currently consists of Scott Ross (Chair), Timothy Moody and Brian Kerzner. Julian Bavin served as a member and as Chair of this Committee until his resignation as a Director on February 25, 2022 when he was replaced by Scott Ross. 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.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers* (“**Form 51-102F6V**”), as such term is defined in National Instrument 51-102 – *Continuous Disclosure* (“**NI 51-102**”).

For the purpose of this Statement of Executive Compensation:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

During the financial year ended December 31, 2022, the Company had two Named Executive Officers, namely Brian Kerzner, President and Interim CEO and Scott Ross, Interim CFO and Corporate Secretary.

During the financial year ended December 31, 2021, the Company had three Named Executive Officers, namely Brian Kerzner, President and Interim CEO, Scott Ross, Interim CFO and Corporate Secretary and Robert Baxter, former President and CEO.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Oversight and Description of Director and NEO Compensation

The Company is a junior resource company listed on the Exchange, and its prime business is the acquisition and exploration of mineral properties.

The Board has an established Compensation Committee, and Messrs. Robert Parsons (Chair), Timothy Moody and Scott Ross were members of the Compensation Committee during the year ended December 31, 2022. Messrs. Parsons and Moody are the independent directors on the Compensation Committee. Mr. Ross is not independent.

There is no written position description for the Chair of the Compensation Committee. However, generally, the Chair is responsible for setting the direction for the work of the Compensation Committee, ensuring that members have the information needed to do their jobs, overseeing the logistics of the Compensation Committee’s operations, reporting to the Board on the committee’s decisions and recommendations and setting the agenda for the meetings of the Compensation Committee.

The Compensation Committee is responsible for assisting the Board in monitoring, reviewing and approving compensation policies and practices of the Company and its subsidiaries and administering the Company’s share option plan. With regard to the CEO, the Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to the CEO’s compensation, evaluating the CEO’s performance in light of those goals and objectives and making recommendations to the Board with respect to the CEO’s compensation level based on this evaluation. In consultation with the CEO, the Compensation Committee makes recommendations to the Board on the framework of executive remuneration and its cost and on specific remuneration packages for each of the directors and officers other than the CEO, including recommendations regarding awards under equity compensation plans.

The Compensation Committee has the authority to engage and compensate, at the expense of the Company, any outside advisor that it determines to be necessary to permit it to carry out its duties (including compensation consultants and advisors), but it did not retain any such outside consultants or advisors during the financial year ended December 31, 2022.

General Compensation Strategy

The Compensation Committee has not formally considered the implications of the risks associated with the Company’s compensation policies and practices. The executive officers of the Company are compensated in a manner consistent with their respective contributions to the overall benefit of the Company, and in line with the criteria set out below.

Executive compensation is based on a combination of factors, including a comparative review of information provided to the Compensation Committee by compensation consultants, recruitment agencies and auditors

(if any) as well as historical precedent. The Compensation Committee has not found it necessary to retain any compensation consultants or other compensation advisers in respect of any prior fiscal years. In the circumstances of a mineral exploration company such as Prism, the ability of each executive officer to determine and carry out generative programs based on new geological theories or concepts in previously unexplored areas, the ability to source and secure promising mineral properties, the ability to raise the necessary capital to explore such properties and maintain the Company's ongoing activities, the ability to focus the Company's resources and to appropriately allocate such resources to the benefit of the Company as a whole, the ability to ensure compliance by the Company with applicable regulatory requirements and the ability to carry on business in a sustainable manner are all considered by the Compensation Committee to be of primary importance in assessing the performance of the Company's executive officers.

The Compensation Committee has not established a formal set of benchmarks or performance criteria to be met by its NEOs, rather, the members of the Compensation Committee use their own assessments of the success (or otherwise) of the Company, both absolutely or in relation to companies they consider to be its peers, to determine, collectively, whether or not the executive officers are successfully achieving the Company's business plan and strategy and whether they have over or under performed in that regard.

Elements of Executive Compensation

The Company's executive officer compensation is composed of two parts: base salary or fees and long-term incentives.

Base Salary or Fees

Executives are engaged either directly or through executive services companies and are paid a monthly consulting fee for their services. Base fees of the Company's executive officers are determined through the annual assessment of each individual's performance and experience and other factors the Board and Compensation Committee consider to be relevant, including prevailing industry demand for personnel having comparable skills and performing similar duties, the compensation the individual could reasonably expect to receive from a competitor and the Company's ability to pay.

See "*Director and Named Executive Officer Compensation*" below for details of the payments made to the Directors and NEOs in the financial years ended December 31, 2022 and December 31, 2021.

Long-Term Incentives – Share Options

The second component of the executive officers' compensation is the granting of options ("**Options**") to purchase common shares ("**Plan Shares**") pursuant to the terms of the Company's Share Option Plan. The Compensation Committee or the Board may grant Options on an annual basis to directors, executive officers and senior managers.

The Company has a share option plan in place which was amended and restated on April 25, 2022 (the "**Plan**") to accommodate changes required by the new Share Based Compensation Policy adopted by the TSXV in November 2021. The Plan was established while the Common Shares were TSXV listed. Because there are options remaining outstanding pursuant to the Plan, the Corporation wishes to continue the Plan while it remains listed on NEX.

The Plan is administered 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 (the "**Optionees**"). 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.

The Plan is an important part of the Company's long-term incentive strategy for its officers and directors, permitting them to participate in appreciation of the market value of the common shares over a stated period of time. The Plan is intended to help attract and retain employees by providing them with an opportunity to participate in the future success of the Company and to reinforce commitment to long-term growth in profitability and shareholder value. The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and employees. The Board believes that the Plan aligns the interests of the executive officers and the Board with shareholders by linking a component of executive compensation to the longer term performance of the common shares.

In determining the number of Options to be granted to the executive officers and directors, the Board or the Compensation Committee, as the case may be, takes into account the number of Options, if any, previously granted to each executive officer and director and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the Exchange.

The number of Options granted to officers and directors is also dependent on each officer's and director's level of responsibility, authority and importance to the Company and to the degree to which such officer's or director's long term contribution to the Company will be key to its long term success.

In monitoring or adjusting the Option allotments, the Board or the Compensation Committee, as the case may be, takes into account its own observations on individual performance (where possible), its assessment of individual contribution to shareholder value and previous Option grants. The scale of Options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board or the Compensation Committee will make these determinations subject to and in accordance with the provisions of the Plan.

The Company granted an aggregate of 2,700,000 Options to its NEOs and directors in the financial year ended December 31, 2022.

Director and Named Executive Officer Compensation

The Company was not in a position to compensate any of its officers or directors until July 2016 when, effective July 1, 2016, the Compensation Committee recommended, and the Board approved, the payment of a monthly retainer of \$2,500 to be paid to the Company's (non-executive) Chairman of the Board and the payment of director's fees.

Director Compensation – Fees

Each director is entitled to participate in any security-based compensation arrangement or other plan adopted by the Company from time to time with the approval of the Board. The directors are reimbursed for expenses incurred on the Company's behalf. In addition, during the fiscal year ended December 31, 2022, the Company compensated its non-executive directors by paying them \$2,000 per month for their services as directors.

The Company is again in the financial position where director fees are accruing due from the 2017 third financial quarter to and including the fourth quarter of fiscal 2022, which accrued directors' fee amounts remain unpaid to date.

NEOs who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid to such NEO by the Company in their capacity as an executive officer.

The following "*Table of Compensation, excluding Compensation Securities*" provides a summary of the compensation paid by the Company to each NEO and director of the Company, current or former, for the two most recently completed financial years ended December 31, 2022 and December 31, 2021. Options and compensation securities are disclosed under the heading "*Share Options and Other Compensation Securities*" below.

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, Consulting fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$) ⁽⁹⁾	Total Compensation (\$)
Brian Kerzner ⁷ <i>President, Interim CEO and Director</i>	2022	72,000	—	—	—	54,779	126,779
	2021	60,000	—	—	—	—	60,000 ¹
Scott Ross <i>Interim CFO, Corporate Secretary and Director</i>	2022	42,000	—	—	—	82,169	124,169
	2021	42,000	—	—	—	—	42,000 ²
Robert Parsons <i>Director</i>	2022	30,000	—	—	—	54,779	84,779
	2021	30,000	—	—	—	—	30,000 ³
Timothy Moody <i>Director</i>	2022	24,000	—	—	—	54,779	78,779
	2021	24,000	—	—	—	—	24,000 ⁴
Robert Baxter ⁷ <i>Former President, CEO and Director</i>	2021	40,000	—	—	—	—	40,000 ⁵
Julian Bavin ⁽⁸⁾ <i>Former Director</i>	2022	3,733	—	—	—	—	3,733
	2021	24,000	—	—	—	—	24,000 ⁶

Notes:

- (1) Of this amount, \$72,000 was owing to Brian Kerzner as at December 31, 2022 (2021 - \$60,000).
- (2) Of this amount, \$42,000 was owing to Scott Ross for management fees as at December 31, 2022 (2021 - \$42,000).
- (3) Of this amount, \$30,000 was owing to Robert Parsons as at December 31, 2022 (2021 - \$30,000).
- (4) Of this amount, \$24,000 was owing to Timothy Moody as at December 31, 2022 (2021- \$24,000).
- (5) Of this amount, Nil was owing to Robert Baxter for management fees as at December 31, 2022 (2021 - \$40,000).
- (6) Of this amount, \$3,733 was owing to Julian Bavin as at December 31, 2022 (2021- \$24,000).
- (7) Robert Baxter passed away February 11, 2021 and the Board of Directors appointed Brian Kerzner as Interim President and CEO on April 30, 2021.
- (8) Julian Bavin resigned as a Director on February 25, 2022.
- (9) Fair value of incentive stock option grants calculated using the Black-Scholes model based on the following weighted average assumptions:

For the year ended December 31,	2022	2021
Risk-free interest rate	1.85%	N/A
Expected life of options (years)	10	N/A
Annualized volatility	105.42	N/A
Dividend yield	0%	N/A
Exercise price	0.10	N/A
Fair value per share	0.10	N/A

The Company believes that the Black-Scholes model is an appropriate model to use for calculating the fair value of incentive stock options because, while the model was originally developed for valuing publicly traded options as opposed to non-transferrable incentive stock options and requires management to make estimates, which are subjective and may not be representative of actual results (changes in assumptions can materially affect estimates of fair values), this model is used by most companies in the Company's peer group and therefore represents an approach to valuation reasonably consistent with the Company's peer group. It is

important to remember that, while incentive stock options can have a significant theoretical value (such as those reported above); until the option is actually exercised and the resulting Common Shares can be sold at a profit, it has no value that can be realized by the holder.

Share Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each NEO or director by the Company in the financial year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and position	Type of Compensation security	Number of Compensation securities, number of underlying securities, and percentage of class (#)	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Brian Kerzner <i>Director and President & Interim CEO</i>	Share Options	600,000 18.75%	Feb. 28, 2022	\$0.10	\$0.10	\$0.10	Mar. 1, 2032
Scott Ross <i>Interim CFO, Corporate Secretary and Director</i>	Share Options	900,000 28.125%	Feb. 28, 2022	\$0.10	\$0.10	\$0.10	Mar. 1, 2032
Robert Parsons <i>Director</i>	Share Options	600,000 18.75%	Feb. 28, 2022	\$0.10	\$0.10	\$0.10	Mar. 1, 2032
Timothy Moody <i>Director</i>	Share Options	600,000 18.75%	Feb. 28, 2022	\$0.10	\$0.10	\$0.10	Mar. 1, 2032

Exercise of Compensation Securities by Directors and NEOs

During the financial year ended December 31, 2022, no compensation securities were exercised by Directors or NEOs.

Pension Plan Benefits

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

Hedging Policy

Except as prohibited by law, the NEOs and directors are not currently prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director. To the Company's knowledge, no executive officer or director of the Company has entered into or purchased such a financial instrument.

Employment, Consulting and Management Agreements

Scott Ross, Interim Chief Financial Officer and Corporate Secretary

The Company entered into a consulting agreement as of July 1, 2016 with Scott Ross (the “**Ross Agreement**”) pursuant to which Mr. Ross agreed to act as Corporate Secretary of the Company for a term commencing July 1, 2016 and continuing indefinitely until terminated in accordance with the terms of the Ross Agreement. Pursuant to the Ross Agreement, Mr. Ross is entitled to receive a base consultancy fee of \$42,000 per year and is entitled to participate in the Plan as offered to other senior management personnel from time to time, at the sole discretion of the Board.

The Ross Agreement also contains provisions for payment upon termination or in the event of a Change of Control (as such term is defined in the Ross Agreement). Pursuant to the Ross Agreement, in the event the Ross Agreement is terminated without cause, Mr. Ross is entitled to a payment equal to his annual consultancy fee of \$42,000. Assuming the Ross Agreement was terminated by the Company without cause on the last day of the preceding fiscal year, Mr. Ross would be entitled to a payment from the Company of \$42,000. In the event Mr. Ross terminates his agreement with the Company within 30 days of a Change of Control, he is entitled to two times his annual base consultancy fees and benefits. Assuming the Ross Agreement was terminated by Mr. Ross as the result of a Change of Control of the Company on the last day of the preceding fiscal year, Mr. Ross would be entitled to a payment from the Company of \$82,000.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See disclosure under “*Statement of Executive Compensation – Venture Issuer*” above, and 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 December 31, 2022 financial year end.

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)	3,200,000	N/A	1,994,539
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	3,200,000	N/A	1,994,539

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, 2022, 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 February 22, 2018, the Company announced its intent to enter into loan agreements with certain shareholders, including certain directors of the Company. The loans granted pursuant to the loan agreements total \$100,000, with each of the lenders loaning \$30,000 to the Company, with the exception of Scott Ross, who is loaning \$10,000. The loans are secured against all or substantially all of the assets of the Company, as outlined in a general security agreement corresponding to the loan agreements. Pursuant to the loan agreements, the Company intends to issue bonus shares of the Company to each lender. Upon repayment of each loan, the corresponding lender shall receive the bonus shares, calculated as the number of common shares in the capital of the Company equal to 20% of such lender's loan divided by the market price of such shares at the end of the day on February 22, 2018. The bonus shares will have an aggregate value of \$20,000.

On October 9, 2019, the Company entered into promissory note (the "**Promissory Note**") with certain shareholders, including a director of the Company. The loans granted pursuant to the Promissory Note total \$166,000. The Loans bear interest at an annual rate of 15% per annum due on or before the 30th day after demand is made by the lenders, and are secured by a general security agreement. Pursuant to the Promissory Note, the Company shall pay to the lenders an amount equal to 25% of any funds to which the Company may become entitled in respect of the claim filed in the Ontario Superior Court of Justice against Detour. The Company also grants to the lenders the option to acquire a 100% in the Royalty for the sum of \$3,000,000 at any time prior to the Company repaying the outstanding balance and accrued interest owing under the Promissory Note in full. If the Company sells the Royalty, the lenders shall be entitled to 25% of the proceeds of such sale or disposition.

On March 24, 2021, the Company's noteholders agreed to lend additional funds to the Company in the amount of \$83,000 with substantially the same terms as the October 9, 2019 promissory note. The loans granted pursuant to the promissory note total \$249,000. The royalty provision in the note has been revised such that the Company shall pay to the lenders an amount equal to 35% of any funds to which the Company may become entitled in respect of the claim filed in the Ontario Superior Court of Justice against Detour. Pursuant to a conversion provision, the lenders have the option to convert on a dollar-for-dollar basis the entire unpaid principal and all accrued and unpaid interest into common shares of the Company at a price per share determined by dividing the dollar amount being converted by the market price of the shares, less the maximum allowable discount pursuant to applicable exchange policies. The Appeal Court of Ontario rendered a decision to dismiss the Detour appeal on Wednesday, April 27, 2022.

MANAGEMENT CONTRACTS

Other than as disclosed herein, 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 an amended and restated Share Option Plan dated for reference April 25, 2022 (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 9, 2023, there were 51,945,393 Common Shares issued and outstanding. Accordingly, under the Plan, the Company has the authority to grant options to purchase up to a total of 5,194,539 Common Shares. At the date of this Circular, there are 3,200,000 options granted and outstanding under the Plan.

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) The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Based Compensation Arrangements other than this Plan unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.
- (c) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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).
- (i) In the event an Option granted under the Plan is exercised, expires unexercised or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.
- (j) 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.

- (k) 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.

The Plan is subject to the following restrictions:

- (a) No Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so.
- (b) Investor Relations Service Providers may not receive any Security Based Compensation other than Share Options.
- (c) The aggregate number of Options, together with any other Share Compensation Arrangements, granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV.
- (d) The aggregate number of Options, together with any other Share Compensation Arrangements, granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV.
- (e) The aggregate number of Common Shares reserved for issuance under Options granted to Insiders may not exceed 10% of the Outstanding Shares in the event that the Plan is amended to reserve for issuance more than 10% of the Outstanding Shares unless the Company has obtained Disinterested Shareholder Approval to do so.
- (f) The number of optioned shares issued to any one Insider within any 12 month period must not exceed 10% of the outstanding shares in the event that the Plan is amended to reserve for issuance more than 10% of the Outstanding Shares unless the Company has obtained Disinterested Shareholder Approval to do so.
- (g) The issuance to any one Optionee, within any 12-month period, of Common shares exceeding 5% of the Outstanding Shares unless the Company has obtained Disinterested Shareholder Approval to do so.
- (h) The exercise price of an Option previously granted to an Insider must not be reduced or the term extended unless the Company has obtained Disinterested Shareholder Approval to do so.

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 25, 2022 be ratified and approved for continuation until the next annual meeting of the shareholders 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.

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, 2022, the report of the auditor and in the related management discussion and analysis (the “**Financial Statements**”) and filed on www.sedar.com. A copy of the Financial Statements will be available at the Meeting.

Additional information relating to the Company is filed on www.sedar.com and upon request from the Company’s Secretary at 3552 West 41st Avenue, PO Box 71030, Vancouver, British Columbia, V6N 4J9, telephone number (604) 803-4883. 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 Circular.

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

APPROVED by the Board at Vancouver, British Columbia, as at May 9, 2023.

BY ORDER OF THE BOARD

/s/ “Brian Kerzner”

Brian Kerzner
President and Interim Chief Executive Officer