



PRISMO METALS INC.

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MANAGEMENT PROXY CIRCULAR

as at May 28, 2021, *(except as otherwise indicated)*

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Prismo Metals Inc. (the “Corporation”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held solely by means of remote communication on June 29, 2021 at the time and for the purposes set forth in the accompanying Notice of the Meeting.

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to Prismo Metals Inc.. “Common Shares” means common shares without par value in the capital of the Corporation. “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.

PARTICIPATION AT THE MEETING

While it is the Corporation's intention to resume holding in-person meetings under normal circumstances, the Meeting will be a completely virtual meeting of shareholders via webcast in order to deal with the impact of the COVID-19 pandemic and to mitigate risks to the health and safety of our community, shareholders, employees and other stakeholders. Shareholders will not be able to attend the Meeting in person. Instead, Registered Shareholders (as defined herein) and duly appointed proxyholders will be able to virtually attend, participate and vote at the virtual Meeting on the date and time of the Meeting by clicking and registering at the following link:

<https://bit.ly/3ut9nKE>

After registering, you will receive a confirmation email with access instructions. **To ensure a smooth process, the Corporation is asking registered participants to log in by 9:45 a.m. (Vancouver time) on June 29, 2021.**

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 Corporation. The Corporation 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 the officers of the Corporation. **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 vote 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 persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting by means of remote communication. Registered Shareholders electing to submit a proxy may do so using one of the following ways:

- (a) complete, date and sign the enclosed form of proxy and return it to the Corporation’s transfer agent, Computershare Investor Services Inc., 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 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (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) log on via the internet through the website of the Corporation’s transfer agent at 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;

in all cases Registered Shareholders must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and 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, (also referred to as “Non-registered 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 Corporation 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

Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). 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 & Clearance Corporation (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 shareholder meetings. Every intermediary has its own mailing procedures 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.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") the Corporation distributes copies of the Notice of Meeting, this Management Proxy Circular and the form of Proxy (collectively, the "Meeting materials") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Corporation does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Corporation. If you are a beneficial owner, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided by the Corporation to registered shareholders. 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 the United States and in Canada. Broadridge mails a voting instruction form ("**VIF**") in lieu of a Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's 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 Corporation), other than 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, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides 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 and to vote your Common Shares at the Meeting.

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 records office of the Corporation 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.

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, 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 continuation of the share option plan and as may be set out as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Corporation has fixed May 25, 2021 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, except to the extent that:

- (a) the shareholder has transferred the ownership of any such share after the record date, and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Shares and makes a demand to Computershare Investor Services Inc. no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed on the Canadian Securities Exchange (the "**CSE**"). As of the Record Date there were 17,862,057 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 Corporation, the only persons or corporations 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 as at the Record Date are:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Prospección y Desarrollo Minero del Norte, S.A. de C.V. ⁽¹⁾	2,500,000	14.00%
Minera Cascabel, S.A. de C.V.	2,000,000	11.20%

Note:

- (1) Prospección y Desarrollo Minero del Norte, S.A. de C.V. ("**ProDeMin**") holds an aggregate of 2,500,000 Common Shares of the Corporation and 2,000,000 share purchase warrants. This company is controlled by Dr. Peter Craig Gibson, a director and Chief Executive Officer of the Corporation. Jointly with ProDeMin, Dr. Gibson owns 2,630,000 common shares of the Corporation and 2,000,000 share purchase warrants.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2020, report of the auditor and related management discussion and analysis will be placed before the Meeting. Copies of these documents are available on www.sedar.com.

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 than there are vacancies to fill, or another auditor is nominated, 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 Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of ten. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Canada Business Corporations Act* (CBCA), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The Board has set the number of directors to be elected at the Meeting at four. The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds (within the last five years for each new director nominee), each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name, Position with Corporation and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Dr. Peter Craig Gibson, President and Chief Executive Officer (San Marcos, California, USA)	President and Chief Executive Officer of the Corporation. Technical director of Pospección y Desarrollo Minero del Norte, S.A. de C.V. Certified Professional Geologist.	October 17, 2018	2,630,000 ⁽²⁾
Mr. Jean-François Meilleur, Director (Montreal, Quebec, Canada)	VP at Critical Elements Corp. President of Quebec Precious Metals Managing Partner at Paradox Public Relations & P.E. Partners.	October 17, 2018	1,135,000 ⁽³⁾
Mr. Jorge Rafael Gallardo Romero, Director Hermosillo, Sonora, Mexico	Geologist consultant of Minera Cascabel, S.A. de C.V.	October 17, 2018	94,000 ⁽⁴⁾
Ms. María Guadalupe Yeomans Otero, Director Hermosillo, Sonora, Mexico	Office Manager at Minera Cascabel, S.A. de C.V.	October 17, 2018	Nil ⁽⁵⁾

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 Corporation and has been furnished by the respective nominees.
- (2) Dr. Gibson holds 130,000 Common Shares directly, and 2,500,000 Common Shares indirectly through ProDeMin, a company controlled by him. In Addition, ProDeMin owns 2,000,000 share purchase warrants to purchase 2,000,000 common shares at

an exercise price of \$0.10 per share and valid until August 12, 2024. Dr. Gibson also holds 175,000 stock options with an exercise price of \$0.125 and valid until September 30, 2025.

- (3) Mr. Meilleur directly owns 450,000 Common Shares and 900,000 Common Shares indirectly through Paradox Équité Partenaires Ltée. ("Paradox"), a company controlled by Mr. Meilleur. In Addition, he directly owns 450,000 share purchase warrants to purchase 450,000 common shares at an exercise price of \$0.10 per share and valid until October 17, 2023, and 900,000 share purchase warrants with the same terms through Paradox. Mr. Meilleur also holds 100,000 stock options with an exercise price of \$0.125 per share and valid until September 30, 2025.
- (4) Mr. Gallardo Romero directly owns 94,000 Common Shares, and also holds 100,000 stock options with an exercise price of \$0.125 and valid until September 30, 2025.
- (5) Ms. Yeomans Otero holds 100,000 stock options with an exercise price of \$0.125 per share and valid until September 30, 2025.

None of the proposed nominees for election as a director of the Corporation 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 Corporation acting solely in such capacity.

The Corporation has not received notice of a nomination in compliance with its By-Laws and, as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.

Bankruptcies, Orders and Management Cease Trade Orders

Within the last 10 years before the date of this Management Proxy Circular no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this Management Proxy Circular is prepared) acted in that capacity for a company that:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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 has 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;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6 will be nominated at the Meeting for appointment as auditor of the Corporation at a remuneration to be fixed by the directors. Davidson & Company LLP, Chartered Professional Accountants, was first appointed as auditor of the Corporation by the shareholders on June 5, 2020.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following disclosure.

The Audit Committee’s Charter

The audit committee has a charter. A copy of the audit committee charter was filed on SEDAR at www.sedar.com on September 8, 2020 as Schedule “A” to the final long form prospectus. A copy may also be obtained from the Chief Financial Officer of the Corporation, telephone number (604) 925-2839 or email at salvador.miranda@prismometals.com.

Composition of the Audit Committee

As at the date hereof, the members of the audit committee are Jean-François Meilleur, María Guadalupe Yeomans Otero and Jorge Rafael Gallardo Romero. All three are independent members of the committee, and all three are considered to be financially literate.

Relevant Education and Experience

Jean-François Meilleur has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to public companies in Canada. Mr. Meilleur holds a bachelor’s degree from the HEC business school (Hautes Études Commerciales) in Montreal, with a specialization in marketing and finance.

María Guadalupe Yeomans Otero has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to mineral exploration companies.

Jorge Rafael Gallardo Romero has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to mineral exploration companies.

Each member of the audit committee has:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 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 issuer’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any external auditor other than Davidson & Company LLP, Chartered Professional Accountants.

Reliance on Certain Exemptions

The Corporation’s auditor, Davidson & Company LLP, Chartered Professional Accountants, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

See the audit committee charter concerning the adoption of 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 the auditors to the Corporation to ensure auditor independence. Fees incurred with the auditors 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, 2020	Fees Paid to Auditor in Year Ended December 31, 2019
Audit Fees ⁽¹⁾	\$35,000	\$20,000
Audit-Related Fees ⁽²⁾	\$488	\$Nil
Tax Fees ⁽³⁾	2,450	1,500
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$37,938	\$21,500

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the 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 Corporation is a venture issuer and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. 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 Corporation. A "material relationship" is a relationship which could, in the view of the Corporation's 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 a quarterly review of the Corporation's 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.

A majority of the Board is independent. The independent members of the Board are Jean-François Meilleur, María Guadalupe Yeomans Otero and Jorge Rafael Gallardo Romero. The non-independent director is Dr. Peter Craig Gibson, (President and CEO of the Corporation).

Directorships

Dr. Peter Craig Gibson is a director of Garibaldi Resources Corp., a company listed on the TSX Venture Exchange.

Mr. Jean-François Meilleur is a director of Quebec Precious Metals Corp., a company listed on the TSX Venture Exchange.

Orientation and Continuing Education

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

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

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' 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 Corporation.

Nomination of Directors

The Board considers its size 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.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The Board determines compensation for the directors and Chief Executive Officer.

Other Board Committees

The Board has no committees other than the audit committee.

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 the audit committee.

STATEMENT OF EXECUTIVE COMPENSATION

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

For the purposes of this Statement of Executive Compensation:

“**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;

“**NEO**” or “**named executive officer**” 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 (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (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, 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.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and directors of the Corporation for the two completed financial years ended December 31, 2020 and December 31, 2019. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Corporation were: Dr. Peter Craig Gibson, President and Chief Executive Officer of the Corporation, and Mr. Salvador Miranda, Chief Financial Officer and Corporate Secretary of the Corporation. The Directors of the Corporation who were not NEOs during the financial year ended December 31, 2020 were Mr. Jean-François Meilleur, Ms. María Guadalupe Yeomans Otero and Mr. Jorge Rafael Gallardo Romero.

During the financial year ended December 31, 2019, based on the definition above, the NEOs of the Corporation were: Dr. Peter Craig Gibson, President and Chief Executive Officer of the Corporation, and Mr. Salvador Miranda, Chief Financial Officer and Corporate Secretary of the Corporation. The Directors of the Corporation who were not NEOs during the financial year ended December 31, 2020 were Mr. Jean-François Meilleur, Ms. María Guadalupe Yeomans Otero and Mr. Jorge Rafael Gallardo Romero.

Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2020 and 2019

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation ⁽²⁾ (\$)
Peter Craig Gibson, Director, CEO	2020	15,367(3)	Nil	Nil	Nil	44,050(5)	59,687
	2019	Nil	Nil	Nil	Nil	219,794(4)	219,794
Salvador Miranda, CFO ⁽⁶⁾	2020	24,968	Nil	Nil	Nil	Nil	24,968
	2019	10,832	Nil	Nil	Nil	Nil	10,832
Jean-François Meilleur, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
María Guadalupe Yeomans Otero Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jorge Rafael Gallardo Romero, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Includes the dollar value of cash and non-cash based salary earned during a financial year covered.
- (2) These amounts include all amounts set out in table form for each NEO and executive officer.
- (3) The amount of \$15,367 paid to Dr. Gibson corresponds to supervision services during the 2020 drilling activity for the Corporation's Palos Verdes property.
- (4) During 2019, ProDeMin, a company controlled by Dr. Gibson, was paid a total of \$219,794 as follows: \$33,545 in cash (USD \$25,000) as part of the acquisition of the Palos Verdes property; in addition, 2,000,000 units at a fair value of \$0.05 per unit were issued to ProDeMin in connection with the acquisition of Palos Verdes corresponding to \$100,000. Each unit was comprised of one common share and one share purchase warrant; the fair value of the warrants was calculated at \$61,249. In addition, 500,000 shares with a fair value of \$0.05 (total value \$25,000) were issued to ProDeMin in compensation of work previously carried out in the Palos Verdes property.
- (5) A total of \$44,040 was invoiced by ProDeMin in connection to exploration-related work done during 2020 at the Palos Verdes property;
- (6) These funds were paid to InterAmerica Consulting & Development Inc. ("**InterAmerica**"), a company controlled by Salvador Miranda for administration fees.

Stock Options and Other Compensation Securities

The only equity compensation plan which the Corporation has in place is its share option plan dated for reference September 8, 2020, (the "**Plan**"), and filed on SEDAR as part of the final long form prospectus of the same date. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the Board. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than ten years after the date of grant of such option. Vesting is determined by the Board.

Option grants are made at the discretion of the Board, subject to availability within the Corporation's option pool. The Corporation has traditionally granted the maximum number of options available based upon the recommendations of management and subject to the approval of the Board. See disclosure under heading "*Particulars of Other Matters to be Acted upon – Continuation of Share Option Plan*".

The following table sets out all compensation securities granted to each NEO and director by the Company for services provided, directly or indirectly, to the Company during the financial year ended December 31, 2020:

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities ⁽¹⁾ , and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on day prior to the date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Peter Craig Gibson <i>(President, CEO & Director)</i>	stock options	175,000 12.07%	September 30, 2020	0.125	0.125	0.56	September 30, 2025
Salvador Miranda <i>CFO & Secretary</i>	stock options	125,000 8.62%	September 30, 2020	0.125	0.125	0.56	September 30, 2025
Jean-François Meilleur <i>Director</i>	stock options	100,000 6.90%	September 30, 2020	0.125	0.125	0.56	September 30, 2025
María Guadalupe Yeomans Otero <i>Director</i>	stock options	100,000 6.90%	September 30, 2020	0.125	0.125	0.56	September 30, 2025
Jorge Rafael Gallardo Romero <i>Director</i>	stock options	100,000 6.90%	September 30, 2020	0.125	0.125	0.56	September 30, 2025

(1) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Company.

(2) As at December 31, 2020, all individuals listed above held the same number of stock options as on the date they were granted.

Exercise of Compensation Securities by NEOs and Directors

There were no options exercised by an NEO or a director of the Corporation who was not an NEO of the Corporation during financial years ended December 31, 2020 and 2019.

Employment, Consulting and Management Agreements

Potential Payments upon Termination

There were no consulting and management agreements to December 31, 2020.

Oversight and Description of Director and NEO Compensation

The Board has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Corporation's base compensation structure and equity-based compensation program, recommending compensation of the Corporation's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

The Board has not considered the implications of the risks associated with the Corporation's compensation program.

The Corporation intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Corporation's compensation program and

how it might mitigate those risks. The Corporation is a junior natural resource issuer whose shares are listed on the NEX. The Corporation's principal objective is to identify potential mineral property transactions as a means to enhance shareholder value. In this context, the Corporation has a modest management team consisting of the CEO and CFO, who are retained on a consulting contract basis, supplemented where necessary by members of the Board. The Corporation's compensation scheme is designed to reward the NEOs for meeting the Corporation's principal objective while maintaining its status as a reporting issuer, and consists of three elements – a base salary, incentive stock options, and bonus compensation.

The CEO's compensation was determined by negotiation between the CEO and the majority shareholder of the Corporation, subject to the approval of the Board. The CFO's compensation was established by the CEO subject to the approval of the Board. The base salary element of compensation is designed to ensure the Corporation is able to retain qualified individuals to act as its CEO and CFO, and was established by arm's length negotiation with the NEOs. The Corporation grants stock options to the NEOs as a means of aligning management interests with those of the Corporation's shareholders.

Option-Based Awards

The only equity compensation plan which the Corporation has in place is its share option plan dated for reference September 8, 2020, (the "**Plan**"). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the Board. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than ten years after the date of grant of such option. Vesting is determined by the Board.

Option grants are made at the discretion of the Board, subject to availability within the Corporation's option pool. The Corporation has traditionally granted the maximum number of options available based upon the recommendations of management and subject to the approval of the Board. See disclosure under heading "*Particulars of Other Matters to be Acted upon – Continuation of Share Option Plan*".

During the year ended December 31, 2020, an aggregate of 1,450,000 stock options to purchase Shares were granted to directors, officers and consultants. No options expired.

During the year ended December 31, 2019, there were no options granted to purchase Shares and no options expired.

The process by which the Board grants option-based awards to executive officers is:

- (a) The Board as a whole recommends base salaries and stock option grants to the Board based on such criteria as performance, previous grants and hiring incentives. The Board approves base salaries and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Additional options may be granted as options are replenished within the Option Plan.
- (b) Options are granted at other times of the year to individuals commencing employment with the Corporation.
- (c) The exercise price for the options is set in accordance with the policies of the Canadian Securities Exchange ("CSE").

Pension Disclosure

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See “*Statement of Executive Compensation – Option-Based Awards*” for disclosure on the Corporation’s Plan.

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders (the Plan)	1,450,000	\$0.125	336,205
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	1,450,000	N/A	336,205

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 Corporation were indebted to the Corporation as of the end 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 Corporation, 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 Corporation 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 Corporation or any of its subsidiaries during the year ended December 31, 2020, or has any interest in any material transaction in the current year other than as set out herein or in a document disclosed to the public.

As at the year ended December 31, 2020:

- (a) The Corporation paid \$24,968 (2019: \$10,832) in management fees to InterAmerica Consulting & Development Inc., a company controlled by Salvador Miranda, CFO.
- (b) The Corporation paid \$15,367 (US\$12,000) (2019: \$Nil) to Dr. Peter Craig Gibson for supervising the drilling campaign at the Corporation’s Palos Verdes property in Mexico.
- (c) During 2020, the Corporation paid \$44,050 to ProDeMin, a company controlled by Dr. Gibson, for contracting services related to the drilling campaign in the Palos Verdes property. During 2019, ProDeMin was paid a total of \$219,794 as follows: \$33,545 in cash (USD \$25,000) as part of the acquisition of the Palos Verdes property; in addition, 2,000,000 units at a fair value of \$0.05 per unit were issued to ProDeMin in connection with the acquisition of Palos Verdes corresponding to \$100,000. Each unit was comprised of one common share and one share purchase warrant; the fair value of the warrants was calculated at \$61,249. In addition, 500,000 shares with a fair value of \$0.05 (total value \$25,000) were issued to ProDeMin in compensation of work previously carried out in the Palos Verdes property

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

Continuation of Share Option Plan

The Corporation has a Share Option Plan dated for reference September 8, 2020 (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 CSE covering “rolling” option plans, continued grants under the Plan must be approved annually by the shareholders of the Corporation. At the Meeting shareholders will be asked to ratify and approve the Plan for continuation until the next annual meeting of the Corporation.

As at May 25, 2021, there were 17,862,057 Common Shares issued and outstanding. Accordingly, under the Plan, and with 1,450,000 stock options granted and outstanding, the Corporation has the authority to grant options to purchase up to a total of 336,205 Common Shares.

A copy of the Plan is available under the SEDAR profile of the Corporation at www.sedar.com as part of the prospectus filed on September 8, 2020. A printed copy will be available for inspection at the Meeting.

The Plan is subject to the following restrictions:

- (a) The Corporation must not grant an option to a director, employee, consultant, or consultant company (the “**Service Provider**”) in any 12-month period that exceeds 5% of the outstanding shares, unless the Corporation has obtained by a majority of the votes cast by the shareholders of the Corporation eligible to vote at a shareholders’ meeting, excluding votes attaching to shares beneficially owned by Insiders and their Associates (“**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 CSE;
- (c) The Corporation 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;
- (d) The number of optioned shares issued to Insiders in 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 Corporation has obtained Disinterested Shareholder Approval to do so; and
- (e) The exercise price of an option previously granted to an Insider must not be reduced, unless the Corporation 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 Corporation or its affiliates, or who are providing services to the Corporation 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 Corporation must ensure that the proposed Optionee is a bona fide Service Provider of the Corporation or its affiliates;

- (d) An Option granted to any Service Provider will expire within one year (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 Corporation, 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 Corporation;
- (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 Corporation 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 Corporation or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Corporation 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.

The Board has determined that, in order to reasonably protect the rights of Participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the Plan also provides the following:

The Board may, without shareholder approval:

- i. amend the Plan to correct typographical, grammatical or clerical errors;
- ii. change the vesting provisions of an option granted under the Plan, subject to prior written approval of the CSE, if applicable;
- iii. change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- iv. make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Corporation;
- v. make such amendments as may otherwise be permitted by the CSE Policies;
- vi. if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- vii. amend the Plan to reduce the benefits that may be granted to Service Providers.

Shareholder Approval

At the Meeting shareholders will be asked to consider and vote on the ordinary resolution to ratify and confirm the Plan, with or without variation, as follows:

“**RESOLVED** that the Corporation's 10% rolling Share Option Plan, dated for reference September 8, 2020, be and is hereby ratified and confirmed until the next annual meeting of the Corporation.”

An “ordinary resolution” is a resolution passed by the shareholders of the Corporation at a shareholders meeting by a simple majority of the votes cast in person by way of remote communication or by proxy.

The Board recommends that shareholders vote FOR the above-noted resolution.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the Corporation's audited financial statements for the financial year ended December 31, 2020, the report of the auditor and related management discussion and analysis, which were filed on SEDAR on April 21, 2021. Anyone may access these financial documents at www.sedar.com under "Company Profiles", Public Companies – G, then select the Corporation's SEDAR profile, select "Audited annual financial statements" and "MD&A". Copies of the Corporation's interim financial statements and related management discussion and analysis, as well as additional information, may also be obtained from SEDAR at www.sedar.com. Paper copies of the Corporation's annual and interim financial statements may also be obtained upon request from the Corporation's Chief Financial Officer, telephone number (604) 925-2839 or email at salvador.miranda@prismometals.com.

Copies of the above documents will be provided, upon request, free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, 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 Management Proxy Circular.

SHAREHOLDER PROPOSALS

Pursuant to the *Canada Business Corporations Act* (CBCA) and the regulations thereto, shareholder proposals to be considered for inclusion in the management proxy circular for the 2021 annual meeting of the Corporation, expected to be held in on June 29, 2021, must be received by Salvador Miranda, Chief Financial Officer of the Corporation, on or before the close of business on June 18, 2021.

DIRECTORS' APPROVAL

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

DATED at Vancouver, British Columbia, May 28, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

s/ "Peter Craig Gibson"

Peter Craig Gibson
President and Chief Executive Officer