

**THIS FIRST SUPPLEMENTAL DEBENTURE INDENTURE** is made as of the 13<sup>th</sup> day of December, 2024 (the “**First Supplemental Indenture**”).

**BETWEEN:**

**PROPHECY DEFI INC.**, a corporation incorporated under the laws of the Province of Ontario and having its registered office in the City of Toronto (the “**Corporation**”),

-and-

**TSX TRUST COMPANY**, a trust company existing under the laws of Canada and having an office in the City of Toronto, Ontario (the “**Trustee**”)

**WHEREAS** the Corporation and the Trustee entered into a convertible debenture indenture (the “**Indenture**”) dated the 23<sup>rd</sup> day of December 2021, pursuant to which the Corporation is authorized to issue up to C\$12,362,000 principal amount of convertible debentures (the “**Debentures**”);

**AND WHEREAS** pursuant to Section 12.11.1 and Section 15.1(e) of the Indenture, the Corporation wishes to enter into this First Supplemental Indenture to modify the provisions of the Indenture for the benefit of all holders of the Debentures with the exception of the \$174,000 principal amount Debentures issued to the Agents as compensation in connection with the Offering identified in Exhibit “B” attached hereto (the “**Compensation Debentures**”) which shall continue to be governed by the original terms of the Indenture in accordance with Section 11 hereof;

**AND WHEREAS** all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this First Supplemental Indenture, including without limitation the receipt and delivery of an Extraordinary Resolution by written instrument from at least 66 2/3% of the Debentureholders, to make the same effective and binding upon the Corporation, and to make this First Supplemental Indenture, valid, binding and legal obligations of the Corporation with the benefit and subject to the terms and conditions of the Indenture;

**NOW THEREFORE THIS INDENTURE WITNESSES** that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

1. This First Supplemental Indenture is supplemental to the Indenture and the Indenture shall henceforth be read in conjunction with this First Supplemental Indenture and all the provisions of the Indenture, except only insofar as the same may be inconsistent with the express provisions hereof, shall apply and have the same effect as if all the provisions of the Indenture and this First Supplemental Indenture were contained in one instrument and the expressions used herein shall have the same meaning as is ascribed to the corresponding expressions in the Indenture and this First Supplemental Indenture.

2. On and after the date hereof, each reference to the Indenture, as amended by this First Supplemental Indenture, “this Indenture”, “this indenture”, “herein”, “hereby”, and similar references, and each reference to the Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Indenture as amended hereby. Except as specifically amended by this First Supplemental Indenture, all other terms and conditions of the Indenture shall remain in full force and unchanged.

3. The definitions of “Initial Debentures,” “Interest Payment Date” and “Maturity Date” in Section 1.1 of the Indenture shall be deleted and replaced with the following:

“**Interest Payment Date**” means the last day of March, June, September and December of each year until June 30, 2024 and thereafter the Maturity Date;

“**Initial Debentures**” means the Debentures designated as “12.0% Unsecured Convertible Debentures” and described in Section 2.4;

“**Maturity Date**” means the date specified for maturity of any Debentures, which for the Initial Debentures shall be December 23, 2025;

4. Section 2.4.2 of the Indenture shall be deleted and replaced with the following:

“The Initial Debentures shall be dated as of the date of closing of the Offering and shall mature on December 23, 2025 (the “**Maturity Date**” for the Initial Debentures).

5. Section 2.4.3 of the Indenture shall be deleted and replaced with the following:

“The Initial Debentures shall bear interest from and including June 30, 2024 to but excluding the date of the First Supplemental Indenture at the rate of 10.0% per annum (based on a year of 360 days comprised of twelve 30-day months), and from and including the date of the First Supplemental Indenture to but excluding the Maturity Date at the rate of 12.0% per annum (based on a year of 360 days comprised of twelve 30-day months) payable in one lump sum balloon payment on the Maturity Date in arrears, with such payment (representing interest payable from and including June 30, 2024 to, but excluding, the Maturity Date of the Initial Debentures) to fall due on December 23, 2025 payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded quarterly. The record date for the lump sum balloon payment of interest on the Initial Debentures will be five Business Days prior to the Maturity Date.”

6. Section 2.4.5 of the Indenture shall be deleted and replaced with the following:

“At any time prior to and including the date of the First Supplemental Indenture and to the Maturity Date, the Initial Debentures may be redeemed at the option of the Corporation in whole or in part from time to time on notice as provided for in 4.3 at the applicable Redemption Price.”

7. Section 2.4.7 of the Indenture shall be deleted and replaced with the following:

“The Conversion Price in effect on the date hereof for each Common Share to be issued upon the conversion of Debentures shall be equal to \$0.05 such that 20,000 Common Shares shall be issued for each \$1,000 principal amount of Debentures so converted. Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 6, or for interest accrued on Debentures surrendered. No fractional Common Shares will be issued, and the number of Common Shares so issuable will be rounded down to the nearest whole number. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of, the Debentures is subject to adjustment pursuant to the provisions of Section 6.3. Holders converting their Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest (less any taxes required to be deducted) in respect of the Debentures surrendered for conversion up to but excluding the Date of Conversion from, and including, the most recent Interest Payment Date. The Conversion Price will not be adjusted for accrued interest.”

8. Section 6.5 of the Indenture shall be deleted and replaced with the following:

**“Forced Conversion**

Notwithstanding anything to the contrary contained herein and subject to any required regulatory approval and provided no Event of Default has occurred and is continuing, if, at any time prior to the Maturity Date, the VWAP is greater than \$0.10, as adjusted in accordance with Section 6.3, for the preceding 10 consecutive trading days, the Corporation shall have the option to convert all but not less than all of the principal amount of the then outstanding Debentures at the then applicable Conversion Price, with not more than 60 and not less than 30 days’ prior written notice to the Trustee (the **“Forced Conversion Notice”**), in accordance with Section 13.2. Holders whose Debentures are so converted pursuant to this section will receive accrued and unpaid interest thereon for the period from and including the last Interest Payment Date to, but excluding, the Forced Conversion Date. No later than the Business Day immediately preceding the Forced Conversion Date, the Corporation shall pay to the Trustee in lawful money of Canada an amount equal to all accrued and unpaid interest on the Debentures, less any tax required to be deducted, for payment onto the Debentureholders.

In the event that the Corporation exercises its right to force conversion of all of the principal amount of the then outstanding Initial Debentures pursuant to this Section 6.5, the effective date for the forced conversion (the **“Forced Conversion Date”**) shall be: (a) the date stipulated in the Forced Conversion Notice which shall not be less than 30 days from the date of the Forced Conversion Notice; or (b) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (i) all of the principal amount of the then outstanding Debentures shall be deemed to be converted into Common Shares at the then applicable Conversion Price; (ii) all accrued and unpaid interest to but excluding the Forced Conversion Date (less any tax required by law to be deducted or withheld) shall become payable to the Debentureholders; and (iii) the registered holders shall be entered in the books of the Corporation as at the Forced Conversion Date as the holder of the number of Common Shares, as applicable, into which the Initial Debentures held by them are convertible. Upon the surrender of Debenture Certificates to the Trustee at its principal office in the City of Toronto, Ontario by the Debentureholders, or in the

case of Uncertificated Debentures, the surrender of interests in the Debentures through the Depository's non-certificated system, the Corporation shall deliver to the Debentureholders certificates for the Common Shares or deposit Common Shares through the Depository's non-certificated system, as applicable, for the Common Shares into which the Debentures held by them have been converted. For greater certainty, notwithstanding the delivery by the Corporation of a Forced Conversion Notice, a holder of Initial Debentures may convert such Initial Debentures in whole or in part at any time until 5:00 p.m. (Eastern Time) on the Business Day prior to the Forced Conversion Date."

9. The Form of Debenture Certificate for the Debentures shall be in the Form of Debenture Certificate attached hereto in Exhibit "A".

10. The Form of Notice of Conversion for the Debentures shall be in the Form of Notice of Conversion attached hereto in Schedule "B" to Exhibit "A".

11. The provisions set forth in Sections 1 through 10 of this First Supplemental Indenture shall not apply to the Compensation Debentures identified in Exhibit "B" which shall continue to be governed by the original terms of the Indenture, unamended by the terms of this First Supplemental Indenture, and all such original terms shall remain in full force and effect with respect to the Compensation Debentures. The Corporation shall cause to be kept by and at the principal office of the Trustee in Toronto, Ontario, and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, a register, separate from the register of the Debentures issued under CUSIP 74349RAA3, in which shall be entered the names and addresses of the holders of the Compensation Debentures and particulars of the Compensation Debentures held by them respectively and all transfers of the Compensation Debentures.

12. For the purposes of this First Supplemental Indenture, capitalized terms not otherwise defined herein shall have those meaning ascribed thereto pursuant to the Indenture.

13. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario and shall be binding upon the parties hereto and their respective successors and assigns.

14. This First Supplemental Indenture may be executed in several counterparts, and may be executed by facsimile or other means of electronic communication producing a printed copy, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

**[SIGNATURE PAGE TO FOLLOW]**



## EXHIBIT "A"

### Schedule A – Form of Debenture

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO PROPHECY DEFI INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

Certificate No. [●]

C\$[●]

CUSIP No. 74349RAA3

ISIN No. CA74349RAA38

#### PROPHECY DEFI INC.

(A corporation existing under the laws of the Province of Ontario)

#### 12.0% UNSECURED CONVERTIBLE DEBENTURE

DUE DECEMBER 23, 2025

Prophecy DeFi Inc. (the "**Corporation**") for value received hereby acknowledges itself indebted and, subject to the provisions of the convertible debenture indenture dated as of December 23, 2021 and first supplemental debenture indenture dated December 13, 2024 (collectively, the "**Indenture**") between the Corporation and TSX Trust Company (the "**Debenture Trustee**"), promises to pay to the registered holder hereof on December 23, 2025 (the "**Maturity Date**") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal amount hereof in lawful money of Canada on presentation and surrender of this Debenture at the offices of the Debenture Trustee in Toronto, Ontario in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof on the Interest Payment Date (as defined below) from June 30, 2024 to December 12, 2024 at the rate of 10.0% per annum (based on a year of 360 days comprised of twelve 30-day months) and from December 13, 2024 to the Maturity Date at the rate of 12.0% per annum (based on a year of 360 days comprised of twelve 30-day months), payable in one lump sum balloon payment on the Maturity Date in arrears (the "**Interest Payment Date**"), with such payment (representing interest payable from and including June 30, 2024 to, but excluding, the Maturity Date of the Debentures) to fall due on December 23, 2025, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded quarterly. The record date for the payment of interest on the Debentures will be five Business Days prior to the Interest Payment Date and, should the Corporation at any time make default in the payment of any principal, premium or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates.

Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Debentures are or are to be issued and held and the rights and remedies of the holders of the Debentures and of the Corporation and of the Debenture Trustee, all to the same effect as if the provisions of the Indenture were herein set forth, and to all of which provisions the holder of this Debenture by acceptance hereof assents. To the extent that the terms and conditions stated in this Debenture conflict with the terms and conditions of the Indenture, the latter shall prevail. All capitalized terms used herein have the meaning ascribed thereto in the Indenture unless otherwise indicated. Interest hereon shall be payable by cheque or electronic transfer of funds to the registered holder hereof or such other means provided in the Indenture and, subject to the provisions of the Indenture, the sending of such cheque or electronic transfer of funds shall, to the extent of the sum represented thereby, satisfy and discharge all liability for interest on this Debenture.

This Debenture is one of the Debentures of the Corporation issued under the provisions of the Indenture. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Any part, being \$1,000 or an integral multiple thereof, of the principal of this Debenture, provided that the principal amount of this Debenture is in a denomination in excess of \$1,000, is convertible, at the option of the holder hereof, upon surrender of this Debenture at the principal offices of the Debenture Trustee in the City of Toronto, Ontario, at any time prior to 5:00 pm. (Eastern Time) on the Business Day immediately preceding the Maturity Date or, if this Debenture is called for redemption pursuant to the Indenture or repurchase pursuant to a Change of Control on or prior to such date, then up to but not after the close of business on the last Business Day immediately preceding the Redemption Date or the Change of Control Purchase Date, as applicable, into Common Shares (without adjustment for interest accrued hereon at a conversion price of \$0.05 per Common Share (the "**Conversion Price**")), being a conversion ratio of 20,000 Common Shares for each \$1,000 principal amount of Debentures so converted, all subject to the terms and conditions and in the manner set forth in the Indenture. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued, and the number of Common Shares so issuable will be rounded down to the nearest whole number.

Subject to the provisions in the Indenture and without further action on the part of the registered holder, if at any time from the date of the First Supplemental Indenture and prior to the Maturity Date, the volume weighted average price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") (or such other recognized stock exchange on which the Common Shares are listed for trading) for 10 consecutive trading days exceeds \$0.10, as adjusted in accordance with the Indenture, the Corporation may, on not less than 30 but no more than 60 days prior notice (the "**Forced Conversion Notice**") delivered in accordance with Section 13.2 of the Indenture, convert all but not less than all of the principal amount of the Debentures at the Conversion Price. Holders whose Debentures are so converted will receive accrued and unpaid interest thereon for the period from and including the last Interest Payment Date to, but excluding, the Forced Conversion Date. No later than the Business Day immediately preceding the Forced Conversion Date, the Corporation shall pay to the Trustee in lawful money of Canada an amount equal to all accrued and unpaid interest on the Debentures, less any tax required to be deducted, for payment onto the Debentureholders.

The effective date for the forced conversion (the “**Forced Conversion Date**”) shall be: (a) the date stipulated in the Forced Conversion Notice, which shall not be less than 30 days from the date of the Forced Conversion Notice; or (b) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (i) all of the principal amount of the Debentures shall be deemed to be converted into Common Shares at the then applicable Conversion Price; (ii) all accrued and unpaid interest (less any tax required by law to be deducted or withheld) shall become payable to the registered holder; and (iii) the registered holder shall be entered in the books of the Corporation as at the Forced Conversion Date as the holder of the number of Common Shares, as applicable, into which the Debentures are convertible. In the event that the Corporation delivers a Forced Conversion Notice, upon surrender of this Debenture to the Trustee, the Corporation shall deliver certificates for the Common Shares into which the Debentures have been converted. For greater certainty, notwithstanding the delivery by the Corporation of a Forced Conversion Notice, a holder of Debentures may convert such Debentures in whole or in part at any time until 5:00 p.m. (Eastern Time) on the Business Day prior to the Forced Conversion Date.

This Debenture may be redeemed at the option of the Corporation on the terms and conditions set out in the Indenture. Prior to the Maturity Date, the Debentures may be redeemed in whole or in part at the option of the Corporation at a price of \$1,000 per Debenture plus accrued and unpaid interest and otherwise on the terms and conditions described in the Indenture.

Upon the occurrence of a Change of Control of the Corporation, the Corporation is required to make an offer to purchase all of the Debentures at a price equal to 105% of the principal amount of such Debentures plus accrued and unpaid interest up to, but excluding, the date the Debentures are so repurchased (the “**Change of Control Purchase Offer**”). If 90% or more in aggregate principal amount of Debentures outstanding on the date the Change of Control Notice and the Change of Control Purchase Offer are delivered or mailed to holders of the Debentures have been tendered for purchase and not withdrawn pursuant to the Change of Control Purchase Offer, then the Corporation has the right upon written notice provided to the Debenture Trustee within ten (10) calendar days following the expiration of the Change of Control Purchase Option to redeem all the remaining outstanding Debentures on the same date and at the same price, subject to the terms and conditions described in the Indenture.

If an Offer for outstanding Debentures (other than Debentures held by or on behalf of the Offeror, Associates or Affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) is made and 90% or more of the outstanding principal amount of the Debentures is taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Debentures of those holders who did not accept the offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Debentures.

The indebtedness, liabilities and obligations of the Corporation under this Debenture are direct unsecured obligations of the Corporation, and will rank equally with one another and with all other unsecured and subordinated indebtedness of the Corporation except as prescribed by law.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.



The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding, which resolutions or instruments may have the effect of amending the terms of this Debenture or the Indenture.

This Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal offices of the Debenture Trustee in Toronto, Ontario and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Debenture Trustee may designate. No transfer of this Debenture shall be valid unless made on the register by the registered holder hereof and upon compliance with such reasonable requirements as the Debenture Trustee and/or other registrar may prescribe and upon surrender of this Debenture for cancellation. Thereupon a new Debenture or Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Debenture Trustee under the Indenture.

The Indenture and this Debenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Capitalized words or expressions used in this Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

**In the event that the terms and conditions stated in this Debenture conflict, or are inconsistent, with the terms and conditions of the Indenture, the Indenture shall prevail and take priority.**

***[Remainder of page intentionally left blank. Signature page follows.]***

**IN WITNESS WHEREOF** Prophecy DeFi Inc. has caused this Debenture to be signed by its authorized signatories as of the [●] day of [●], 20[●].

**PROPHECY DEFI INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**TRUSTEE'S CERTIFICATE**

This Debenture is one of the 12.0% Debentures due December 23, 2025 referred to in the Indenture within mentioned.

Dated: \_\_\_\_\_, 20[●].

**TSX TRUST COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**

**FORM OF ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto, whose address, if applicable, is set forth below, these Debentures (or C\$ \_\_\_\_\_ principal amount hereof) of Prophecy DeFi Inc. standing in the name(s) of the undersigned in the register maintained by TSX Trust Company with respect to such Debentures and does hereby irrevocably authorize and direct the Debenture Trustee to transfer such Debentures in such register, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Address of Transferee: \_\_\_\_\_

\_\_\_\_\_  
(Street Address, City, Province and Postal Code)

(\* ) If less than the full principal amount of the within Debenture is to be transferred, indicate in the space provided the principal amount (which must be C\$1,000 or an integral multiple thereof, unless you hold an Debenture in a non-integral multiple of C\$1,000, in which case such Debenture is transferable only in its entirety) to be transferred.

Dated: \_\_\_\_\_ Signature(s): \_\_\_\_\_

\_\_\_\_\_  
Signature of transferring registered holder

Signature of Guarantor:

\_\_\_\_\_  
Authorized Officer

\_\_\_\_\_  
Signature of transferring registered holder

\_\_\_\_\_  
Name of Institution

**REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). Please select only one (see instructions below).**

Gift

Estate

Private Sale

Other (or no change in ownership)

**Date of Event** (Date of gift, death or sale):

\_\_\_\_\_

**Value per Debenture** on the date of event:

\$ \_\_\_\_\_ CAD OR \_\_\_\_\_ USD

1. The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.
  
2. The registered holder of this Initial Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

**SCHEDULE B  
FORM OF NOTICE OF CONVERSION**

**TO: PROPHECY DEFI INC.**

**AND TO: TSX TRUST COMPANY**

**NOTE:** All capitalized terms used herein have the meaning ascribed thereto in the Indenture (as defined herein), unless otherwise indicated.

The undersigned registered holder of 12.0% Debentures in the principal amount of C\$\_\_\_\_\_ irrevocably elects to convert such Debentures (or C\$\_\_\_\_\_ principal amount thereof) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures, and, if applicable, directs that the Common Shares of Prophecy DeFi Inc. issuable upon a conversion be issued and delivered to the Person indicated below. (If Common Shares are to be issued in the name of a Person other than the holder, all requisite transfer taxes must be tendered by the undersigned and the Form of Assignment must be completed.)

\_\_\_\_\_  
Dated:

\_\_\_\_\_  
Signature of Registered Holder

(\*) If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be C\$1,000 or integral multiples thereof).

**NOTE:** If Common Shares are to be issued in the name of a Person other than the holder, the signature must be guaranteed as follows:

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED" Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

(Print name in which Common Shares are to be issued, delivered and registered)

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Name

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Address

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(Street Address, City, Province and Postal Code)

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Name of guarantor

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Authorized Signature

**EXHIBIT "B"****Debentures issued to the Agents**

<b>Registered Holder</b>	<b>Principal amount of Debentures</b>
Canaccord Genuity Corp. 1133 Melville Street, Suite 1100 Vancouver BC V6E 4E5	\$142,000
INFOR Financial Inc Re: Inventory RBC South Tower 200 Bay St Ste 2350 PO Box 74 Stn. Royal Toronto ON M5J 2J2	\$32,000