

THIS FIRST SUPPLEMENTAL WARRANT INDENTURE is made as of the 13th 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 “**Warrant Agent**”)

WHEREAS the Corporation and the Warrant Agent entered into a warrant indenture (the “**Indenture**”) dated the 23rd day of December 2021, pursuant to which the Corporation is authorized to issue up to 21,565,787 warrants to purchase common shares in the capital of the Corporation (the “**Warrants**”);

AND WHEREAS pursuant to Section 7.10(a), Section 7.10(g) and Section 8.1(d) 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 Warrants with the exception of the 290,058 Warrants issued to the Agents as compensation in connection with the Offering identified in Exhibit “B” (the “**Compensation Warrants**”) attached hereto which shall continue to be governed by the original terms of the Indenture in accordance with Section 5 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 Warrant Indenture, including without limitation the receipt and delivery of an Extraordinary Resolution by written instrument from at least 66 2/3% of the Warrantholders, 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 “Acceleration Threshold Price”, “Exercise Price”, and “Expiry Date” in Section 1.1 of the Indenture shall be deleted and replaced with the following:

“Acceleration Threshold Price” means \$0.10 per Common Share, subject to adjustment in accordance with Article 4;

“Exercise Price” means \$0.05 for each Common Share payable in immediately available Canadian funds, subject to adjustment in accordance with the provisions of Article 4;

“Expiry Date” means the earlier of (i) December 23, 2026; and (ii) the Acceleration Trigger Date;

4. The Form of Warrant Certificate for the Warrants attached to the Indenture as Schedule A shall be replaced with the Form of Warrant Certificate attached hereto in Exhibit “A”.

5. The provisions set forth in Sections 1 through 4 of this First Supplemental Indenture shall not apply to the Compensation Warrants 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 such Warrants. The Corporation shall cause to be kept by and at the principal office of the Warrant Agent in Toronto, Ontario, and by the Warrant Agent or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, a register, separate from the register of the Warrants issued under CUSIP 74349R113, in which shall be entered the names and addresses of the holders of the Compensation Warrants and particulars of the Compensation Warrants held by them respectively and all transfers of the Compensation Warrants.

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

7. 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.

8. 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 WARRANT

WARRANT

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE THAT IS FOUR MONTHS AND ONE DAY FROM ISSUANCE]."

[And, if applicable, the additional legend as follows]

[Insert for CDS Global Warrant] 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.

[Insert for Warrants issued in the United States or to U.S. Persons] THE SECURITIES REPRESENTED HEREBY [if for Warrants include: AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF PROPHECY DEFI INC. (THE "CORPORATION") THAT THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER U.S. SECURITIES LAWS AND ANY APPLICABLE STATE SECURITIES LAWS. PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER OF THE SECURITIES HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON A CANADIAN STOCK EXCHANGE.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE COMMON SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. 'UNITED STATES' AND 'U.S. PERSON' ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.

To acquire Common

Shares of

PROPHECY DEFI INC.

(a company existing under the laws of the province
of Ontario)

Warrant Certificate No. [●]

Certificate for _____ Warrants, each entitling the holder to acquire one
Common Share (subject to adjustment as provided for in the Warrant Indenture (as
defined below))

THIS IS TO CERTIFY THAT, for value received,

(the “**Warrantholder**”) is the registered holder of the number of common share purchase warrants (the “**Warrants**”) of Prophecy DeFi Inc. (the “**Corporation**”) specified above, and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture (as hereinafter defined) to purchase one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a “**Common Share**”) for each Warrant, subject to adjustment in accordance with the terms of the Warrant Indenture, at any time before 5:00 p.m. (Toronto time) (the “**Expiry Time**”) on December 23, 2026; provided, that if at any time following April 24, 2022 VWAP for the preceding ten (10) consecutive Trading Days exceeds CDN\$0.10 (such price subject to adjustment in accordance with the terms of the Warrant Indenture) (the “**Acceleration Trigger Event**”), the Corporation may accelerate the expiry date of the Warrants by giving written notice of the Acceleration Trigger Event to the Warrant Agent in accordance with the terms of the Warrant Indenture (the “**Acceleration Notice**”), provided that such notice is delivered to the Warrant Agent no later than three Trading Days following the Acceleration Trigger Event, and in such case, the Warrants will expire at 5:00 p.m. Toronto time on the date that is thirty (30) days from the date of the Acceleration Notice is delivered to the Warrant Agent in accordance with the terms of the Warrant Indenture (the “**Expiry Date**”). Concurrent with the delivery of the Acceleration Notice to the Warrant Agent pursuant to terms of the Warrant Indenture, the Corporation will issue a news release announcing the exercise of the Acceleration Right. The receipt of the Acceleration Notice by the Warrant Agent and issuance of the news release announcing the Acceleration Right will not impact the timing of the exercise of the Acceleration Right by the Corporation.

The Warrants evidenced hereby are exercisable at or before the Expiry Time on the Expiry Date after which time the Warrants evidenced hereby shall be deemed to be void and of no further force or effect.

The right to purchase Common Shares may only be exercised by the Warrant holder within the time set forth above by:

- (a) duly completing and executing the exercise form (the “**Exercise Form**”) attached hereto; and

- (b) surrendering this warrant certificate (the “**Warrant Certificate**”), with the Exercise Form to TSX Trust Company (the “**Warrant Agent**”) at the principal office of the Warrant Agent, in the city of Toronto, together with a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal offices as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be \$0.90 per Common Share (the “**Exercise Price**”).

These Warrants and the Common Shares issuable upon exercise hereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be exercised by or on behalf of a U.S. person or a person in the United States.

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Warrants not then exercised. No fractional Common Shares will be issued upon exercise of any Warrant and no compensation will be paid in lieu thereof.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the “**Warrant Indenture**”) dated as of December 23, 2021 between the Corporation and TSX Trust Company, as warrant agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture. In the event of any conflict between the provisions of this Warrant Certificate and the provisions of the Warrant Indenture, the provisions of the Warrant Indenture will govern. Capitalized terms used in this certificate shall have the same meaning ascribed to such terms in the Warrant Indenture, unless otherwise defined herein.

On presentation at the principal offices of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates reflecting in the aggregate the same number of Warrants as the Warrant Certificate(s) so exchanged.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants, and the Acceleration Threshold Price, in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants holding a specific majority of the all then outstanding Warrants.

These Warrants and the Common Shares issuable upon exercise hereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. These Warrants may not be exercised by or on behalf of a U.S. person or a person in the United States unless the Warrants and the Common Shares have been registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. Certificates representing Common Shares issued in the United States or to U.S. Persons will bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Toronto, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution reasonably satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been Authenticated by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

[REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of the [●] day of December, 20[●].

PROPHECY DEFI INC.

By:

Authorized Signatory

Countersigned and Registered by:

TSX TRUST COMPANY

By: _____
Authorized Signatory

Date: _____

FORM OF TRANSFER

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: PROPHECY DEFI INC.
c/o TSX TRUST COMPANY
301-100 Adelaide Street West
Toronto, Ontario M5H 4H1
Attention: Stock Transfer

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

(print name and address) the Warrants of **PROPHECY DEFI INC.** (the "**Corporation**") represented by this Warrant Certificate and hereby irrevocable constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

Check this box if: (i) the Warrants do not contain a U.S. restrictive legend, and (ii) the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a "U.S. person" or a person within the "United States" (as such terms are defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act").

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

(A) the transfer is being made only to the Corporation;

(B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "B" to the Warrant Indenture, or

(C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a warrant certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

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 in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.

A Signature Guarantee obtained from the Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guarantee" Stamp) obtained from an authorized officer of a major Canadian Schedule 1 chartered bank.

For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

WARRANT EXERCISE FORM

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: PROPHECY DEFI INC. (the “**Corporation**”)
 AND TO: TSX TRUST COMPANY (the “**Warrant Agent**”)
 301 – 100 Adelaide St W
 Toronto, Ontario M5H 4H1
 Attention: Corporate Actions

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises the right to acquire _____(A) common shares of the Corporation.

Exercise Price Payable:

_____ ((A) multiplied by \$0.05, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby represents, warrants and certifies as follows (one (only) of the following must be checked):

- A. The undersigned holder at the time of exercise of the Warrants (a) is not in the United States; (b) is not a U.S. person and is not exercising the Warrants on behalf of a U.S. person or a person in the United States; and (c) represents and warrants that the exercise of the Warrants and the acquisition of the Common Shares upon exercise thereof occurred in an “offshore transaction” (as defined under Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”)); OR
- B. The undersigned holder has delivered to the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the exercise of the Warrants and the issuance of the Common Shares does not require registration under the U.S. Securities Act or any applicable state securities laws.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Common Shares will be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (in the form set out in the Warrant Indenture and the subscription documents).

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon our confirmations, acknowledgements and agreements set forth herein, and we agree to notify the Corporation promptly in writing if any of our representations or warranties herein ceases to be accurate or complete.

EXHIBIT "B"

Warrants issued to the Agents

Registered Holder	Number of Warrants
Canaccord Genuity Corp. 1133 Melville Street, Suite 1100 Vancouver BC V6E 4E5	236,714
INFOR Financial Inc Re: Inventory RBC South Tower 200 Bay St Ste 2350 PO Box 74 Stn. Royal Toronto ON M5J 2J2	53,344