

PROPHECY POTASH CORP.

1055 West Georgia Street, Suite 1500
Vancouver, BC V6E 4N7

INFORMATION CIRCULAR

DATED AS AT NOVEMBER 16, 2020

**SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON
TUESDAY, DECEMBER 15, 2020 AT 10:00 AM (PACIFIC TIME)**

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Vancouver, BC V6E 4N7

MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished to you in connection with the solicitation of Proxies by management of Prophecy Potash Corp. (“we”, “us” or the “Company”) for use at the Special Meeting (the “Meeting”) of shareholders of the Company to be held on Tuesday, December 15, 2020, at 10:00 a.m. PT at 400-725 Granville St., Vancouver, British Columbia, V5L 2Z1, and at any adjournment of the Meeting. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit Proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign Proxies. We will pay the expenses of this solicitation.

Impact of COVID-19

Due to the COVID-19 pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Company’s Meeting, the Company respectfully asks that shareholders do not attend the Meeting in person. The Company requests that shareholders, who wish to participate by listening to the Meeting, contact the Company by December 11, 2020 at prophecypotash@gmail.com to be included in the teleconference for the Meeting. The Company will arrange for teleconference participation for all shareholders who have requested it by December 11, 2020. However, the Company strongly recommends that shareholders vote by Proxy or by a request for voting instructions in advance to ease the voting tabulation at the Meeting. If public health guidelines regarding physical distancing in British Columbia have changed by the meeting date of December 15, 2020, the Company may issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.

APPOINTMENT OF PROXIES

The persons named as proxy holders in the enclosed Proxy are the Company’s directors or officers. As a shareholder, you have the right to appoint a person (who, if the registered owner of your shares of the Company is a corporation or a representative of a corporation, need not be a shareholder) in place of the persons named in the Proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the Proxy and strike out the other names or complete and deliver another appropriate Proxy.

A Proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

COMPLETION AND VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested, in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an

“ordinary resolution”) unless the motion requires a special resolution in which case a majority of two-thirds (2/3) of the votes cast will be required.

A shareholder or intermediary acting on behalf of a shareholder may indicate the manner in which the persons named in the enclosed Proxy are to vote with respect to any matter by checking the appropriate space. On any poll required by a shareholder or proxyholder requesting a poll, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the Proxy, provided such directions are certain.

If you or an intermediary acting on your behalf wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **IN SUCH INSTANCE, THE PROXYHOLDER, IF ONE PROPOSED BY MANAGEMENT, INTENDS TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.** The enclosed Proxy, when properly signed, also confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting. At the time of printing this Information Circular, our management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. If, however, other matters which are not now known to management should properly come before the Meeting, the persons named in the Proxy intend to vote on such other business in accordance with their best judgment.

The Proxy must be dated and signed by you or by your attorney authorized in writing or by the intermediary acting on your behalf. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

COMPLETED PROXIES TOGETHER WITH THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT WAS SIGNED OR A NOTARIALY CERTIFIED COPY THEREOF MUST BE DEPOSITED WITH THE COMPANY’S TRANSFER AGENT, COMPUTERSHARE INVESTOR SERVICES INC., OF 510 BARRARD STREET, 3RD FLOOR, VANCOUVER, BRITISH COLUMBIA, V6C 3B9, AT LEAST 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF. UNREGISTERED SHAREHOLDERS WHO RECEIVED THE PROXY THROUGH AN INTERMEDIARY MUST DELIVER THE PROXY IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN BY SUCH INTERMEDIARY. YOU MAY ALSO VOTE BY TELEPHONE AND INTERNET. PLEASE SEE THE PROXY FOR INSTRUCTIONS REGARDING TELEPHONE AND INTERNET VOTING.

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “Nominee”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting

materials, being the Notice of Meeting, this Information Circular, and the Proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a "VIF"), instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF's, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares of the Company which they beneficially own. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.**

REVOCATION OF PROXIES

If you are a registered shareholder who has returned a Proxy, you may revoke your Proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a Proxy may revoke it by either:

- (a) signing a Proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of Proxy is required to be signed as set out in the notes to the Proxy.

The later Proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the “**Board**”) has fixed November 16, 2020 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 Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their shares voted at the Meeting.

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value, of which 21,773,399 common shares and no preferred shares are issued and outstanding as of November 16, 2020.

Persons who are registered shareholders at the close of business on November 16, 2020 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxyholder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share.

Principal Holders of Common Shares

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company other than:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares⁽¹⁾
Mango Research and Management Inc. ⁽²⁾	2,589,999 ⁽²⁾	11.9%

(1) Based on 21,773,399 common shares issued and outstanding as of November 16, 2020.

(2) Mango Research and Management Inc. is wholly owned and controlled by Sean Kingsley, a Director of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, and no associate or affiliate of any of those persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the heading “Particulars of Matters to be Acted On”.

An “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or

- subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

PARTICULARS OF MATTERS TO BE ACTED UPON

SPECIAL MEETING BUSINESS

To the knowledge of the Board, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Approval of Share Consolidation

The Company requires financing to execute its business plan. It is the Board's opinion that the structure of the Company's existing issued and outstanding share capital is not conducive to completing additional financing and that a consolidation of the Company's share capital is required in order facilitate attracting new equity investment in the Company.

The Board has determined a consolidation ratio of up to 1:5 – one (1) new post-consolidation common share for up to 5 pre-consolidation common shares, or such lesser whole number of pre-consolidation common shares that the Board in their discretion may determine, subject to the approval of the applicable regulatory authorities (the “**Consolidation**”) – such that upon completion of the Consolidation all of the 21,773,399 issued and outstanding shares of the Company will be consolidated into approximately 4,354,679 issued and outstanding shares. Outstanding stock options and warrants will similarly be adjusted by the consolidation ratio.

Upon completion of the Consolidation the Company is required to obtain a new CUSIP number and a new stock trading symbol. The Company will retain its current name.

Therefore, at the Meeting, shareholders will be asked to consider, and if thought fit, to approve an ordinary resolution in the following form:

“BE IT RESOLVED, as an ordinary resolution, that:

1. the Board of Directors of the Company be and is hereby authorized, subject to approval of the applicable regulatory authorities, to take such actions as are necessary to consolidate, at any time following the date of this resolution, all of the issued and outstanding common shares of the Company on the basis of one (1) new post-consolidation common share for up to five (5) pre-

consolidation common shares, or such lesser whole number of pre-consolidation common shares that the directors in their discretion may determine, subject to the approval of applicable regulatory authorities;

2. any one or more directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents and other writings, including the Notice of Alteration, as may be required to give effect to the true intent of these resolutions; and
3. despite the foregoing authorization, the board of directors of the Company may, at its discretion, determine when such consolidation will take place and may further, at its discretion, determine not to effect a consolidation of all of the issued and outstanding common shares of the Company, in each case without requirement for further approval, ratification or confirmation by the shareholders of the Company.”

The foregoing resolution permits the Board, without further approval by the shareholders, to select the final consolidation ratio and proceed with the Consolidation at any time following the date of this Meeting. Alternatively, the Board may choose not to proceed with the Consolidation if the Board, in their discretion, deem that it is no longer desirable to do so.

In order to be effective, the foregoing ordinary resolution must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the Consolidation.

The Board believes the passing of the foregoing ordinary resolution is in the best interests of the Company, and will best enable management of the Company to facilitate any future financing and reorganize the Company’s share structure. The Board recommends that shareholders of the Company vote in favour of the foregoing resolution.

Adoption of New Articles

The Board believes that the existing Articles of the Company do not allow for maximum efficiency in the Company’s operations and do not reflect the current provisions of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). The proposed new form of Articles (the “**New Articles**”) will be substantially similar to the Company’s existing Articles, but will allow for further alterations by resolutions of the directors, if and as permitted by the BCBCA.

A copy of the proposed New Articles of the Company will be available for inspection at the Meeting and at the Company’s registered office, located at 400-725 Granville St., Vancouver, British Columbia, V5L 2Z1 during regular business hours up to the day before the Meeting.

Shareholders will be asked to consider and if thought fit, approve the adoption of New Articles by ordinary resolution as set forth below:

“BE IT RESOLVED, as an ordinary resolution, that:

1. The existing Articles of the Company be cancelled and the new form of Articles, made available

to shareholders for review before and at the Special Meeting to be held on December 15, 2020, be adopted as the Articles of the Company in substitution of, and to the exclusion of, the existing Articles;

2. Any one director of the Company, signing alone, be authorized to execute and deliver all such documents and instruments, including the new form of Articles, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof;
3. Despite that this ordinary resolution has been duly passed by the shareholders of the Company, the Board of Directors is authorized and empowered to revoke this resolution at any time before giving effect to the adoption of the new form of Articles and to determine not to proceed with the replacement of the Company's Articles without further approval of the shareholders; and
4. It is a condition of this resolution that the alteration to the Articles of the Company referred to in paragraph 1 does not take effect until this resolution is deposited with the records of the Company as prescribed by the *Business Corporations Act* (British Columbia)."

In order to be effective, the foregoing ordinary resolution must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such Proxies FOR the ordinary resolution adopting the New Articles.

The Board believes the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that shareholders of the Company vote in favour of the foregoing resolution.

ADDITIONAL INFORMATION

Additional information, documents and financial statements relating to the Company are filed on www.sedar.com and upon request from the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

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

DIRECTOR APPROVAL

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

DATED at Vancouver, British Columbia on November 16, 2020.

BY ORDER OF THE BOARD

PROPHECY POTASH CORP.

 “Darryl Jones”
Darryl Jones
Director