

Market prices used in the other equivalent calculation are US\$16.50/lb for Ag, US\$1.448/lb for Pb and US\$1.02/lb for Zn and reflect those used in the June 10, 2015 Pacayo mineral resource estimate by Mercator.

Mineral grades were interpolated within unmined three dimensional units using Geovis Geopac Ver. 4.7 software and inverse distance squared interpolation method. Block size is 5m (X) by 5m (Y) by 2.5m (Z). Historic mine void space was removed from the model prior to reporting of resource.

The block density factor of 2.25 reflects the average value of 700 density measurements.

The mineral resource is considered to have reasonable expectation for economic development using underground mining methods based on the deposit history, resource amount and metal grades, current metal pricing and comparison to broadly comparable deposits elsewhere.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The resource estimate cut-off value is 300 g/t Ag, Pb, and Zn and resource estimates are presented in bulk tons.

*Tonnage are rounded to nearest 10,000.

The resource estimate is based on results of 97 diamond drill holes and 1 reverse circulation drill hole totaling 18,160 meters completed between 2002 and 2007. Verification and validation checks on the sampling method, sample shipment documentation and analytical data were carried out by Mercator in support of the current resource estimate and Prophecy independently carried out additional database checks with satisfactory results. Review of available quality control and quality assurance program results that include analyses for duplicate, blank, certified reference material and third party check sample materials was also performed by Mercator with acceptable results. The methods and assumptions used to interpolate metal grade including variography, search ellipse orientation and dimensions, drill hole density, and geological interpretation are considered reasonable for this type of epithermal mineral deposit. Block model results were compared to assay composites and ordinary kriging results and all show acceptable correlation to the underlying data.

The contained metals within the September 9, 2015 resource estimate by Mercator are presented below in Table 2.

Table 2: Contained Metals in September 9, 2015 Paca mineral resource estimate

Contained Metals in September 9th, 2015 Paca* Mineral Resource Estimate

Metal	Inferred Resource
Silver	14,700,000 oz.
Lead	28,400,000 lbs.
Zinc	27,200,000 lbs.

*Based on the resource estimate Ag, Pb, and Zn cut-off value of 300 g/t and 100% recovery. Figures are rounded to the nearest 100,000 tonnes.

Only minimal historical mining has occurred at Paca. The geology of the Paca deposit includes a core zone of feeder-style mineralization associated predominantly with brecciated andesite, plus additional zones of shallowly dipping mantos-style mineralization that are hosted by the surrounding volcano-sedimentary sequence. The Paca deposit remains open at depth and along strike at present. The Company believes that there is good potential to expand the existing resource and to locate additional mineralization in the vicinity of the Paca deposit as well as in the vicinity of the nearby Pulacayo Mine (refer to Prophecy’s press release dated September 9, 2015

regarding sampling results from the Paca North, El Abra, Pacamayo and Pero priority targets).

The Paca mineralization starts from surface, with approximately 95% of the resource existing at the cut-off value of 300 g/t Ag Eq. occurring within 100m of surface. Portions of the deposit may also be amenable to open-pit mining and this will be evaluated further in the future. The Company's research has shown that relatively few silver open pit deposits have been defined at resource cut-off values of 300 g/t Ag Eq. or more. Prophecy is conducting preliminary internal mine design and planning assessments for Paca that incorporate a pilot mining operation, with mined materials to be processed at a proposed mill constructed on site.

The Paca site is currently undergoing permitting for trial mining at a production rate of 200 tonnes per day. No known legal, political, environmental, or other risks that would materially affect potential future development have been identified by Prophecy as of the effective date of the current mineral resource estimate (September 9, 2015). The trial mining permit is expected to be granted by the end of 2015.

In its June 18, 2015 press release, Prophecy reported 1.27 million tonnes of indicated resource grading 530 g/t silver, 3.63% zinc, 2.51% lead (688 g/t Ag Eq.) for the Pulacayo underground project*. In July 2015, Prophecy completed a detailed internal underground mine planning schedule for Pulacayo, which can be downloaded at www.prophecydev.com.

The Pulacayo mine site and mill site are fully permitted and a production decision will be made when the construction, offtake, and financing contracts are fully assessed. Pulacayo, Paca and the historic tailings piles could all provide potential feed to a proposed 500 tonne-per-day concentrating (milling) operation.

**The Pulacayo mineral resource estimate was prepared in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves referenced in NI 43-101. The effective date of the estimate is June 16, 2015. Silver equivalent Ag Eq. (g/t) = Ag (g/t) *89.2% + (Pb% *(US\$0.94/lb. Pb/14.583 Troy oz./lb./US\$16.50 per Troy oz. Ag)*10,000 *91.9%) + (Zn% *(US\$1.00/lb. Zn/14.583 Troy oz./lb./US\$16.50 per Troy oz. Ag)*10,000 *82.9%). Metal prices used in the silver equivalent calculation are US\$16.50/Troy oz. Ag, US\$0.94/lb Pb and US\$1.00/lb Zn. Metal recoveries 89.2% Ag 91.9% Pb. 82.9% Zn. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Pulacayo mineral resource estimate was prepared by Mercator under supervision of Michael Cullen, P.Geo., who is an independent Qualified Person under NI 43-101. Refer to the Company's June 18, 2015 press release which can be found at www.prophecydev.com.*

Qualified Persons

The technical content of this news release was reviewed and approved by Christopher M. Kravits, P. Geo., who is a Qualified Person within the meaning of NI 43-101. Mr. Kravits is a consultant to

the Company and serves as its Qualified Person and General Mining Manager. Michael Cullen, P. Geo., of Mercator Geological Services Limited, is the Qualified Person within the meaning of NI 43-101 who supervised preparation of, and is responsible for, the September 9, 2015 Paca mineral resource estimate described in this press release and has reviewed and approved the mineral resource estimate information in this press release.

About Prophecy

Mercator Geological Services Limited is a Canadian consulting firm founded in 1997 that offers a broad range of professional project management services including technical reporting to standards referenced in NI 43-101, exploration program management, and professional staffing for both small and large mineral exploration projects. Mercator has completed mineral exploration and resource estimation programs both domestically and internationally and prepared two Pulacayo deposit mineral resource estimations for Apogee during the 2011 to 2013 period.

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Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release, including statements which may contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions, and statements related to matters which are not historical facts, are forward-looking information within the meaning of applicable securities laws. Such forward-looking statements, which reflect management’s expectations regarding Prophecy’s future growth, results of operations, performance, business prospects and opportunities, are based on certain factors and assumptions and involve known and unknown risks and uncertainties which may cause the actual results, performance, or achievements to be materially different from future results, performance, or

achievements expressed or implied by such forward-looking statements. These estimates and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies, many of which, with respect to future events, are subject to change and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by Prophecy. In making forward-looking statements as may be included in this news release, Prophecy has made several assumptions that it believes are appropriate, including, but not limited to assumptions that: there being no significant disruptions affecting operations, such as due to labour disruptions; currency exchange rates being approximately consistent with current levels; certain price assumptions for coal, prices for and availability of fuel, parts and equipment and other key supplies remain consistent with current levels; production forecasts meeting expectations; the accuracy of Prophecy's current mineral resource estimates; labour and materials costs increasing on a basis consistent with Prophecy's current expectations; and that any additional required financing will be available on reasonable terms. Prophecy cannot assure you that any of these assumptions will prove to be correct.

Numerous factors could cause Prophecy's actual results to differ materially from those expressed or implied in the forward-looking statements, including the following risks and uncertainties, which are discussed in greater detail under the heading "Risk Factors" in Prophecy's most recent Management Discussion and Analysis and Annual Information Form as filed on SEDAR and posted on Prophecy's website: Prophecy's history of net losses and lack of foreseeable cash flow; exploration, development and production risks, including risks related to the development of Prophecy's mineral properties; Prophecy not having a history of profitable mineral production; the uncertainty of mineral resource and mineral reserve estimates; the capital and operating costs required to bring Prophecy's projects into production and the resulting economic returns from its projects; foreign operations and political conditions, including the legal and political risks of operating in Bolivia, which is a developing jurisdiction; amendments to local Bolivian laws which may have an adverse impact on the Company's operations; title to Prophecy's mineral properties; environmental risks; the competitive nature of the mining business; lack of infrastructure; Prophecy's reliance on key personnel; uninsured risks; commodity price fluctuations; reliance on contractors; Prophecy's need for substantial additional funding and the risk of not securing such funding on reasonable terms or at all; foreign exchange risks; anti-corruption legislation; recent global financial conditions; the payment of dividends; and conflicts of interest.

These factors should be considered carefully, and readers should not place undue reliance on Prophecy's forward-looking statements. Prophecy believes that the expectations reflected in the forward-looking statements contained in this news release and the documents incorporated by reference herein are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although Prophecy has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Prophecy undertakes no obligation to release publicly any future revisions to forward-looking statements to reflect events or circumstances after the date of

this news or to reflect the occurrence of unanticipated events, except as expressly required by law.