

Prophecy Development Corp. files Technical Report for Mineral Resource Estimate at Pulacayo Silver-Zinc-Lead Project

Date : August 1, 2015

Vancouver, British Columbia, July 31, 2015 – Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2) is pleased to announce that it has filed a technical report prepared in accordance with National Instrument 43-101, *Standards of Disclosure for Mineral Projects* (“NI 43-101”) related to an independent mineral resource estimate for the Company’s Pulacayo silver-zinc-lead project, that was prepared in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves referenced in NI 43-101 and announced in its press release issued on June 18th, 2015. The Pulacayo deposit is located in Bolivia, 107km northeast of Sumitomo Corporation’s San Cristobal silver mine, 185km southwest of Coeur Mining, Inc.’s San Bartolome silver mine, and 139km north of Pan American Silver Corp.’s San Vicente silver mine.

The technical report and mineral resource estimate were prepared by Mercator Geological Services Limited (“Mercator”) under supervision of Michael Cullen, P.Geo., who is an independent Qualified Person under NI 43-101, and has an effective date of June 16, 2015. Results of the mineral resource estimate prepared by Mercator for the Pulacayo project are presented below in Table 1. The technical report describing the resource estimate and prepared in accordance with NI 43-101 has been filed by the Company on the System for Electronic Document Analysis and Retrieval (SEDAR). There have been no changes to the mineral resource estimate since its disclosure by press release on June 18th, 2015.

Table 1: Pulacayo Indicated and Inferred Mineral Resource Statement Details

Pulacayo Mineral Resource Statement – Effective June 16, 2015

Ag Eq. Cut-Off (g/t)	Category	Tonnes**	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq. (g/t)
400	Indicated	2,080,000	455	2.18	3.19	594
	Inferred	480,000	406	2.08	3.93	572
500*	Indicated	1,270,000	530	2.51	3.63	688
	Inferred	350,000	419	2.47	4.58	620
600	Indicated	750,000	608	2.91	4.02	785
	Inferred	170,000	394	3.49	6.75	710

information on Prophecy can be found at www.prophecydev.com.

About Mercator

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.

PROPHECY DEVELOPMENT CORP.
ON BEHALF OF THE BOARD

“JOHN LEE”

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Neither the Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.