

- 5. Block density factors reflect three dimensional modeling of drill core density determination.
- 6. Mineral resources are 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.
- 7. Rounding of figures may result in apparent differences between tonnes, grade and contained ounces.
- 8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- 9. Mineral resource statement cut-off value; resource statement values are presented in bolded form.
- 10. *Tonnes are rounded to nearest 10,000.

Between 2006 and 2012, a total of 69,739 metres of diamond drilling (226 surface and 42 underground drill holes) was conducted at Pulacayo, results of which support the mineral resource estimate reported in this news release. 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 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 underlying data. The Pulacayo site is currently permitted for production at a milling rate of 560 tonnes per day and no known legal, political, environmental, or other risks that would materially affect potential future development have been identified by Prophecy at the effective date of the current (June 16th, 2015) mineral resource estimate.

The contained metals within the June 16, 2015 resource estimate by Mercator are presented in Table 2.

Table 2: Contained Metals In June 16th, 2015 Pulacayo* mineral resource estimate

Metal	Indicated Resource	Inferred Resource
Silver	21.7 million oz.	4.7 million oz.
Zinc	101.6 million lbs.	35.3 million lbs.
Lead	70.3 million lbs.	19.1 million lbs.

Based on the resource estimate Ag Eq. cut-off value of 500 g/t. Figures are rounded to nearest 100,000.

Management Comment on Future Mine Planning and Mill Purchase

Approximately 85% of the resource tonnage identified at the 500 g/t Ag Eq. cut-off value occurs within 150 meters vertical distance from the main San Leon tunnel, which may facilitate future mineral extraction. Drilling intercept density decreases with depth and ultimately limits the vertical extent of resource definition. New drilling in deposit strike and dip extension areas has potential to discover additional resources.

The Company's research has shown that relatively few silver deposits have been defined at resource cut-off values of 500 g/t Ag Eq. or more. The shallow-depth of the high grade Pulacayo resource model is a positive factor contributing to internal mine planning and assessment programs scheduled to be completed during July of 2015.

Since acquiring the Pulacayo project from Apogee Silver Ltd. ("**Apogee**") in January 2015, Prophecy has been in general discussions with several local vendors with respect to purchasing a 500 tonne per day mineral processing (grinding and flotation) plant. This planned throughput level is half of that previously planned by Apogee, and complies with the approved Environmental Impact Assessment currently in place for the Pulacayo site. If implemented, this smaller operational footprint is expected to result in reduced capital expenditures.

The final plant design will be determined after more comprehensive review of the resource block model and mine planning assessments, plus consideration of results of both historic toll-milling programs and on-going bench-scale metallurgical testing programs that are focused on high grade material.

Pulacayo Concentrate Offtake and Project Construction:

The Pulacayo deposit is situated in a prolific silver mining region that supports a number of active silver mines within a radius of 200km of the site. These include the San Cristobal, San Bartolome (Cerro Rico) and San Vicente Mining operations that, according to public records, produced over 30 million combined ounces of silver in 2014. The Pulacayo site is 20km by paved road to rail services at Uyuni, connecting to the port of Antofagasta, Chile.

During over 18 months (2012 to 2013) of trial mining and toll-milling by Apogee, Pulacayo produced high grade silver-lead (6,000 g/t Ag) and silver-zinc flotation concentrates that were sold to Trafigura Beheer BV (see Apogee press release dated January 15, 2013). The Company is currently working towards securing concentrate offtake agreements at commercially competitive terms. The potential for future project financing from this business sector is also being investigated. As noted earlier, the Pulacayo site is fully permitted for production and a decision regarding commencement of concentrator construction and related infrastructure improvements is scheduled for July 2015.

Pulacayo Background and District Potential:

Historic Pulacayo production was predominantly from the Tajo vein system which extends over a

strike length of more than 2.5km and to a depth of at least 1,000 meters. Total production from the Pulacayo mine during the period 1857 to 1959 is estimated by the National Geological and Mineral Service of Bolivia (SERGEOTECMIN) to be 678 million ounces of silver, 200,000 tons (181,400 tonnes) of zinc and 200,000 tons (181,400 tonnes) of lead (SERGEOTECMIN Bulletin No. 30, 2002). Prior resource drilling only covered approximately 20% of the Tajo vein system strike length. With new drilling, Prophecy feels that there is potential to discover additional high grade resources along the Tajo structure. The Company is examining Pulacayo as a large-scale district silver project that includes a number of other well-known silver occurrences and anomalies additional to the Tajo system. These include the Paca, Pacamayo, El Abra, and Pero prospects that all occur within 10km of the Pulacayo site. The Company classifies these as having excellent potential for discovery of future mineral resources through application of modern exploration techniques. The reader is directed to the Company's press release dated April 2, 2015 and its website for further project information.

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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 June 16, 2015 Pulacayo mineral resource estimate presented in this press release.

About Prophecy

Prophecy Development Corp. is a Canadian public company listed on the Toronto Stock Exchange that is engaged in developing mining and energy projects in Mongolia, Bolivia and Canada. Further 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”

Executive Chairman

For more information about Prophecy, please contact Investor Relations:

+1.604.563.0699

+1.888.513.6286

ir@prophecydev.com

www.prophecydev.com

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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.