

Prophecy Reports Measured and Indicated Mineral Resource for Gibellini Primary Vanadium Project in Nevada

Date : November 20, 2017

Vancouver, British Columbia, November 20, 2017 – Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) has received an independent technical report titled “Gibellini Vanadium Project Nevada, USA NI 43-101 Technical Report” with an effective date of November 10, 2017 (the “Report”) prepared by Amec Foster Wheeler E&C Services Inc. on the Gibellini vanadium project (the “Project”) which has been filed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Project is located in Eureka County, Nevada, about 25 miles south of the town of Eureka, and is easily accessed by a graded gravel road extending south from US Highway 50. Nevada is featured in the 2016 Fraser Institute survey of mining companies as the fourth most attractive jurisdiction for mining investment globally.

The Report describes resources according to category following the guidelines of the CIM Definition Standards for Mineral Resources and Mineral Reserves.

Two mineral resource estimates were prepared, one for the Gibellini deposit and the second for the Louie Hill deposit.

Gibellini Deposit

The Report has estimated 7.85 million tons at a weighted average grade of 0.316% vanadium pentoxide (V_2O_5) in the Measured category and 14.16 million tons at a weighted average grade of 0.281% V_2O_5 in the Indicated category leading to a total combined Measured and Indicated Mineral Resource of 22.01 million tons at a weighted average grade of 0.294% V_2O_5 . Total contained metal content of the Measured and Indicated Mineral Resources is 129.28 million pounds V_2O_5 . The Inferred Mineral Resource estimate is 9.82 million tons at a weighted average grade of 0.19% V_2O_5 . The total contained metal content of the Inferred Mineral Resource estimate is 37.27 million pounds V_2O_5 . The table below summarizes the Gibellini deposit estimate.

Gibellini Deposit Mineral Resource Statement

Resource Category	Domain	Cut-off V_2O_5 (%)	Tons (M)	Grade (% V_2O_5)	Metal Content (M lbs V_2O_5)
Measured	Oxide	0.116	3.90	0.253	19.74
	Transition	0.105	3.95	0.379	29.88

Indicated	Oxide	0.116	7.04	0.235	33.12
	Transition	0.105	7.12	0.327	46.55
Total Measured and Indicated			22.01	0.294	129.28
Inferred	Oxide	0.116	0.14	0.179	0.50
	Transition	0.105	0.01	0.179	0.03
	Reduced	0.134	9.68	0.190	36.75
Total Inferred			9.82	0.190	37.27

Notes to accompany mineral resource table for Gibellini deposit:

(1) The Qualified Person for the estimate is Mr. E. J.C. Obock II, RM SME, an Assoc Fellow (Fellow) employee. The Mineral Resource estimate has an effective date of 10 November, 2017.

(2) Mineral Resources are reported on a net basis and do not include grades for waste, tailings, and reduced material.

(3) Mineral Resources are reported within a conventional pit shell that uses the following assumptions: mineral resource V₂O₅ price \$10.0/lb; mining cost: \$2.21/ton mined process cost: \$1.1; when processed, general and administrative (G&A) cost: \$0.90/ton processed; metallurgical recovery assumptions of 60% for oxide material, 70% for transition material and 82% for reduced material; storage factors of 16.86:53 ton for oxide material, 16.25:63 ton for transition material and 14.18:63 ton for reduced material; royalty: 2.5% net smelter return (NSR); shipping and conversion costs: \$0.37/t.

(4) An overall 40° dip angle assumption was used.

(5) Rounding as required by reporting guidelines may result in apparent summation differences between tons, grade and contained metal content. Tonnage and grade measurements are in US units. Grades are reported in percentage.

Louie Hill Deposit

The Louie Hill deposit lies approximately 1,600 ft south of the Gibellini deposit.

The Report estimated an Inferred Mineral Resource of 7.06 million tons at a weighted average grade of 0.284% vanadium pentoxide (V₂O₅). The oxidation domains were not modeled. The total contained metal content of the estimate is 40.16 million pounds V₂O₅. The table below summarizes the Louie Hill deposit estimate.

Louie Hill Deposit Mineral Resource Statement

Resource Category	Domain	Cut-off V ₂ O ₅ (%)	Tons (M)	Grade (%V ₂ O ₅)	Metal Content (M lbs V ₂ O ₅)
Inferred	Not modeled	0.116	7.06	0.284	40.16

Notes to accompany mineral resource table for Louie Hill:

(1) The Qualified Person for the estimate is Mr. E. J.C. Obock II, RM SME, an Assoc Fellow (Fellow) employee. The Mineral Resource estimate has an effective date of 10 November, 2017. The resource model was prepared by Mr. Mark Hensel, RM SME.

(2) Oxidation zones were not modeled.

(3) Mineral Resources are reported within a conventional pit shell that uses the following assumptions: mineral resource V₂O₅ price: \$10.0/lb; mining cost: \$2.21/ton mined process cost: \$1.1; when processed, general and administrative (G&A) cost: \$0.90/ton processed; metallurgical recovery assumptions of 60% for mineralized material; storage factors of 16.86:53 ton for mineralized material; royalty: 2.5% net smelter return (NSR); shipping and conversion costs: \$0.37/t. For the purposes of the resource estimate, an overall 40° dip angle assumption was used.

(4) Rounding as required by reporting guidelines may result in apparent summation differences between tons, grade and contained metal content. Tonnage and grade measurements are in US units. Grades are reported in percentage.

A total of 280 drill holes (about 51,265 ft) have been completed on the Project since 1946, comprising 16 core holes (4,046 ft), 169 rotary drill holes (25,077 ft; note not all drill holes have footages recorded) and 95 RC holes (22,142 ft).

The vanadium-host black shale unit ranges from 175 to over 300 ft thick and overlies gray mudstone. The shale has been oxidized to various hues of yellow and orange to a depth of 100 ft. Alteration (oxidation) of the rocks is classified as one of three oxide codes: oxidized, transitional, and reduced.

A feasibility study was commissioned in late 2010 by the previous operator, American Vanadium Corp., and was completed in 2011 (the “2011 Feasibility Study”). The 2011 Feasibility Study assumed a conventional open pit mine using a truck and shovel fleet for mining and a heap leach to produce V₂O₅ as a bagged product. Prophecy is not treating either the Mineral Reserves resulting from the 2011 Feasibility Study or the economic results of that study as current. No work

has been conducted on the Project since 2011. Prophecy has completed no exploration or drilling activities since Project acquisition.

Metallurgy

A heap leach operation without initial roasting step was modeled and designed to produce V2O5 as a bagged product.

Metallurgical test work and associated analytical procedures were performed by recognized testing facilities during the period 1975 to 2011, and the tests performed were appropriate to the mineralization type. Samples selected for testing were representative of the various types and styles of mineralization. Samples were selected from a range of depths within the deposit. Sufficient samples were obtained to ensure that tests were performed on sufficient sample mass. For the purposes of the Mineral Resource estimate, recoveries of 60% for oxide material and 70% for transitional material were considered appropriate. No processing factors were identified from the completed metallurgical test work that would have a significant effect on extraction. The table below summarizes the projected metallurgical recoveries for the three defined oxidation-type domains.

Mill Feed Material Type	Percent Recovery
Oxide	60%
Transition	70%
Reduced	52%

Environmental and Permitting Considerations

Baseline studies conducted in 2010–2011 included studies to document the existing conditions of biological resources, cultural resources, surface water resources, ground water resources, and waste rock geochemical characterization. The baseline data collected would be subject to review and approval by the Bureau of Land Management (the “**BLM**”) and the Nevada Department of Environmental Protection and other regulatory agencies.

Prior to commencing any mining operations on public lands administered by the BLM, a Plan of Operations describing how a proponent will prevent unnecessary and undue land degradation and reclaim the disturbed areas must be submitted to the BLM.

Both the baseline studies and the Plan of Operations were prepared and submitted by the Project’s previous operator and deemed complete by the BLM in order to start the *National*

Environmental Policy Act process.

John Lee, Chairman of Prophecy, states:

“Gibellini is an exceptionally rare open pit, heap leach vanadium project in Nevada, with low deleterious (less than 1% Fe, Ti, and MgO) elements. In 2018, Prophecy intends to update and accelerate prior feasibility and permitting work. We believe vanadium batteries have a bright future in the United States with strong renewable energy mandates in Texas, Arizona, California, Nevada and many other windy/sunshine states. Our goal is to make Gibellini the first primary vanadium operating mine in North America.”

Qualified Persons

The technical contents of this news release have been prepared under the supervision of Christopher M. Kravits, CPG, LPG, General Mining Manager of Prophecy. Mr. Kravits is a Qualified Person as defined in NI 43-101. Mr. Kravits is a consultant to the Company and is not independent of the Company since most of his income is derived from the Company.

Edward J.C. Orbock, III, RM SME of Amec Foster Wheeler E&C Services Inc. is the Qualified Person within the meaning of NI 43-101 who supervised preparation of, and is responsible for, all sections of the Report and Mineral Resource estimates addressed in this news release.

About Prophecy

Prophecy Development Corp. is a Canadian public company listed on the Toronto Stock Exchange. The Company aims to provide exposure and leverage to rising vanadium prices by defining and adding attributable vanadium resources in the ground in politically safe jurisdictions. Further information on Prophecy can be found at www.prophecydev.com.

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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.