

Prophecy to Clear TDB Loan and Issues Shares for Debt

Date : April 18, 2016

Vancouver, British Columbia, April 18, 2016 – Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, Frankfurt:1P2) is pleased to announce that it intends to pay off and close out the USD\$1.5 million line of credit facility with the Trade and Development Bank of Mongolia at end of this month.

The Company has also agreed to issue 2,651,096 Common shares to Nargil Molor, an insider of the company, at a deemed price of \$0.015 per Common share to settle all remaining and outstanding debts owed to her. The shares for debt are being issued through the Company’s Share-Based Compensation Plan which was approved by shareholders at the Company’s annual general meeting of shareholders held on June 19, 2014, and is subject to the approval of the Toronto Stock Exchange.

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.

PROPHECY DEVELOPMENT CORP.
ON BEHALF OF THE BOARD

“JOHN LEE”
Executive Chairman

For more information about Prophecy, please contact Investor Relations:

+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 factors should be considered carefully, and readers should not place undue reliance on the 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.