



Prophecy Expands Gibellini Staking and Outlines Vanadium Business Strategy

Vancouver, British Columbia, December 5, 2017 – Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) is pleased to announce that it has significantly expanded the land position at its Gibellini project, located in Nevada’s Battle Mountain region, about 25 miles south of the town of Eureka.

Staking

A total of 198 new claims have been staked immediately adjacent to the Gibellini project covering 4091 acres that are sufficient to enable future vanadium mining, processing and extraction.

The staking comes after the Company’s review of the baseline studies and Plan of Operations prepared and submitted by the project’s previous operator and deemed complete by the Bureau of Land Management. Prophecy is assessing whether any baseline and plan adjustments need to be made in order to start the *National Environmental Policy Act* process scheduled for 2018.

Background and Next Step

Gibellini’s prior operator invested approximately US\$20 million in permitting, engineering, and feasibility studies since 2009, only to relinquish the project in 2016 due to low vanadium prices. The vanadium pentoxide (V_2O_5) price has since increased by about 400% from its 2016 low, to trade at between \$9 - \$10/lb. today.

In November 2017, the Company 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. (“AMEC”) on the Gibellini project. The Report disclosed an estimated 49.62 million pounds of vanadium pentoxide in the measured category and 79.67 million pounds of vanadium pentoxide in the indicated category for the Gibellini deposit.

*(1) The Qualified Person for the estimate is Mr. E.J.C. Orbock III, RM SME, an Amec Foster Wheeler employee. The Mineral Resource estimate has an effective date of 10 November, 2017.

(2) Mineral Resources are reported at various cut-off grades for oxide, transition, and reduced material.

(3) Mineral Resources are reported within a conceptual pit shell that uses the following assumptions: mineral resource V_2O_5 price: \$10.81/lb; mining cost: \$2.21/ton mined; process cost: \$13.14/ton processed; general and administrative (G&A) cost: \$0.99/ton processed; metallurgical recovery assumptions of 60% for oxide material, 70% for transition material and 52% for reduced material; tonnage factors of 16.86 ft³/ton for oxide material, 16.35 ft³/ton for transition material and 14.18 ft³/ton for reduced material; royalty: 2.5% net smelter return (NSR); shipping and conversion costs: \$0.37/lb. An overall 40° pit slope 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 percentages.

At this time, Prophecy is examining in detail a project feasibility study prepared by AMEC for the project’s previous operator, with the intention to publish an updated study in 2018.

If, and when, the feasibility study is published and all mine operating permits are received, a mine construction decision will be considered by the Company's board of directors, and, if positive, be accompanied by an actionable project financing plan.

Business Strategy

Prophecy has a focused business strategy – to make Gibellini the first operating primary vanadium mine in North America, offering the best quality vanadium pentoxide product that exceeds customer requirements in a variety of high-tech applications such as batteries and aerospace.

All of the Gibellini deposit measured and indicated resources are in the oxide and transition zones of the Woodruff Formation black shale where the mineralization has a low content of deleterious elements (less than 1% Fe, Ti, and MgO). The deposit is amenable to open pit mining and the mineralization appears amenable to heap leach methods without an initial roasting step to produce V_2O_5 as a bagged product on site that meets the specifications for high-tech applications.

While traditional steel rebar customers may accept lower grade vanadium pentoxide than the 98% industry benchmark standard, some vanadium battery makers demand and pay a premium to secure vanadium pentoxide of minimum 99.5% purity and maximum 0.06% (in some cases less than 0.02%) of a variety of deleterious elements such as iron, calcium, and chromium. Such stringent specifications are very difficult to attain for vanadium supplied by magnetite mines since the vanadium-containing mineral is mixed with the iron-containing mineral in ore grading 30% to 50% Fe or more.

After meeting and talking to a diverse group of vanadium industry experts, vanadium miners, and vanadium consumers in steel rebar manufacturing, vanadium redox flow battery manufacturing, vanadium battery electrolyte development, and aerospace sectors across Asia and North America, Prophecy chose not to expend capital in the research and development of vertically integrated products such as vanadium electrolyte, and vanadium batteries. While those verticals present interesting growth opportunities, the Company believes they are faced with a fast-moving technological environment and fierce deep-pocketed competition.

“Why corner ourselves in one vertical product set when we can capture the common denominator – high purity vanadium pentoxide from Prophecy's unique, permitting stage Gibellini project?”, Prophecy's Chairman, John Lee states.

“To our shareholders, we want to offer the best leverage and a direct play that reflects vanadium prices. To our future customers, we want to be your reliable source for high quality vanadium supply in a politically safe, mining-friendly jurisdiction.”

The Company also reports it has entered into separate consulting agreements with Mara Strazdins to provide investor relations services, and Bryan Slusarchuk to provide financial advisory services. These agreements can be terminated upon 30 days' written notice by either party.

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.

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.

PROPHECY DEVELOPMENT CORP.
ON BEHALF OF THE BOARD

“JOHN LEE”
Executive Chairman

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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.