

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 14, 2015) - [Prophecy Development Corp.](#) ("Prophecy" or the "Company") (TSX:PCY)(OTCQX:PRPCF)(FRANKFURT:1P2) announces that through its wholly-owned subsidiary, Red Hill Mongolia LLC, it has entered into a purchase agreement with an arm's-length party in Mongolia to sell substantially all of its mining and transportation equipment at the Company's Ulaan Ovoo mine for total proceeds of approximately \$2.4 million subject to various currency exchange rates (the "Proceeds").

The Company received a cash payment of approximately \$1,700,000. The remaining balance of approximately \$700,000 will be paid to the Company in stages as equipment is picked up from Ulaan Ovoo. The process is expected to be completed by June 1, 2015.

Prophecy is currently selling and will continue to sell its remaining Ulaan Ovoo coal inventory by contracting with a third party transportation company to haul coal stockpiles from the Ulaan Ovoo mine to railway siding at Sukhbaatar. Current coal inventory stands at 80,000 tonnes, of which approximately 20,000 tonnes have GCV of over 5,000 kcal/kg.

Open-pit mining operations at Ulaan Ovoo may be restarted in short order by signing with any one of several available third party contract-mining companies in Mongolia that provide a turnkey solution with labor and equipment. The Company believes contract mining is a more efficient way to operate in Mongolia since contract mining firms will be responsible for labor agreements and equipment maintenance.

The Company received consent from its creditor, Linx Partners Ltd. ("Linx") which held a general security agreement over the Company's assets, for the sale of the equipment which belonged to the Company's wholly-owned subsidiary, Red Hill Mongolia LLC. In consideration for allowing the sale of the equipment, Linx will receive 12 million share purchase warrants of the Company exercisable at \$0.05 per share for a period of 5 years from the date of issuance subject to final approval from the Toronto Stock Exchange.

The Proceeds will be used to repay the Company's existing loan from the Trade and Development Bank of Mongolia and to advance the Company's Chandgana Mine Mouth Power Plant and Pulacayo Silver-Zinc-Lead Projects.

All currencies are expressed in Canadian dollars.

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 about Prophecy can be found at: [www.prophecydev.com](http://www.prophecydev.com).

[Prophecy Development Corp.](#)

ON BEHALF OF THE BOARD

JOHN LEE, Executive Chairman

*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 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.

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