

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) ("Prophecy" or the "Company") (TSX:PCY, OTC:PRPCD, Frankfurt:1P2N) is pleased to announce the exploration of an additional vein system (the "AVS") at its Pulacayo silver-zinc-lead project in Bolivia.

The AVS is located approximately 200 metres west of the Rothschild shaft, at a level of 50 metres above the San Leon adit level (level 0, 4128m). The principal vein measures 1.0 to 1.5 metres in width. The strike and vertical extent of the principal vein are unknown. The location of the AVS is approximately 600 metres west of the San Leon adit and passes outside the western boundary of the area where Apogee Silver Ltd. conducted 70,000 metres of drilling between 2005 to 2012, and therefore was not included in the Pulacayo deposit resource estimate prepared by Mercator Geological Services LLC (see the Company's news release dated June 18, 2015).

This additional vein is within 100 metres of the surface and is accessible via existing tunnels. The AVS was known from historical mining records. Extensive sampling had taken place between 1936 to 1940 by the Hochschild Group (founded by Mauricio Hochschild), which recorded average grades of 180g/t Ag, 9.5% Zn and 2.7% Pb, but had not yet mined the location. Because of insufficient information the AVS was not included in the Mercator 2015 resource estimate. The Company plans to continue exploration of the AVS to assess whether further exploration is warranted.

Separately, the Company is completing final preparations for underground mining including detailed mine plans, staffing, and equipment purchases at Pulacayo for the area (UG1) in particular. A positive production decision would not be based on a feasibility study of mineral reserves demonstrating economic and technical viability so would carry increased uncertainty and the risk of failure as to the mining method and profitability. UG1 is located at level 0 approximately 110 metres east of the San Leon adit and within 100 metres from the Central shaft. UG1 measures approximately 117 metres in strike, 93 metres in width and 38 metres in height. Veins can be observed at level 0 in UG1, where the following prior drill holes had intercepted the vein:

Drillhole Number	From (m)	To (m)	Drilled Width (m)	Grade		
				Ag g/t	Zn %	Pb %
PUD 032	207.00	211.00	4.00	216	12.3	1.7
PUG 051	128.40	128.90	0.50	340	0.9	0.9
PUG 052	176.00	176.27	0.27	750	22.2	16.9
PUG 058	137.30	137.65	0.35	810	9.4	8.2
PUG 058	137.65	138.00	0.35	350	2.2	2.5
PUG 058	158.33	158.55	0.22	2,420	5.8	34.3
PUG 058	158.55	159.00	0.45	390	1.2	5.6
PUD 140	188.00	189.00	1.00	665	0.8	0.7
PUD 140	209.43	210.00	0.57	1,465	0.6	1.9
PUD 188	194.52	195.52	1.00	645	2.9	1.9
PUD 188	233.00	234.00	1.00	376	7.6	7.0

Several samples from the AVS and UG1 areas have been obtained and sent for assay. Results are expected by mid-December.

Location maps and close-up pictures of samples are available at www.prophecydev.com.

The Company also announces that it has entered into settlement and release agreements (the "Settlement Agreements") with Bekzod Kasimov and Nargil Molor, who are both insiders of the Company, to cover debts owing to them as well as advanced pre-payments for services to be rendered. Pursuant to the terms of those Settlement Agreements, the Company has agreed to issue, subject to the approval of the Toronto Stock Exchange, in aggregate, 46,875 Common shares at a deemed price of \$3.20 per Common share, to Mr. Kasimov and Ms. Molor through its Share-Based Compensation Plan which was approved by shareholders at the Company's annual general meeting of shareholders held on June 2, 2016.

Qualified Persons

The technical content of this news release and the materials referred to in this news release were reviewed and approved by Christopher M. Kravits, CPG, LPG, 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.

About Prophecy

[Prophecy Development Corp.](http://www.prophecydev.com) 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.](http://www.prophecydev.com)

ON BEHALF OF THE BOARD

“JOHN LEE”
Executive Chairman

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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.

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