Prophecy Coal Announces Amendment of Warrants and Options

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 7, 2014) - Prophecy Coal Corp. ("Prophecy" or the "Company") (TSX:PCY)(OTCQX:PRPCF)(FRANKFURT:1P2) announces that it has applied to the TSX for approval to amend the terms of 1,064,215 share purchase warrants (the "Old Warrants") of the Company held by various investors that are at arm's-length from the Company's management and directors.

The Old Warrants were originally issued to the investors pursuant to a private placement of 3,831,511 units which closed on October 28, 2010. They expire on October 28, 2015 at an exercise price of $0.18.

The Old Warrants were voluntarily surrendered by the investors for cancellation in June 2014. The Company proposes to replace the Old Warrants by issuing an equivalent number of new warrants (the "New Warrants") to these investors, which the TSX considers to be a "deemed amendment to existing warrants". The New Warrants, which the Company proposes to grant effective July 21, 2014, will have an exercise price of $0.055, and have no right to purchase Wellgreen Platinum Ltd. shares attached. No other provisions of the New Warrants will differ from those of the Old Warrants, and none of the New Warrants will be held directly or indirectly by insiders of the Company.

The Company also announces that on June 30, 2014, it granted in aggregate, 2,668,750 incentive stock options ("Options") to various consultants, former directors and former officers of the Company. These Options are granted to replace an equivalent number of incentive stock options previously issued to these same persons, but voluntarily surrendered and cancelled in June 2014 as part of the Company's continuing corporate review. The TSX considers such circumstances to be a "deemed re-pricing and extension of existing options". None of the Options will be held directly or indirectly by insiders of the Company.

The Options were granted pursuant to the terms of 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. The Options are exercisable at a price of $0.055 per Common share until December 31, 2015.

About Prophecy Coal

Prophecy Coal Corp. is a Canadian company listed on the Toronto Stock Exchange engaged in developing energy projects in Mongolia. Further information on Prophecy Coal can be found at www.prophecycoal.com.

Prophecy Coal Corp.

ON BEHALF OF THE BOARD

"JOHN LEE"

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