

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 24, 2015) - [Prophecy Development Corp.](#) ("Prophecy" or the "Company") (TSX:PCY)(OTCQX:PRPCF)(FRANKFURT:1P2) is pleased to provide the following update on progress at its Pulacayo project:

The Pulacayo silver-zinc-lead project is located in southern Bolivia, close to major silver mining projects operated by [Coeur Mining Inc.](#) (San Bartolome), [Pan American Silver Corp.](#) (San Vicente), and Sumitomo Corporation (San Cristobal). Pulacayo is fully permitted for mining and processing up to 560 tonnes of ore per day.

After Mercator Geological Services Limited ("Mercator") produced the technical report compliant with National Instrument 43-101 ("NI 43-101") disclosing the resource estimate for the Pulacayo deposit prepared according to the CIM Definition Standards for Mineral Resources and Reserves (the "CIM Standards") and filed by the Company on July 31, 2015 which outlined 1.27 million tonnes of indicated resource grading 530g/t Ag, 2.51% Pb and 3.63% Zn and a further 350,000 tonnes of inferred resource grading 419g/t Ag, 2.47% Pb and 4.58% Zn* (refer to the Company's news release dated June 18, 2015), the Company has undertaken detailed engineering studies (for production scenarios ranging from 50 to 500 tonnes per day) with the aim to bring Pulacayo into production at the minimum capital expense considering the current challenging metals market.

*inferred resources do not have demonstrated economic viability, are speculative, and are not to be relied on

Milling and Processing

Prophecy's management has evaluated the options of on-site milling (Pulacayo) vs. toll milling at Potosi.

Potosi is located approximately 180km from the Pulacayo project and is connected by a recently paved highway which is in excellent condition. Potosi has a population of approximately 180,000 inhabitants and hosts the existing Cerro Rico deposit, with its centuries of silver-lead-zinc mining production that is still active to this day. There are approximately 100 privately owned, small-sized (i.e. 50 to 500 tonnes per day) facilities capable of toll milling and processing ore that produce zinc and lead concentrates sold to a number of active traders such as Trafigura Beheer BV, [Glencore plc](#) and Louis Dreyfus Commodities (Suisse) S.A. A number of those facilities have decreased their processing activities due to a lack of quality feed resulting from a combination of low metal prices and the government's increasing safety restrictions on mining at Cerro Rico.

Prophecy's representatives visited over 30 milling facilities in Potosi and received a number of toll milling and custom milling offers. The Company has calculated the all-in cost to be USD\$35 to USD\$40 per tonne, which includes transportation of ore from Pulacayo to Potosi, labor, power, water, equipment rental, and re-agents to produce zinc and lead concentrates.

In the past months, the Company has worked with multiple Chinese and local Bolivian suppliers to obtain the best equipment, procurement and construction ("EPC") proposal terms for a mineral processing facility at the Pulacayo project. The EPC proposals include: concrete foundation, equipment housing, purchase and assembly of crusher, mill, flotation cells, water and power connections, and a tailings storage facility. The processing capacity of the tendered facilities range from 200 tonnes per day to 500 tonnes per day with proposed pricing ranges from USD\$4-8 million with a 10-month construction period. The approved designated facility site is located 2km from the Pulacayo mine and is permitted to process up to 560 tonnes of feed per day.

Depending on funding availability and market conditions, the Company may pursue toll milling at Potosi or on-site milling at Pulacayo or both in parallel.

Mining

Prophecy's engineering team completed detailed mine plans, which are published on the Company's website, that encapsulate 80% of Pulacayo deposit resources.

[Apogee Silver Ltd.](#) ("Apogee"), the former owner of the property, completed over 1,200m of tunneling (2.5m x 2.5m) at level 0 in its 2012-2013 trial mining run that produced 7,547 tonnes of ore grading 339 g/t Ag, 3.8% Pb and 3.1% Zn (refer to the Company's news release dated December 5, 2014). Upon close mine inspection, Prophecy's engineering team determined: (1) there are resources left over from Apogee's mined areas; and (2) minimal additional tunnel development is required to access the nine planned stopes.

The Company is planning and designing stopes at level 0 and level +40 based on existing drill hole data, sampling data and historic mining records with the goal of sustained mining at the rate of 300 tonnes per day for the first 12 months and will postpone central shaft rehabilitation to access resources below level 0. In addition to the Company's Pulacayo deposit, its Pacamayo and Paca deposits can be turned into sources for mill feed upon completion of certain geological, engineering, and feasibility work. The Pacamayo deposit is being actively mined on a small scale by local workers and recent samples taken by Prophecy returning silver grades between 2,548 g/t and 7,380 g/t (refer to the Company's news release dated September 18,

2015). The inferred resource estimate* prepared according to the CIM Standards and disclosed according to NI 43-101 for the Paca deposit is estimated at 1.26 million tonnes at 363 g/t Ag, 1% Zn and 1% Pb, with 95% of the resource being within 100m from the surface. Recent surface samples taken 1km north of the Paca deposit returned 833 g/t Ag (refer to the Company's news release dated August 27, 2015).

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The Company performed an equipment audit and analysis at Pulacayo and concluded that there is sufficient equipment to start mining at the rate of 50 tonnes per day, without any additional capital expenditure. Existing equipment includes 25 2-tonne wagons, three battery powered locomotives, 10 stopers, a fan, and a compressor -- all of which, are operational and in good condition. Ample power and water are available on site to support continued mining operation at the minimum of 50 tonnes per day. A shrinkage stope method will be utilized with two to three men per shift, three shifts per day for each stope.

It will require approximately 90 days for the Company to start mining at Pulacayo, which includes notification to, and receipt of approval from, relevant agencies for Prophecy's mine plan, procurement of fuel, lubricants and explosives, and sourcing experienced labor from the Pulacayo cooperatives who are residents of the town of Pulacayo, located 1km from the mine.

To achieve production rates of 300-500 tonnes per day would require modest power transformer upgrade and extra sets of mining equipment totaling approximately USD\$2-3 million (300tpd vs. 500 tpd) in order to commission multiple stope development in parallel.

The Company continues to study optimal mining production and processing scenarios and will announce a production decision at the conclusion of the study.

Bolivia

Bolivian President, Evo Morales recently visited New York and several European cities accompanied by a large number of Bolivian officials and businessmen to promote Bolivia as an attractive foreign investment destination. Credit rating agencies recently upgraded Bolivia's debt rating, highlighting its prudent fiscal discipline, stable currency in a growing economy, strengthened legal framework to protect private investment and reduced nationalization risk. The Company believes the Pulacayo project is an attractive silver mining project backed by a local community with a strong mining tradition in an increasingly foreign investment-friendly jurisdiction.

Qualified Persons

The technical content of this news release was reviewed and approved by Christopher M. Kravits, P. Geo., 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.

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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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