

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2) is pleased to announce today, the signing of a non-binding Joint Development Agreement (JDA) with a Chinese partner (the Strategic Partner) to invest in the Company's 600 MW Chandgana power plant in Mongolia.

Prophecy Power Generation LLC, a wholly-owned subsidiary of Prophecy, is developing the Chandgana coal-fired power plant project (the Chandgana Power Plant) which includes the construction of a 600 MW (4X150 MW) coal-fired mine-mouth power plant in two phases.

Further to the Company's press releases dated November 14, 2012 and August 19, 2015, the Strategic Partner has established a presence in Mongolia and represents the overseas investment subsidiary of a large-scale Chinese state-owned power generation group. The Strategic Partner had previously executed a Memorandum of Understanding and Exclusivity Agreement with Prophecy.

Under the JDA, the companies will create a consortium, whereby the Strategic Partner will provide legal, financial and technical experts to assist Prophecy to negotiate and finalize the Concession Agreement (CA), Power Purchase Agreement (PPA) and Tariff Agreement with the relevant Mongolian Ministries and Agencies. Upon satisfactorily completing these agreements, the Parties intend to enter into an investment arrangement that will result in the Strategic Partner owning a minimum 51% stake in the Chandgana Power Plant.

With the signing of the JDA today, and the Engineering Procurement and Construction Contract with SEPCO2 dated December 18, 2015, Prophecy has requested the Mongolian Energy Ministry to expedite the signing of the CA and PPA.

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 on Prophecy can be found at www.prophecydev.com.

[Prophecy Development Corp.](#)

ON BEHALF OF THE BOARD

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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 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.

To view this press release as a PDF file, click onto the following link:
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