

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) (“Prophecy” or the “Company”.) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2) announces that it has entered into an agreement to increase and amend the revolving credit facility agreement dated March 12, 2015, as amended (the “Credit Facility”.) with Linx Partners Ltd. (“Linx”.), a company controlled by Mr. John Lee, Executive Chairman of Prophecy. The previous maximum principal amount of \$1.5 million available to the Company under the Credit Facility will be increased with this amendment to \$2.5 million.

The Credit Facility will fund Prophecy’s ongoing business operations, bears an interest rate of 1.5% per month and is secured by a promissory note and general security agreement.

A 5% “drawdown” fee will be applicable to amounts advanced over and above the original and outstanding \$1.5 million advanced, at the time of advance. Under the terms of the original Credit Facility, \$1,089,280 was to become due and payable on March 12, 2016 and \$403,351 on July 22, 2016. In consideration of a bonus of 20% of the total amounts advanced under the Credit Facility as of November 30, 2015 (the “Bonus”.), Linx has agreed to postpone any repayments due under the Credit Facility until the earlier of October 1, 2016, or such time as the Company is in a reasonable financial position to repay all or a portion of the amounts owing, and remove the requirement for the Company to pay any 20% penalties as a result of any future failure to repay any amounts when due under the terms of the Credit Facility. Including the Bonus and “drawdown” fee, the Credit Facility carries an effective annual interest rate of 34.5%. The “drawdown” fee, Bonus and all interest payable will be accrued and added to the maximum principal amount as they are incurred.

The Company also announces that it has entered into settlement and release agreements (the “Settlement Agreements”.) with certain of its directors, officers, employees and consultants to cover debts owing to them as well as advanced pre-payments for services to be rendered in March. Pursuant to the terms of those Settlement Agreements, the Company has agreed, subject to approval from the Toronto Stock Exchange, to issue, in aggregate, up to 7,364,528 Common shares at a deemed price of \$0.02 per Common share, to those directors, officers, employees and consultants through its Share-Based Compensation Plan which was approved by shareholders at the Company’s annual general meeting of shareholders held on June 19, 2014. There were no shares allocated or issued to the Company's Executive Chairman.

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

“JOHN LEE”

Executive Chairman

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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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