

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) (TSX:PCY, Frankfurt:1P2) announces that John Lee, of Suite 1301, 12 Harcourt Road, Central, Hong Kong, Executive Chairman of the Company, completed the acquisition of 75,000,000 (pre-consolidation) units (each a "Unit") at a price of \$0.02 per Unit in the Company, pursuant to a private placement (the "Private Placement") which closed on June 3, 2016 for total consideration of \$1,500,000 in debt. Each Unit consists of one Common share in the capital of the Company (a "Share") and one Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire an additional Share at a price of \$0.04 per Share for a period of five years from the date of issuance. The Shares, Warrants and any Shares issued upon exercise of the Warrants are subject to a four (4) month hold period from the date of closing of the Private Placement.

Prior to the Private Placement, Mr. Lee beneficially owned 20,719,116 (pre-consolidation) shares, representing approximately 5.62% of the issued and outstanding shares of the Company.

As a result of the Private Placement, Mr. Lee now beneficially owns and exercises control over an aggregate of 957,191 (post-consolidation) Shares representing an interest of approximately 21.58% of the Company's currently issued and outstanding (post-consolidation) Shares, 32.92% of the Company's Shares on a partially diluted basis assuming full exercise of only the 75,000,000 Warrants, and 34.45% of the Company's Shares on a fully diluted basis assuming exercise of all of the Company's outstanding share purchase warrants.

The securities described in this news release were acquired in exchange for satisfaction of \$1,500,000 of indebtedness owed by the Company to Linx Partners Ltd. (a company controlled by Mr. Lee) under the revolving Credit Facility Agreement with the Company dated March 12, 2015, as amended. The securities were acquired by Mr. Lee for investment purposes only, and not for purposes of exercising control or direction over the Company.

Mr. Lee also intends to acquire an additional 52,763 (post consolidation) Shares on June 7, 2016, at a deemed price of \$1.99 per Share to settle \$105,000 in outstanding consulting fees owed to him. Such Shares are being issued through the Company's Share-Based Compensation Plan which was approved by shareholders at the Company's Annual General Meeting of shareholders held on June 2, 2016.

Generally, Mr. Lee intends to evaluate his investment in the Company and to increase or decrease its shareholdings as circumstances require, depending on market conditions and other factors, through market transactions, private agreements or otherwise.

The information contained in this news release has been provided by Mr. Lee and the Company is not responsible for its accuracy.

A copy of the early warning report pursuant to National Instrument 62-103 required to be filed with the applicable securities commissions in connection with the acquisition of the Units described in this news release will be available for viewing under the Company's profile at www.sedar.com. A copy of the early warning report can also be obtained from the contact number for Investor Relations below.

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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