Vancouver, British Columbia (FSCwire) - Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTC:PRPCD, Frankfurt:1P2N) is pleased to announce that it has commenced its sampling program at the Paca deposit within its Pulacayo silver-zinc-lead project in Bolivia. The Pulacayo 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.

Paca Sampling Description:

Samples were obtained at one meter intervals from near surface drifts within the Paca mine which appears to have limited historic development. The area of sampled drifts has an estimated dimension of 90 metres length (east to west) and 75 metres width (north to south) and occurs at an average depth of 100 metres. Mineralization mainly consists of silver sulphides (mostly tennantite), galena and sphalerite in the pores of the sedimentary rocks and in breccias. The sampled area is within the Paca resource boundary, but was not included in the block model used to estimate the resources[1] recently disclosed according to National Instrument 43-101 (“NI 43-101”). Approximately 90 samples are expected to be obtained and analyzed in an accredited chemical laboratory with results expected in July.

Paca Mineral Resource Statement – Effective September 9, 2015

Ag Eq. Cut-Off (g/t)	Category	Tonnes[2]	Ag (g/t)	Zn (%)	Pb (%)	Ag Eq. (g/t)
200	Inferred	2,540,000	256	1.10	1.03	342
300[3]	Inferred	1,260,000	363	0.98	1.02	444
400	Inferred	650,000	462	0.90	1.00	538
500	Inferred	330,000	558	0.79	1.04	631

Inferred resources do not have demonstrated economic viability, are speculative, and are not to be relied upon.

The mineral resource estimate was prepared by Mercator Geological Services Limited (“Mercator”) under the supervision of Michael Cullen, P.Geo., who is an independent Qualified Person as set out in NI 43-101. The Paca mineralization starts from surface, with approximately 95% of the resource existing at the cut-off value of 300 g/t Ag Eq. occurring within 100 metres of surface (refer to the Company’s news release dated September 21, 2015).

[1] Paca Mineral Resource Statement – Effective September 9, 2015.

[2] Tonnes are rounded to nearest 10,000.

[3] The resource estimate cut-off value is 300 g/t Ag Eq. and resource estimate values are presented in bold type.

Please refer to the maps at: www.prophecydev.com for plan and cross section views of the drift sampling area.

Pulacayo Underground Project Update:

Further to the Company’s news release dated November 24, 2015, Prophecy is pleased to provide the following update on other progress at its Pulacayo project:

After Mercator produced the technical report compliant with 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[4] (refer to the Company’s news release dated June 18, 2015), the Company has undertaken studies (for production scenarios ranging from 200 to 500 tonnes per day) with the aim to bring Pulacayo into production at minimum capital expense given the current challenging metals market.

During 2016, Prophecy continued its discussion with concentrate off-takers based on the results of the 2013 Pulacayo trial mining and has received updated term sheets, possibly reflecting the potential tightening of future zinc-silver and lead-silver concentrate supplies. Prophecy has also received an improved term sheet from a custom milling and processing facility in Potosi, approximately 180km from the Pulacayo project and that is connected by a recently paved highway which is in excellent condition.

The Company continues to study optimal mining production and processing scenarios and intends to announce a production decision at the conclusion of the study in conjunction with a financing plan should a positive production decision be reached.

Management Comment:

A recent Reuters article[5] noted that zinc was the best performing metal this year, with zinc prices climbing to a fourth successive peak over the previous 10 months based on persistent concerns about declining supplies. Zinc is by far the best performing metal tracked by the London Metal Exchange this year, rallying 25% on forecasts that tightening supplies may cause shortages.

Recently during March, at the Prospectors & Developers Association of Canada (PDAC) convention in Toronto, Prophecy met with Bolivia’s Mining Minister, Mr. Cesar Navarro Miranda who expressed full support for the start-up and development of the Pulacayo mine. The Company continues to maintain good relations with the Pulacayo Mining Cooperative, with both parties sharing the common objectives of bringing the Pulacayo mine back into production, and employment and prosperity to the town of Pulacayo.

[4] Inferred resources do not have demonstrated economic viability, are speculative, and are not to be relied on.

[5] *“The best performing metal in the world just hit a new peak”* Eric Onstad, Reuters, June 6, 2016 2:18 PM ET.

Qualified Persons

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

To view this press release as a PDF file, click onto the following link:
public://news_release_pdf/prophecy06162016_0.pdf

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