

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) (“Prophecy” or the “Company”) (TSX:PCY, OTC:PRPCF, Frankfurt:1P2N) is pleased to announce, further to its press release dated June 16, 2016, the assay results for the first group of 40 samples collected from the Paca exploration program at its Pulacayo project. During the sampling program, 233 samples were collected. However, due to a backlog at the testing laboratory, Prophecy prioritized the 40 most prospective samples for assay. Thus, the assayed samples are not representative of the sample population. These results are taken from the first group of samples Prophecy delivered. Samples were obtained by continuous chip channel sampling across the width of the vein mineralization at locations one meter apart.

	Sample Sampling Method	Ag	g/t Zn %	Pb %	Ag Eq. g/t
P225	Chip Channel Sampling	>1500	0.82	2.84	>1617
P224	Chip Channel Sampling	838	1.85	2.18	965.3
P233	Chip Channel Sampling	866	0.32	0.88	902.0
P206	Chip Channel Sampling	721	0.10	2.78	802.6
P229	Chip Channel Sampling	674	0.66	1.19	731.1
P232	Chip Channel Sampling	639	0.39	1.42	692.9
P192	Chip Channel Sampling	599	0.07	0.50	615.5
P228	Chip Channel Sampling	565	0.55	1.04	613.7
P231	Chip Channel Sampling	502	0.53	1.58	565.1
P230	Chip Channel Sampling	493	0.60	1.49	556.4
P210	Chip Channel Sampling	518	0.28	0.69	547.4
P227	Chip Channel Sampling	469	0.97	0.66	522.1
P186	Chip Channel Sampling	271	0.83	6.72	489.5
P226	Chip Channel Sampling	356	2.27	1.37	475.5
P201	Chip Channel Sampling	373	0.10	3.35	470.7
P184	Chip Channel Sampling	351	0.76	2.53	449.3
P213	Chip Channel Sampling	273	2.49	1.74	410.6
P223	Chip Channel Sampling	289	1.67	1.71	396.5
P180	Chip Channel Sampling	250	0.84	4.15	396.6
P211	Chip Channel Sampling	295	0.31	1.43	346.3
P183	Chip Channel Sampling	250	0.73	2.39	343.1
P222	Chip Channel Sampling	174	1.78	3.24	328.4
P187	Chip Channel Sampling	231	0.24	2.20	301.4
P199	Chip Channel Sampling	242	0.12	1.84	297.9
P185	Chip Channel Sampling	149	0.80	3.53	276.7
P207	Chip Channel Sampling	194	0.40	1.78	258.3
P196	Chip Channel Sampling	128	0.16	2.97	217.1
P190	Chip Channel Sampling	187	0.10	0.64	208.5
P189	Chip Channel Sampling	121	0.29	2.38	198.2
P191	Chip Channel Sampling	141	0.08	0.73	164.5

P208	Chip Channel Sampling 97	0.54	1.33	153.0
P188	Chip Channel Sampling 57	0.20	2.56	135.8
P176	Chip Channel Sampling 89	0.59	0.88	135.0
P197	Chip Channel Sampling 83	0.08	1.46	126.8
P198	Chip Channel Sampling 47	0.17	2.44	122.0
P179	Chip Channel Sampling 53	0.55	1.89	125.2
P193	Chip Channel Sampling 79	0.18	0.93	112.1
P182	Chip Channel Sampling 46	0.59	1.40	106.6
P181	Chip Channel Sampling 22	0.53	1.00	69.2
P177	Chip Channel Sampling 15	0.39	0.61	45.7

Silver equivalent (Ag Eq.) calculations are based on the following closing prices as of August 9, 2016: USD\$19.79/oz for Ag (www.kitco.com), USD\$1.03/lb for Zn and USD\$0.81/lb for Pb (London Metals Exchange spot prices). Metal recoveries are assumed to be 100%.

The samples were delivered to ALS Geochemistry Laboratory in Oruro, Bolivia ("ALS") for assay and included QA/QC samples. Standard reference, duplicate and blank samples were used – all of which, produced acceptable results. ALS is an independent laboratory and was qualified and accredited by the Colombian Institute of Technical Standards and Certification (ICONTEC) and the Standards Council of Canada for the methods used during the time the samples were prepared and assayed. Records were maintained to document the secure handling of the samples and to verify their identities were maintained.

Chip channel sample P225 returned a silver grade that is greater than the 1,500 g/t detection limit. This sample will now undergo another assay for precious metals content using methods having a greater upper detection limit. Results are expected to be received in approximately three weeks.

Samples were obtained from shallow depth drifts within the Paca mine which appear 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* recently disclosed according to National Instrument 43-101 ("NI 43-101").

*Paca Mineral Resource Statement – Effective September 9, 2015

Ag Eq. Cut-Off (g/t)	Category	Tonnes**	Ag (g/t)	Zn (%)	Pb (%)	Ag Eq. (g/t)
200	Inferred	2,540,000	256	1.10	1.03	342
300***	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

**Tonnes are rounded to nearest 10,000

***Base case resources are those reported at the 300 g/t Ag Eq. cut-off

Inferred resources do not have demonstrated economic viability and are speculative.

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 (please refer to the Company's news release dated September 21, 2015).

Map 1. Esmeralda Adit Area and Paca Drill Holes Intercepts

Map 2 (a). Cross Section View of Esmeralda Adit North to South

To view the graphic in its original size, please click [here](#)

Map 2 (b). Cross Section View of Esmeralda Adit West to East

To view the graphic in its original size, please click [here](#)

The above sampling maps (both plan and cross section) are also available at: www.prophecydev.com along with high resolution, close-up pictures of selected assayed samples.

Qualified Persons

The technical content of this news release, sampling maps and pictures were 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.

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