

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) ("Prophecy" or the "Company") (TSX:PCY, OTC:PRPCD, Frankfurt:1P2N) is pleased to announce the Company's priority objective at the Pulacayo silver-zinc-lead district project located in southern Bolivia and close to major silver mining projects operated by [Coeur Mining Inc.](#) (San Bartolome), [Pan American Silver Corp.](#) (San Vicente) and Sumitomo Corporation (San Cristobal). All necessary permits have been obtained in 2013 to mine up to 560 tonnes of ore per day.

The objective is twofold:

1. Study the possibility of commissioning Pulacayo and/or Paca to production at current metal prices, part of which includes definition drilling; and
2. Apply modern exploration techniques to the Pulacayo district to test mineralization found during reconnaissance exploration.

In light of this objective, the company is pleased to report the following activities:

1,500 meter Definition Drilling

The program, scheduled to commence in third quarter 2016, aims to increase the confidence level and size of certain resource blocks already identified in the respective Pulacayo and Paca resource estimates disclosed according to National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101")*.

These resource blocks are characterised by elevated grades and relatively easy access, which make them potentially suitable to be mined first should a decision be made to start mining.

Paca Deposit

Target resource block OP1: UTM coordinates N 7,750,560m to 7,750,590m, E 739,790m to 739,850m, horizontal planar near-surface block measuring approximately 60m x 30m x 25m (width, length, thickness) and the block starts approximately 10 meters below the surface.

Summary of Significant Drill Hole Intervals for OP1:

Hole ID	N	(m) E	(m) Az.	(°)	Dip	(°)	From	(m)	To	(m)	Drilled Thickness	(m)	True width	(m)	Ag g/t	Zn %	Pb %
PND 0627750583		739789	180	-45	10		52		42.0		29.7		405.6	0.10	0.82		
Including							25		52		27.0		19.1		574.3	0.09	1.15

Drill holes are planned that will intersect and improve drill density of block OP1.

Target resource block OP2: UTM coordinates N 7,750,180m to 7,750,220m, E 739,810m to 739,900m, near-surface block measuring approximately 90m x 40m x 35m (width, length, thickness) and the block starts approximately 30 meters below the surface.

Summary of Significant Drill Hole Intervals for OP2:

Hole ID	N	(m) E	(m) Az.	(°)	Dip	(°)	From	(m)	To	(m)	Drilled Thickness	(m)	True width	(m)	Ag g/t	Zn %	Pb %
PND 0237750120		739869	340	-55	125		171		46.0		37.7		323.6	1.37	1.59		
Including							125		152		27.0		22.2		481.4	0.64	1.88
PND 0937750244		739843	180	-45	107		141		34.0		22.1		323.5	1.71	1.31		
Including							116		126		10.0		4.5		630.6	1.39	1.71

Drill holes are planned that will intersect and improve drill density of block OP2 Target resource block OP3: UTM coordinates N 7,750,190m to 7,750,220m, E 739,910m to 739,950m , near-surface block measuring approximately 40m x 30m x 30m (width, length, thickness) and the block starts approximately 20 meters below surface.

Summary of Significant Drill Hole Intervals for OP3:

Hole ID	N	(m) E	(m) Az. (°)	Dip (°)	From (m)	To (m)	(m) Drilled Thickness (m)	(m) True width (m)	Ag g/t	Zn %	Pb %
PND 0927750236		739937	180	-45	27	59	32.0	22.6	321.8	0.25	0.83
Including					42	51	9.0	6.4	646.3	0.08	0.72

Drill holes are planned that will intersect and improve drill density of block OP3.

Target resource block OP4: UTM coordinates N 7,750,720m to 7,750,780m, E 739,990m to 740,010m , near-surface block measuring approximately 20m x 60m x 10m (width, length, thickness) and the block starts approximately 5 meters below surface.

Summary of Significant Drill Hole Intervals for OP4:

Hole ID	N	(m) E	(m) Az. (°)	Dip (°)	From (m)	To (m)	(m) Drilled Thickness (m)	(m) True width (m)	Ag g/t	Zn %	Pb %
PND 0297750752		740007	145	-45	12	22.25	10.3	7.3	436.1	0.03	0.04
Including					12	16	4.0	2.8	1029.0	0.02	0.06

Drill holes are planned that will intersect and improve drill density of block OP4.

Pulacayo Deposit

Target resource block UG1: UTM coordinates N 7,744,590m to 7,744,650m, E 740,060m to 740,110m, underground block starts 50 meters beneath the San Leon tunnel level, approximately 500 meters east from the central shaft, measuring approximately 50m x 60m x 85m (width, height, thickness).

Summary of Significant Drill Hole Intervals for UG1:

Hole ID	N	(m) E	(m) Az. (°)	Dip (°)	From (m)	To (m)	(m) Drilled Thickness (m)	(m) True width (m)	Ag g/t	Zn %	Pb %
PUD 1097744436		740095	0	-45	243	310	67.0	49.8	413.4	2	1.21
Including					282	307	25.0	18.6	1,030.9	1.67	2.02
PUD 0697744436		740094	0	-50	276	306	30.0	20.5	413.9	3.59	1.2
PUD 0457744436		740094	0	-53	277	315	38.0	23.9	402.9	3.58	0.86
Including					283	292	9.0	5.7	647.0	6.77	1.26

Drill holes are planned that will intersect and improve drill density of block UG1.

Target resource block UG2: UTM coordinates N 7,744,610m to 7,744,650m, E 740,350m to 740,400m, underground block starts 90 meters beneath the San Leon tunnel level, approximately 125 meters east from the central shaft, measuring approximately 50m x 40m x 30m (width, height, thickness).

Summary of Significant Drill Hole Intervals for UG2:

Hole ID	N	(m) E	(m) Az. (°)	Dip (°)	From (m)	To (m)	(m) Drilled Thickness (m)	(m) True width (m)	Ag g/t	Zn %	Pb %
PUD 1187744489		740406	345	-32	158	190.6	32.6	27.6	445.4	1.32	0.82
Including					174	175	1.0	0.9	10,000.0	15.55	4.55
PUD 1387744490		740407	338	-30	142.1	157	14.9	12.3	352.1	2.82	1.29
Including					156	157	1.0	0.8	2,030.0	5.68	1.06

Drill holes are planned that will intersect and improve drill density of block UG2.

Target resource block UG3: UTM coordinates N 7,744,560m to 7,744,620m, E 740190m to 740,260m, underground block starts 90 meters beneath the San Leon tunnel, approximately 350 meters east from the central shaft, measuring approximately 70m x 60m x 15m (width, height, thickness).

Summary of Significant Drill Hole Intervals for UG3:

Hole ID	N	(m) E	(m) Az. (°)	Dip (°)	From (m)	To (m)	(m) Drilled Thickness (m)	(m) True width (m)	Ag g/t	Zn %	Pb %
PUD 0517744426		740200	0	-57	326	341	15.0	12.6	543.2	1.58	1.35
PUD 0927744426		740200	0	-59	285.6	297.7	12.1	10.5	355.4	2.29	0.98
PUD 0467744450		740200	0	-56	289	298	9.0	7.5	485.0	2.93	3.17

Drill holes are planned that will intersect and improve drill density of block UG3.

The definition drilling program lowers project risk by improving confidence level in the resources and may reassure concentrate off-takers and financiers of the reliability of their internally prepared production and revenue forecasts.

Proposed drill hole location maps (both plain and cross section for Paca surface drilling and Pulacayo underground drilling) are available at: www.prophecydev.com

District-wide Three Dimensional Induced Polarisation Program (3D IP)

Concurrent with the definition drilling, the Company is initiating a district-wide close-spaced 3D IP geophysical survey program that will use a pole-dipole configuration. Data interpretation will take advantage of the functionality offered by 3D inversion techniques (resistivity and chargeability) that has been successfully used at Pulacayo before. The results are expected in approximately 3 months.

The 3D IP surveys will be carried out in the high priority areas of Paca North, Pero and Pacamayo where surface mapping and sampling have identified significant surface anomalies.

Summarized Highlights of Target 3D IP Survey Areas:

Target Area	Number of Samples	Anomalies Identified	Sampling Method	Sampling Program Highlights						Surface Area of Sampling
				Sample	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	Sb (%)	
Paca North	21	Silver, Lead	Chip Channel Sampling, Surface	PC-002	226	0.08	2.16	—	—	100m X 30m
Pero	165	Silver, Lead, Antimony	Chip Channel Sampling, Surface	PR-163	27	0.04	3.65	—	0.65	200m x 100m
				PR-067	118	0.08	2.13	—	0.22	

Pacamayo	125	Silver, Zinc, Lead, Copper, Antimony	Chip Channel Sampling, 76 Underground Samples, 49 Surface Samples	MPU-77 MPU-69	> 1500 > 1500	6.96 2.4	17.56 2.29	3.10 1.97	2.49 1.79	150m x 10m Underground, 200m x 200m Surface
----------	-----	--------------------------------------	---	------------------	------------------	-------------	---------------	--------------	--------------	---

Descriptive statistics of the samples submitted to the laboratory:

Paca North		Ag g/t	Zn %	Pb %	Cu %	Sb %	Ag eq. g/t	Sb eq. %
Number of samples submitted to the lab	14							
Mean		203.3	0.05	0.86	–	–	234.6	–
Max		833	0.10	2.22	–	–	835.3	–
Min		45.8	0.02	0.03	–	–	53.5	–
Pero		Ag g/t	Zn %	Pb %	Cu %	Sb %	Ag eq. g/t	Sb eq. %
Number of samples submitted to the lab	25							
Mean		26.3	1.23	0.01	–	0.26	106.5	0.76
Max		118.0	4.32	0.08	–	0.65	251.0	1.79
Min		4.5	0.28	0	–	0.01	41.9	0.30
Pacamayo		Ag g/t	Zn %	Pb %	Cu %	Sb %	Ag eq. g/t	Sb eq. %
Number of samples submitted to the lab	9							
Mean		678.5	1.40	2.39	1.16	1.12	1083.6	–
Max		1501.0	6.96	17.56	3.10	2.49	3014.7	–
Min		18.2	0.02	0.01	0.01	0.01	31.1	–

Many areas of the Pulacayo project are now found to contain important concentrations of silver, zinc, lead, gold, copper, antimony and indium at surface outcrops.

Planned IP Program Details

Exploration Area Total Length (km) Number of IP Lines Line Spacing (m)

Paca North	7	7	100
Pero	7	7	100
Pacamayo	6	6	100

A wide-spaced IP program was performed at Pulacayo by Apogee Minerals Ltd. in 2008. Twelve lines were laid out at a 400 meter interval (total 29km) in the Paca, Pero, and Pacamayo areas located in the north and east of the Tajo vein system found in the Pulacayo district.

A detailed presentation about the exploration and maps showing prior sample location and assay results and proposed IP line locations are available on Prophecy's website.

The results from the detailed 3D IP surveys, the assay results of recent surface and underground sampling, and the prior IP results will be used to identify the most prospective drilling targets. The objective of the 3D IP surveys followed by drilling is to

assess the potential of the Pulacayo district for near-surface mineralization.

Update on Other Work

As reported in the news release dated June 16, 2016, Prophecy continued its discussions with concentrate off-takers based on the results of the 2013 Pulacayo trial mining and has received updated concentrate off-take term sheets, possibly reflecting the potential tightening of future zinc-silver and lead-silver concentrate supplies. Some off-takers have prepared their own production and revenue forecasts related to the Pulacayo project based on geological, technical and economic information provided by Prophecy. 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 its study of 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. A positive production decision would not be based on a feasibility study of mineral reserves demonstrating economic and technical viability so would carry increased uncertainty and the risk of failure as to the mining method and profitability.

Qualified Persons

The technical content of this news release and the presentation and maps referred to in this news release 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.

*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, 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).

*Pulacayo Mineral Resource Statement – Effective June 16, 2015

Ag Eq. Cut-Off (g/t)	Category	Tonnes**	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq. (g/t)
400	Indicated	2,080,000	455	2.18	3.19	594
	Inferred	480,000	406	2.08	3.93	572
500***	Indicated	1,270,000	530	2.51	3.63	688
	Inferred	350,000	419	2.47	4.58	620
600	Indicated	750,000	608	2.91	4.02	785
	Inferred	170,000	394	3.49	6.75	710

**Tonnes are rounded to the nearest 10,000

***Base case resources are those reported at the 500 g/t Ag Eq. cut-off

The mineral resource estimate was prepared by Mercator under the supervision of Michael Cullen, P.Geo., who is an independent Qualified Person as set out in NI 43-101. (refer to the Company's news release dated June 18, 2015).

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

For more information about Prophecy, please contact Investor Relations:

+1.888.513.6286
ir@prophecydev.com
www.prophecydev.com

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 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/prophecy09292016.pdf

Source: [Prophecy Development Corp.](#) (TSX:PCY, OTC Pink:PRPCD, FWB:1P2N)

To follow [Prophecy Development Corp.](#) on your favorite social media platform or financial websites, please click on the icons below.

Maximum News Dissemination by FSCwire. <http://www.fscwire.com>

Copyright © 2016 Filing Services Canada Inc.