

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 November 24, 2016, the assay results of 22 samples collected from the Company’s most recent Pulacayo underground exploration program. Samples were obtained by continuous chip channel sampling across the width of the vein mineralization at locations one metre apart.

ID	Ag	Zn	Pb	Area	Method	Width
	g/t	%	%			
19121	1,400	18.4	>20.0	UG1 chip channel	1 m	
19209	15	22.7	1.0	UG1 chip channel	1 m	
19084	90	20.0	1.6	UG1 chip channel	1 m	
19076	88	14.7	3.3	UG1 chip channel	0.6 m	
19184	05	21.6	0.4	UG1 chip channel	1 m	
19064	32	15.9	1.8	UG1 chip channel	1 m	
19115	83	8.4	7.0	UG1 chip channel	1 m	
19197	32	7.8	0.3	UG1 chip channel	1 m	
19096	82	6.1	0.8	UG1 chip channel	1 m	
19102	61	11.8	0.7	UG1 chip channel	1 m	
19211	61	8.4	1.6	UG1 chip channel	1 m	
19172	91	6.8	0.4	UG1 chip channel	1 m	
19161	01	9.9	0.3	UG1 chip channel	1 m	
19156	7	5.0	0.3	UG1 chip channel	1.3 m	
19225	4	2.9	0.1	UG1 chip channel	1 m	
19136	2	1.6	0.5	UG1 chip channel	1 m	
19143	9	0.3	0.1	UG1 chip channel	1 m	
19053	92	23.0	12.0	AVS chip channel	1 m	
19042	84	17.6	6.6	AVS chip channel	1 m	
19012	50	6.3	6.2	AVS chip channel	1 m	
19039	6	7.7	2.7	AVS chip channel	1.5 m	
19021	7	5.7	0.5	AVS chip channel	1 m	

The samples including QA/QC samples were delivered to ALS Bolivia Ltda. located in Oruro, Bolivia, for preparation after which splits were sent to the ALS laboratory located in Lima, Peru (both locations together, referred to as “ALS”). ALS is an independent laboratory and was qualified and retains current accreditation 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. Normal QA/QC procedures were followed when handling and processing the samples as described in Prophecy’s Sample Procedures, Quality Assurance and Quality Control (QA/QC) for Sampling manual (QAQC manual), National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, and the Canadian Institute of Mining, Metallurgical and Petroleum Engineers Exploration Best Practices Guidelines. These procedures included use of a chain of custody to document possession, delivery and security of the samples from Prophecy to the laboratory and secure storage until transported. The laboratory was assessed to ensure it has the technical qualifications for preparation and assay of the type of sample and range in mineral content, follows proper procedures to ensure correct sample identification and security, and maintains confidentiality of assay results. Quality control materials including a blank and certified reference materials were included with the sample group for assay. Duplicate assays were also performed. The quality control material assay results were found within acceptable limits of the known values and the duplicate assay results were within acceptable limits supporting acceptance of the assay results of the samples. Access to the analytical results was restricted to the chief executive officer, chief geologist, vice president of operations,

and general mining manager. The information was verified by Christopher M. Kravits CPG, LPG, a Qualified Person through discussion with Prophecy's chief geologist, review of documents, and comparison to known values. There were no limitations on verification. Mr. Kravits has reviewed and approved the data and records supporting the above statements.

The additional vein system (the "AVS") is located approximately 200 metres west of the Rothschild shaft, at a level of 50 metres above the San Leon adit level (level 0, 4128m). The principal vein measures 1.0 to 1.5 metres in width. The strike and vertical extent of the principal vein are unknown. The location of the AVS is approximately 600 metres west of the San Leon adit and passes outside the western boundary of the area where Apogee Silver Ltd. conducted 70,000 metres of drilling between 2005 to 2012, and therefore was not included in the Pulacayo deposit resource estimate prepared by Mercator Geological Services Limited ("Mercator") according to National Instrument 43-101 ("NI 43-101").

Pulacayo Mineral Resource Statement* – Effective June 16, 2015

Category	Tonnes**	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq. (g/t)
Indicated	1,270,000	530	2.51	3.63	688
Inferred	350,000	419	2.47	4.58	620

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

**Tonnes are rounded to nearest 10,000

The mineral resource estimate was supervised by Michael Cullen, P.Geo., who is an independent Qualified Person as set out in NI 43-101.

This additional vein is within 100 metres of the surface and is accessible via existing tunnels. The AVS was known from historical mining records. Extensive sampling had taken place between 1936 to 1940 by the Hochschild Group (founded by Mauricio Hochschild), which recorded average grades of 180g/t Ag, 9.5% Zn and 2.7% Pb, but had not yet mined the location. Because of insufficient information, the AVS was not included in the Mercator 2015 resource estimate. The Company plans to continue exploration of the AVS to assess whether drilling is warranted.

Separately, the Company is completing final preparations for underground mining including detailed mine plans, staffing, and equipment purchases at Pulacayo for the area (UG1) in particular. 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. UG1 is located at level 0 approximately 110 metres east of the San Leon adit and within 100 metres from the Central shaft. UG1 measures approximately 117 metres in strike, 93 metres in width and 38 metres in height. Veins can be observed in UG1, where the following prior drill holes had intercepted the vein: PUD 032, PUG 051, PUG 052, PUG 058, PUD 140, PUD 188

Drillhole	Number	From (m)	To (m)	DW* (m)	TW** (m)	Grade
						Ag g/t Zn % Pb %
PUD 032	207.00	211.00	4.00	3.36	216	12.3 1.7
PUG 051	128.40	128.90	0.50	0.45	340	0.9 0.9
PUG 052	176.00	176.27	0.27	0.25	750	22.2 16.9
PUG 058	137.30	137.65	0.35	0.27	810	9.4 8.2
PUG 058	137.65	138.00	0.35	0.27	350	2.2 2.5
PUG 058	158.33	158.55	0.22	0.17	2,420	5.8 34.3
PUG 058	158.55	159.00	0.45	0.34	390	1.2 5.6
PUD 140	188.00	189.00	1.00	0.79	665	0.8 0.7
PUD 140	209.43	210.00	0.57	0.46	1,465	0.6 1.9
PUD 188	194.52	195.52	1.00	0.58	645	2.9 1.9
PUD 188	233.00	234.00	1.00	0.58	376	7.6 7

*DW – drilled width, **TW – true width

Conclusion:

The Company believes the results are encouraging given the AVS is located in the shallow part of the deposit; it exhibits strong zinc and lead anomaly and represents a priority area for further exploration which could potentially add resources to the Pulacayo project. At UG1, the Company has identified a vein system that is immediately accessible via a 2.5m x 2.5m tunnel. This system exposed visible mineralization that is 4 to 6 meters in width and the sampling grades are consistent with drill results. UG1 is a priority area that is under preparation for mining. 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.

Lastly, the Company has extensive Pulacayo mining records from 1901 to 1957 compiled by the Hochschild Group, detailing historic mining, sampling and stope development at each of 25 individual vertical levels that span 700m in depth and 2.5km in strike. According to the records, there are more than a dozen areas with detailed sampling of mineral grades comparable to those Pulacayo resource grades estimated by Mercator, over appreciable strike (100m) but which had not yet been mined. The AVS sampling results appear to resemble the historic sampling results recorded by the Hochschild Group and the Company intends to closely examine the historic mining records to form exploration targets.

The sample pictures below are also available at www.prophecydev.com

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

AVS Sample 1

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

AVS Sample 2

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

AVS Sample 3

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

UG1 Sample 1

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

UG1 Sample 2

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

AVS Map

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

AVS Vein 1

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

AVS Vein 2

To view the graphic in its original size, please click here

AVS Tunnel 1

To view the graphic in its original size, please click here

AVS Tunnel 2

To view the graphic in its original size, please click here

UG1 Vein 1

To view the graphic in its original size, please click here

UG1 Vein 2

To view the graphic in its original size, please click here

UG1 Vein 3

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.](http://www.prophecydev.com) 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.](http://www.prophecydev.com)

ON BEHALF OF THE BOARD

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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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