

Vancouver, British Columbia (FSCwire) - [Prophecy Development Corp.](#) (the "Company") (TSX:PCY, OTC:PRPCF, Frankfurt:1P2N) announces that for nominal consideration of \$1, Linx Partners Ltd. (Linx), a company controlled by John Lee, Executive Chairman of Prophecy, has agreed to accrue and postpone the repayment of any principal, interest and fees due under the \$2.5 million revolving credit facility agreement between itself and the Company dated March 12, 2015, as amended (the "Credit Facility") until the earlier of October 1, 2017, or such time as the Company is in a reasonable financial position to repay all or a portion of the amounts owing.

In addition, subject to TSX approval, the Company and Linx have entered into a Debt Settlement Agreement to settle most of the outstanding balance owing by the Company to Linx under the Credit Facility, by issuing 300,000 Common shares in the capital of the Company to Mr. Lee, in satisfaction of \$900,000 of indebtedness owing by the Company under the Credit Facility. The Company filed TSX Form 11A - Price Protection Form for this transaction on November 30, 2016.

The Company expects to use the Credit Facility to among other things, develop its Pulacayo project towards production.

The Company also announces that it has closed, subject to TSX approval, a non-brokered private placement (the "Placement") involving the issuance of 49,999 units (each a "Unit") at a price of \$3.00 per Unit. 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 \$4.00 per Share for a period of five years from the date of issuance. The Shares will be subject to a minimum hold period of four months plus one day from the date of issue. The Company paid in cash, finder's fees totaling \$8,000. Proceeds of the Placement are expected to be used to develop Prophecy's mineral projects and for general working capital purposes.

The Company further announces that pursuant to the terms of its 2016 Share-Based Compensation Plan which was approved by shareholders at the Company's last annual general meeting of shareholders held on June 2, 2016, it has granted in aggregate, 39,000 bonus shares at a deemed price of \$4.88 per bonus share and 91,000 incentive stock options (the "Options"), to various directors, officers and consultants of the Company. The Options are exercisable at a price of \$4.88 per Common share for a term of five years expiring on January 12, 2022 and vest at 12.5% per quarter for the first two years following the date of grant.

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

[Prophecy Development Corp.](#)

#### ON BEHALF OF THE BOARD

JOHN LEE

Executive Chairman

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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 factors should be considered carefully, and readers should not place undue reliance on the 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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