Vancouver, British Columbia (FSCwire) - Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCPK:PRPCF, Frankfurt:1P2N) is pleased to announce that it has successfully acquired through lease, the Louie Hill vanadium project in Nevada, USA (the “Louie Hill Project”) from arm’s-length, private parties (the “Lessors”) with the intent to carry-out mining operations there.

Transaction Summary

Under the mineral lease agreement, Prophecy has leased the Louie Hill mining claims which constitute the Louie Hill Project by paying to the Lessors, annual advance royalty payments which will be tied, based on an agreed formula (not to exceed $28,000 per year), to the average vanadium pentoxide price for the prior year.

Upon commencement of production, Prophecy will maintain its acquisition through lease of the Louie Hill mining claims by paying to the Lessors, a 2.5% net smelter return (“NSR”) of which, 1.5% of the NSR may be purchased at any time by Prophecy for $1,000,000, in such case, leaving the total NSR to be reduced to 1% over the remaining life of the mine (and referred to thereafter, as “production royalty payments”).

All advance royalty payments made, will be deducted as credits against future production royalty payments.

The lease will be for a term of 10 years, which can be extended for an additional 10 years at Prophecy’s option.

With the acquisition of the Louie Hill Project, together with the previously acquired Gibellini and Titan projects, Prophecy is well-positioned to be a leading North American vanadium exploration company.

Louie Hill Project Summary

The Louie Hill Project lies approximately 500 metres south of the Gibellini project, is easily accessed by a graded gravel road extending south from US Highway 50, and is about 25 miles south of the town of Eureka, Nevada.

The Louie Hill Project is comprised of ten unpatented lode claims totaling approximately 207 gross acres in the state of Nevada, which is ranked among the world’s top 10 mining jurisdictions according to the Fraser Institute. Opportunities also exist to further expand the project beyond its current definition.

Union Carbide reportedly drilled a series of 60 holes at the Louie Hill Project in 1956. Noranda Exploration, Inc. completed five reverse circulation holes (total 610 ft) in 1973. During the 2007 to 2010 period, RMP Resources Corporation (predecessor to American Vanadium Corp. or “AVC”) completed a total of 11,010 ft of drilling in 38 drill holes on the Gibellini project and Louie Hill Project. Nine were drilled in the Louie Hill Project.

The Louie Hill Project is located in the same formation and lithologic units as the Gibellini project. The general geology in this area is considered to be similar to the Gibellini project.

AMEC E&C Services, Inc. (“AMEC E&C”) prepared the Louie Hill Project resource estimate as part of the feasibility study titled “American Vanadium, Gibellini Vanadium Project” having an effective date of August 31, 2011 for AVC following the guidelines of the CIM Definition Standards for Mineral Resources and Mineral Reserves. The report which was prepared according to the disclosure requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) outlined a resource of 7.67 million tons at a weighted average grade of 0.27% vanadium pentoxide (V_2O_5) in the inferred category for Louie Hill. The total metal content of the inferred category resource is 41.87 million pounds V_2O_5.

Inferred Louie Hill Mineral Resource Estimate, Effective Date 20 May 2011, Mark Hertel, SME Registered Member:

Cut-off V_2O_5 (%)	Tons (Mt)	V_2O_5 (%)	V_2O_5 (Mlb)
0.077	7.67	0.27	41.87

Notes to accompany Louie Hill Mineral Resource Table:

1. Mineral Resources are reported above a 0.077% V_20_5% cut-off grade

2. Mineral Resources are reported as undiluted

3. Mineral Resources are reported within a conceptual pit shell

4. Rounding as required by reporting guidelines may result in apparent summation differences between tons, grade and contained metal content

5. Tonnage and grade measurements are in US units. Grades are reported in percentages.

*The historic Louie Hill mineral resource estimate that was prepared by AMEC E&C for AVC has an effective date of May 20, 2011. Results of the study were disclosed previously by AVC in accordance with NI 43-101 and are considered historic in nature by the Company. This historical estimate was prepared using currently accepted methods and assumptions but the costs and prices assumed are not current. It is considered reliable since the geologic model developed by AVC geologists was used. The historical estimate uses the same resource classes described in Section 1.2 of NI 43-101. The historical estimate does not include any more recent data or estimates available to the Company. The work needed to upgrade the historical estimate as current mineral resources is to use current costs and metal prices. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. The Company is not treating the historical estimate as current mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Direct leaching of black shale vanadium materials

To the Company’s knowledge, the Gibellini project is the only North American black shale vanadium project with a full feasibility study. The Company considers the Louie Hill Project to have similar geology and to be amenable to the same open pit mining and heap leach processing as Gibellini. The Gibellini-Louie Hill district has the potential to become the first primary vanadium mine in the United States.

Black shale (also called stone coal) is an important vanadium resource in China, which is world’s largest vanadium producer. Black shale is regarded as a low-grade multi-element ore. However, because of its relatively high vanadium grade compared to other metallic and nonmetallic elements found in black shale, research and studies of the recovery of vanadium from black shale have received considerable attention and investment in China since early 2000, based on the Company’s research. This has resulted in several black shale vanadium-producing mines in China utilizing established, low cost, solvent extraction and precipitation methods today.

The Gibellini project and Louie Hill Project represent a pure-play vanadium opportunity in North America to investors because Gibellini material is low in deleterious metals and non-metals (typically less than 1% Fe, 0.5% Ca, 0.3% Mg, 0.2% Ti) and is thus conducive to well-established solvent extraction and precipitation methods. Since the process already yields vanadium in sulfuric acid in an intermediary step to producing vanadium pentoxide, it is expected that this intermediary product can be pulled from the process stream and used directly as an electrolyte for grid-scale energy storage batteries.

Direct leaching of titaniferous vanadiferous materials

Direct leaching of titaniferous vanadiferous materials requires extraction of vanadium (typically less than 0.5%) from titaniferous vanadiferous solution containing 30% to 70% of iron, titanium, MgO, and other interfering elements. The project economics are dependent on the prices of titanium dioxide and pig iron and the ability to manage extraction costs of those elements from solution in a continuously operating commercial setting.

John Lee, Executive Chairman of Prophecy states:

“A company managed by mining financier and founder of Ivanhoe Capital Corporation, Robert Friedland, has invested a total of $90 million thus far in a vanadium battery manufacturer. A vanadium exploration company in Quebec, Canada secured a CAD 40 million equity financing led by Orion Mine Finance Group in June 2017. We believe the unique merits (location, low mining strip ratio, and proven metallurgy) of the Gibellini-Louie Hill district project will be further appreciated as more investment is made in this strategic sector”.

Note: All references to “$” are expressed in US dollars unless otherwise noted.

Qualified Persons

The technical contents of this news release have been reviewed and approved by Christopher M. Kravits, CPG, LPG, General Mining Manager of Prophecy. Mr. Kravits is a Qualified Person as defined in NI 43-101. Mr. Kravits is a consultant to the Company and is not independent of the Company since most of his income is derived from the Company.

About Prophecy

Prophecy Development Corp. is a Canadian public company listed on the Toronto Stock Exchange. The Company aims to provide exposure and leverage to rising vanadium prices by defining and adding attributable vanadium resources in the ground in politically safe jurisdictions, and to build the first vanadium mine in North America by steadily advancing mine permitting, project financing and construction.

Further information about Prophecy can be found at: www.prophecydev.com.

Prophecy Development Corp.

ON BEHALF OF THE BOARD

“JOHN LEE”
Executive Chairman

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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, silver and other metals; 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; that any additional required financing will be available on reasonable terms; and market developments and trends in global supply and demand for coal, energy, silver and other metals meeting expectations. 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 positive 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; commencing mine development without a feasibility study; 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 Mongolia and Bolivia, which are developing countries and being subject to their local laws; the availability and timeliness of various government approvals, permits and licenses; the feasibility, funding and development of Prophecy’s projects; protecting 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 risk; anti-corruption legislation; recent global financial conditions; the payment of dividends; the inability of insurance to cover all potential risks associated with mning operations; 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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