Vancouver, British Columbia (FSCwire) - This press release replaces the press release disseminated August 25, 2017 at 7:35PM ET. The corrected press release is below:

Prophecy to Acquire Mountain of Gold Project in Madagascar

Vancouver, British Columbia, August 25, 2017 – Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCPK:PRPCF, Frankfurt:1P2N) has entered into a binding letter agreement (the “Letter Agreement”) with an arm’s-length party (the “Seller”) to acquire the Dabolava gold project located in the Republic of Madagascar (the “Dabolava Project”).

Transaction Summary

Under the Letter Agreement, Prophecy will acquire 6 mining claims covering 375 sq km and other assets, which together constitute the Dabolava Project, by paying Seller the following:

(a) upon transaction closing $1,000,000;

(b) on the 1-year anniversary of the closing date, $1,000,000;

(c) on the 2-year anniversary of the closing date, $1,000,000;

(d) on Prophecy obtaining its first Dabolava Project mining license, $2,000,000; and

(e) for every troy-ounce of gold reserve that is compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) from the Dabolava Project by the dates to be agreed to in a definitive agreement to be executed, a one-time payment of $2 per troy-ounce shall be paid to the Seller. This payment is subject to a minimum cumulative discovery of 1 million ounces.

Dabolava Project Summary

The Dabolava Project is located approximately 200 km west-southwest of Antananarivo, the capital of Madagascar and is accessed via 400 km of paved highways, a portion of which traverses the property. The Dabolava Project is located 140 km west of the town of Antsirabe that hosts an airport and residents with mining experience. Gold has been mined at the Dabolava Project since 1900 and continues to be mined on a very limited scale.

The Dabolava Project covers 375 sq km in 6 permits and consists of several mineralized areas, the most explored being Dabolava East, Takadora, Mountain of Gold and Anjoma. The exploration included airborne geophysical surveys covering 553 sq km, approximately 27 sq km of ground magnetometer survey, 40.4 line km of IP surveys, and 11,349 soil samples. The work was carried out from 2004 to 2008 by Pan African Mining Corp. (PAF) with Sprott Asset Management as a shareholder. PAF only completed 11,863 meters of diamond drilling (97 diamond drill holes) mostly focused on the Dabolava East area before it was acquired by the Seller in 2008, which is a major coal mining company for approximately $157 million in cash. The Dabolava Project has been placed on care and maintenance since late 2008.

In the Dabolava East, Takadora and Mountain of Gold mineralized areas, the gold occurs in silicified dilational features within a broad ductile shear zone that cuts a tonalite-granodiorite orthogneiss host rock. The zones of mineralized dilational features range from 1 to 15 m in drilled width.

Ajoma is a metasediment-hosted bulk-tonnage prospect, where the gold is associated with a post-metamorphism hydrothermal stock work where small quartz veinlets contain disseminated gold between the metamorphic foliations.

Dabolava East (300meter by 300meter)

The Dabolava East mineralized area is approximately 300m x 300 m based on mapping and soil samples. Numerous gold mineralization intersections from 33 diamond drill holes (5,204 m of total drilling) indicated a zone of 1 and 15 m wide (drilled width) between 30 to 70 m depth from surface. The known vertical extension is approximately 50 m and is open at depth and to

the surface. Prophecy intends to commission a preliminary economic assessment on Dabolava East and potentially fast track Dabolava East through the permitting process.

Drilling highlights:

Drill Hole Number	Coordinates (1)		Azimuth	Dip	Drilled Depth (m)		Width (m) (2)		Au (g/t)
	Easting	Northing			From	To	Drilled	True	
DE-D-07-035	574757	7827338	323	-47	86.9	98.2	11.4	9.5	12.0
including					88.1	88.6	0.5	0.4	177.0
including					96.4	98.2	1.8	1.5	21.2
DE-D-011	574746	7827333	322	-47	86.3	91.8	5.5	Unk	50.8
including					88.3	90.8	2.5	Unk	106.1
and					97.2	97.6	0.4	Unk	8.7
DE-D-004	574663	7827454	143	-44	44.9	49.4	4.5	Unk	2.0
and					127.1	131.4	4.3	Unk	10.5
including					128.2	128.4	0.2	Unk	139.0
DE-D-023	574774	7827347	344	-45	83.6	91.9	8.3	Unk	14.7
including					83.6	84.8	1.2	Unk	51.5
including					87.5	88.9	1.4	Unk	40.5
DE-D-012	574737	7827489	152	-45	103.7	104.8	1.1	Unk	20.6
DE-D-006	574709	7827459	155	-45	25.7	42.9	17.2	Unk	4.0
including					25.7	26.6	0.9	Unk	13.8
including					30.5	36.2	5.7	Unk	5.1
including					41.3	42.9	1.6	Unk	17.1
DE-D-07-039	574777	7827346	320	-45	86.9	92.9	6.0	5.0	12.4
including					86.9	88.9	2.1	1.7	24.0
DE-D-07-037	574702	7827378	320	-45	80.5	83.3	2.8	2.3	5.1
including					82.8	83.3	0.5	0.4	25.7
DE-D-08-049	574651	7827374	0	-45	41.0	43.2	2.2	Unk	14.2
including					41.0	41.4	0.4	Unk	31.8
including					42.5	43.2	0.7	Unk	26.8
DE-D-016	574772	7827475	165	-55	56.0	61.6	5.6	Unk	9.5
DE-D-017	574792	7827395	343	-55	83.5	84.5	1.0	Unk	7.6
DE-D-08-050	574733	7827360	0	-45	36.4	36.8	0.4	Unk	23.0
DE-D-08-048	574669	7827376	0	-45	75.6	76.0	0.5	Unk	10.0

(1) Coordinates are in UTM system (meters) Zone 38K WGS84 projection

(2) Unk=unknown because of insufficient information

These assay results were previously disclosed by PAF in its May 11, 2005, November 6, 2006, April 25, 2007 and September 11,

2007 news releases. There are no known drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data. Drilling, sampling, and assay methods and information are described in the news releases and considered acceptable. The laboratory was independent of PAF at the time the assays were performed. Drilling, sampling and initial sample preparation was performed and overseen by qualified persons as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

Takodara (1,500 meter x 200 meter)

The Takodara mineralized area is approximately 1,500 m x 200 m in size based on mapping and soil samples. Gold mineralization was encountered in 15 diamond drill holes (2,029 m total drilling) from 40 to 60 m depth. The vertical extent of the mineralization to surface and at depth have not yet been tested. Drill holes DE-D-001, DE-D-003, DE-07-033 and DE-D-08-063 were drilled approximately 150 meters apart along the strike, with no other drill holes in between. Prophecy intends to conduct infill drilling and expansion drilling to test the length and depth of the mineralization.

Drill Hole Number	Coordinates (1)		Azimuth	Dip	Drilled Depth (m)		Width (m) (2)		Au (g/t)
	Easting	Northing			From	To	Drilled	True	
DE-D-001	575668	7828539	353	-45	57.3	58.2	0.9	Unk	32.3
including					57.8	58.2	0.5	Unk	61.9
DE-D-003	575921	7828572	338	-45	51.0	52.0	1.0	Unk	12.2
including					51.0	51.5	0.5	Unk	22.4
DE-D-07-033	576029	7828665	180	-45	86.3	88.4	2.1	1.1	28.7
DE-D-08-063	575537	7828495	350	-45	66.9	67.8	0.9	Unk	13.2

(1) Coordinates are in UTM system (meters) Zone 38K WGS84 projection

(2) Unk=unknown because of insufficient information

The assay results for drill holes DE-D-001, DE-D-003 and DE-D-07-033 were previously disclosed by PAF in its May 11, 2005 and September 11, 2007 news releases. There are no known drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data. Drilling, sampling, and assay methods and information are described in the news releases and considered acceptable. The laboratory was independent of PAF at the time the assays were performed. Drilling, sampling and initial sample preparation was performed and overseen by qualified persons as defined in NI 43-101.

Mountain of Gold (8,500 meter x 2,000 meter)

The Mountain of Gold mineralized area is approximately 8,500 m x 2,000 m in size based on mapping and soil samples. Gold mineralization was found in 20 diamond drill holes (1,191 m) that tested the southeast corner of the area from 10 to 40 m at depth from surface. The vertical extent of mineralization to the surface and to depth is unknown and 95% of the mineralized area has yet to be drilled.

Given the large area of Mountain of Gold, Prophecy intends to review the geophysical, soil sampling, trenching and old workings information to model the mineralization internally to prioritize a number of well qualified drill locations.

Drilling highlights:

Drill Hole Number	Coordinates (1)		Azimuth	Dip	Drilled Depth (m)		Width (m) (2)		Au (g/t)
	Easting	Northing			From	To	Drilled	True	
ADK-B-001	568312	7835063	190	-50	15.1	15.4	0.4	Unk	4.1
and					15.4	15.7	0.3	Unk	26.9
ADK-D-011	568574	7833814	0	-90	20.3	20.6	0.3	Unk	7.1
ADK-D-007	568530	7835192	200	-45	46.8	47.8	1.0	Unk	5.3

(1) Coordinates are in UTM system (meters) Zone 38K WGS84 projection

(2) Unk=unknown because of insufficient information

Sampling highlights:

Sample Number	Coordinates		Sample Type	Sampled Area	Au (g/t)
	Easting	Northing			
S-01317	566157	7835561	Grab	rock	71.6
S-02544	564174	7836543	Channel along QV	2 x 50cm	26.1
S-01318	563132	7834767	Grab	40cm x 20cm	25.6
G4303	562151	7835819	Grab	rock	21.5
S-02084	563587	7836459	Grab	20 x 40cm	18.8
S-01649	565785	7836142	Grab	40 x 10cm	14.65
S-01898	563653	7834720	Panel	1m x 1m	14.3
S-01818	566093	7832995	Panel	1 x 0.2m	11.75
S-02461	561834	7836748	Grab	30 x 50 cm	9.64
S-12452	558737	7837190	Channel	5cm x 50cm	9.11
S-12456	564150	7836461	Channel	1m x 2cm	9.08
S-01456	562767	7836406	Panel	1m x 1m	8.15
S-11187	567184	7835580	Channel	10cm x 1m	7.84
S-02131	565768	7833380	Grab	20 x 40 cm	7.28
S-12451	558737	7837190	Grab	30 x 20 cm	7.01
S-02523	564424	7836432	Channel	1cm x 30cm	6.93
S-01309	559470	7832075	Panel	1m x 1m	6.85
S-07244	561932	7834782	Panel	1m x 1m	6.57
S-01204	560799	7834413	Channel	1m x 10cm	6.46
S-01230	563903	7836416	Panel	1m x 1m	6.22
S-11173	567559	7835791	Grab	20cm x 30cm	5.96
S-01944	566625	7829509	Grab	0.15 x 0.2cm	5.94
BT024	568540	7835155	Grab	rock	5.88
S-04721	568139	7835006	Panel	1.5m x 1m	5.85
S-01874	566292	7835516	Panel	1m x 1m	5.25
S-02321	568834	7835000	Grab	20cm x 30 cm	5.08
S-01758	567657	7835467	Panel	1m x 0,5m	5.04

There are no known drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data. The drilling, sampling, and assay methods are considered acceptable by Prophecy. The laboratory was independent of PAF at the time the assays were performed. Drilling, sampling and initial sample preparation was performed and overseen by qualified persons as defined in NI 43-101.

Anjoma (2,000 m x 250 m)

For the metasediment-hosted prospects, the gold is associated with a post-metamorphism hydrothermal stock work where small

quartz veinlets contain disseminated gold between the metamorphic foliations.

The Anjoma bulk-tonnage prospect has estimated dimensions of 2,000 m long and 250 m wide based on 95 soil samples. Depth is unknown.

Prophecy intends to review the geophysical and rock sample data then drill test Anjoma as a potential bulk-tonnage disseminated near-surface gold prospect.

Anjoma rock sample assay highlights:

Sample Number	Coordinates (1)		Sample Type	Sampled Area	Au (g/t)
	Easting	Northing			
S-02222	601555	7824429	Grab	20cm x 50cm	42.90
S-03123	600227	7829619	Grab	20cm x 40cm	40.00
S-03129	596768	7820527	Channel	5cm x 50cm	33.20
S-03120	596819	7820733	Grab	20cm x 40cm	26.20
S-02252	601118	7824403	Grab	20cm x 30cm	19.45
S-03118	596838	7820732	Grab	20cm x 40cm	9.85
S-03130	596764	7820526	Channel	5cm x 50cm	6.33
S-02106	602002	7823822	Panel	1m x 50cm	5.18
M-6	599627	7827488	Grab	Rock	4.62
S-02205	601726	7824237	Grab	20cm x 40cm	4.50
S-02118	601989	7827722	Grab	30cm x 40cm	4.21
S-02109	602005	7823924	Grab	30cm x 40cm	4.20
S-02204	601730	7824224	Grab	20cm x 50cm	4.07
S-03155	595033	7823804	Grab	30cm x 20cm	3.27
S-02207	601949	7823957	Grab	30cm x 50cm	3.20
S-03124	600233	7829613	Grab	20cm x 40cm	3.05
S-03087	600228	7829624	Channel	8cm x 60cm	2.90
S-02211	601799	7824205	Grab	30cm x 40cm	2.81
S-03073	600235	7829605	Grab	15cm x 20cm	2.50
S-03071	598671	7825750	Panel	1m x 50cm	2.33
S-03122	600221	7829642	Grab	20cm x 40cm	1.80
S-02202	601828	7824521	Grab	20cm x 50cm	1.76
S-03131	596790	7820525	Grab	20cm x 50cm	1.69
S-03133	596737	7820531	Grab	20cm x 50cm	1.66
S-03085	600209	7829652	Channel	8cm x 60cm	1.58
S-03152	594937	7823789	Grab	20cm x 30cm	1.40
S-02956	596660	7822774	Channel	3cm x 50cm	1.16
S-03084					

Grab

20cm x 40cm

S-03145	594845	7823794	Grab	30cm x 20cm	1.09

(1) Coordinates are in UTM system (meters) Zone 38K WGS84 projection

A description of sampling and analytical methods is not known. The following description is based on review of internal reports. Samples were obtained using a hand pick by chipping rock randomly over the sampled area to obtain a representative sample of approximately 2 kg size. Samples were placed in plastic bags and identification information placed on the bag. A chain of custody was used to document sample possession. There is not sufficient information to determine whether sampling factors exist that could materially affect the accuracy or reliability of the data. The raw samples were initially prepared by crushing to -2 mm and splitting a representative sample for assay at Pan African’s laboratory located in Antananarivo, Madagascar. Assays were performed by the ALS Chemex, Johannesburg South Africa laboratory using fire assay with an atomic adsorption spectroscopy (“AAS”) finish (some with inductively coupled plasma (“ICP”) finish) for gold and aqua regia digestion with inductively coupled plasma-atomic emission spectroscopy (“ICP-AES”) finish for a 34-element suite. The laboratory was independent of PAF at the time the assays were performed. Drilling, sampling and initial sample preparation was performed and overseen by qualified persons as defined in NI 43-101.

Further Details Regarding the Proposed Transaction

The proposed transaction is subject to Prophecy being satisfied with the results of its due diligence inquiries into the Dabolava project.

The Seller and Prophecy have agreed to replace the Letter Agreement by entering into a more comprehensive definitive agreement by November 30, 2017.

The Letter Agreement includes a break-fee provision and a commitment by the Seller to not solicit, pursue or negotiate alternative offers with other parties for the Dabolava Project.

John Lee, Prophecy’s Executive Chairman comments:

“Prior work on Dabolava had shown over 10 km of gold-bearing trends highlighted by quartz gold drill intercepts of over 100g/t Au. Both Dabolava’s size and grade are on similar to Terrax Minerals recent Yellowknife City Gold Discovery.

In addition to Dabolava East, Takadora, Mountain of Gold and Anjoma, the large 375 sq km land package contains several other prospective areas with extensive artisanal historic mine workings that warrant consideration for exploration.

While the project development is at an early stage, there are promising signs that Prophecy is embarking on a very unique district-scale gold project that draws very few modern and historical comparisons.”

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 is not independent of the Company in that most of his income is derived from the Company. Mr. Kravits 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 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 it will complete its due diligence on the Dabolava Project to its satisfaction; that it, together with the Seller, will negotiate and enter into a binding definitive agreement with respect to Prophecy's acquisition of the Dabolava Project by the aforementioned deadline; that all other conditions precedent to the acquisition are successfully satisfied or waived; that it will complete its acquisition of the Dabolava Project. 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; the suitability of the Dabolova Project considering Prophecy's economic condition and otherwise.

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.

Source: Prophecy Development Corp. (TSX:PCY, OTC Pink:PRPCF, FWB:1P2N)

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