

Prophecy Granted Right to Buy Out Nevada Gibellini Vanadium Claims

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[Prophecy Development Corp.](#) ("Prophecy" or the "Company") (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) announces an amendment to the Gibellini mineral lease agreement dated June 22, 2017 (the "MLA"), whereby Prophecy has been granted the right to cause the current holder (the "Lessor") of the Gibellini mineral claims (which Prophecy is currently leasing) to transfer their title to the claims to Prophecy.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20180423005223/en/>

(Graphic: Business Wire)

Mineral Lease Agreement Background:

Under the MLA, Prophecy agreed to pay the Lessor, annual advance royalty payments which will be tied, based on an agreed formula (not to exceed US\$120,000 per year), to the average vanadium pentoxide price of the prior year. Upon commencement of production by Prophecy, the Company will stop advance royalty payments and instead pay to the Lessor, a 2.5% net smelter return ("NSR") until a total of US\$3 million is paid. Thereafter, the NSR will be reduced to 2% 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.

Prophecy leased the Gibellini mineral claims (which comprise the majority of the resource per the Company's news release dated November 20, 2017) with the intent to develop and operate a mine on the claims. In addition, Prophecy has either staked or acquired an additional 24 square kilometers surrounding the leased mining claims in the past 9 months for its proposed processing facility and potential future resource expansion.

Details of the Amendment:

With the amendment, Prophecy shall have the option to, at any time during the term of the MLA, require the Lessor to transfer title over all of the leased, unpatented lode mining claims (excluding four claims which will be retained by the Lessor for sentimental reasons and which contain minimal resource) (the "Transferred Claims") to Prophecy in exchange for US\$1,000,000, to be paid as an advance royalty payment (the "Transfer Payment"). A credit of US\$99,027.22 in favour of Prophecy towards the Transfer Payment is already paid upon signing of the amendment, with the remaining US\$900,972.78 portion of the Transfer Payment due and payable by Prophecy to the Lessor upon completion of transfer of the Transferred Claims from the Lessor to Prophecy. The advance royalty obligation and production royalty shall not be affected, reduced or relieved by the transfer of title.

John Lee, Prophecy's Executive Chairman, states: "With the rights to the title transfer secured, Prophecy can now engage in in-depth discussions with cornerstone investors, vanadium product off-takers and banks on equity, debt and prepaid off-take financing. Talks are already underway and we expect to report material progress in due course."

Visit www.prophecydev.com for the latest Gibellini claim map.

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. 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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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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