

Prophecy Acquires Additional Mining Claims Adjacent to Its Gibellini Vanadium Project, Resumes Environmental Work

written by Raj Shah | February 16, 2018



TSX: PCY

February 15, 2018 ([Source](#)) – **Prophecy Development Corp.** (“**Prophecy**” or the “**Company**”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) is pleased to announce that it has successfully acquired an additional 105 unpatented lode mining claims (the “**Additional**

Claims”) located adjacent to its existing Gibellini project in Eureka County, Nevada, through the arm’s-length acquisition of 1104002 B.C. Ltd., a privately held company incorporated in British Columbia, and its subsidiary, a privately held company incorporated in Nevada.

As consideration, the Company paid a total of \$335,661.40 and issued 50,000 Common share purchase warrants (the “**Warrants**”) to the shareholders of 1104002 B.C. Ltd., in addition to settling \$14,338.60 in debt owed by the acquired companies. Each Warrant entitles the holder upon exercise, to acquire one Common share of the Company at a price of \$5.00 per Common share until February 15, 2021.

Closing of the acquisition will be subject to the final approval of the Toronto Stock Exchange.

Prophecy now controls over eight square kilometres of contiguous parcel closely matching the footprint of the multi-year

Gibellini baseline studies prepared and submitted by the project's previous operator and deemed complete by the Bureau of Land Management ("BLM"). The maps of the Gibellini project are available at the Company's website www.prophecydev.com.

John Lee, Prophecy's Executive Chairman states: "With the land acquisition phase now complete, Prophecy is progressing discussion with BLM on any necessary adjustment to the prior submitted baseline studies and Plan of Operations in order to start the *National Environmental Policy Act* process for our Gibellini vanadium project in 2018."

Prophecy is very encouraged by the following recent developments:

1. On December 20, 2017, U.S. President, Donald Trump, signed the executive order "Recognizing Strategic Importance of Minerals Mining to Domestic Economy, National Security, Infrastructure." Among other things, he called on U.S. government agencies to identify ways to both: (1) streamline the permitting processes (expediting exploration, production, processing, reprocessing, recycling, and domestic refining of critical minerals); and (2) ensure that miners and producers have electronic access to the most advanced topographic, geologic, and geophysical data within U.S. territory.
2. On the same day, the U.S. Geological Survey listed vanadium as one of 23 critical mineral resources of the United States; yet there is not a primary vanadium mine currently in the country. "Vanadium is used primarily in the production of steel alloys; as a catalyst for the chemical industry; in the making of ceramics, glasses, and pigments; and in vanadium redox-flow batteries (VRBs) for large-scale storage of electricity. World vanadium resources in 2012 were estimated to be 63 million metric

tons, which include about 14 million metric tons of reserves. The majority of the vanadium produced in 2012 was from China, Russia, and South Africa.”

3. According to Metal Bulletin in January 2018, the Chinese vanadium market may swing to a deficit this year, underpinned by revised standards for the tensile strength of rebar products and a ban on vanadium slag imports. The new standard proposes eliminating 335MPa-tensile strength rebar and replacing it with 600MPa-tensile strength rebar that will have greater earthquake resistance, which will mean producers will have to add greater quantities of vanadium to the production mix. The overall consumption of vanadium in crude steel varies widely across the world. It averages 37g per 1,000 tonnes (g/kt) in China, far less than the 73g/kt in Europe and 93g/kt in North America.

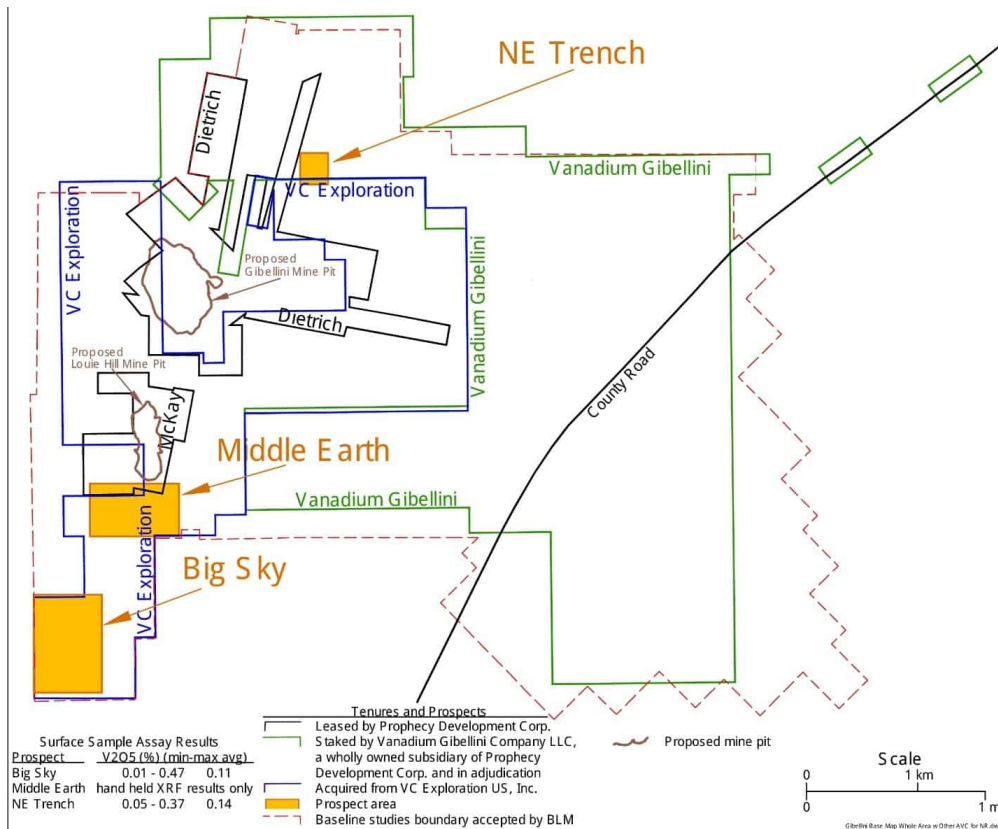
Mr. Lee further states: “Gibellini is unique in:

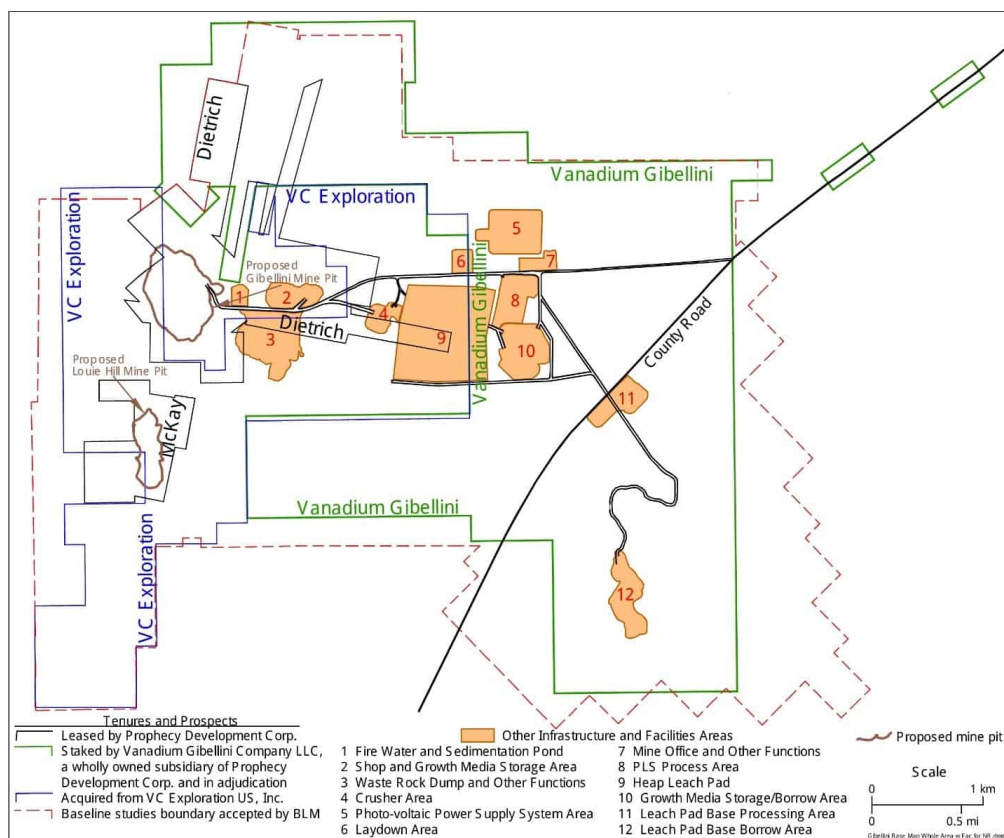
1. its oxide mineralization which is amenable to conventional heap leach metal extraction without a pre-roasting step;
2. the extensive multi-year, multi-million dollars of permitting work and engineering study by the project’s prior operator, which enables Prophecy to expedite its pre-construction project development efforts;
3. its location with infrastructure in a mining friendly jurisdiction. Gibellini is less than 100 miles from producing operations such as Barrick Gold Corporation’s Cortez surface mining-heap leach project.”

Prophecy intends to advance Gibellini to become America’s first primary vanadium mine through permitting, engineering, construction to production of commercial vanadium pentoxide on-site.

In April 2018, the Company expects to receive an independent

economic study that demonstrates the robustness of the Gibellini project at the current vanadium pentoxide price of \$13/lb.





Qualified Person

The technical contents of this news release have been prepared under the supervision of 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 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. 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 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: all required third party

contractual, regulatory and governmental approvals will be obtained for the development, construction and production of Prophecy's properties and the Chandgana power plant; there being no significant disruptions affecting operations, whether due to labour disruptions or other causes; currency exchange rates being approximately consistent with current levels; certain price assumptions for vanadium, silver, coal 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; any additional required financing will be available on reasonable terms; and market developments and trends in global supply and demand for vanadium, energy, silver, coal 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 Bolivia and Mongolia, 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 mining 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.