Prophecy Contracts NewFields to Advance Permitting/EIS for Gibellini Vanadium Project, Sets Project Timetable

written by Raj Shah | August 24, 2018

August 24, 2018 (Source) – **Prophecy Development Corp.** ("**Prophecy**" or the "**Company**") (**TSX: PCY**; **OTCQX: PRPCF**; **FRA: 1P2N**) is pleased to announce that it has engaged NewFields Companies, LLC ("**NewFields**"), an environmental, engineering, and construction management consulting firm to advance permitting and environmental impact statement (the "**EIS**") preparation for the Gibellini vanadium project (the "**Project**").

Prophecy's and NewFields' teams will work closely with the Bureau of Land Management (the "**BLM**"), the Nevada Division of Environmental Protection and other federal and state permitting agencies to target the filing of all major permitting applications by the end of 2019. Prophecy anticipates that the Gibellini EIS will not be more than 150 pages (excluding appendices) and the EIS notice of intent (the "**NOI**") will be triggered in 2019. Should that occur, the EIS decision for the Project may be rendered in 2020, according to new government direction on such matters.

Under the engagement, NewFields will provide comprehensive environmental permitting and related engineering services that include:

- developing with Prophecy, overall permitting roadmap and budget;

- performing necessary updates to already-filed baseline studies and Management Plan of Operations (the "**MPO**");
- preparation of Water Pollution Control Permit application (the "**WPCP**") including detailed design and engineering analysis;
- preparation of resource report, which is a precursor to trigger the NOI to prepare the Gibellini EIS; and
- preparation of various federal and state permit applications such as the application for Air Quality Permit, Surface Disturbance/Class II Operation Permit, Explosives Permit, Class III Waiver Landfill Permit, Multi-Sector General Stormwater Permit, Hazardous Materials Storage Permit, Hazardous Waste Permit, Septic System Permit, Potable Water System Permit, Dam Safety Permit, and Industrial Artificial Pond Permit.

NewFields completed the Gibellini heap leach pad and waste dump designs (over 40 pages) as part of an overall basic engineering design lead by Scotia International of Nevada, Inc. in 2014. NewFields' familiarity with the Project should help to expedite permitting efforts at Gibellini.

Prophecy has systematically advanced the Gibellini Project in the past 12 months by:

- securing water for future mining operation (power is readily available);
- enlisting a technology partner which owns and operates the world's largest black-shale vanadium mine, with a nearly decade-long commercial vanadium recovery and production experience
- consolidating a package of approximately 27 sq. km of contiguous mining, exploration and facility land with no known endangered species habitat, or archeological, agricultural, or aboriginal claims;

- bringing on mining industry veterans who previously worked at Barrick Gold Corporation and Newmont Mining Corporation ("**Newmont**");
- compiling and filing with the BLM, over 1,100 pages of MPO and baseline studies; and
- engaging Amec Foster Wheeler E&C Services Inc. ("**AMEC**") and completing the Preliminary Economic Assessment (the "**PEA**") in June 2018, which outlined Gibellini's annual production profile of 9.65 million pounds of vanadium pentoxide (V2O5) with operating cost of $4.77 per lb V2O5 and an initial capital cost of $116.76 million including a 25% contingency. The most recent trading price of V2O5 according to www.asianmetal.com, as of the date of this press release, is US$18.40/lb.

The PEA is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The PEA was prepared under the direction of Kirk Hanson, P.E., Technical Director, Open Pit Mining for AMEC. Mr. Hanson is a "Qualified Person" for the purposes of National Instrument 43-101, and he is independent of Prophecy.

In July 2018, Prophecy received a 6-page letter from the BLM Mount Lewis Field Office which contains comments with regard to the submitted MPO. Prophecy is working with NewFields to address the BLM's comments. A preliminary assessment carried out by NewFields and Prophecy indicates that there are no deficiencies identified that are expected to cause delays to Prophecy's proposed schedule.

John Lee, the Company's Executive Chairman, states: "Prophecy

has set out a plan to complete the Gibellini permitting and EIS in 2020, and will be issuing updates throughout the next 18 months as each permit application is filed with the relevant agencies.

Together with the Company's news release announcing engineering, procurement, construction and management work progress dated August 15, 2018, Prophecy's objective is to clear all pre-requisites for the Project construction, start the Project construction in 2021, and deliver the first batch of vanadium pentoxide product on site in 2022.

We believe the Gibellini Project is years ahead of other North American primary vanadium projects in terms of the time to deliver the vanadium product to the market, and we are on target to transform the Gibellini Project to become the first primary vanadium producing mine in the United States."

Relevant NewFields experience:

In 2014-2018, NewFields successfully obtained several WPCP approvals in Nevada including: approvals for Newmont's Long Canyon gold project with carbon in column processing method, located in Elko; Kinross Gold Corporation's Bald Mountain gold project with heap leach facility, located in White Pine County; and West Kirkland Mining Inc.'s Three Hills gold and silver project with heap leach facility, located in Esmeralda County.

About NewFields

NewFields is headquartered in Atlanta, Georgia, USA with offices in over 10 cities in the United States and has offices in Canada, the UK, Brazil and Mexico. NewFields has over 100 employees dedicated exclusively to supporting the mining industry and its expertise includes environmental and permitting services, construction management and quality assurance services

for tailing storage facilities, heap leach facilities, waste rock storage facilities, civil and geotechnical engineering design services, hydrological and hydrogeological engineering and associated mine site infrastructure. NewFields' staff has provided design and construction services on over 80 heap leach facilities projects with an aggregate lined area of over one billion square feet in over 20 countries and in a variety of climatic conditions ranging from extremely wet and extremely dry to arctic conditions.

Qualified Person

The technical content of this news release has been prepared under the supervision of Danniel Oosterman, VP, Exploration. Mr. Oosterman is not independent of the Company in that he is employed as a consultant to the Company and most of his income is derived from the Company. Mr. Oosterman is a Qualified Person as defined in NI 43-101.

About Prophecy

Prophecy Development Corp. is a Canadian public company listed on the Toronto Stock Exchange. Prophecy's main objective is to develop the Gibellini primary vanadium mining project in the Battle Mountain region in northeastern Nevada to production. 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

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