

Prophecy Gains Gibellini Vanadium Project Data Access, On Schedule to Submit Plan of Operations and Baseline Studies

written by Raj Shah | April 19, 2018



TSX: PCY | OTCQX: PRPCF

April 18, 2018 ([Source](#)) – **Prophecy Development Corp.** (“Prophecy” or the “Company”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) is pleased to announce that it has signed an agreement (the “Agreement”) with Monitor Ventures Inc. (“Monitor”) for

the right to access and use information related to the Gibellini vanadium project (the “**Gibellini Data Pack**”) which was commissioned, compiled and held by Monitor. Monitor (previously known as American Vanadium Corp. from 2010 to 2016, and Rocky Mountain Resources Corp. from 2007 to 2010) had been developing the project since 2007 only to relinquish it due to the low vanadium pentoxide price of around USD 2.50/lb in 2016. The price of vanadium pentoxide has since rebounded significantly and is currently trading at around USD15.60/lb according to Asian Metal Inc.

In consideration, Prophecy:

- a. has paid Monitor \$7,000 in cash;
- b. will, upon approval by the Toronto Stock Exchange, issue to Monitor, 50,000 warrants entitling Monitor to purchase one Common share in the capital of Prophecy at an exercise

price of \$3.00 for a period of three (3) years from the date of the Agreement; and

- c. will, upon approval of the environmental impact statement (the “**EIS**”) in connection with the Gibellini vanadium project by the Bureau of Land Management (the “**BLM**”), pay Monitor, \$50,000 in cash.

The Gibellini Data Pack includes six boxes of printed reports and files, and over 90 gigabytes of electronic reports, files and thousands of drawings that include, but are not limited to:

Environmental studies and permitting:

- Baseline environmental studies;
- Complete Plan of Operation;
- Preparation documents for the EIS;
- Water line and power lines Plans of Development; and
- All geographic information system files associated with the studies and plans related to the environmental studies and permitting.

Exploration, geology and mining:

- 15,625 meters of drill database for the Gibellini and Louie Hill deposits;
- Exploration data, sample assays and geologic mapping of over 10 square miles (26 square kilometers) of claims which are now under Prophecy’s control or in adjudication;
- Other geologic and mining data and studies such as geologic, hydrological, geotechnical and pit design reports and maps.

Metallurgical:

- Reports of metallurgical testing carried out by SGS S.A. in 2006, by Dawson Metallurgical Laboratories in 2008, and by McClelland Laboratories in 2011;

- Pilot scale acid heap leach testing by McClelland Laboratories of a 16 tonne bulk sample from the Gibellini deposit over a 400 day continuous period in a 6 meter tall compressed column which simulated leaching of a 50 meter high heap; and
- Database of metallurgical test results and assays.

Engineering Procurement Construction Management:

- Basic engineering design drawings by Scotia International of Nevada Inc. including hundreds of drawings on process flow, crushing, heap leach pad, pregnant leach solution pond, solvent extraction plant, piping and infrastructure (power, water, and haul road); and
- Project capital and operating cost estimates based on the proposals and quotations received from equipment vendors.

With the Agreement now in place, and further to Prophecy's news release dated March 28, 2018, Prophecy is on schedule to revise and submit to the BLM updated base line studies and an updated Plan of Operations for the Gibellini vanadium project in May 2018. Upon acceptance by the BLM of the Plan of Operations, baseline studies and an environmental report, Prophecy expects in 2019 to trigger a Notice of Intent ("**NOI**") by the BLM to prepare an EIS for the Gibellini vanadium project. As a result of direction from Secretary of the Interior Order No. 3355 (Streamlining National Environmental Policy Reviews and Implementation of Executive Order 13807) Prophecy anticipates the Gibellini EIS will not be more than 150 pages (excluding appendices) and the BLM shall complete the Gibellini Final EIS within one year from the issuance of the NOI. This means that permitting for the Gibellini vanadium project may potentially be concluded in 2020. The Company has started discussions with vanadium product off takers and will provide an update on the progress in due course.

John Lee, Executive Chairman of Prophecy, states: "The Gibellini Data Pack is the culmination of over \$10 million in expenditures, tens of thousands of man-hours of work, and the effort of a multi-disciplinary team over a 10-year period, all of which is now in the possession of Prophecy and will expedite project development, and help achieve the Company's stated objective of transforming Gibellini into the first primary vanadium mine in North America, offering the best quality vanadium pentoxide product that exceeds customer requirements for a variety applications from traditional re-enforcement bars to high-tech grid-scale batteries and aerospace.

According to United Nations estimates, by 2030, the world will witness an urban population increase of 1 billion people which is equivalent to 100 times the current population of New York City. An important part of the solution to this massive impending housing problem is vanadium alloy re-enforcement steel bars to make our skyscrapers taller and safer."

Prophecy believes the Gibellini vanadium project offers the best leverage and a direct play in vanadium that reflects increased vanadium prices in a politically-safe, mining-friendly jurisdiction. Prophecy expects to report findings from an independent preliminary economic assessment of the Gibellini vanadium project in May 2018.

The Company also announces that pursuant to the terms of the Company's share-based compensation plan as amended, which was approved by shareholders at the Company's annual general meeting of shareholders held on June 2, 2016 and amended on June 13, 2017, it has granted in aggregate, 140,000 incentive stock options (the "**Options**"), to various directors, officers and consultants of the Company. The Options are exercisable at a price of \$2.80 per Common share for a term of five years expiring on April 6, 2023 and vest at 12.5% per quarter for the

first two years following the date of grant.

Qualified Persons

The technical contents of this news release have been prepared under the supervision of Christopher M. Kravits, CPG, LPG, general mining manager to 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. Further information on Prophecy can be found at www.prophecydev.com.

PROPHECY DEVELOPMENT CORP.
ON BEHALF OF THE BOARD

“JOHN LEE”
Executive Chairman

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: 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; conflicts of interest; and cybersecurity risks related to the Company's reliance on information technology systems.

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.