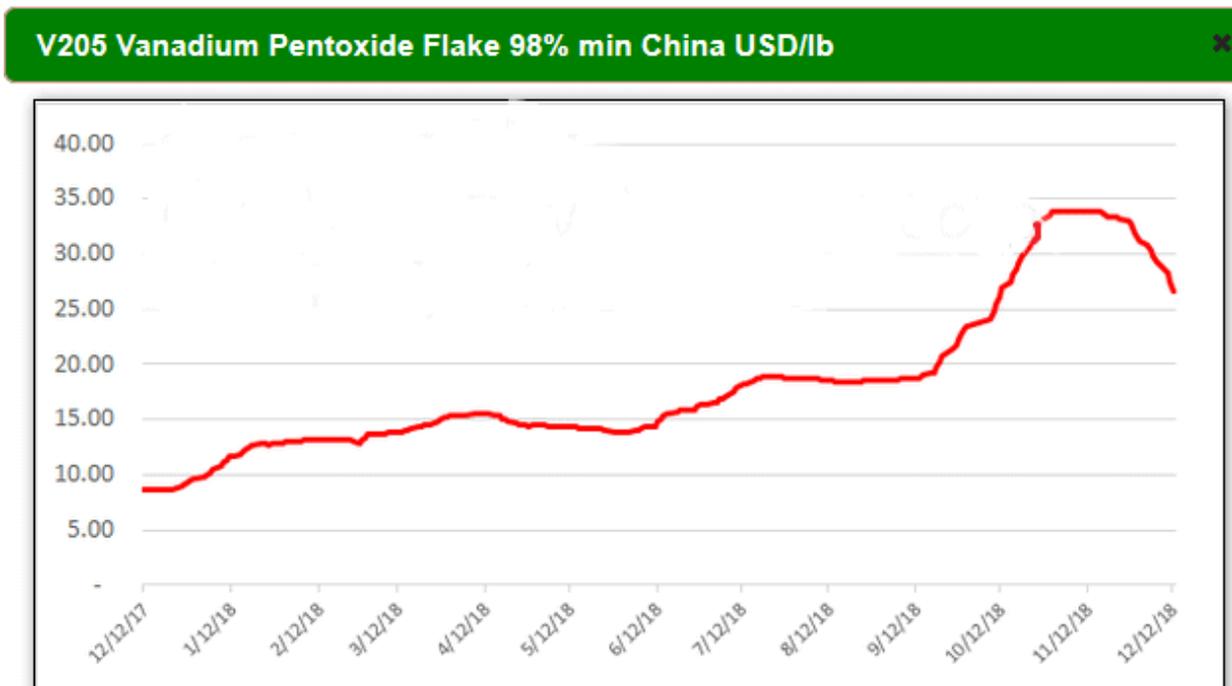


Prophecy is creating the right vanadium project at the right time.

Having been recognized by Henry Ford for its steel hardening properties for making cars, vanadium has made a huge comeback in 2018. Vanadium's price rise in 2018 has been nothing short of spectacular. Prices in China have more than tripled over the course of 2018 on the back of new Chinese construction laws requiring vanadium to be used in steel rebar. The steel industry accounts for just over 90 percent of global vanadium usage. Given China's dominance of global steel production, it's no surprise the country is the single largest user of vanadium. Investors should also be aware there has been a little bit of recent price softening (to ~\$27/lb) from vanadium's early November peak, however this should be expected after such a spectacular rise.



China vanadium spot price

Prophecy Development Corp. (TSX: PCY | OTCQX: PRPCF) is

developing the only large-scale, open-pit, heap-leach vanadium project of its kind in North America, at its 100% owned Gibellini project in Nevada, USA. Prophecy's mandate is to seek vanadium properties that are in conflict free areas on the planet. Prophecy has no bank debt and has approximately 95 million shares outstanding.

The Gibellini Project and PEA

Gibellini has the largest NI 43-101 compliant measured and indicated primary vanadium resource known in the USA and is currently undergoing engineering, procurement and construction management (EPCM) and Environmental Impact Statement (EIS) preparation.

Prophecy's 2018 Preliminary Economic Assessment (PEA) reported a net present value (NPV) of \$US338 million at a 7% discount rate, an internal rate of return (IRR) of 50.8%, life of mine (LOM) of 13.5 years, and 1.72 years payback; assuming an average vanadium pentoxide (V2O5) price of \$12.73/lb, and OpEx of US\$4.77/lb V2O5. Also most attractive is the small CapEx estimate of \$116.76m. As of December 2018 the price is more than double the \$12.73 per pound figure used in the PEA, sitting around \$27 per pound, which of course means the economics right now are a lot better. Also of interest is the project breakeven V2O5 selling price of US\$7.76/lb.

Recently appointed (October 10, 2018) President and CEO Gerald Panneton stated; "The Gibellini project represents an excellent opportunity to be developed in the very near future. I envision the Gibellini open pit project to have an excellent chance of expanding its resource base. I think it is definitely good timing to get involved in vanadium."

With global vanadium supply dwindling and demand increasing, this could be the right project at the right time. This coincides very nicely with the company name "prophecy" – According to the Cambridge dictionary prophecy is

a statement or prediction that tells what will happen in the future.

The Right Time: Dwindle Vanadium Supply



Vanadium is also the latest metal getting involved in energy storage. The vanadium redox flow battery (VRFB) is a breakthrough technology, as a fast-growing component of the infrastructure needed to accommodate the global shift to renewable energy. Current forecasts estimate that VRFBs could account for 20 percent of vanadium consumption by 2030.

It is looking more and more likely that vanadium is going to play a huge part in the future due to the continued demand from the construction (steel) industry and the rapid development in redox flow batteries in grid storage (green energy). Prophecy Development Corp. and their Gibellini Project may end up being the go to vanadium producer and supplier in North America.