

Prophecy Development readies to become the newest North American Vanadium producer in 2022

Many experts agree that vanadium is the new age miracle metal, but is it really that new? Vanadium is a medium-hard, steel-blue metal that has been a miracle metal since it was used by Henry Ford on an industrial scale, in the 1908 Model T car chassis. Although a lesser-known metal, it is quite valuable in the manufacturing industry due to its malleable, ductile and corrosion-resistant qualities. The old age miracle part comes from its hardening properties that Ford was interested in as just two pounds of vanadium added to a tonne of steel doubles its strength. Today's new age miracle label comes not only from its continuing use as a steel hardener but also its use in vanadium redox flow batteries, mostly used for grid-scale energy storage.

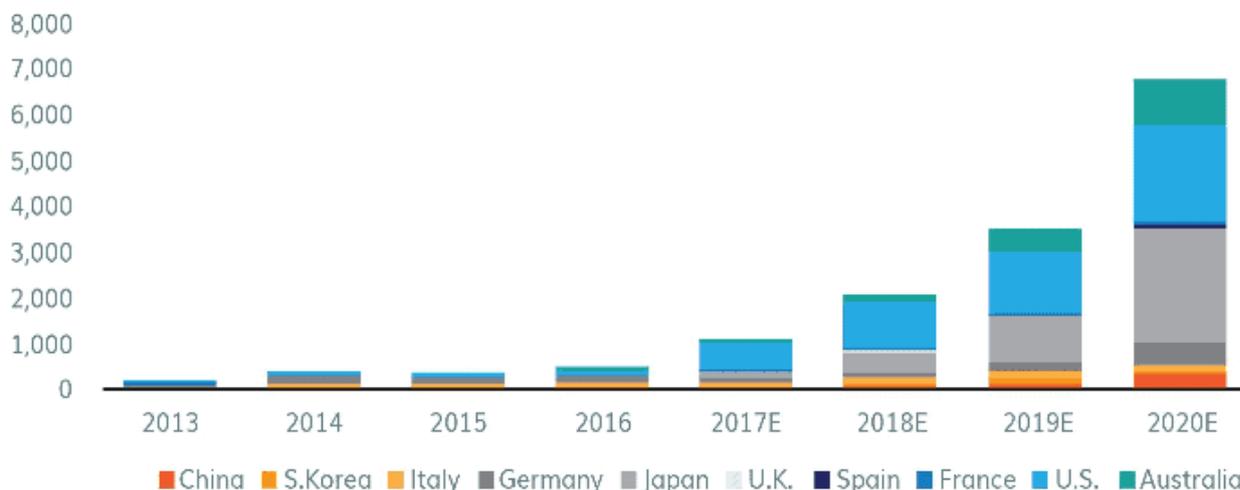
The battery energy storage industry is about to take off. Valued in 2018 at US\$11 billion it is forecast to grow to US\$170 billion by 2030. That's an annual growth of 25.6%, and total growth of 1,445%. China is already building several VRFB installations and California recently opened their first one with enough power for about 1,000 homes for up to four hours.

Vanadium based energy storage to grow rapidly

Cumulative Market Projection of Vanadium Consumption for Energy Storage

A New Player in Demand!

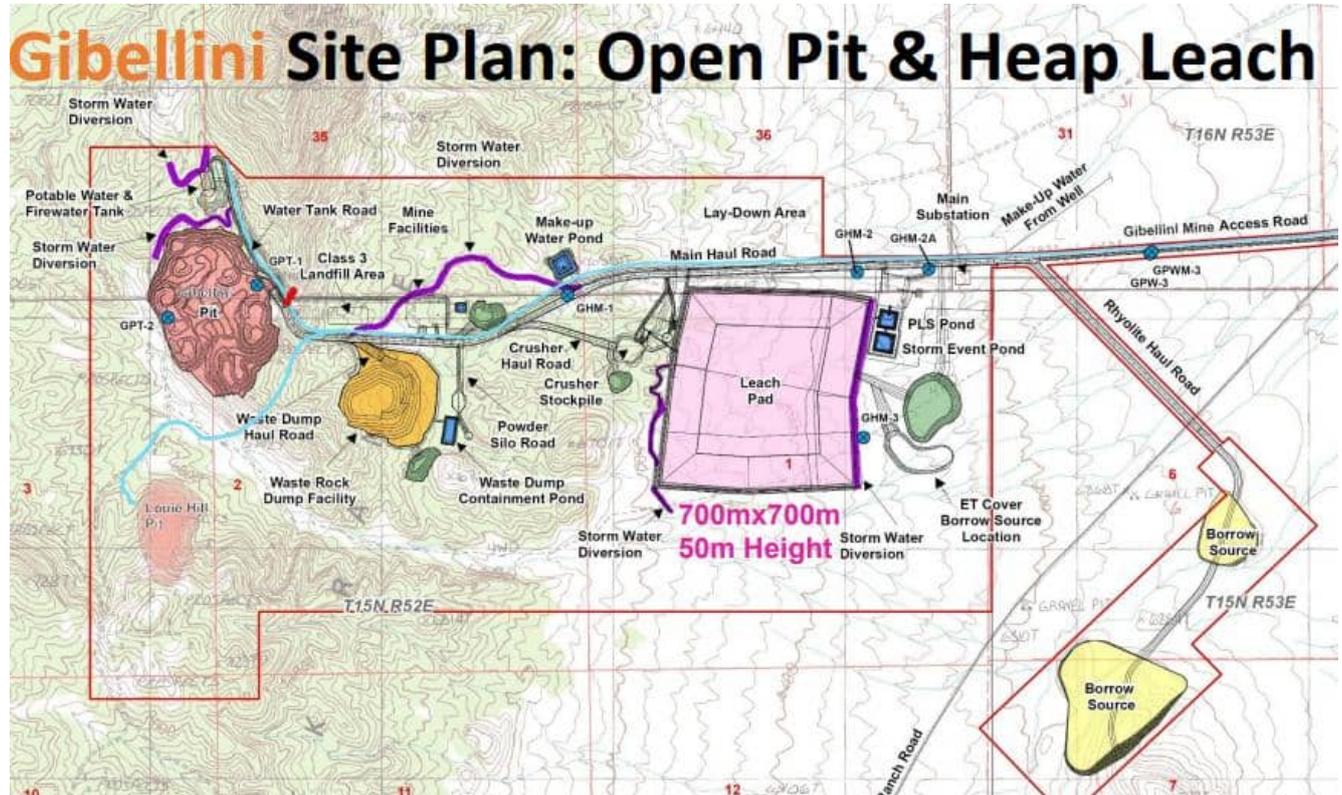
(Metric Tons V per Year)



Source: Azure International

Vanadium based energy storage to grow rapidly

Prophecy Development Corp. (TSX: PCY | OTCQX: PRPCF) is the owner of the Gibellini Mining Project located in Nevada. The Project is the only large scale, open-pit, heap-leach vanadium project of its kind in North America, and is currently undergoing EPCM and EIS preparation.



Prophecy's Gibellini Project key metrics

The economics of the Gibellini Project is solid with an NPV of \$338m, and a low CapEx of just \$117m, resulting in an IRR of 51%.



\$117M CAPEX
51% IRR
130M* LBS M + I
OPEN PIT & HEAP LEACH

Prophecy's next steps and timeline to production

After meeting with regulators in late April 2019, the Company has recently announced its guidance regarding expected permitting timelines at Gibellini. An Environmental Impact Statement (EIS) Record of Decision (ROD) would be expected no later than Q1 2021. On receipt of a positive ROD and issuance of State permits, Prophecy plans to start mine construction in 2021. The Company expects to be a vanadium producer by Q4 2022. In the interim of this process, the Company will be seeking project financing.

Prophecy Gibellini Project timeline to production



Mike Doolin, Prophecy's COO and interim CEO stated: "Selection process is underway for a qualified third party EIS contractor who will develop the EIS document and conduct the required environmental impact analysis for the Gibellini Project. In conjunction, M3 Engineering of Tucson AZ is working to complete the engineering designs as part of overall Engineering Procurement Construction Management."

Meanwhile, the 155 assays result from Prophecy's fall 2018 exploration program covering 3 locations, outlined surface grab samples as high as 2% vanadium pentoxide (V2O5) and 75 samples (48% of total 155) have V2O5 grades greater than the Gibellini deposit's cut-off grade of 0.101% V2O5. Results have demonstrated extensive mineralization with almost half the samples well above the cut-off grades.

Prophecy's timing as they head towards production could almost be prophetic. This new age metal will see very strong demand for vanadium from VRFBs, as well as vanadium-titanium alloys that have the best strength to weight ratio of any engineered material on earth. It could be the flow battery that will lead the way as many developing countries seek new energy solutions and how to store energy. Simply by using larger electrolyte storage tanks the vanadium redox battery can offer almost unlimited energy storage capacity.

Prophecy Development Corp. has a solid plan towards production with a defined timeline that should see them as the newest North American Vanadium producer by the end of 2022.

Based in Vancouver, Canada; Prophecy Development Corp. has a market cap of C\$ 17.7 million.