

# Prophecy's Gibellini Vanadium Project to Undergo Streamlined NEPA Review Process (US Secretary of the Interior Order No. 3355)



**TSX: PCY | OTCQX: PRPCF**

March 28, 2018 (Source) – Prophecy Development Corp. (“Prophecy” or the “Company”) (TSX:PCY, OTCQX:PRPCF, Frankfurt:1P2N) is pleased to announce that following a meeting between the Company and staff of the Battle

Mountain District-Mt. Lewis field office of the Bureau of Land Management (the “BLM”) on March 23, 2018, Prophecy’s Gibellini vanadium project (the “**Gibellini Project**”) will be one of the first projects to undergo National Environmental Policy Act (“NEPA”) review under Secretary of the Interior Order No. 3355 with the following subject: Streamlining National Environmental Policy Reviews and Implementation of Executive Order 13807 (the “**Order**”).

## The Order

The full text of the Order may be accessed with the following link:

<https://elips.doi.gov/elips/0/doc/4581/Page1.aspx>

The Order states as one of its intentions to “immediately implement certain improvements to [NEPA] reviews conducted by the Department of the Interior (Department)”.

## *Background*

The Order provided background to this intention, stating “Both the Department and the Council on Environmental Quality (CEQ) have issued regulations to implement NEPA. Because the purpose of NEPA’s requirements is not the generation of paperwork, but the adoption of sound decisions based on an informed understanding of environmental consequences, the regulations encourage agencies to: 1) focus on issues that truly matter rather than amassing unnecessary detail; 2) reduce paperwork, including by setting appropriate page limits; 3) discuss briefly issues that are not significant; and 4) prepare analytic (rather than encyclopedic) documents, among other measures.”

### *Directives*

The Directives laid out in the Order concerning page and timing limitations for environmental impact statements (“EISs”) included for “...all EISs 1) for which a bureau is the lead agency and 2) that have not reached the drafting stage shall not be more than 150 pages or 300 pages for unusually complex projects, excluding appendices... To ensure timely completion of EISs, and consistent with the timelines established for major infrastructure projects in E.O. 13807, each bureau shall have a target to complete each Final EIS for which it is the lead agency within 1 year from the issuance of a Notice of Intent (NOI) to prepare an EIS.”

### **Prophecy Comment**

At the end of the meeting, the BLM and Prophecy tentatively agreed to the following:

1. Prophecy is to revise and submit the baseline studies and Plan of Operation for the Gibellini Project in May 2018 based largely on submissions from the project’s previous operator;
2. the BLM and Prophecy will then identify data and studies requiring updates, which Prophecy will engage

- contractors to perform;
3. in parallel, Prophecy will begin preparing an environmental report relating to the Gibellini Project; and
  4. upon acceptance of the baseline studies, Plan of Operation, and environmental report by the BLM, Prophecy expects to trigger a Notice of Intent by the BLM to prepare an EIS for the Gibellini Project, currently expected to be completed in 2019.

Prophecy has in a short period:

1. announced a National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") compliant resource estimate of 49.62 million pounds of vanadium pentoxide in the measured category and 79.67 million pounds of vanadium pentoxide in the indicated category and 37.27 million pounds in the inferred category for the Gibellini deposit (refer to the Company's news release dated November 20, 2017), prepared by Amec Foster Wheeler E&C Services Inc. ("**AMEC E&C**"). The Qualified Person for the estimate is Mr. E.J.C. Orbock III, RM SME, an AMEC E&C employee. The Mineral Resource estimate has an effective date of November 10, 2017;
2. secured a land package of eight square kilometers for processing needs with exploration potential (refer to the Company's news release dated February 15, 2018);
3. brought on a seasoned team with decades of experience in permitting, project management and vanadium metallurgy (refer to the Company's news release dated February 26, 2018);
4. brought on a Chinese technology partner with a proven commercial vanadium operation to engineer high grade vanadium production technology for Gibellini (refer to the Company's news release dated March 12, 2018);
5. re-engaged and reinitiated the environmental and permitting processes at the federal and state levels.

Because of the baseline and feasibility work carried out by the Gibellini Project's prior operator, Prophecy anticipates significant cost and time savings in EIS preparation and the state permitting process; and

6. engaged AMEC E&C to prepare a preliminary economic assessment, with results due in late April 2018.

The price of vanadium pentoxide is up 65% this year according to Asian Metal Inc., a data vendor that provides metal prices. Bloomberg and Bank of Montreal have recently started coverage on this increasingly attractive metal. Vanadium is currently trading at USD14.9/lb up from the 2017 low of USD5/lb according to Asian Metal Inc. and is outperforming cobalt and lithium by a wide margin.

With the Order, Prophecy is on a predictable track to make the Gibellini Project the first operating primary vanadium mine and processing plant in North America, offering the best quality vanadium pentoxide product that exceeds customer requirements for a variety of high-tech applications such as batteries and aerospace.

John Lee, Prophecy's Executive Chairman, states: "To our shareholders, we want to offer the best leverage and a direct play that reflects vanadium prices. To our future customers, we want to be your reliable source for high quality vanadium supply in a politically-safe, mining-friendly jurisdiction."

### **Qualified Persons**

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 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](http://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.