

Prophecy Development's John Lee on the Gibellini Vanadium Project in Nevada

March 28, 2018 – “They are very eager to advance this project forward. In fact the state of Nevada at the PDAC conference in Toronto just a week ago had the Gibellini project front and center on the first page of their brochure.” states John Lee, CEO and Chairman of Prophecy Development Corp. (TSX: PCY | OTCQX: PRPCF), in an interview with InvestorIntel's Peter Clausi.

Peter Clausi: Last time we chatted I think was in December.

John Lee: Around that timeframe; 3 or 4 months ago, yes.

Peter Clausi: A lot has happened to the project since. First we should remind our viewers it is a vanadium project. You have three of them, but we are really talking about one of them. It is in the lovely mining friendly state of Nevada. It has some advanced permitting on it from prior owners.

John Lee: That is correct Peter.

Peter Clausi: Tell us, what is the project called?

John Lee: The project's name is Gibellini. It is located just about 20 miles south of Eureka in the southern Battle Mountain region in northeastern Nevada.

Peter Clausi: Right. You have Battle Mountain, Florida Canyon, Mill City is that way.

John Lee: It is close to everywhere, but not too close to nowhere. It is a 5-hour drive from Vegas, 3-hour drive from Reno and 5-hour drive from Salt Lake City. I just recently made a trip there. I traveled from all those three different

locations getting to the property.

Peter Clausi: What is happening at the project now?

John Lee: Peter when we last talked the project really has 4 competitive differentiators. The project is ideally located. According to the Fraser Institute it is one of the best places to do mining investments in North America. That has not changed.

Peter Clausi: Nevada it is a great jurisdiction.

John Lee: Yes. The price of vanadium has gone up 40% since January. Any addition to that is thanks to Donald Trump's tax policy. The corporate tax rate has dropped from 35% to 21%. The project has a feasibility study that was prepared by the previous operator and which we would expect to announce a revision. The numbers so far look very, very promising. You have a lower tax rate and higher metal prices that bode very well for the project going forward. Not to mention, I think the other thing is on the permitting, the previous operator also did extensive baseline studies. Nevada, even though it is mining friendly, but the permitting aspect is not for the faint hearted. We had a huge leg up in that baseline studies and plan of operation had been submitted and deemed accepted by the Bureau of Land and Management. I was just in Nevada. We sat down with these guys. They are very eager to advance this project forward. In fact the state of Nevada at the PDAC conference in Toronto just a week ago had the Gibellini project front and center on the first page of their brochure. We felt like the permitting side is also making some advances as well as the feasibility study, which we are looking to publish a revision very soon within the next 30 days.

Peter Clausi: You had some pretty good news come out today. It is the kind of news that some people will overlook and fail to understand why it is so important. Tell us about that.

John Lee: Even though there is doldrums in this metals market

we generated a bit good volume. This morning we announced the news of our technical partnership with a company called NWME, Northwest Nonferrous Mining Company...to access the complete interview, [click here](#)

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Analyst reports Sayona has the potential to be one of the fastest lithium movers

Independent Investment Research, a brokerage firm based in Australia and the US has published an in-depth report on the activities of Sayona Mining Limited (ASX: SYA) ("Sayona") and concluded that the company has the potential to rapidly advance at least one of their resources and become a low-cost producer. The report concurs with the Preliminary Feasibility Study (PFS) that growth in the lithium market, particularly in the demand for high-purity battery-grade materials, is sufficient to make the Authier resource viable and low-risk. The PFS returned a pre-tax NPV of C\$140 million and an IRR of 39% for an estimated initial capital outlay of only C\$66 million.

Sayona has 100% ownership of the Authier lithium pegmatite project in Quebec, as well as two sites in Australia known as Pilbara; the company has an 80% stake in one of these resources, as well as 100% in the other. The report further highlights that the project could benefit from short term development since permitting should progress smoothly for a small project, located in such a mine-friendly jurisdiction as

Canada. Quebec's existing infrastructure, skilled workforce and mining legislation are all behind the fact that the province ranked sixth globally in the 2016 Fraser Institute Survey of Mining Companies.

Similarly, the company's Pilbara project is also based in a top mining-friendly jurisdiction; Australia ranked third globally in the same 2016 Fraser Institute survey. The Australian projects are divided into two prospective yet relatively under-explored resources. The recent discovery which extended the company's Mallina project with sample grades as high as 3.47% Li_2O demonstrates that these areas are indeed compelling exploration prospects.

It is Authier, however, which is the real strength of Sayona. The PFS, which was released to the market on February 16, 2017, highlighted a robust project treating an average of 700,000tpa of pegmatite ore to produce 99,000tpa of a 5.75% Li_2O concentrate over a mine and processing life of thirteen and fifteen years respectively. The rate of 700,000tpa is to allow for a processing rate of less than 2,000tpd, which under Quebec legislation avoids a costly and lengthy Environmental Impact Assessment (EIA), a massive bonus not only in terms of time frames, but also in reducing potential opposition.

In June, Sayona announced that it had expanded the Authier resource by 27%, which highlights the potential for a significant extension of mine life and/or increase in throughput from the 13 years mining estimated in the current PFS. Work is currently continuing at the site, with the aim of releasing a Definitive Feasibility Study (DFS) at the beginning of 2018.

Overall, Authier is an advanced, near development project, with much of the expected pre-development costs already expended. The initial estimated capex of C\$66 million should be fairly easy to come by. Furthermore, the capital intensity of C\$662/annual tonne of concentrate is reasonable when

compared with cost estimates of Sayona's peers. Additionally, Sayona is completely debt-free and has experienced people with some serious time spent in the resources game, as well as being major shareholders themselves. Keep an eye on this one, as it could be one of the fastest movers we've seen in quite some time.