

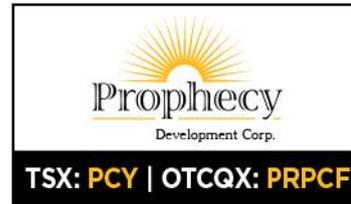
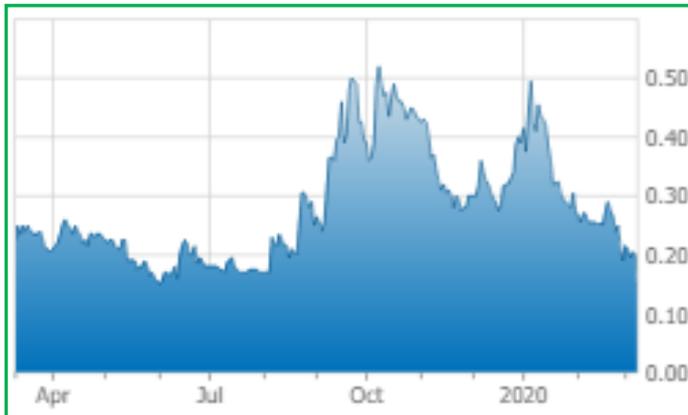
Strategic Metals & Rare Earths Letter

INTERNATIONAL

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INVESTMENT ALERT – March 9, 2020

www.prophecydev.com



Prophecy Development Corp. (C\$ 0.16)

TSX.V : PCY
OTCQX : PRPCF
Frankfurt : 1P2N

H + L prices (12 months) : C\$ 0.56 – 0.16

Net shares issued : 122.9 million
Fully diluted shares : 159.2 million
Market Capitalization : C\$ 19.0 million
(US\$ 14.1 million)

2020 price target: C\$ 0.80

INVESTMENT ALERT

► **Prophecy** completes assay results from Step Out Drill Program and starts District Exploration program at its **Pulacayo Silver Project**, Bolivia

On March 7, 2020, Prophecy Development (“Prophecy”) announced that it had recently completed a 2,598-metre, 16-hole step out drill program for its **Pulacayo Silver Project**.

Significant results of the program are:

Hole ID	Interval	Ag (silver) g/t	Zinc (%)	Lead (%)	Ag equivalent	Target
	35.5	54.3	4.31	0.92	229.6	West
	6	47.8	1.11	0.25	89.7	West
PUD 268	2	20	1.34	0.77	92.6	West
PUD 274	2	93.5	--	0.42	98.8	East
PUD 274	1	83	--	0.09	77.4	East



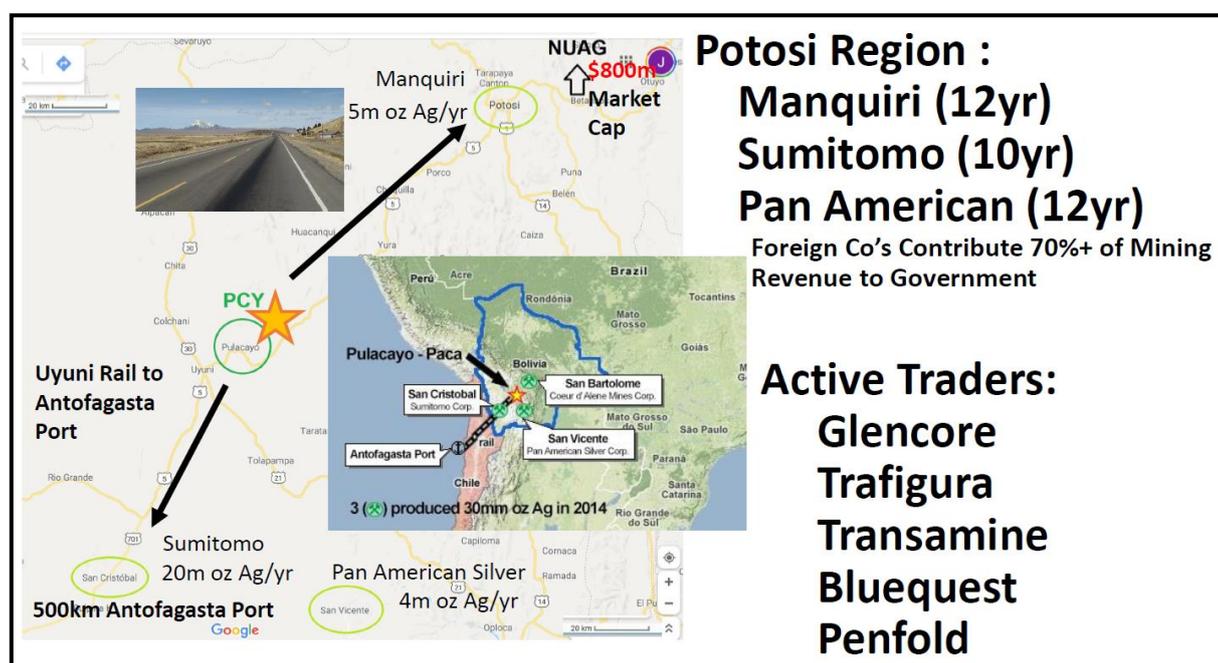
Silver equivalent is calculated as follows: **Ag Equivalent (g/t) = Ag (g/t 89.2%) + Pb % (US\$ 0.94/lb), Zn % (US\$ 1.00/lb)**

Holes ranged between vertical depths of 70 and 255 metres and were designed to test the possibility of a shallow extension of the **Tayo vein system** which currently hosts the Company's **NI 43-101 Compliant Indicated Resource of 30.4 million ounces of silver grading 455 g/t Ag, 3.19% Zn and 2.18% Pb** and **Inferred Resources of 6.3 million ounces silver grading 406 g/t Ag, 2.08 Zb and 3.93% Pb**.

Fourteen holes were collared to the west (**Pulacayo West**) and two holes were collared to the east of the **Pulacayo resource** boundaries.

PUD 267 intercepted 35.5 metres of mineralization and likely expanded the resource westwards by approximately 80 metres. However, a paucity of other significant results is believed to be due to the geological setting of the shallow targets.

On **March 9, 2020**, the Company announced that it has commenced an exploration program at the **Pulacayo Silver Project**. Induced polarization geophysics will be conducted in tandem with the field program, with 106 line-kilometres of survey having been outlined. **The program is expected to be completed by June 2020, when the results will have been evaluated. The intention is to then generate drilling targets in the district.**



On **March 16, Prophecy** will hold a **Special Meeting of Shareholders** to approve a change of the Company name to **Silver Elephant Mining Corp.**, with a new proposed **TSX sticker symbol ELEF** to best reflect the Company's focus is developing its **Pulacayo Silver Project** in **Bolivia**.

At the Special Meeting, **Prophecy** will propose a consolidation of its issued and outstanding shares within the range of 1 for every 5 pre-consolidated common shares, and 1 post consolidation common share for 10 pre-consolidation common shares issued and outstanding.

Prophecy has set out to achieve its two major 2020 objectives:

Increasing in-situ **Pulacayo** silver ounces and increasing investor awareness, which will be accomplished by:

- Scientifically locating the most promising drill targets and systematically drilling those targets at **Pulacayo** and **Paca**
- Preparing updated, independent resource estimates to account for new resource discoveries
- Diligently searching for and negotiating the acquisition of other quality silver and gold projects
- Attracting and bringing in analyst research coverage and new strategic investors

2020 Priorities

Sample & Drill Surface Targets

Paca North, Pacamayo, Pero, El Abra

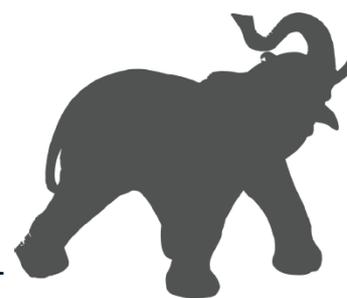
Update 43-101 Resource

Prepare Pulacayo Underground Mine Plan

Rename Prophecy (PCY) to Silver Elephant (ELEF) Q1

Spin Off / Funding Vanadium at Subsidiary Level

Consolidate Shares Only upon Acceptance to US Listing



TSX ELEF

Opportunities

Rehab Shafts To Access Midriff Level

Drill Elephant -700 to -1,000 Level

Investment comments:

Prophecy's **Pulacayo deposit** currently has an Ni 43-101 compliant resource of 2.08 million tonnes at 455 g/t silver, 2.18% lead, 3.19% zinc in the Indicated category.

It also has **0.48 million tonnes at 406 g/t silver, 2.08% lead, 3/93% zinc in the Inferred Category.**

The Company estimates that the amounts of metals in the Inferred category are 6.3 million ounces of silver, 22.0 million pounds of lead and 4.16 million pounds of zinc.

Poised to be USA's first primary vanadium mine, Gibellini has completed a **Preliminary Economic Assessment ("PEA")** on May 28, 2018, which is planned to be a conventional open-pit mining with an average mine production during the 13.5 year mine life, reported an **after tax cumulative cash flow of US\$ 60.15 million, an internal rate of return of 50.8%, a Net Present Value of US\$ 338.3 million at a 7% discount rate and a 1.72 years payback on investment from start-up assuming an average vanadium price (V2O5) of \$ 12.73 per pound.**

With US\$ 20 million having been invested in the **Gibellini Project**, which shows positive vanadium economics, and expecting the permit of production in Q1 2021, followed by construction in 2021/2022, and production to commence in Q4 2022.

In addition, **Prophecy** has created a significant added value by reorganizing its **Silver Elephant Mining Project** in **Bolivia**, in which project US\$ 25 million has been invested.

In commercial production in the **Mongolia** coal project (through Asia Mining), US\$ 50 million has been invested and this project may seek to go public.

Considering **Prophecy's** aggregate investment of US\$ 95 million compared to the Company's currently depressed market valuation of approximately US\$ 14.1 million, and in particular considering the prospective outlook for its **Gibellini vanadium project** well on its way to expected commercial production in 2021, in my view, **Prophecy** offers a high investment leverage potential.

My **2020** price target remains C\$ 0.80.