

**BC FORM 51-102F3  
MATERIAL CHANGE REPORT**

**UNDER SUBSECTION 7.1(1) OF NATIONAL INSTRUMENT 51-102**

**ITEM 1. NAME AND ADDRESS OF COMPANY**

Prophecy Development Corp.  
Suite 1610 – 409 Granville Street  
Vancouver, BC V6C 1T2

**ITEM 2. DATE OF MATERIAL CHANGE**

August 19, 2019

**ITEM 3. NEWS RELEASE**

The news release dated was disseminated through ACCESSWIRE Canada Ltd. and filed on SEDAR on August 19, 2019.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

Prophecy Development Corp. announced the formation of two wholly owned Canadian BC subsidiaries; Silver Elephant Mining Corp. ("**Silver Elephant**") and Asia Mining Inc. ("**Asia Mining**") in order to facilitate potential future spinoffs of the Company's wholly owned Bolivian silver operation and Mongolian coal operation.

The Company also announced it has granted in aggregate, 1,685,000 incentive stock options (the "**Options**"), to certain directors, officers, employees and consultants of the Company. The Options are exercisable at a price of \$0.20 per Common share for a term of five years expiring on July 29, 2024 and vest at 12.5% per quarter for the first two years following the date of grant. As part of its continuous review, the Company cancelled a total of 1,356,000 stock options with various exercise prices.

**ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE**

Please see the news release dated August 19, 2019, which is available for review under the Company's SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com).

**ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OR 7.1(3) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7. OMITTED INFORMATION**

None.

**ITEM 8. SENIOR OFFICER**

Contact: Rocio Echegaray, Corporate Secretary  
Telephone: (604) 569-3661  
Email: [rechegaray@prophecydev.com](mailto:rechegaray@prophecydev.com)

**ITEM 9. DATE OF REPORT**

August 19, 2019