



ProphecyDeFi

PROPHECY DEFI ANNOUNCES ISSUANCE OF PROMISSORY NOTES

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Toronto, Ontario – August 18, 2025 – Prophecy DeFi Inc. ("**Prophecy DeFi**" or the "**Company**") (CSE: PDFI) announces that on August 15, 2025, it issued to certain creditors of the Company (collectively, the "**Lenders**") interest bearing demand promissory notes (the "**Notes**") in the aggregate principal amount of \$75,000 (the "**Principal Amount**").

Interest on the outstanding Principal Amount of the Note will accrue from time to time of the Principal Amount until the Principal Amount is repaid in full at the rate per annum equal to ten percent (10%), calculated monthly, as well after as before maturity and both before and after default. The Principal Amount and any accrued and unpaid interest owing shall become due and be paid in full on demand by the Lenders.

The issuance of the Notes to the Lenders constitutes a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as \$25,000 Principal Amount of the Notes was issued to a director of the Company. The Company was exempt from the MI 61-101 valuation and minority approval requirements for related party transactions in connection with the issuance of the Note under sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the director, exceeds 25% of the Company's market capitalization (as determined under MI 61-101).

The Notes were approved by the members of the board of directors of the Company who are independent for the purposes of the Notes. No special committee was established in connection with the Notes, and no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

About Prophecy DeFi

Prophecy DeFi Inc. (PDFI) is a publicly traded investment company whose primary objective is to invest its funds for the purpose of generating returns from capital appreciation and income. It plans to accomplish these goals by bringing together technology start-ups in the Blockchain and Decentralized Finance sectors to fund innovation, elevate industry research, and create new business opportunities in a coherent ecosystem.

www.prophecydefi.com

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Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this news release contains forward-looking statements and information relating to the approval of the Notes. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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