

BC FORM 51-102F3
MATERIAL CHANGE REPORT

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

January 8, 2020

ITEM 3. NEWS RELEASE

The news release dated January 8, 2020 was disseminated through ACCESSWIRE Canada Ltd. and filed on SEDAR on January 8, 2020.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Issuer announced that it will hold a special meeting of shareholders on March 16, 2020.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

The Issuer announced that it will hold a special meeting of shareholders on March 16, 2020 at 10:00 AM (PST) (the “Special Meeting”) at Suite 2600 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

At the Special Meeting, shareholders will be asked to approve a change of the Issuer name to “Silver Elephant Mining Corp.” (the “Name Change”) with a new proposed TSX ticker symbol ELEF, to best reflect the Issuer’s focus in developing its Pulacayo silver project in Bolivia.

At the Special Meeting, the Issuer also proposes to seek shareholder approval for a consolidation of its issued and outstanding Shares at a ratio between one (1) new Common Share for every five (5) to ten (10) old Common Shares outstanding (the “Consolidation”). The effective date of the Name Change, the Consolidation ratio and the Consolidation, if approved, will occur at a future date to be determined by the Board when it considers it to be in the best interests of the Issuer to implement. The proposed Name Change and Consolidation are subject to certain regulatory approvals, including the approval of the TSX.

At the Special Meeting, the Issuer will further seek Shareholder approval for the ratification of 794,000 stock options previously granted to certain directors, officers, employees and consultants of the Issuer on July 29, 2019 which was press released on August 19, 2019, pursuant to the terms of the Issuer’s Share-Based Compensation Plan as approved at its Annual General Meeting of shareholders held on June 2, 2016, and amended on June 13, 2017 and further amended on September 12, 2019. Further information regarding all matters to be approved at the Special Meeting will be provided in an information circular which will be mailed to shareholders in February 2020.

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

Not applicable

ITEM 7. OMITTED INFORMATION

Not applicable

ITEM 8. SENIOR OFFICER

Contact: Brigitte McArthur, Corporate Secretary
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Email: bmcArthur@prophecydev.com

ITEM 9. DATE OF REPORT

January 8, 2020