

PROPHECY DEVELOPMENT CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of **PROPHECY DEVELOPMENT CORP.** (the “**Company**”) will be held at Suite 451 - 409 Granville Street, Vancouver, British Columbia on the 2nd day of June, 2016 at the hour of 9:00 AM (PST), for the following purposes:

1. To receive and consider the audited financial statements of the Company for the year ended December 31, 2015, and the auditors' report thereon;
2. To set the number of directors of the Company for the ensuing year at five;
3. To elect Directors of the Company for the ensuing year;
4. To appoint Davidson & Company LLP as auditors of the Company for the ensuing year and to authorize the Directors to fix the auditors' remuneration;
5. To consider an ordinary resolution of disinterested shareholders to approve the allotment and issuance of up to 75,000,000 Debt Settlement Units, as more particularly described in the accompanying Information Circular;
6. To consider an ordinary resolution of disinterested shareholders to approve the adoption of a Share-Based Compensation Plan, as more particularly described in the accompanying Information Circular;
7. To consider an ordinary resolution of shareholders to approve a consolidation of the Company's issued and outstanding Common shares on the basis of one (1) post-consolidation Common share for each one hundred (100) pre-consolidation Common shares as more particularly described in the accompanying Information Circular; and
8. To transact such other business as may properly come before the meeting.

Accompanying this Notice of meeting is the Company's Information Circular, Form of Proxy (or Voting Instruction Form if you hold Common shares through a broker or other intermediary) and a Supplemental Mailing List Return Card. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice. A copy of the audited Consolidated Financial Statements together with the Management's Discussion and Analysis as at December 31, 2015 have been filed under the Company's SEDAR profile and may be viewed by interested shareholders by visiting www.SEDAR.com.

SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO DATE AND SIGN THE ENCLOSED PROXY FORM AND RETURN IT PROMPTLY TO THE COMPANY'S REGISTRAR AND TRANSFER AGENT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY AND INFORMATION CIRCULAR ACCOMPANYING THIS NOTICE. THE PROXY WILL NOT BE USED AT THE MEETING OR ANY ADJOURNMENT(S) THEREOF UNLESS THE SAME IS DEPOSITED AT THE OFFICE OF THE REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA BY FAX WITHIN NORTH AMERICA AT 1-866-249-7775, OUTSIDE NORTH AMERICA AT 1-416-263-9524, AND BY MAIL TO THE 9TH FLOOR, 100 UNIVERSITY AVENUE, TORONTO, ONTARIO, M5J 2Y1 OR BY HAND DELIVERY AT 2ND FLOOR, 510 BURNARD STREET, VANCOUVER, BRITISH COLUMBIA, CANADA V6C 3B9, AT LEAST 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE HOLDING OF THE MEETING. THE ENCLOSED PROXY FORM IS SOLICITED BY MANAGEMENT AND YOU MAY AMEND IT, IF YOU SO DESIRE, BY STRIKING OUT THE NAMES LISTED THEREIN AND INSERTING IN THE SPACE PROVIDED THE NAME OF THE PERSON YOU WISH TO REPRESENT YOU AT THE MEETING. IF A SHAREHOLDER RECEIVES MORE THAN ONE PROXY FORM IT IS BECAUSE SUCH SHAREHOLDER OWNS SHARES REGISTERED IN DIFFERENT NAMES OR ADDRESSES; EACH PROXY FORM SHOULD BE COMPLETED AND RETURNED.

Dated at Vancouver, British Columbia, this 18th day of April, 2016.

BY ORDER OF THE BOARD

“John Lee”

John Lee, Executive Chairman