

## **Forward Looking Statements**



This presentation may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding future plans and objectives of the Company, projected capital and operating expenses, permitting approvals, timetable to permitting and production and the prospective mineralization of the properties, are forward-looking statements that involve various risks, assumptions, estimates and uncertainties. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All sources are from the Company unless otherwise noted. Forward-looking information is subject to known and unknown risks, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; acquisition risks; and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. These statements reflect the current internal projections, expectations or beliefs of Prophecy Development Corp. ("the "Company" or "Prophecy") and are based on information currently available to the Company. The Company does not undertake to upda

The technical content of the Company's presentation was reviewed and approved by Danniel Oosterman P.Geo., who is a Qualified Person within the meaning of National Instrument 43-101. Mr. Oosterman is a consultant to the Company and serves as its qualified person and VP Exploration. Mr. Oosterman is not independent of the Company since most of his income is derived from the Company.

Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated or Inferred Resources – The information presented uses the terms "measured", "indicated" and "inferred" mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize these terms. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

Jul 30, 2020

# **Nevada Vanadium Mining Corp**



Wholly Owned by <u>Silver Elephant Mining Corp</u> (TSX: <u>ELEF</u>, OTC: SILEF)

#### Gibellini Project, Nevada

Mission Statement: Secure America's Critical Vanadium Supply by Making Gibellini the 1<sup>st</sup> US Primary Vanadium Operating Mine by 2023

#### THE 35 MINERALS CRITICAL TO U.S. NATIONAL SECURITY

This draft list of minerals deemed essential to the economic and national security was released Feb 16, 2018



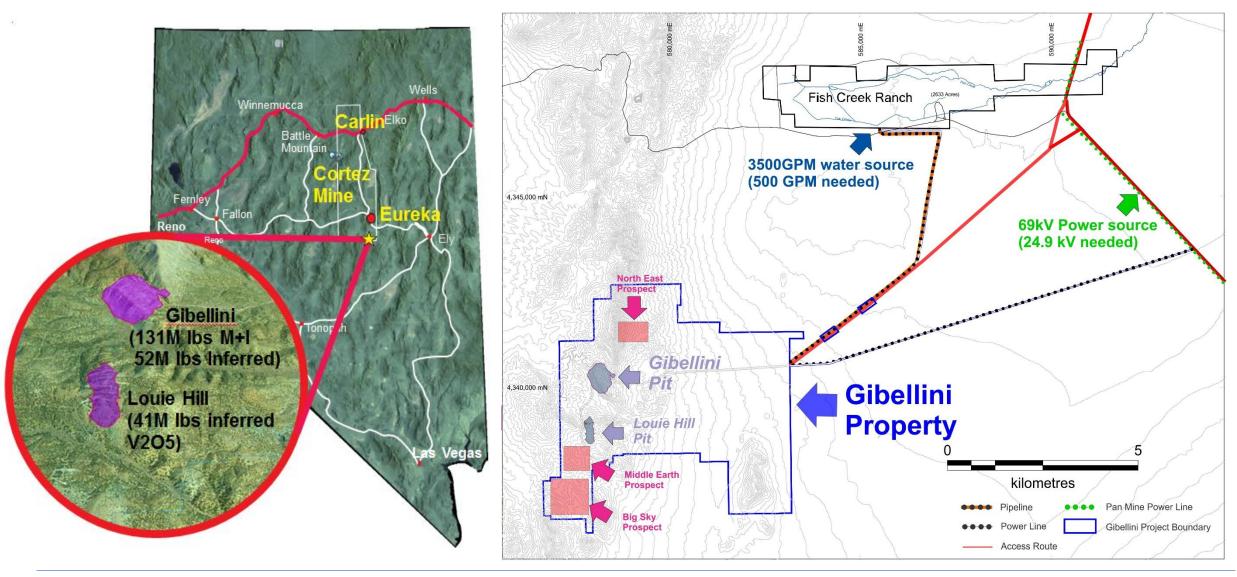
...our nation's mission [is] to reduce our vulnerability to disruptions in the supply of critical minerals. Any shortage of these resources constitutes a strategic vulnerability for the security and prosperity of the United States.

> Dr. Tim Petty, Assistant Secretary of the Interior for Water and Science

# Gibellini Vanadium Project-Eureka, Nevada



The Fraser Institute Ranked Nevada #1 in its **Annual Survey** of Mining Companies in 2018.



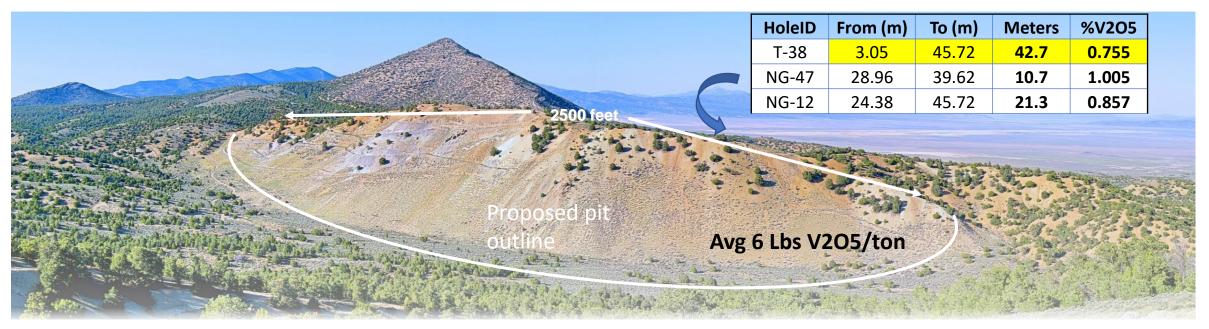
## **Gibellini: Vanadium Project Economics**



Gibellini	Tons (mt)	Grade (%)	V205 (lbs)
M&I	22	0.294	129 million
Inferred	9.8	0.19	37 million
Louie Hill			
Inferred	7.1	0.284	40 million

Price change	V <sub>2</sub> O <sub>5</sub> price \$/lb	After-tax IRR	After-tax NPV @7%	After-tax cashflow
Base price	\$12.73	51%	\$338M	\$600.4M
-20%	\$10.18	36%	\$183M	\$333M
-30%	\$8.91	26%	\$103M	\$197M

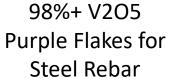
May 29th, 2018 Preliminary Economic Assessment by AMEC at \$12.73/lb V2O5 Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.



## Gibellini: Simple Flowsheet: High Purity, Low Costs





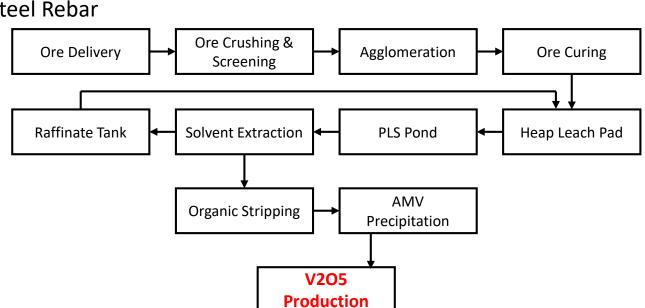




99%+ V2O5 For Batteries



98%+ V2O5 For Chemicals



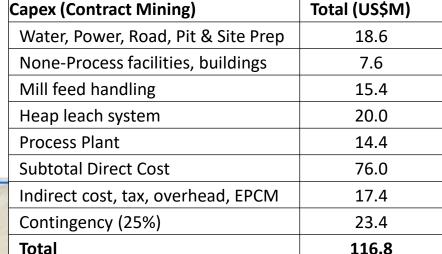
Highlights of PEA (after tax)								
Average annual production	9.65 million lbs V <sub>2</sub> O <sub>5</sub>							
Average V <sub>2</sub> O <sub>5</sub> selling price	\$12.73 per lb							
Operating cash cost	\$4.77 per lb V <sub>2</sub> O <sub>5</sub>							
Breakeven price @ 7%	\$7.76 per lb V <sub>2</sub> O <sub>5</sub>							
Capex including 25% contingency	\$116.76 million							
Strip ratio	0.17 waste to leach material							
Mining operating rate per year	3.4 million tons							
V <sub>2</sub> O <sub>5</sub> heap leach recovery rate	62%							
Life of mine	13.5 years							

<b>Total Cash Operating Cost</b>	\$ per lb of V2O5
G&A	0.31
Mining Cost	0.85
Total Processing Cost	3.61
Total \$ per lb	4.77

## **GENERAL FACILITY LAYOUT**



Secondary Crusher

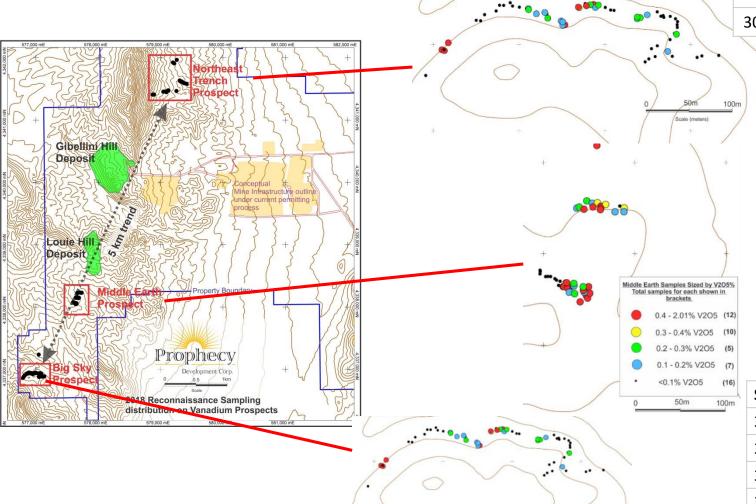


Construction Rock Stockpile

**Gibellini: Exploration Targets** 







CANADIE	Dunner	V20E 0/
SAMPLE	Prospect	V2O5 %
301968	Middle Earth	0.628
301969	Middle Earth	0.605
301970	Middle Earth	0.634
301973	Middle Earth	0.687
301975	Middle Earth	0.612
301976	Middle Earth	0.637
301978	Middle Earth	0.559
301979	Middle Earth	0.557
301988	Middle Earth	1.294
301998	Middle Earth	0.539
301999	Middle Earth	0.618
302000	Middle Earth	0.532

SAMPLE	Prospect	V2O5 %
301918	Big Sky	0.712
301927	Big Sky	2.008
301928	Big Sky	0.848
302054	Big Sky	0.787
302055	Big Sky	1.982

# **Gibellini Key Milestones**



**Gibellini Development Timeline** 

	A atia.ita.	2019			2020			2021			2022			2023							
Activity		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Enhanced Baseline & MPO Acceptance																				
	EIS																				
Permitting	EIS - BLM Issues Notice of Intent																				
Permitting	EIS - Preparation, Public Review																				
	EIS - Record of Decision																				
	Other State and Federal Permits																				
	Engineering																				
	Pre-construction & Basic Engineering																				
	Financing																				
	Phase 1 Start Date Based on Financing																				
	Detailed Engineering																				
	Definitive Feasibilitiy Study																				
EDCM & Construction	Construction																				
EPCM & Construction	Project Financing																				
	Phase 2 Start Date Based on Financing																				
	Construction Management																				
	Open-pit Mine																				
	On-site Infrastructure																				
	Process Facilities																				
	Off-site Infrastructure																				
	Production Startup																				
		rmitting			Notes:					work sta											
	Construction					i) Phase 1 = detailed engineering & def					itive fea	sibility s	study								
	Complete			ii) Phase 2 = project construction																	
	Studies and Engineering & Fi	inancing				iii) Proje	ect startu	ıp is dep	endent	on start	date of	project	construc	tion							



# Gibellini Permitting-1 year NOI to ROD S.O.3355

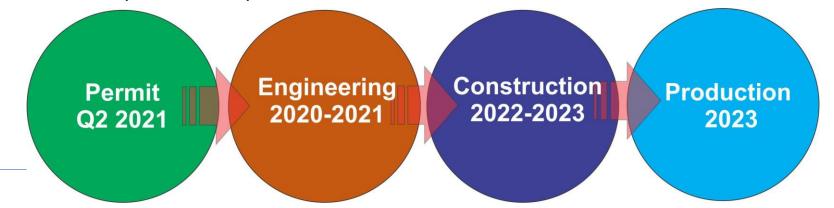
- S.O 3355- Set a one-year time limit and a maximum page limit of 150 pages for all EIS's.
- Complete Baseline Reports, Plan of Operations, Pre-Planning Reports prior to publication of NOI that starts EIS.
- Demands early pro-active project planning, stakeholder engagement and of identification of resource conflicts to avoid or minimize environmental impacts.
- Up-front coordination between State (NDEP) and Federal (NEPA) by early submittal of state permit applications.



- S.O 3355 provides the mining industry an opportunity to have certainty on the duration of EIS permitting.
- As a start to finish 3355 project, Nevada Vanadium is working closely with the BLM to identify improvements that the project proponent can implement to ensure the project is fully de-risked by identifying resource conflicts and stakeholder concerns early and amending the project to avoid or minimize conflicts/concerns.
- Baseline reports have been expanded to identify environmental impacts that drive changes in facility design to avoid or minimize impacts and develop Environmental Protection Measures that can be incorporated into Plan of Operations as enforceable requirements
- Third Party EIS contractor has been hired early to pre-plan EIS to ensure all baseline information is in compliance with NEPA standards and 3355 schedule can be met (12 months).

## Nevada

# Vanadium Permitting Approach



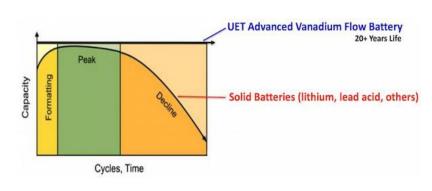


# Friedland on Vanadium Battery



"We think there's a revolution coming in vanadium redox flow batteries," he says. "You'll have to get into the mining business and produce ultra-pure vanadium electrolyte for those batteries on a massive scale.

We're very deeply interested in how you store electrical energy in the grid. The beauty of the vanadium redox battery is that you can charge and discharge it at the same time, something that can't be done with a lithium battery. With a vanadium redox flow battery, you can put solar power and wind power into the battery, and you can put excess grid power into the battery at night, and at the same time you can have a stable output into the grid."





Source: The Northern Miner

- Fully Scalable to Multi-Megawatt Size
- > 20,000 cycles-No loss of capacity
- 20 Year life, Vanadium never wears out
- Monitored remotely
- Full cycle, rapid charge and discharge
- Power and Energy independently scalable
- Multiple economic applications and uses

## **VANADIUM: THE CRITICAL METAL**

#### Steel



- Rebar & structured beams required to meet building codes
- Required for high speed tools and surgical steels

#### **Aerospace and defense industry**

• Titanium vanadium alloys required for aircraft, missiles, personnel transports, etc.

#### **Chemicals & Pollution Control**

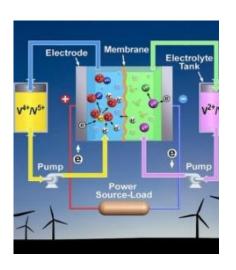
- Required in production of synthetic rubber, polyester, fiberglass, sulfuric acid, etc.
- Critical component of catalytic converters to remove sulfur dioxide and other pollutants

#### **Energy Storage**

- Vanadium Redox Flow Batteries
- Lithium Vanadium Batteries for electric vehicles

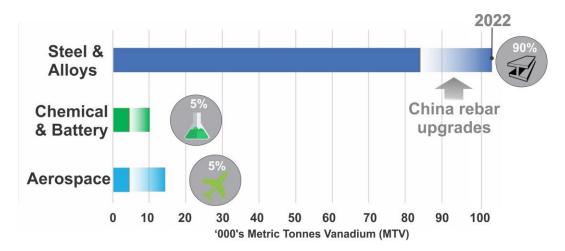


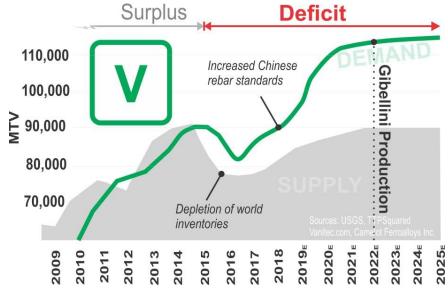




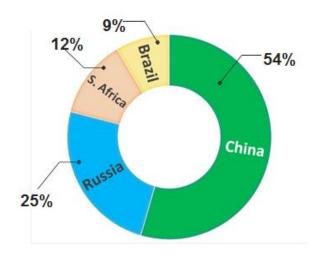
## **VANADIUM: 2020 SOURCES OF VANADIUM**







#### Production Limited to Handful of Countries



#### **Supply:**

China's vanadium production flat due to steel sector consolidation & stringent environmental requirement Globally, no greenfield projects bring supply on stream before 2023

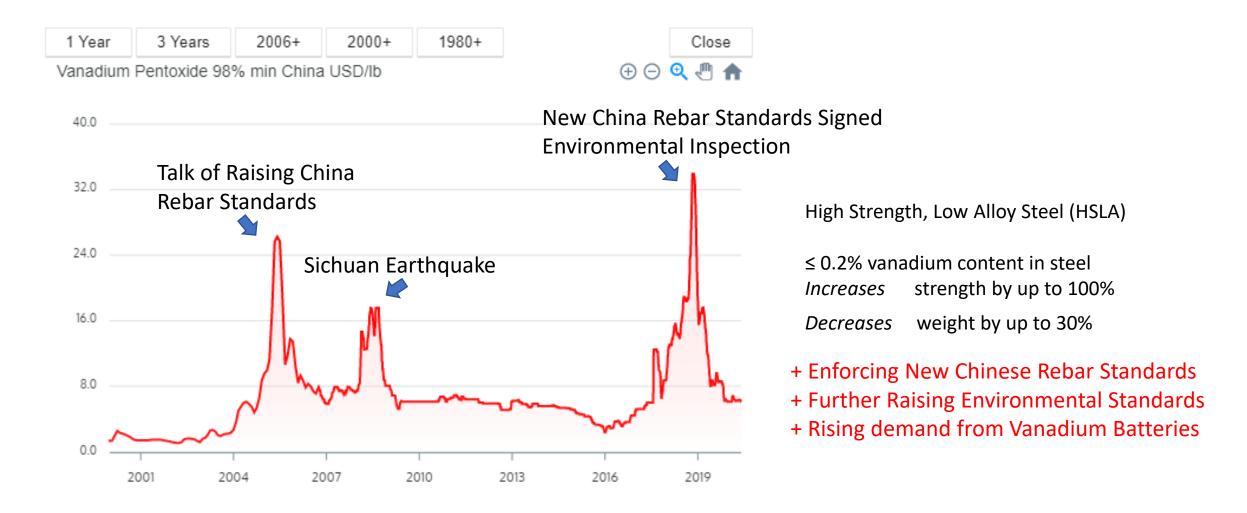
#### **Demand:**

China: 0.6kg V per tonne of steel rebar (upgraded from 0.3kg /t)

"The intensity of vanadium use in steel that is likely to be the major demand driver. Full implementation of higher Chinese rebar standards is a 'when' rather than an 'if' scenario.." – BMO Research, March 2019

BMO Bank of Montreal

### V2O5 98% Vanadium Pentoxide Price since 2001 NEVADA VANADIUM \$10/lb to \$12/lb expected as new cost base



COMPANY

# **Gibellini Superior Metallurgy & Economics**





**IRON POINT Black Shale** 









**GIBELLINI Black Shale** 



Name & V2O5 Grade	Mining & Processing	Capex & Cash Cost/lb	Sulphuric Acid Consumption (Carbon %)
Iron Point 0.2-0.6%	N/A	N/A	100kg+/t (Carbon 15%)
Carlin	Open Pit	\$535M	N/A
0.5-0.6%	Vac Leach	\$5.17/lb	(Carbon 15%)
Gibellini	Open Pit	\$117M	35kg/t
0.26%	Heap Leach	\$4.77/lb	(Carbon 1%)

From Respective Websites, PEA, Technical Reports May 25, 2020

Pictures from VMX Feb presentation slide 12 , FVAN Carlin 43-101 report page 60, and Gibellini hole GVC-6  $\,$ 

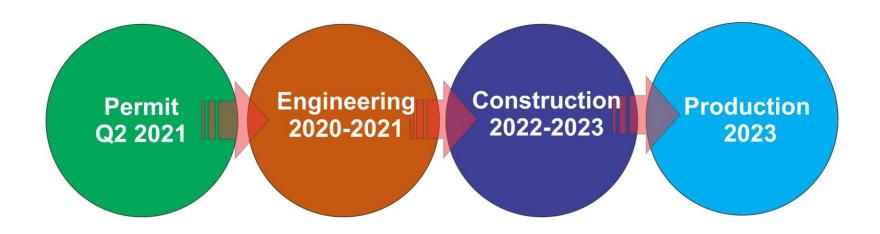
# Gibellini vs Producer League



Company Name	Market Cap	Trading Ticker	Asset Location	Fraser Rank 2018	Production 2019 (V2O5)	Production 2023 (V2O5)	Cash Required mn USD
Largo Resources LTD	550 mn CAD	LGO (TSE)	Brazil	58/83	9,830 t	13,383 t	30
Bushveld Minerals Ltd	156 mn GBP	BMN (LON)	S. Africa	43/83	4,570 t	6,694 t	298
Silver Elephant Mining Corp.	60 mn CAD	PCY (TSE)	Nevada	1/83	-	4,377 t	138

GBP = 1.71 CAD

Jul 31, 2020 data based on respective company websites



## **Managed By Mine Builders**





Ron Espell, VP Environment, UT

A highly regarded specialist in U.S. federal and Nevada state mine permitting, with over 30 years of experience in environmental management. Most recently led the permitting at McEwen Mining Gold Bar Mine, prior including 11 years at the Barrick Goldstrike mine.



Irina Platvuska, CFO, Vancouver

Been with ELEF since 2010. 20 years in financial reporting, and accounting. Member of CGA British Columbia.



Dan Oosterman P. Geo, VP Exploration

17 years experience specializing in exploration from grass roots to feasibility. Past with Falconbridge Ltd. and Inco Limited. Managed multi-million dollar drilling programs across toughest climates in northern Canada. QP as defined in NI 43-101



John Lee, CFA, Executive Chairman

Accredited mining investor with engineering and economics degrees from Rice University. A Taiwanese native, Mr. Lee founded Silver Elephant in 2009 and raised more than \$100 million since 2009, including the financing to acquire Pulacayo in 2015 and Gibellini in 2017.

# Nevada Vanadium Mission, Values and Strategy NEVADA VANADIUM



#### **Our Mission**

To become the first primary vanadium producing mine in the USA through the successful, phased development of the Gibellini Vanadium Deposit, thus creating excellent value to our employees, stakeholders and partner communities.

#### **Our Values**

**Safety**: We commit to safety and health as a way of life.

**Leadership**: We have the courage to lead, and do so through inspiration, innovation collaboration and execution.

**Excellence**: We are accountable for our own success. We operate by applying continuous improvement and technology driven solutions.

**Integrity**: We act in and honest and ethical manner

**Sustainability**: We take responsibility for the environment, benefit our communities and restore the land for generations to come.

**Customer Focus**: We provide customers with quality products and excellent service. **People**: We offer an inclusive work environment and engage, recognize and develop employees.

#### **Our Strategy**

Take a lead position in the U.S. Vanadium market

**Operational Excellence**: Drive safety, productivity, cost efficiency and environmental performance. Protect our license to operate through diligent focus on ensuring stakeholder value.

Financial Strength: Build a capital structure that enables sustainable performance through all market cycles and generates returns to support future growth initiatives.

Strategic Portfolio Management: Continually enhance the value of our portfolio, adding high-quality assets in the right market.

**People**: Employ the best people in the industry and align their talents to maximize their full potential.

## **Nevada Vanadium Contacts**





Subsidiary of Silver Elephant Mining Corp.

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