

PROPHECY COAL CORP.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Special Meeting of shareholders of **PROPHECY COAL CORP.** (the “**Company**”) will be held at 342 Water Street, 2nd Floor, Vancouver, British Columbia on the 19th day of December, 2014 at the hour of 8:30 AM (PST), for the following purposes:

1. To consider an ordinary resolution of shareholders to approve with or without variation, an amendment to the Articles of the Company to change the name of the Company to “Prophecy Development Corp.”, as more particularly described in the accompanying Information Circular; and
2. To transact such other business as may properly come before the meeting.

Accompanying this Notice of meeting is the Company’s Information Circular and a Form of Proxy (or Voting Instruction Form if you hold common shares through a broker or other intermediary). 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, 2013 have been filed under the Company’s profile on the SEDAR filing system, and may be viewed by interested shareholders by visiting the SEDAR website at 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 INVESTOR SERVICES INC. 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 BURRARD 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 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 10th day of November, 2014.

BY ORDER OF THE BOARD

“John Lee”

John Lee, Executive Chairman