



ProphecyDeFi

PROPHECY DEFI ANNOUNCES BROKERED PRIVATE PLACEMENT OF UNSECURED CONVERTIBLE DEBENTURES

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November 15, 2021 (Toronto, Ontario): Prophecy DeFi Inc. (“**Prophecy DeFi**”, “**PDFI**” or the “**Company**”) (CSE: PDFI) is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. (the “**Lead Agent**”) on behalf of a syndicate of agents including INFOR Financial Inc. (collectively, the “**Agents**”) to offer for sale, on a commercially reasonable efforts private placement basis, up to C\$25,000,000 aggregate principal amount, 10.0% unsecured convertible debentures of the Company (the “**Debentures**”) at an issue price of C\$1,000 per Debenture (the “**Offering**”). The Agents will have the option, exercisable in whole or in part at any time up until 48 hours prior to the closing of the Offering (the “**Closing**”), to increase the size of the Offering by up to an additional C\$3,750,000 of Debentures.

“Our ability to produce absolute returns for our shareholders is directly correlated to the deployed capital in the Layer2 business. We have demonstrated the effectiveness of the model and have been communicating our initial results and discussing the growth of decentralized finance protocols with our constituents. The time is now to accelerate the growth of the company, and we are very pleased to have established this relationship with Canaccord Genuity to lead our offering.” noted Prophecy’s CEO, John McMahon.

The Debentures will mature 36 months following the Closing (the “**Maturity Date**”) and will bear interest at a rate of 10.0% per annum from the date of issue, payable quarterly in cash. The Debentures will be convertible into common shares of the Company (“**Common Shares**”) at the option of the holder at any time prior to the Maturity Date, or on the business day immediately preceding a date fixed for redemption of the Debentures, at a conversion price equal to C\$1.00 per Common Share (the “**Conversion Price**”). Upon conversion, the holder will receive accrued and unpaid interest on the principal amount of the Debentures that is the subject of the conversion for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion. The Conversion Price shall be subject to adjustment upon the occurrence of certain customary events. The Company will have the right to force conversion of the Debentures at the Conversion Price if the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) is greater than \$1.50 for 10 consecutive trading days. Upon a change of control of the Company, holders of Debentures will have the right to require the Company to repurchase their Debentures, in whole or in part, on the date that is 30 days following notice of the change of control at a price equal to 105% of the principal amount of the Debentures then outstanding plus accrued and unpaid interest thereon.

Upon Closing, the Agents will receive 5.0% of the aggregate gross proceeds of the Offering payable in cash or Debentures, or any combination thereof, at the option of the Agents, as well as warrants to acquire that number Common Shares equal to 5.0% of the gross proceeds of the Offering divided by the Conversion Price, exercisable at an exercise price equal to the Conversion Price for a period of 36 months following the Closing. The Company

will also pay to the Lead Agent a corporate finance fee equal to that number of Debentures which is equal to 2.5% of the number of Debentures issued pursuant to the Offering.

The Closing is expected to occur on or about December 7th, 2021 and is subject to the satisfaction of customary closing conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the CSE. The Company intends to use the net proceeds of the Offering for Layer2 Blockchain's liquidity mining operations and for general working capital purposes.

The Debentures, including the Common Shares issuable upon conversion thereof, will be subject to a four-month hold period from the date of Closing.

The Canadian Securities Exchange has not reviewed this news release and does not accept responsibility for its adequacy or accuracy.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

About Prophecy DeFi

Prophecy DeFi (CSE: PDFI) officially launched on June 23rd, 2021. The Company aims to bring together technology start-ups in the Blockchain and DeFi sectors to fund innovation, elevate industry research, and create new business opportunities in a coherent ecosystem.

www.prophecydefi.com

For further information, please contact:

John McMahon, CEO

Tel: (416) 786-9031

Email: jmcmahon@prophecydefi.com

Forward-Looking Information

Certain information set forth in this news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties. This forward-looking information includes, among others, statements regarding the completion of the Offering and the expected use of proceeds therefrom. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions, industry conditions, and dependence upon regulatory approvals and the possibility that the Offering may not be completed. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. No assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits the Company will derive therefrom. The forward-looking information is made as of the date of this news release and the Company undertakes no obligation to update forward-looking information except as otherwise may be required by applicable securities law.