

25th October 2018

Lake Mackay JV: IGO meet 70% Earn-in Expenditure

HIGHLIGHTS

- **IGO completes A\$6M Lake Mackay earn-in and enters into 70/30 exploration JV**
- **Eight additional soil anomalies identified from reconnaissance sampling**
- **Thirty-nine airborne EM anomalies selected for follow-up ground EM surveys**
- **9.6km of RC drilling included in \$4.6M JV exploration budget for remainder of FY19**

Prodigy Gold NL (“Prodigy Gold” or “the Company”) is pleased to advise of the formation of the unincorporated Lake Mackay Joint Venture (LMJV) with Independence Group NL (“IGO”) under the terms of the Farm-in and Exploration Joint Venture Agreement (JV Agreement) for the Lake Mackay Project (the “Project”). The formation of the LMJV was triggered by IGO completing its initial \$6M earn-in expenditure. Initial LMJV interests of the parties will be IGO: 70% and Prodigy Gold: 30%. Both partners will now fund their respective share of agreed work programs.

Commenting on the milestone at Lake Mackay, Prodigy Gold’s Managing Director Matt Briggs said:

“We are pleased that IGO has re-affirmed its belief in the potential for the Lake Mackay Project by committing to on-going investment as a 70% partner in the Lake Mackay JV. The establishment of the JV offers the opportunity for both companies to continue to build on an already strong relationship focussed on delivering a significant new mineral discovery. This focus is further underlined by an inaugural JV budget of \$4.6M for the remainder of FY19, which provides for our largest-ever commitment to RC drilling on the Project.

Exploration during the Quarter continues to provide encouragement. Eight new geochemical anomalies were identified plus thirty-nine airborne EM anomalies for on-ground EM follow-up. The EM results build on the surface work already undertaken allowing the exploration team to prioritise targets for follow-up investigation which can only increase our chances of making a major discovery.

The Company is looking forward to the completion of the airborne EM survey and the implementation of the FY19 JV budget, especially the results from the RC drilling which is planned to commence early in the 2019 field season.”

Lake Mackay JV established

The formation of the LMJV commenced upon formal notification from IGO that it had met its requirement to sole fund \$6M of exploration within 4 years of the election to proceed with the farm-in to earn a 70% interest in the Lake Mackay tenements. The JV is purposed with:

- Exploring the JV area
- Carrying out feasibility studies on any defined Mineral Resource
- Developing and mining any viable mineral deposit

For personal use only

IGO and Prodigy Gold are equally represented on the operating committee with IGO being the managers of the LMJV. Both parties will be required to pro-rata fund their share of the LMJV to maintain their initial participating interest.

The Lake Mackay Project is 400km northwest of Alice Springs (Figure. 1) and comprises approximately 13,000km² of exploration licences and applications (12,100km² IGO/Prodigy Gold JV, 900km² IGO/Prodigy Gold/Castile JV). The emerging mineralised belt at Lake Mackay is at a very early stage of exploration. The Project has consolidated tenure over the favourable Proterozoic margin between the Aileron and Warumpi Provinces and is characterised by a continent-scale geophysical gravity ridge and the Central Australian Suture. The JV partners consider that exploration has the potential to unlock a new metallogenic province hosting multiple styles of precious and base metals mineralisation.

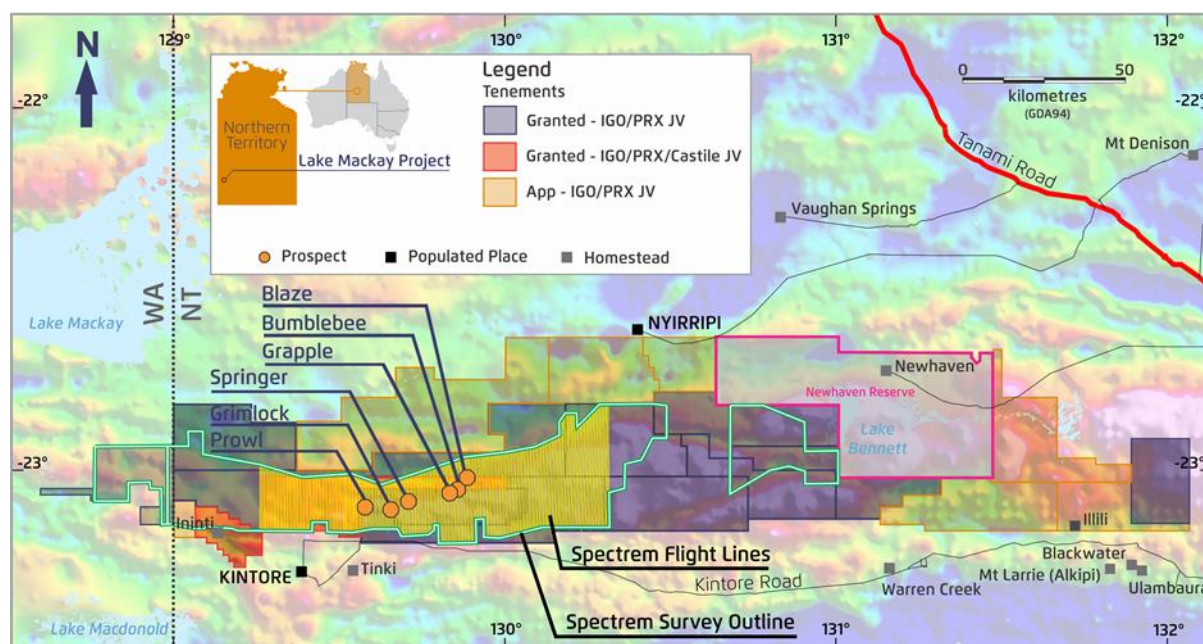


Figure 1. Lake Mackay Project Location and Spectrem airborne EM survey status.

Exploration Update

Soil Sampling

Reconnaissance and selective infill soil sampling this Quarter was completed over several phases for a total 1,582 samples (Figure. 2). Results identified new, multi-element, high priority anomalies for follow-up sampling in addition to the recently identified Blaze Prospect. New soil anomalies are summarised below:

- Grapple-style (gold/copper) – a total of five new anomalous areas were identified: southwest of Prowl, south of Springer, adjacent to the West Australian border and two located in the far eastern part of the Project area;
- Grimlock-style (nickel/cobalt/manganese) – identification of a strong Ni-Co-Mn anomaly 50kms northeast of the Blaze Prospect, associated with ferricrete formed over an inferred mafic/ultramafic intrusion of the Andrew Young Igneous Complex;
- Gold only – two anomalies were identified, one northwest of the Prowl Prospect and a second anomaly adjacent to the Western Australian border.

At the Grimlock Prospect, lag sampling results confirmed and defined elevated Mn-Ni-Co-Pt anomalism associated with a duricrust which forms around the edge of a norite intrusion. The high grade duricrust rock-chip samples carry values up to 1.12% Ni, 2.52% Co and 46.4% Mn (*refer ASX announcement, 26 July, 2018*).

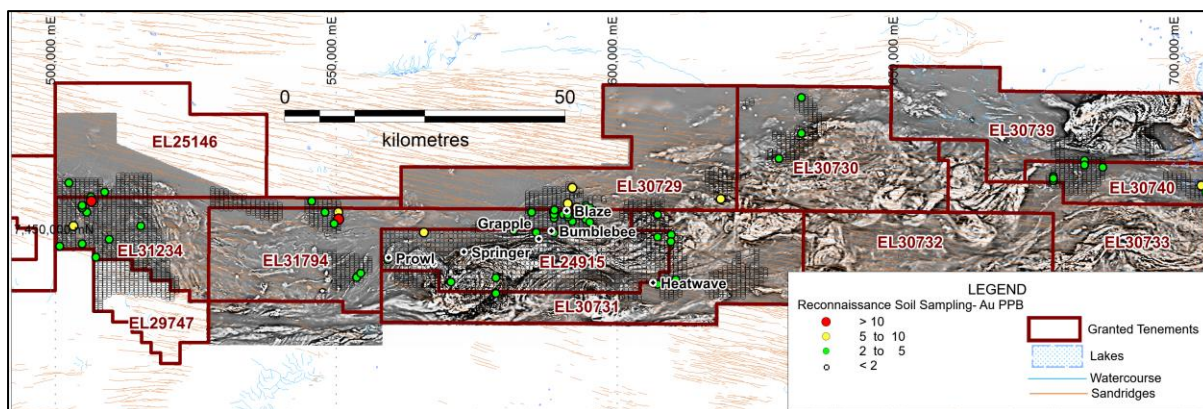


Figure 2. Reconnaissance soil sample results for gold. New anomaly locations described in text above.

Airborne and Ground Electromagnetic Surveys

The Spectrem airborne EM survey continued with 2,515 line-km flown during the Quarter. This completed the high priority central part of the survey area that included, among other things, the Blaze Prospect area. A total of 8,096 line-km has now been completed (Figure 2). Weather-permitting, it is anticipated that the remaining survey will be completed in the December Quarter.

Evaluation of the survey results to date are very encouraging with conductors being clearly identified, including in the Blaze Prospect area coincident with strong multi-element geochemical anomalism representing an upgrade of the geochemical anomalies. An example of the effectiveness of the airborne EM survey in defining conductors is shown in Figure 3.

A total of thirty-nine anomalies were selected for ground Moving Loop Electromagnetic (MLEM) surveys from the area that has been flown to date, including fourteen anomalies in the Blaze Prospect area. The ground EM geophysics program commenced in September and surveying has been completed on eight anomalies to-date.

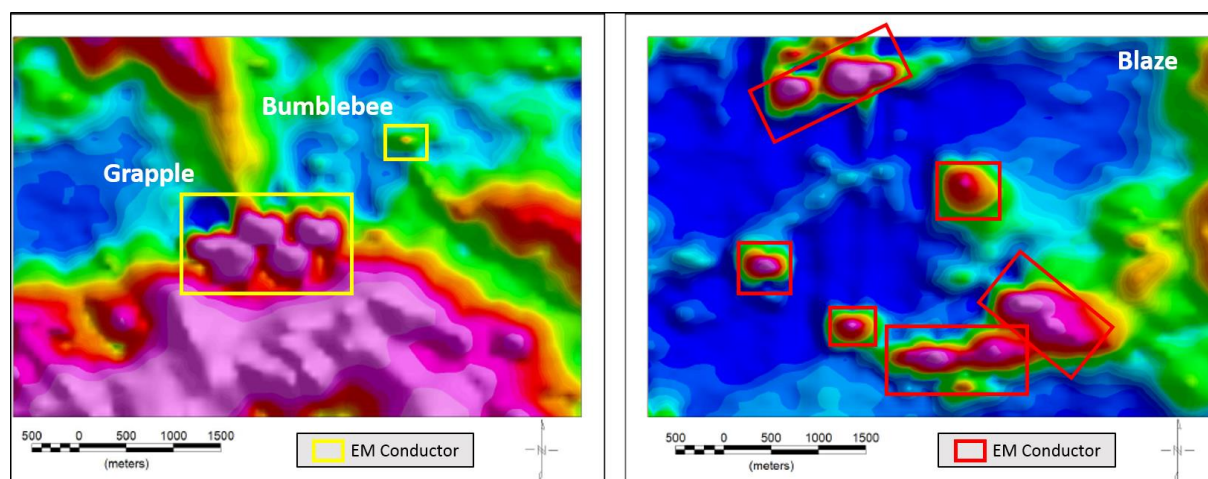


Figure 3. Anomalous airborne EM conductors defined over the Grapple/Bumblebee (yellow) and Blaze Prospect areas (red). Drill testing of the Grapple and Bumblebee Prospects in 2016/17 returned significant gold-copper sulphide mineralisation (ASX announcement, 15 Nov 2017, 20 Dec 2016). The Blaze EM conductors are targeted for follow-up MLEM surveys.

Prospect Mapping

Prospect scale mapping was undertaken on the Grimlock Prospect, and an area of outcrop within EL31794, coincident with several airborne EM anomalies.

Tenements

EL 31723, the easternmost tenement in the Lake Mackay Project, was granted on 31 July, 2018.

Planned Work Program – Remainder of FY 2019

The Lake Mackay JV has committed \$4.6M in exploration expenditure to continue with additional reconnaissance surface exploration, completion of the Spectrem airborne EM survey and RC drill testing of the highest priority geochemical and EM targets. The budgeted drilling represents the biggest drilling commitment to date for the Lake Mackay Project. In summary, work will comprise:

- Reconnaissance and infill soil sampling, including for the first time, incorporating sampling over the Project's Western Australian tenements;
- Airborne EM surveys – completion of the original Spectrem survey area plus expanding coverage to include application EL31913 located adjacent to Western Australian border;
- Ground Geophysics – 240 line-kms of ground moving-loop EM, budgeted for targets generated from the airborne EM survey; and
- RC Drilling – 9,600m planned to test Moving Loop EM conductors and soil geochemical anomalies.



Matt Briggs – Managing Director

About Prodigy Gold NL

Prodigy Gold has a unique greenfields and brownfields exploration portfolio in the proven multi-million ounce Tanami Gold district. An aggressive program for 2018 will continue to build on 2017 and 2018 successes by:

- drilling targets at the Bluebush Project, including the Capstan 8km long bedrock gold anomaly
- drilling of extensions to the shallow gold Resources at Suplejack
- systematic evaluation of high potential early stage targets
- joint ventures to expedite discovery on other targets

JORC Code (2012) Competent Persons' Statements

The information in this announcement relating to exploration results is based on information reviewed and checked by Mr Doug Winzar who is a Member of The Australian Institute of Geoscientists. Mr Winzar is a full-time employee and security holder of IGO. Mr Winzar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Mr Winzar consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

Appendix 1: JORC Tables

Section 1: Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	<p>Soil Samples</p> <ul style="list-style-type: none"> - The project is reconnaissance soil sampled on nominal 800mE x 400mN grid spacing. The sample is uniformly collected from the surface to 20cm depth. - The samples are sieved through 0.4mm on site to reduce the sample size. - The sample positions were located using a handheld GPS, which also records the sample number at the time of sample collection. - Sample holes are backfilled upon completion of the sample. - Follow up sampling is conducted on more detailed grid spacing using the same sampling technique. <p>Rock Chip Samples</p> <ul style="list-style-type: none"> - Rock chip samples were collected during the geological mapping program.
Drilling techniques	<ul style="list-style-type: none"> - No drilling results are reported in this release.
Drill sample recovery	<ul style="list-style-type: none"> - No drilling results are reported in this release.
Logging	<ul style="list-style-type: none"> - A sample description is recorded to specify if it is taken from an area with soil, lag or outcrop in close vicinity to the sample site.
Sub-sampling techniques and sample preparation	<p>Soil Samples</p> <ul style="list-style-type: none"> - The samples are dried and sieved to recover a representative 30g of >50µm material at a sample preparation laboratory. - Additional material is available for check assaying of either BLEG or Aqua Regia analysis. - Field duplicate samples were collected every 50 samples, with the material collected from the same sample site. - The fine fraction material is collected to reduce the diluting effect of the transported sand cover at surface. This is not industry standard but is being applied to test surface geochemistry in areas that were previously considered unsuitable for soil sampling. <p>Rock Chip Samples</p> <ul style="list-style-type: none"> - Samples were dried, crushed and pulverised to >75µm and split to produce a nominal 200g sub sample.
Quality of assay data and laboratory tests	<p>Soil Sampling</p> <ul style="list-style-type: none"> - A 10g sub-sample is used for analysis by BLEG with an MS finish for Au and Ag. A 0.5g sub-sample is used for analysis by Aqua Regia with ICP-MS finish for Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Pd, Pt, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. - Both BLEG and Aqua Regia are partial digestion techniques. - BLEG is suitable for reconnaissance Au exploration at a lower detection limit than Aqua Regia. - Aqua Regia is suitable for base metal exploration and for Au pathfinder elements. <p>Rock Chip Samples</p> <ul style="list-style-type: none"> - Four-acid digest and fire assay methods are used for rock chip samples. - Laboratory QAQC involves the use of internal lab standards and blanks using certified reference materials. - IGO also provides reference samples that are inserted every 50 samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> - The sample coordinates are recorded on the GPS and recorded on the sample sheet. This is entered into excel and reviewed by the project manager prior to being submitted to the acQuire database. - No adjustments or calibrations have been made to the assay data used in this report.

For personal use only

Criteria	Explanation
Location of data points	<ul style="list-style-type: none"> - Sample points were recorded using Garmin handheld GPS. Expected accuracy is $\pm 5\text{m}$ for easting and northing. - The grid system is MGA_GDA94 (Zone 52), local easting and northing are in MGA. - Handheld GPS is adequate for soil sampling.
Data spacing and distribution	<ul style="list-style-type: none"> - Sample space is on a nominal $800\text{mE} \times 400\text{mN}$ spacing with infill to 200mE and subsequently 50mN along lines in areas of interest.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> - The soil sampling is only intended to provide a surface soil sample. - The initial grid sampling should not have any sample bias. - Infill sampling is generally done on a $200\text{mN} \times 400\text{mE}$, followed by $50\text{mN} \times 200\text{mE}$ grids. This creates a sample bias in the soil sampling.
Sample security	<ul style="list-style-type: none"> - The soil samples are transported from the field to the sample preparation laboratory in Alice Springs by IGO personnel or contractors. Once the samples are sieved they are transported to Perth using the laboratories standard chain of custody procedure.
Audits or reviews	<ul style="list-style-type: none"> - A review of initial BLEG results concluded that Au and Ag were the only elements appropriate for BLEG analysis in the Lake Mackay environment. Subsequently Aqua Regia was done for base metals and pathfinder elements.

Section 2: Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	<ul style="list-style-type: none"> - The area of the Lake Mackay Project reference in this release includes granted tenements EL24915, EL25146, EL30729, EL30730, EL30731, EL30732, EL30733, EL30739, EL30740, EL31234, EL29747, EL31794, EL31723 and E80/5001. - These tenements are in good standing and no known impediments exist. - Prodigy Gold and Independence Group NL ("IGO") entered into a multi-phase agreement covering the Lake Mackay Project on 21 August 2013. - In May 2016 IGO triggered Phase 2 of the agreement to earn a 70% interest in the project. This involved subscribing for A\$1.5M Prodigy Gold shares in placement with a six-month escrow period and spending A\$6M on exploration on the project over 4 years. - The earn-in was reached and an unincorporated JV has been formed.
Exploration done by other parties	<ul style="list-style-type: none"> - EL24915 was previously explored by BHP in the South Tanami JV. BHP flew a Geotem survey in 1999 and completed ground EM and drilling in 2004 targeting nickel sulphides.
Geology	<ul style="list-style-type: none"> - The project area is considered highly prospective for orogenic shear hosted gold deposits based on similarities that exist between the West Arunta and the Granites- Tanami Block with respect to gold deposition timing and structural settings. - The region is also considered by IGO and Prodigy Gold to have potential for the discovery of deposits having several mineralisation styles including: <ul style="list-style-type: none"> • Iron-ore-copper-gold (IOCG) deposits • Volcanogenic hosted massive sulphide deposits (VHMS) • Mafic or ultramafic intrusion related Ni-Cu-PGE
Drill hole Information	<ul style="list-style-type: none"> - No drill hole information is included in this release.
Data aggregation methods	<ul style="list-style-type: none"> - No drill hole information is included in this release only point sampling results are reported.

Relationship between mineralisation widths and intercept lengths	- No drill hole information is included in this release.
Diagrams	- Maps of soil sample results are included in the main part of this release.
Balanced reporting	- Both anomalous and background values are plotted on the soil sampling maps - Rock chip results include a range of results indicative of the sampling program.
Other substantive exploration data	- N/A.
Further work	- Drilling is required to test targets generated from the soil sampling and MLEM.