

16 May 2019

Prodigy Signs A\$14.5M Tobruk Joint Venture with Newmont Goldcorp

HIGHLIGHTS:

- **Exploration Farm-in and Joint Venture Agreement (“Agreement”) signed with Newmont Exploration Pty Ltd, a wholly owned subsidiary of Newmont Goldcorp Corporation (“Newmont Goldcorp”), over highly prospective Tobruk Project in the Northern Territory**
- **Tobruk Project has an analogous structural setting to Newmont Goldcorp’s Callie Gold Mine**
- **Under the Agreement, Newmont Goldcorp is to sole fund up to A\$12M in exploration expenditure to earn up to a 70% interest in the Tobruk Project – and provide a total of A\$2.5M cash payments to Prodigy Gold of:**
 - **A\$1.5M within 20 business days of signing**
 - **A\$1M on election to proceed to Phase 2**
- **Newmont Goldcorp JV increases Prodigy Gold’s total exploration earn-in from its three earn-in partners (Newmont Goldcorp, Newcrest and Gladiator) to a maximum of A\$33M – foundations set for discovery**
- **Tobruk Project exploration program scheduled to commence Q2 CY19 in parallel with extensive (9,600m) drilling program at Lake Mackay JV Project with Independence Group**

Prodigy Gold NL (“Prodigy Gold” or “Company”) is pleased to announce that it has signed a binding Exploration Farm-in and Joint Venture Agreement (“Agreement”) with Newmont Exploration Pty Ltd, a wholly owned subsidiary of Newmont Goldcorp Corporation (“Newmont Goldcorp”) to advance exploration at the Company’s Tobruk Project (“Project”) in the Northern Territory. The Agreement covers Prodigy Gold’s tenements and tenement applications at the Tobruk Project, adjacent to Newmont Goldcorp’s Callie Gold Mine.

Management Commentary

Prodigy Gold Managing Director, Matt Briggs, commented:

“We are very pleased to be partnering with the world’s largest gold miner to fast-track the exploration of our Tobruk Project in the Tanami Province, a region which is considered the exploration destination of choice for several major gold producers.”

“Newmont Goldcorp has a long and successful history in the Tanami area including developing the nearby Callie Gold Mine into a world-class gold deposit and we are looking forward to leveraging Newmont Goldcorp’s extensive technical knowledge as work gets underway at Tobruk this quarter.”

“Prodigy Gold now has in excess of A\$33M in funding agreements from JV partners to accelerate discovery across the Company’s entire exploration portfolio, including JV’s with Independence Group (70/30) and Newcrest Mining (earn-in stage) that have already generated high-quality targets which are currently being drilled.”

For personal use only

“Further, we remain committed to unlocking the value of our 100%-owned projects and the cash payment received from Newmont Goldcorp as entry into the Tobruk JV allows this strategy to continue at pace.”

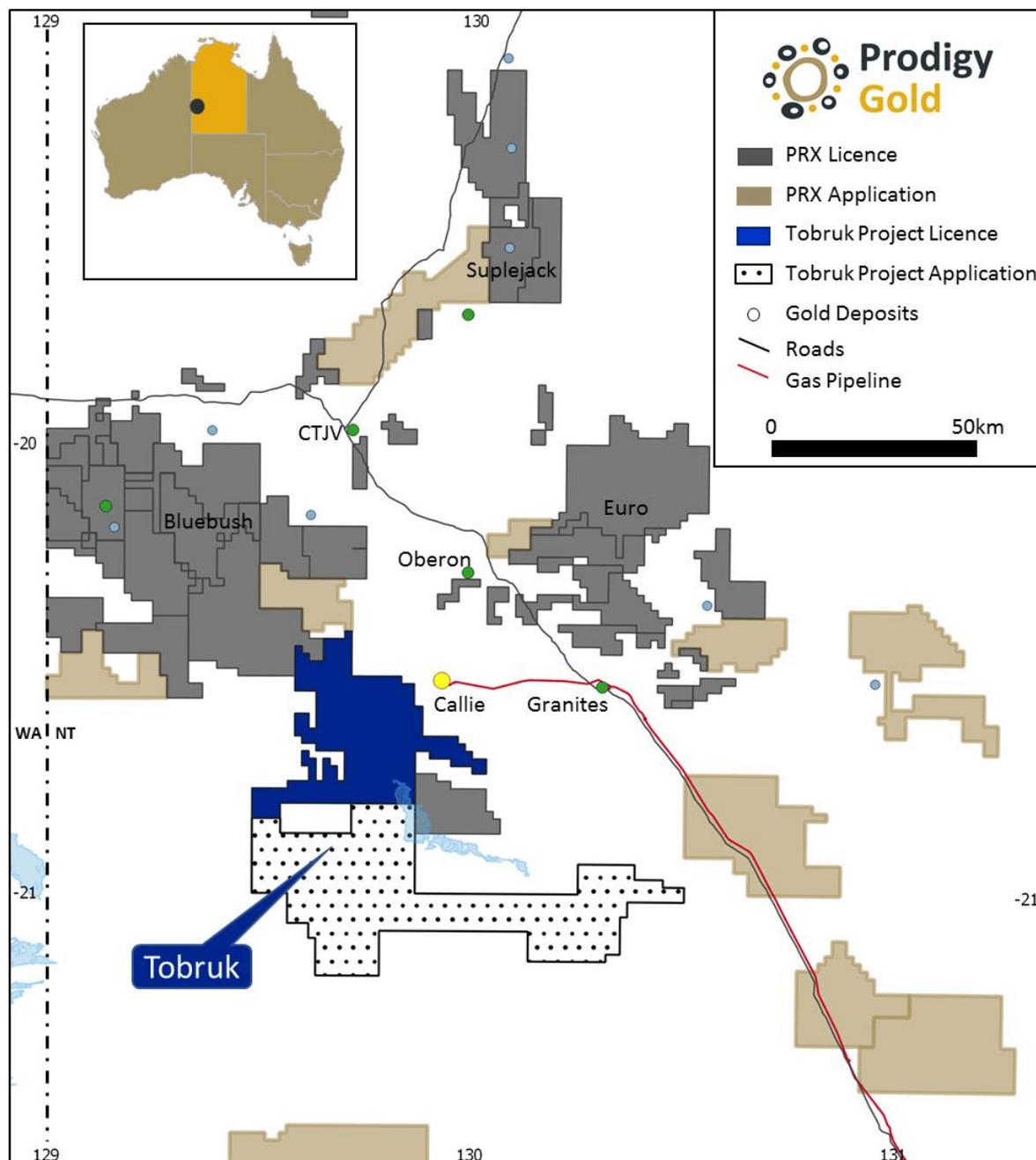


Figure 1- Tobruk Project location map

Key Agreement Terms

Earn-in:

Phase 1:

- Newmont Goldcorp to make a non-refundable A\$1.5 Million payment within 20 business days of signing the Agreement;
- Newmont Goldcorp can earn a 51% interest in the Project by spending A\$6 Million on exploration on the Project over a period of four years;
- Newmont Goldcorp may withdraw during Phase 1 after spending a minimum A\$2.5 Million;
- Newmont Goldcorp will be manager of the Project.

For personal use only

Phase 2:

- Newmont Goldcorp may elect to increase its interest in the Project to 70% by:
 - making an additional cash payment of A\$1 Million within 20 business days of electing to proceed to Phase 2; and
 - spending an additional A\$6 Million on exploration within three years from electing to commence Phase 2; or
 - defining a JORC resource of over 500koz.



Figure 2 - Field mapping by Prodigy Gold on the Tobruk Project

Joint Venture

- Joint venture commences after Newmont Goldcorp earns a 51% interest in the Project (completion of Phase 1);
- Newmont Goldcorp may then elect to earn an additional 19% interest in the Project to increase its aggregate interest to 70%, triggering the Phase 2 earn-in (refer to previous section).

Funding of the Joint Venture by Prodigy Gold

Upon the earlier of:

- Newmont Goldcorp earning a 70% interest in the Project; or
- Newmont Goldcorp electing to cease sole funding exploration expenditure after earning and acquiring a 51% interest in the Project,

Prodigy Gold must co-fund all future exploration and development or dilute its interest in the Project and convert to a 1.5% net smelter return royalty if its interest falls below 10%. Newmont Goldcorp can reduce the royalty to 1.0% by making a cash payment of \$1M within 30 days of Prodigy Gold's interest being reduced to 10%.

Financing Option

Following completion of the Phase 2 earn-in by Newmont Goldcorp, Prodigy Gold may elect for Newmont Goldcorp to fund Prodigy Gold's share of future expenditure and joint venture costs until commencement of commercial production ("Financing Option"). Following this election, Newmont Goldcorp will be entitled to increase its interest in the joint venture property to an aggregate 75% interest and to recover all funds expended under the Financing Option from 75% of the sales proceeds due to Prodigy Gold.

Tobruk Project Background

The Tobruk Project covers the prospective Tanami group rocks that host Newmont Goldcorp's Callie Gold deposit and several smaller deposits including Groundrush and Titania-Oberon. The Project's potential for the discovery of a significant new gold deposit is further enhanced by having an analogous structural setting to known Tanami deposits including tightly folded stratigraphy, Trans-Tanami parallel faults and drill-defined anomalous geochemistry positioned on the margins of magnetic features.

Most of the historical exploration work in the Tobruk area was undertaken by North Flinders Mines Limited (NFM)/Normandy Mining Limited (NML) in the late 1980s and 1990s and subsequently by Newmont and AngloGold Australia (AngloGold) in the early 2000s. Previous exploration has comprised field mapping, aeromagnetic/detailed ground magnetic surveys and targeted soil, rock chip and lag sampling. Drilling (RAB and aircore) was primarily directed at testing magnetic features supported by anomalous surface geochemistry at targets identified in Dead Bullock Formation sediments, considered the most prospective sequence in the Tanami group.

Key logistical advantages include the 450km gas pipeline to the Newmont Goldcorp Granites Plant recently constructed and the Federal Government's commitment to upgrade the Tanami Track, which will improve the economics of any future discoveries.

Next Steps

Permitting of heritage clearances is underway and on ground work is anticipated to commence in the coming weeks. Geochemistry and detailed geophysics is planned with diamond drilling scheduled to commence later in 2019.



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 2019 will continue to build on 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

Appendix 1 – Joint Venture Agreement Tenement Schedule

Tenement holder	Tenement details
Prodigy Gold NL	Exploration Licence 25156
Prodigy Gold NL	Exploration Licence 25191
Prodigy Gold NL	Exploration Licence 25192
Prodigy Gold NL	Exploration Licence 28785
Prodigy Gold NL	Exploration Licence 29832
Prodigy Gold NL	Exploration Licence 29859
Australian Tenement Holdings ¹	Exploration Licence Application 30270
Australian Tenement Holdings ¹	Exploration Licence Application 30274
Prodigy Gold NL	Exploration Licence Application 32057

¹ Australian Tenement Holdings is a fully owned subsidiary of Prodigy Gold NL

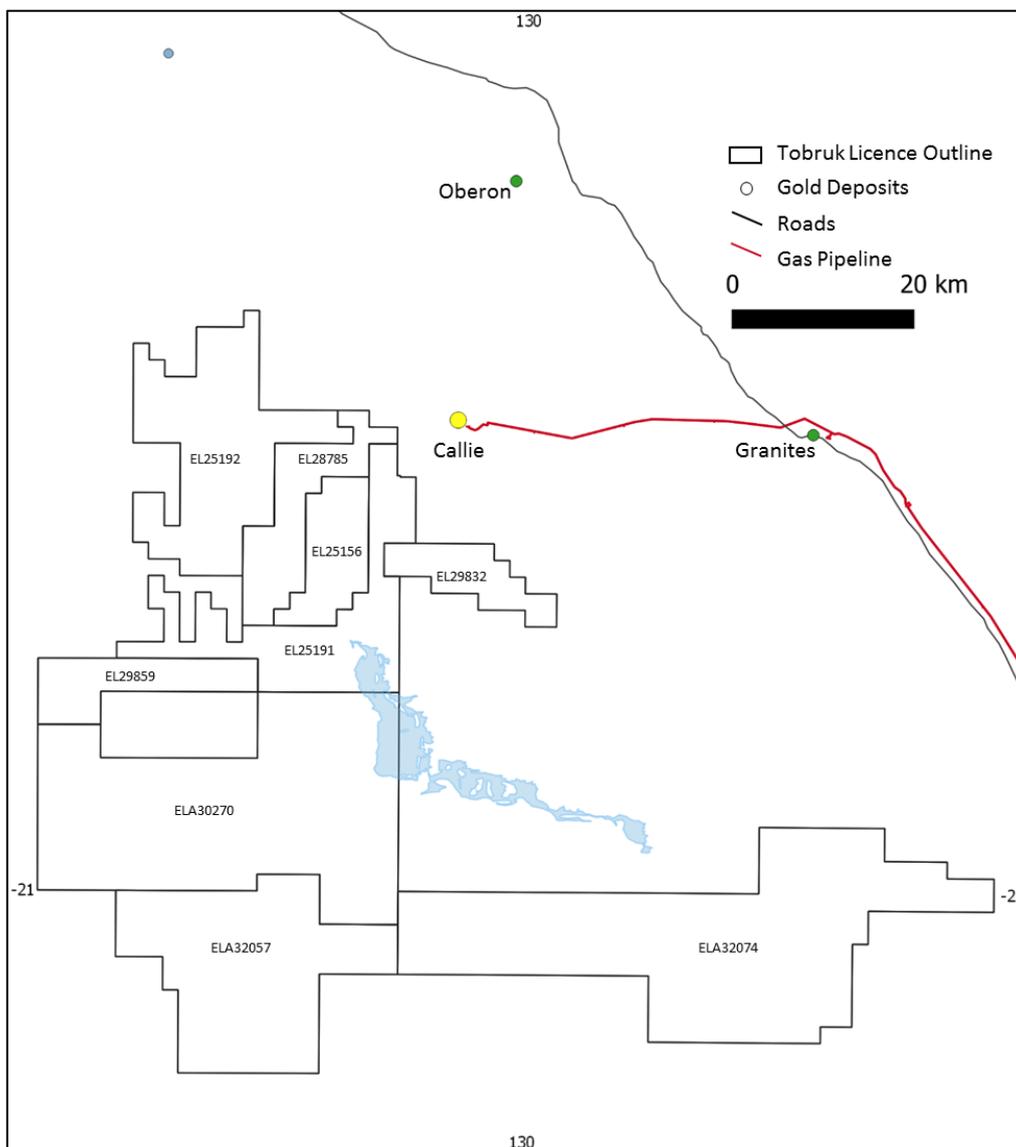


Figure 3 - Tobruk Project Exploration Licences

For personal use only