

ASX ANNOUNCEMENT / MEDIA RELEASE

ASX: PRX

18th May 2022

Lake Mackay JV – Agreement and Exploration Update

HIGHLIGHTS

- Joint Venture restructured to give Prodigy Gold majority interest in the Gold Tenements while retaining its position in the Base Metal Tenements
- IGO will transfer a 40% interest in the Gold Tenements to Prodigy Gold whereby Prodigy Gold will hold a 70% interest and IGO a 30% interest in the Gold Tenements, subject to all necessary consents and approvals being obtained
- IGO will transfer a 34% interest in EL31794, so that the parties' joint venture interests will be Prodigy Gold 60%, IGO 26% and Castile 14%, subject to all necessary consents and approvals being obtained
- In return, Prodigy Gold will sole-fund agreed drilling programs on the Gold Tenements, EL31794 and the Base Metal Tenements, with all JV interests frozen for the duration of these programs
- Diamond drilling has now commenced at the Phreaker prospect following up mineralisation recorded in diamond hole 21PHDD002 that returned intercepts of:
 - 4.5m @ 3.03% Cu, 1.78g/t Au and 14g/t Ag from 562m and
 - 17.47m @ 2.13% Cu, 0.21g/t Au and 9g/t Ag from 575.23m
- RC drilling for gold has also commenced in two locations in the broader Arcee area
 - 1,500m of RC drilling is planned in Western Australia along strike from the Arcee prospect to examine identified gold-in-soil anomalies
 - 1,500m of RC drilling is planned at gold-in-soil targets located approximately 10km north of the Arcee prospect within the Northern Territory
- Both RC programs are co-funded by the Western Australian and Northern Territory governments

Prodigy Gold NL (ASX: PRX) ("Prodigy Gold" or the "Company") is pleased to advise that IGO Limited ("IGO") and Prodigy Gold have agreed to amend the Lake Mackay Agreement on the terms set out below. Additionally, diamond and reverse circulation ("RC") drilling is now underway on the Lake Mackay Project.

Agreement Amendments

IGO and Prodigy Gold executed an exploration agreement in August 2013 in which IGO had the right to enter into the Lake Mackay Agreement. In May 2016 IGO exercised its right to commence earning a 70% interest in the Lake Mackay tenements and the parties entered into the Farmin and exploration joint venture agreement - Lake Mackay Regional Project ("Lake Mackay Agreement") in November 2017.

IGO and Prodigy Gold have now executed a deed of excision, transfer and amendment ("Deed") in relation to the Lake Mackay Agreement.

Under the Deed, the parties have agreed to:

- transfer tenements EL25146, EL31234, EL31913 and EL80/5001 ("Gold Tenements") from the Lake Mackay Agreement into a new unincorporated exploration joint venture ("Lake Mackay Gold Joint Venture Agreement"); and
- amend and restate the terms of the Lake Mackay Agreement.

Lake Mackay Gold Joint Venture Agreement

IGO will transfer a 40% interest in the Gold Tenements to Prodigy Gold whereby Prodigy Gold will hold a 70% interest and IGO a 30% interest in the tenements, subject to all necessary consents and approvals being obtained.

Under the Lake Mackay Gold Joint Venture Agreement, Prodigy Gold will sole fund \$500,000 of joint venture expenditure to drill 24 RC holes on the joint venture area within 24 months of signing the Lake Mackay Gold Joint Venture Agreement. Failure to spend will result in an increase of the sole funding amount by 20% until such sole funding has been completed.

Prodigy Gold will be appointed manager of the joint venture. Upon expiry of the sole funding period, the parties shall contribute to joint venture expenditure in proportion to their joint venture interest or otherwise be diluted.

The Lake Mackay Gold Joint Venture Agreement is on the same terms as the Lake Mackay Agreement, save for amendments to reflect the matters above.

Lake Mackay Agreement

The Lake Mackay Agreement is amended to remove the Gold Tenements, and the parties continue to hold the remaining tenements ("Base Metal Tenements") IGO 70% and Prodigy Gold 30%.

Under the Lake Mackay Agreement, Prodigy Gold will sole fund \$850,000 of joint venture expenditure to drill 3 diamond holes on the joint venture area within 24 months of signing of the amended Lake Mackay Agreement. Failure to spend will result in an increase of the sole funding amount by 10% until such sole funding has been completed. IGO has the right (at its own cost) to undertake DHEM surveys in all 3 diamond holes.

Prodigy Gold will be appointed manager of the joint venture during the sole funding period. Upon expiry of the sole funding period, the parties shall contribute to joint venture expenditure in proportion to their joint venture interest or otherwise be diluted and the majority joint venture holder shall have the right to be appointed manager of the joint venture.

Castile Joint Venture Agreement

Prodigy Gold, IGO and Castile Resources Limited ("Castile") are parties to an unincorporated joint venture agreement entered into in September 2018. Tenement EL31794 is a joint venture tenement on which the Goldbug prospect is located (see Figure 1).

The parties' current respective joint venture interests are: IGO 60%, Prodigy Gold 26% and Castile 14%. Prodigy Gold and IGO have agreed that IGO will transfer a 34% joint venture interest to Prodigy Gold, so that the parties' joint venture interests will then be Prodigy Gold 60%, IGO 26% and Castile 14%, subject to all necessary consents and approvals being obtained. IGO will resign as manager of the joint venture and be replaced by Prodigy Gold.

Exploration Update

The current campaign includes diamond drilling of an EM conductor associated with base metal polymetallic mineralisation at the Phreaker prospect, RC drilling of a gold-in-soil anomaly along strike from the Arcee prospect in Western Australia and RC drilling of further gold-in-soil anomalism north of the Arcee prospect within the Northern Territory. Both RC programs are supported by co-funding from the Western Australian and Northern Territory governments under their respective exploration and drilling initiatives.

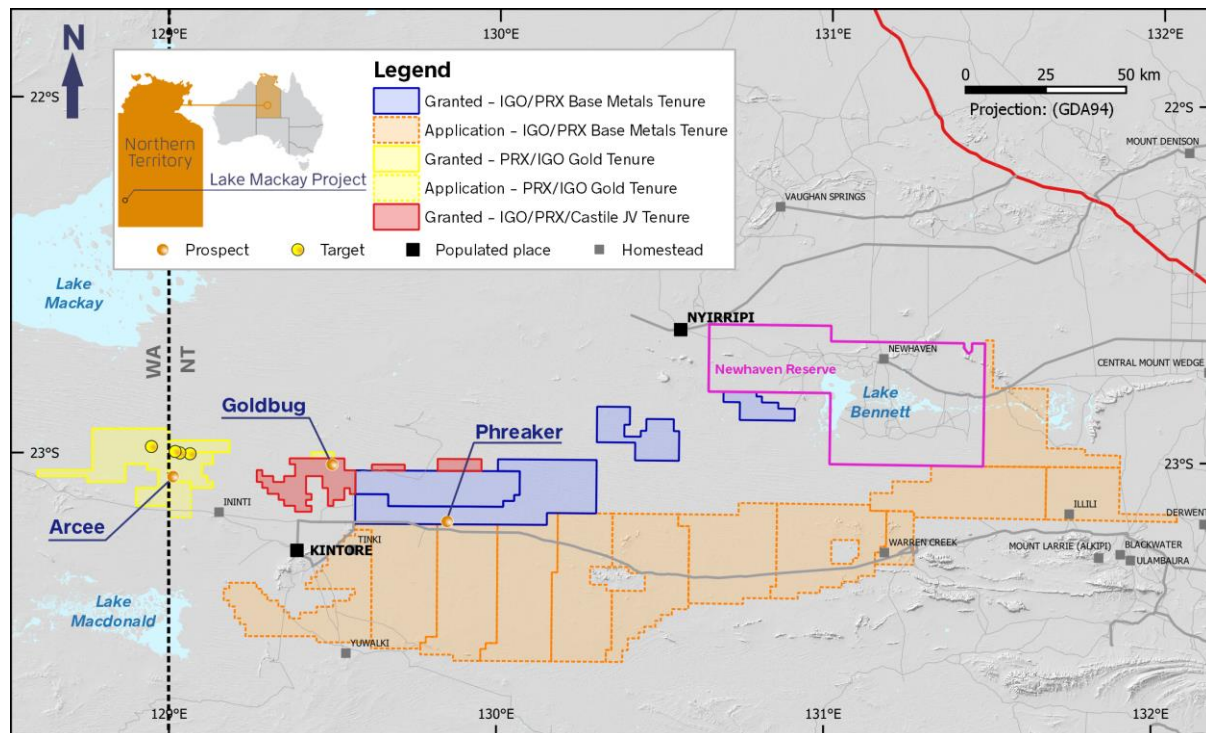


Figure 1 – Project Location Map showing JV titles and status

Phreaker Diamond Drilling

The Phreaker prospect is located within the Lake Mackay Joint Venture on EL30731, 42km east of Kintore and 400km west of Alice Springs. The prospect was discovered using ground electromagnetic ("EM") surveys that followed-up an original airborne EM anomaly. RC drilling completed at the Phreaker prospect by IGO in August 2019 confirmed that the mineralised system extends for over 750m of strike.

The 2019 drilling intersected copper sulphide mineralisation with intersections including¹:

- 19LMRC028 14m @ 0.84% Cu, 0.15g/t Au and 4.1g/t Ag from 353m
- 19LMRC031 10m @ 0.98% Cu, 0.06g/t Au and 13.9g/t Ag from 146m
- 19LMRC032 11m @ 1.15% Cu, 0.07g/t Au and 7.9g/t Ag from 189m including 2m @ 2.45% Cu from 189m

Copper and gold mineralisation at Phreaker occurs in a broad (>10m) pyrrhotite-chalcopyrite zone surrounded by garnet alteration. Results of down-hole EM (DHEM) suggested that the target had not been adequately tested and the previous RC holes likely drilled up dip of the mineralisation previously reported in hole 21PHDD002 (see Figure 3).



Figure 2 – Diamond drill rig at Phreaker prospect

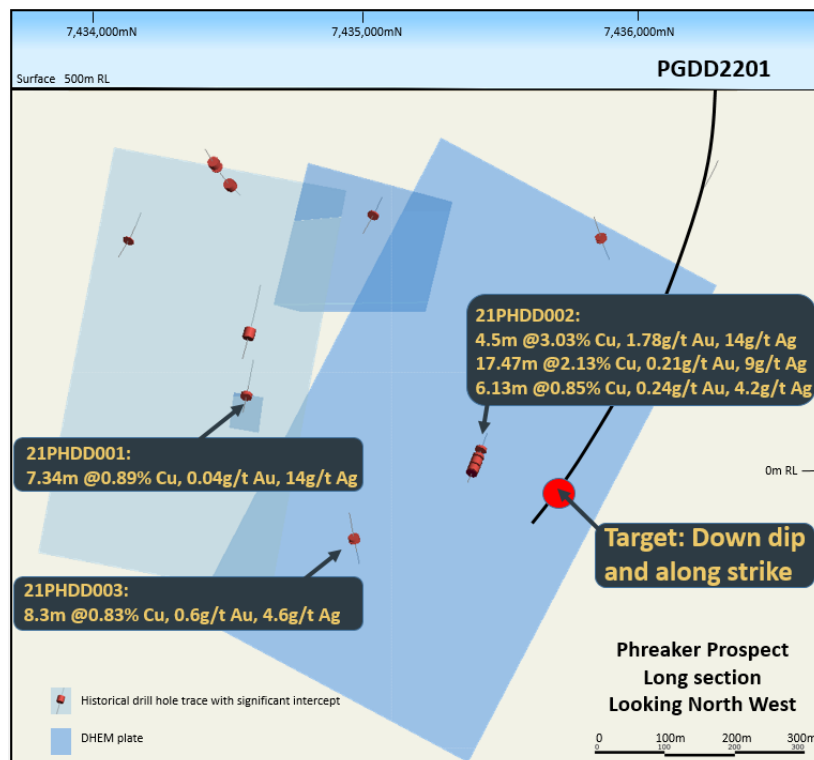


Figure 3 – PGDD2201 (currently drilling) with reference to significant intercepts from 2021 diamond drilling at Phreaker²

¹ ASX: 17 July 2019

² ASX: 26 May 2021

Three diamond drill holes were completed and confirm high-grade mineralisation down dip of the existing RC drilling and have tested the centre of the two modelled larger EM plates. Results from the second diamond drillhole included³:

- 21PHDD002 4.5m @ 3.03% Cu, 1.78g/t Au and 14g/t Ag from 562m; and
- 21PHDD002 17.47m @ 2.13% Cu, 0.21g/t Au and 9g/t Ag from 575.23m

A follow-up diamond drillhole has now commenced testing the EM plate along strike and down-dip from hole 21PHDD002 (Figures 2 & 3) and is expected to take approximately 4 weeks to complete. Drill core will be logged and sampled at the completion of drilling.

RC Drilling Program

Prodigy has commenced RC drilling targeting gold-in-soil anomalies within the Western Australian extension of the Arcee prospect and an area north of the Arcee prospect within the Northern Territory (Figures 4 & 5).

Approximately 1,500m of drilling is planned for the Western Australian extension of the Arcee prospect that was previously drilled by IGO in 2019 and returned a best intercept of 12m @ 3.47g/t Au⁴ from drill hole 19LMRC072. Surface geochemical sampling extended the gold-in-soil anomaly into Western Australia and the current drilling program, which is supported by co-funding under the WA Exploration Incentive Scheme (EIS), is targeting this gold anomalous area.



Figure 4 – RC drill rig at Western Australian extension of the Arcee prospect

³ ASX: 26 May 2021

⁴ ASX: 16 October 2019

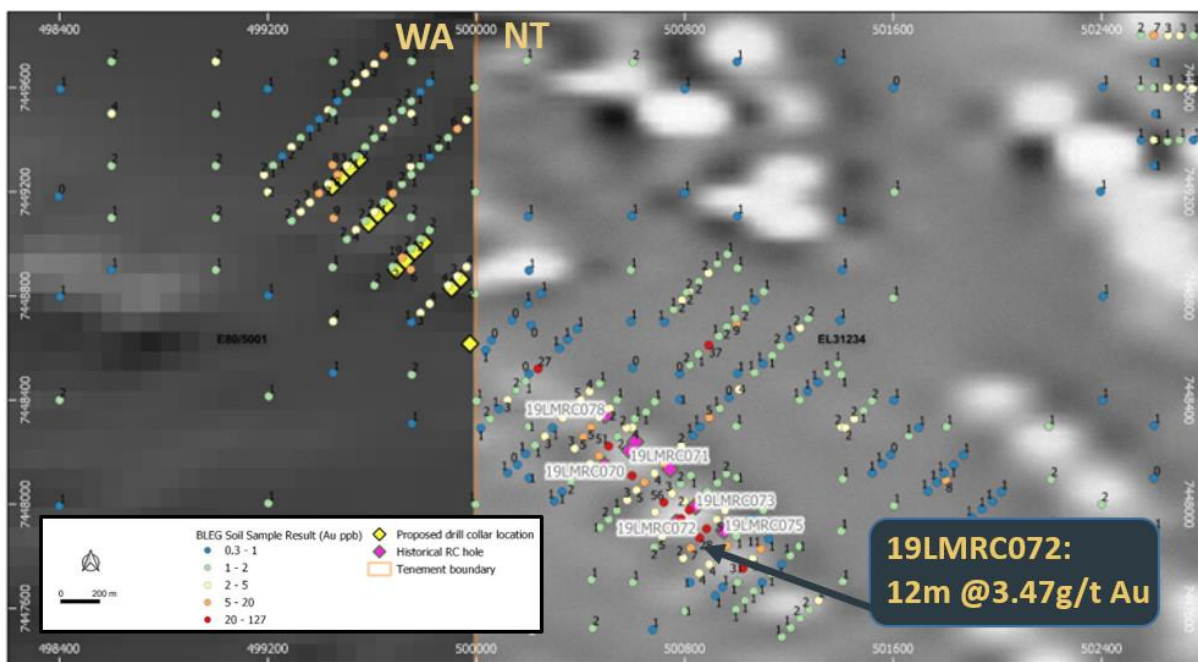


Figure 5 – Arcee prospect showing gold in soils overlain on magnetic imagery with drilling underway in Western Australia

A further 1,500m of drilling is planned to target three surface gold anomalies located approximately 10km north of the Arcee prospect. This drilling is co-funded under the Northern Territory Resourcing the Territory Initiative.

The RC drilling programs are expected to take 3-4 weeks to complete and samples will be submitted for analysis at the completion of the program.

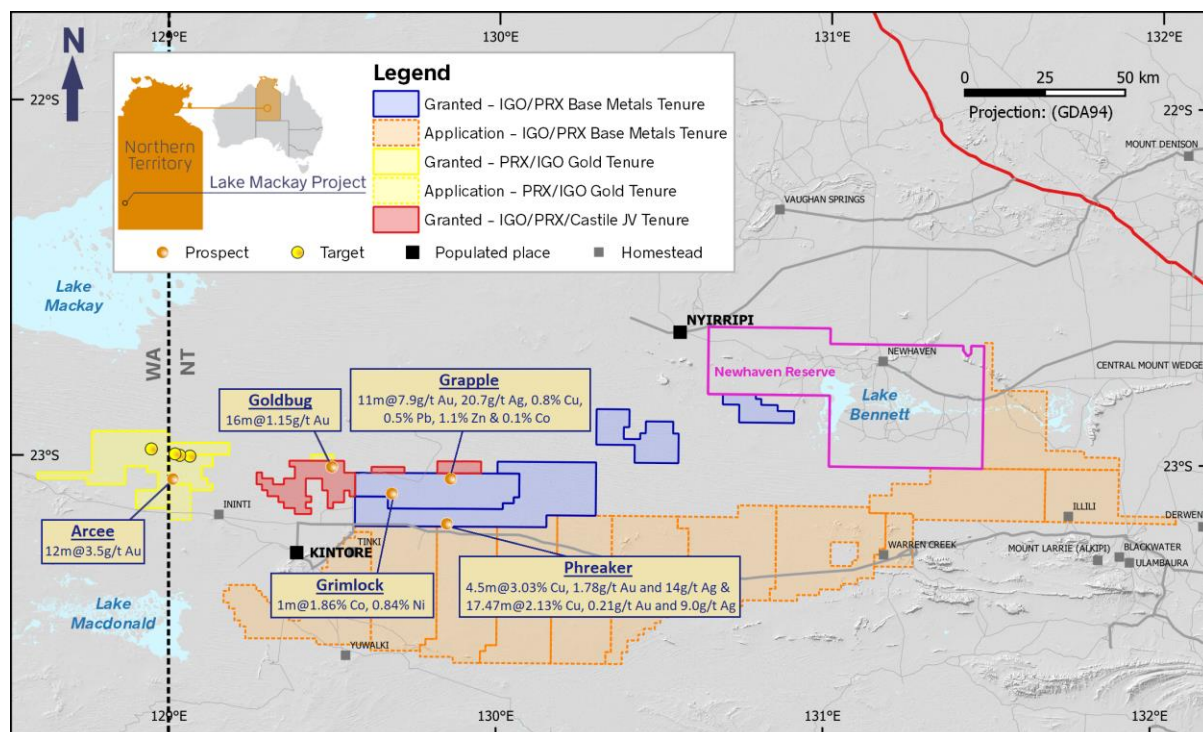


Figure 6 – Lake Mackay Project area highlighting significant results at each prospect⁵

Authorised for release by Prodigy Gold's Board of Directors.

⁵ ASX: 18/09/2017, 30/05/2019, 16/10/2019, 18/01/2021 and 26/05/2021

For further information contact:

Mark Edwards
Managing Director
+61 8 9423 9777

About Prodigy Gold NL

Prodigy Gold has a unique greenfields and brownfields exploration portfolio in the proven multi-million-ounce Tanami Gold Province. Prodigy Gold remains highly active in its systematic exploration approach and following the removal of COVID-19 restrictions intends to continue exploration prioritising on:

- drilling targets on its Tanami Projects
- a scoping study on the Buccaneer Resource
- systematic evaluation of high potential early stage targets
- joint ventures to expedite discovery on other targets

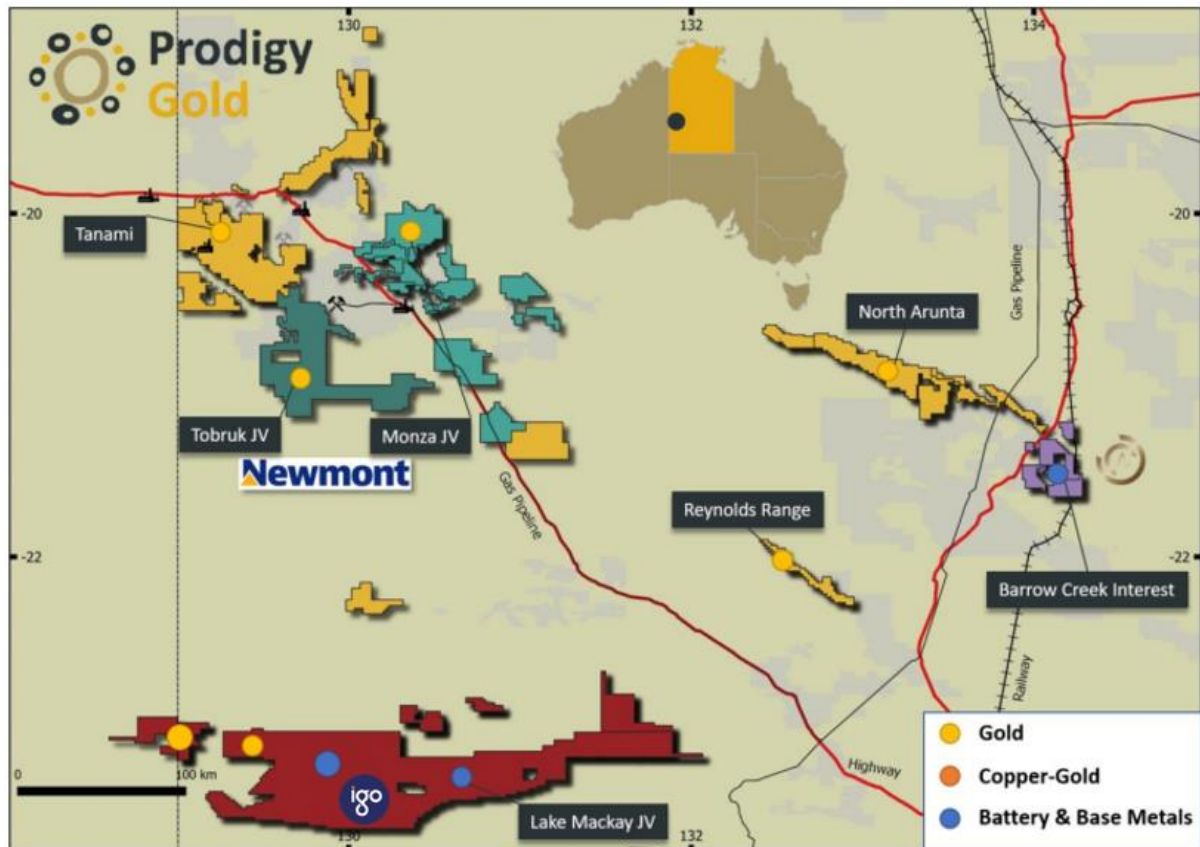


Figure 7 – Prodigy Gold Major Project Areas

Competent Person's Statement

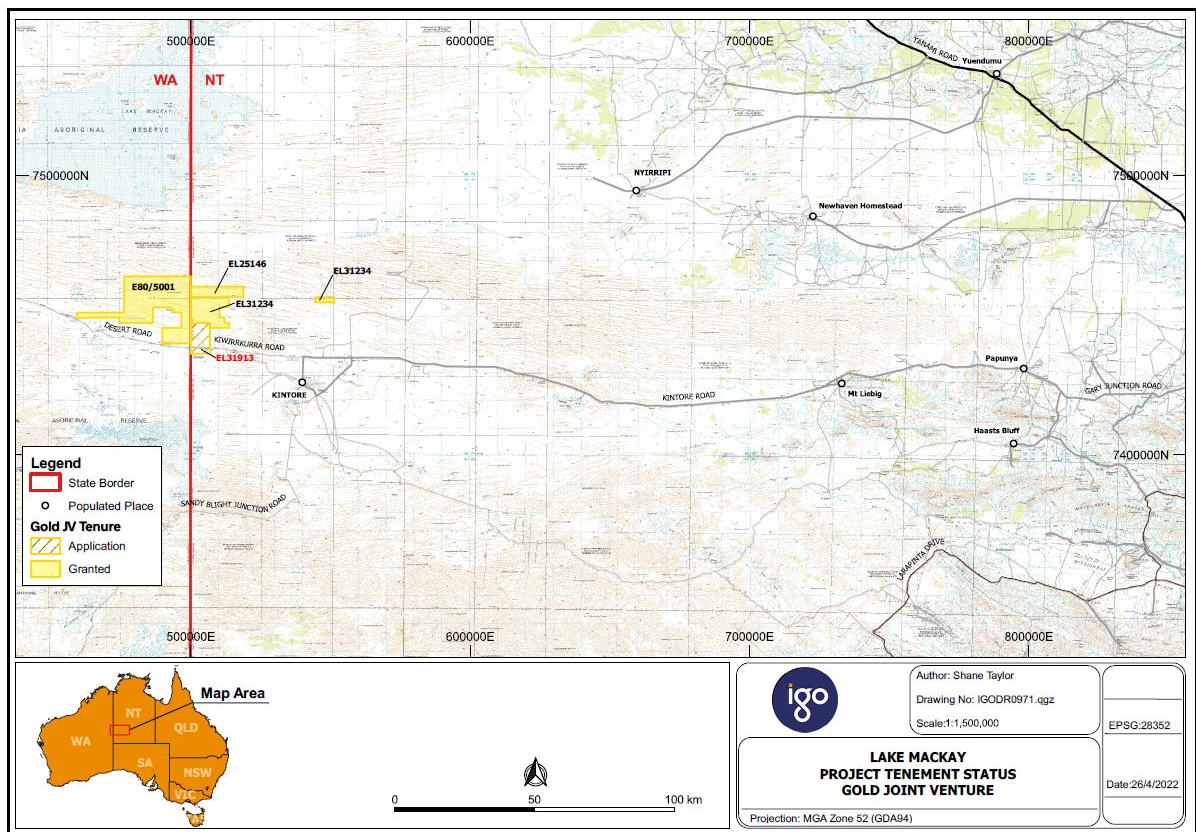
The information in this announcement relating to the Phreaker, Arcee and gold-in-soil exploration targets and exploration results from the Lake Mackay Project are based on information reviewed and checked by Mr Edward Keys, MAIG. Mr Keys is a Member of The Australasian Institute of Geoscientists (AIG) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The "JORC Code"). Mr Keys is a fulltime employee of the Company in the position of Exploration Manager and consents to the inclusion of the Exploration Results in the form and context in which they appear.

Past Exploration results reported in this announcement have been previously prepared and disclosed by Prodigy Gold NL in accordance with JORC 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in these market announcements. The Company confirms that the form and content in which the Competent Person's findings are presented here have not been materially modified from the original market announcements. Refer to www.prodigygold.com.au for details on past exploration results.

The information in this report that relates to prior exploration results is extracted from the following ASX announcements:

Announcement Date	Announcement Title	Competent Person	At the time of release full-time employee of	Membership	Membership status
18.9.2017	Lake Mackay JV – Grapple Prospect Drilling Update	Mr Doug Winzar	IGO Limited	AIG	Member
30.5.2019	Lake Mackay JV Update: High grade Cobalt intersected at Grimlock	Mr Doug Winzar	IGO Limited	AIG	Member
17.7.2019	More Copper and Cobalt intersected at Lake Mackay and promising new prospect identified	Mr Doug Winzar	IGO Limited	AIG	Member
16.10.2019	Lake Mackay JV Update: New Gold Prospect Identified	Mr Doug Winzar	IGO Limited	AIG	Member
18.1.2021	Lake Mackay JV: First bedrock gold intersected at Goldbug Prospect	Mr Doug Winzar	IGO Limited	AIG	Member
26.5.2021	Exceptional high grade copper intersections at the Phreaker Prospect within Lake Mackay JV	Mr Doug Winzar	IGO Limited	AIG	Member

Appendix 1: Lake Mackay Gold Joint Venture Agreement Map



Appendix 2: Lake Mackay Agreement Map

