

**ASX ANNOUNCEMENT / MEDIA RELEASE**

**QUARTERLY REPORT**

**For the 3 months ended 31 December 2020**

**Exploration Summary: 100% Owned Portfolio**

- Exploration at the Reynolds Range Project identified a large, strong 2km EM conductor at Scimitar coincident with large scale 3km copper, lead, zinc, silver, gold and arsenic anomaly
- Surface sampling highlighted strong gold and base metal anomalism extending over 3km, coincident with MLEM modelled conductor. Best surface sample results of:
  - 7.5g/t Au, 783g/t Ag, 5.4% Cu
  - 2.4g/t Au, 241g/t Ag, 19.3% Cu
  - 0.4g/t Au, 1,950g/t Ag, 21.3% Pb
- 400m diamond drill hole (SCDD2001) - co-funded by the NT Government as part of the Resourcing the Territory Initiative - was completed at Scimitar during the quarter
- Scimitar is the first of several targets to be tested within the Reynolds Range Project – previous RC drilling returned up to 17m @ 3.93g/t Au and 26m @ 2.73g/t Au
- Results from an aircore drilling program completed at targets within the North Arunta and Tanami Projects:
  - Tulsa Target: 28 aircore holes for 1,551m
  - Bonanza West Prospect: 110 aircore holes for 9,288m testing three targets
  - Bluehart Prospect: 57 aircore holes for 1,869m testing three targets
- Drilling planned at the Hyperion, North Arunta and Reynolds Range Projects in H1 2021
  - Drill ready large scale soil gold anomalies defined at the North Arunta Project
  - Cu-Au targets and EM conductors to be drilled at Reynolds Range

**Exploration: Joint Venture Projects**

- Lake Mackay (IGO 70% / PRX 30%):
  - 65 drill holes for 1,944m have been completed across six targets – including the Goldbug gold Prospect, Grimlock nickel-cobalt Prospect, Grapple Prospect and first drilling also completed at the Swoop nickel-cobalt Target
- Bedrock gold intersected at Goldbug Prospect including 20LMRC039 - 16m @ 1.15g/t Au, 4m @ 0.78g/t Au and 4m @ 1.54g/t Au and 20LMRC041 – 8m @ 1.2g/t Au
- Follow up work including diamond drilling at Phreaker, Raw and Customisable, and RC drilling at Raw, Goldbug and Arcee are planned for H1 2021

**Corporate Summary:**

- Managing Director Matt Briggs presented at the Noosa Mining Virtual Conference and Mining the Territory Virtual Conference during the quarter
- Prodigy Gold maintains a solid cash balance of A\$8.55M at December 31 2020

Prodigy Gold NL (ASX: PRX) ('Prodigy Gold' or the 'Company') is pleased to provide this activity report for the three months ended December 31 2020.

Prodigy Gold is continuing to systematically explore the Company's 100%-owned project portfolio with aircore, reverse circulation ("RC") and diamond drilling to screen for new large-scale gold deposits in the Tanami Region of the Northern Territory.

Further work was also completed during the quarter at the Company's Lake Mackay Project which is held in Joint Venture ("JV") with IGO Limited (ASX: IGO), with IGO holding a 70% JV interest in the tenements and Prodigy Gold holding a 30% JV interest.

### **Management Commentary**

Commenting on the December quarter, Managing Director, Matt Briggs said: "The December quarter was a busy period for Prodigy Gold with several important exploration programs advanced across both our 100% owned and JV portfolios.

"Reynolds Range has been of particular interest, and although it is only early days, we are already seeing some encouraging results from our work at the Scimitar Target with high grade copper and gold outcropping at surface. Scimitar is one of several highly prospective targets we aim to test this year at Reynolds Range, many of which are associated with historical exploration and mine workings. Exploration programs planned for H1 2021 included RAB and RC drilling of large scale soil anomalies on our Hyperion and North Arunta Projects, and drilling of EM conductors and extension to Cu-Au targets at Reynolds Range.

"Work at the Lake Mackay JV Project also continues on track and one of the definite highlights of the recently completed drilling program was the intersecting of bedrock gold at the Goldbug Prospect for the first time. Goldbug is an exciting anomaly which extends for over 600m and is 50km east of the Arcee Gold Prospect so we are eager to follow up this target as soon as possible."

### **December Quarter Exploration Summary**

#### **Reynolds Range Project (100% PRX): Exploration advances across key targets**

##### **Exploration Overview**

In November, Prodigy Gold advised that the first moving loop electromagnetic (MLEM) survey on the Company's Reynolds Range Project had revealed a large, strong electromagnetic (EM) conductor (Scimitar) coincident with surface copper, lead, silver, zinc, and gold anomalism.

The Scimitar Target is one of a number of Au and Cu targets being advanced by the Company on the Reynolds Range Project. Previous exploration at Reynolds Range has identified significant gold in drilling with RC results including 17m @ 3.93g/t Au and 26m @ 2.73g/t Au (ASX 18 January 2010).

In October 2020 the Company undertook a moving loop electromagnetic (MLEM) survey over the Scimitar Target. Detailed mapping identified evidence of Cu mineralisation at surface within a 3km long geochemical anomaly.

Of 127 samples collected in late 2020, 39 returned significant anomalism of up to 7.5g/t Au, 1,950g/t Ag, 19.3% Cu, and 21.3% Pb (Figure 6) (ASX 24 November 2020). Within the larger 3km long geochemical anomaly, separate Cu-Au and Ag-Pb zonation is observed. Elevated Cu-Au rock chips are exposed for 1.5km in a north-south trend, where east-west structures are exposed on a topographic high.

The conductor at Scimitar is the same orientation as the Reward Copper Deposit 5.5km to the southeast. The Reward Mine appears as a weaker EM anomaly, and contained ore of cuprite and malachite (copper oxides) up to 5m wide. Production from mining of oxides in the 1950's averaged ~11% Cu.

Following the identification of this conductor, a diamond drilling program comprising two holes 600m apart and 400-500m deep commenced in November to test Scimitar. Results from the first completed drill hole are outlined below.



*Figure 1 - Diamond drill rig drilling the Scimitar Target at Reynolds Range November 2020.*



*Figure 2 – Samples containing malachite (green) at the Scimitar Target indicating the presence of copper.*

### **Drill Hole SCDD2001 Summary**

Diamond drill hole SCDD2001 intersected a package of interbedded sandstone and siltstone with minor black shales and diorite intrusions (Figure 4). Sulphides including pyrite, pyrrhotite, sphalerite, galena and minor chalcopyrite are associated with quartz veining in deformed black shales over several intervals.

Elevated Ag-Pb-Zn results from the assaying of drill hole SCDD2001 correlate with these sulphidic sediments intersected in the hole. These sediments occur from 286-302.2m downhole near to the 350m target depth, based on the modelled EM plate conductor (Figure 7).



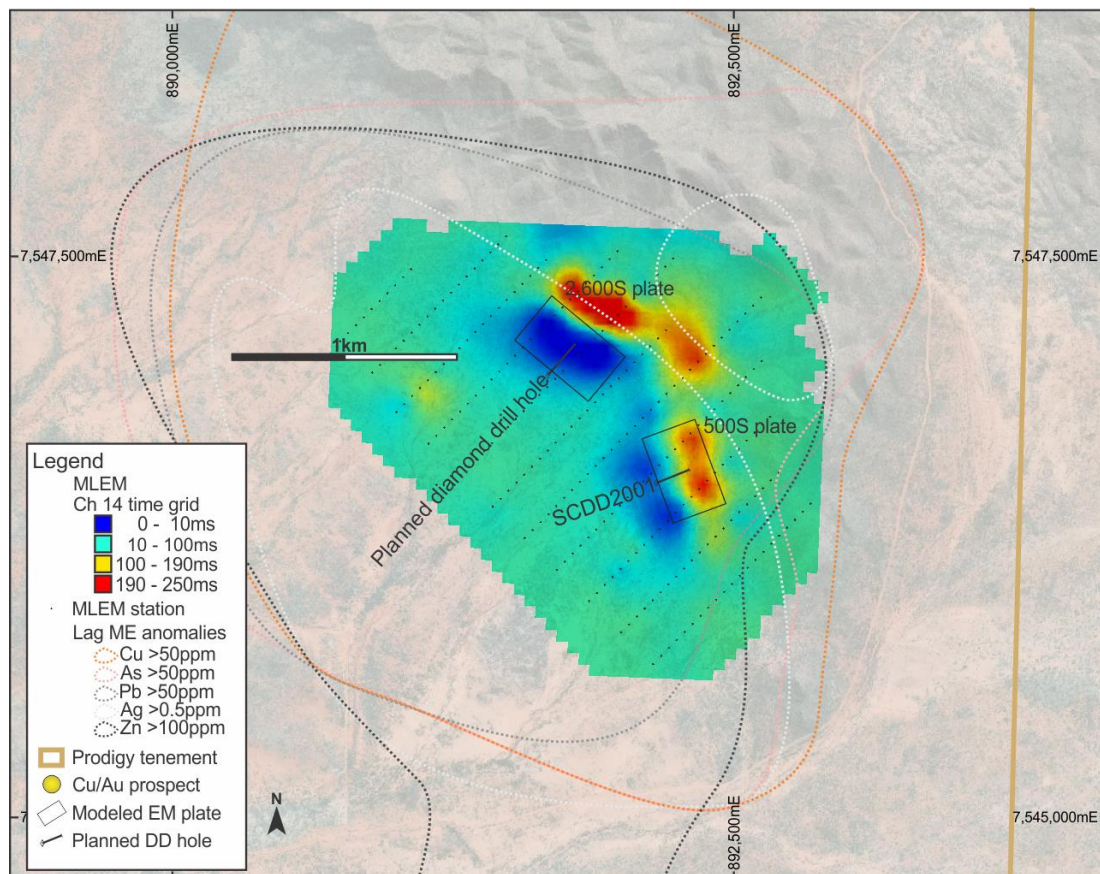


Figure 3 - Late time MLEM grid showing the extent of the modelled MLEM anomaly, high conductance target zones and the location of SCDD2001.

### Drill Hole SCDD2001 Results

Notable results from assaying of drill hole SCDD2001 correlate with sulphidic sediments (Figure 4) intersected in the hole. These sediments occur from 286-302.2m downhole. The depth of the sulphidic sediments are near to the depth of the targeted EM conductor (Figure 7). Best results for the interval are summarised in Table 1.

The sulphidic sediments in SCDD2001 are likely to be the source of the surface Zn and Pb anomaly. Downhole EM (DHEM) will be completed at the commencement of the 2021 field season. This will confirm whether the sulphidic shales identified in the drilling are the cause of the airborne and moving loop EM anomalies. The stronger zone of the EM conductor, 600m to the north of SCDD2001, remains untested. A second 500m diamond hole is planned to drill the conductor depending on the results of the DHEM survey. If DHEM confirms the sulphidic sediments are the source of the conductor the second hole is unlikely to be drilled.

**Table 1: Significant results from the Scimitar Target Stratigraphic Drill hole (ASX 29 January 2021)**

Hole ID	From Depth (m)	To Depth (m)	Interval (m)	Au g/t	Cu %	Ag g/t	Pb %	Zn %
SCDD2001	287.5	289.5	2			8.2	0.6	0.1
SCDD2001	295	297	2			4.4	0.4	0.3
SCDD2001	298	299	1			13.6	1.0	0.2
SCDD2001	300	302.2	2.2			10.5	1.2	0.4
SCDD2001	345.05	345.75	0.7	0.18	0.2			

<sup>1</sup>Mineralised intervals >0.1g/t Au or >0.4% base metals where geologically significant

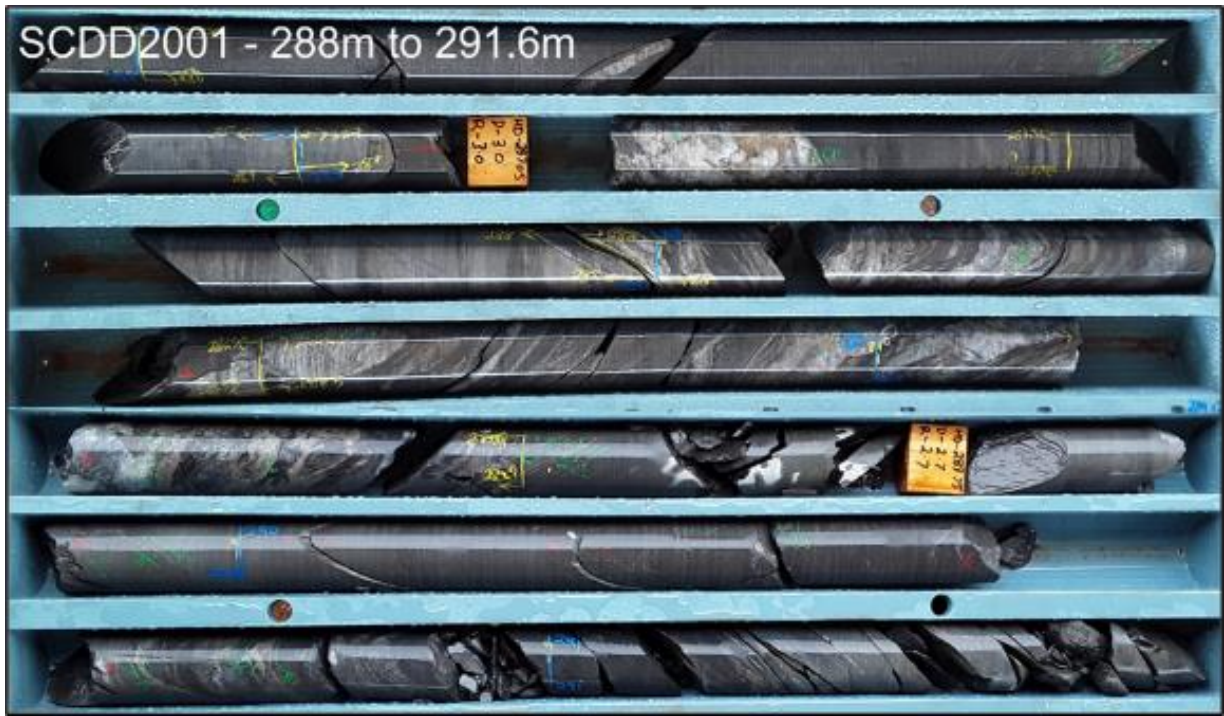


Figure 4 – Sulphide bearing interval from SCDD2001 from 288m containing pyrrhotite and base metal sulphides including sphalerite and galena associated with quartz veins in a black shale.

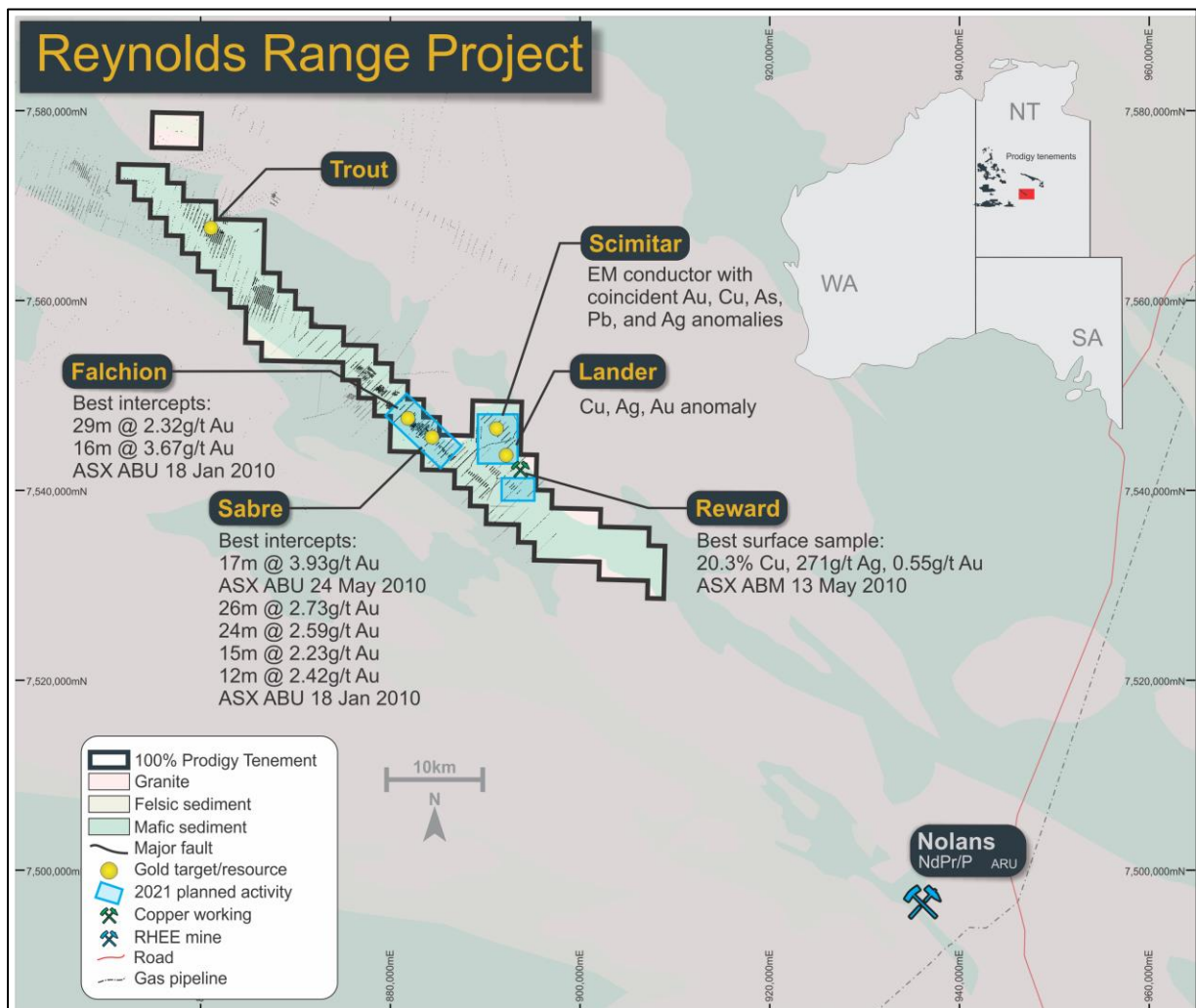


Figure 5 – Reynolds Range Targets

## Next Steps

Scimitar is along trend from the historic Reward Cu Deposit, which averaged 11% Cu and is the first of several targets to be tested at Reynolds Range over the coming months.

Downhole EM logging will be conducted at the commencement of the field season in 2021 to confirm the sulphidic sediments are the source of the EM conductor.

Field work will continue and drilling is planned to test other priority targets at Reynolds Range including the follow-up drilling at Scimitar, the Reward Cu-Au EM Target, the Falchion Target and the Sabre Au Prospect. The source of the 1.5km long high-grade Cu and Au soil and rock chip anomaly (Figure 6) has not been identified by the recent diamond hole and therefore Scimitar remains a priority target. Prodigy Gold is currently planning RC drilling closer to the Cu and Au surface anomaly.

## Reynolds Range Project Background

The project area is accessed from the Stuart Highway and is between 90 and 250km north of Alice Springs. Targets are located between 20km and 120km off the NT highway, railway line (Ghan) and the NT gas pipeline. These projects have excellent access and land ownership is a combination of pastoral lease and aboriginal land (ALRA). Prodigy Gold has negotiated access and permits to the land.

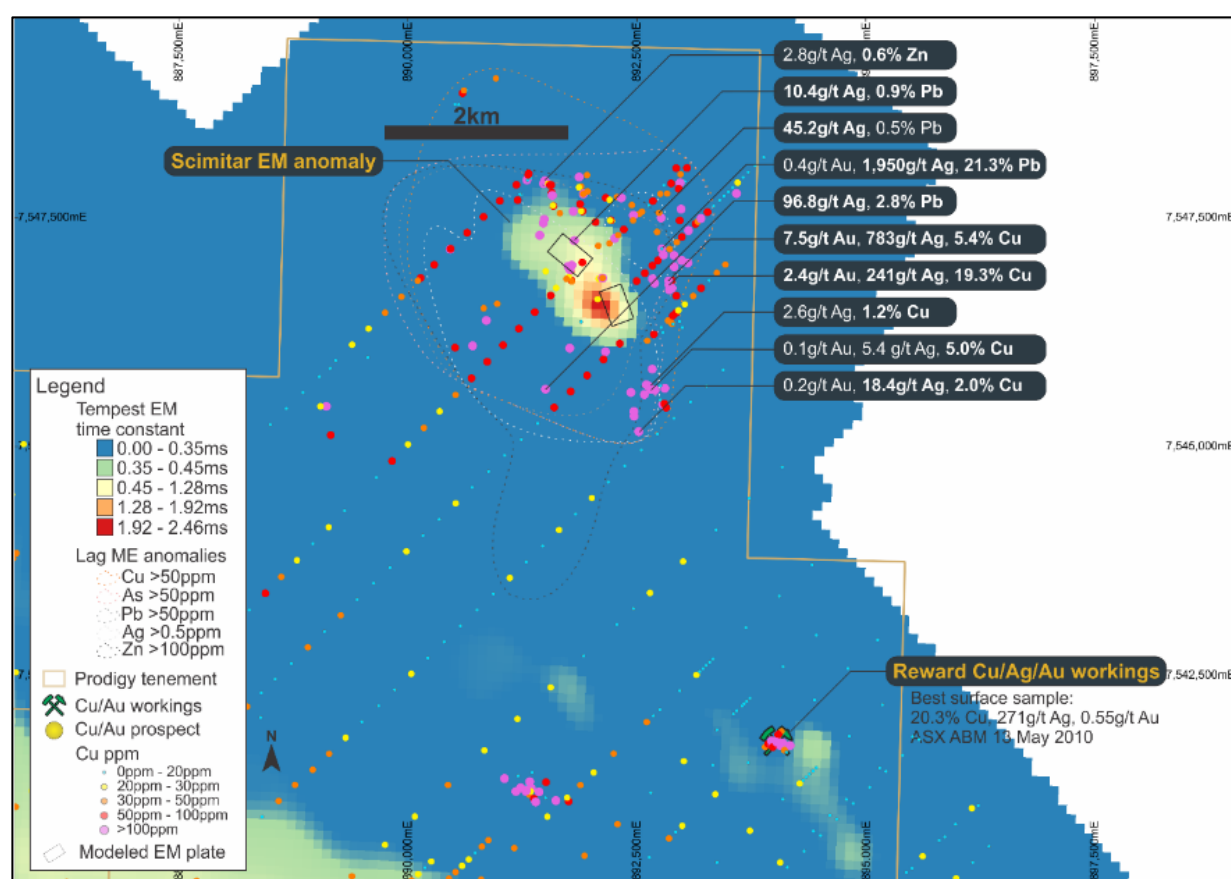


Figure 6 – Lag and rock chip Cu, Pb, Zn, Ag and As anomalism coincident with the Scimitar EM Conductor. Modelled EM plates targeted for diamond drilling are also shown in the centre of the anomalies. F2021 Q2 highlight results are labelled.



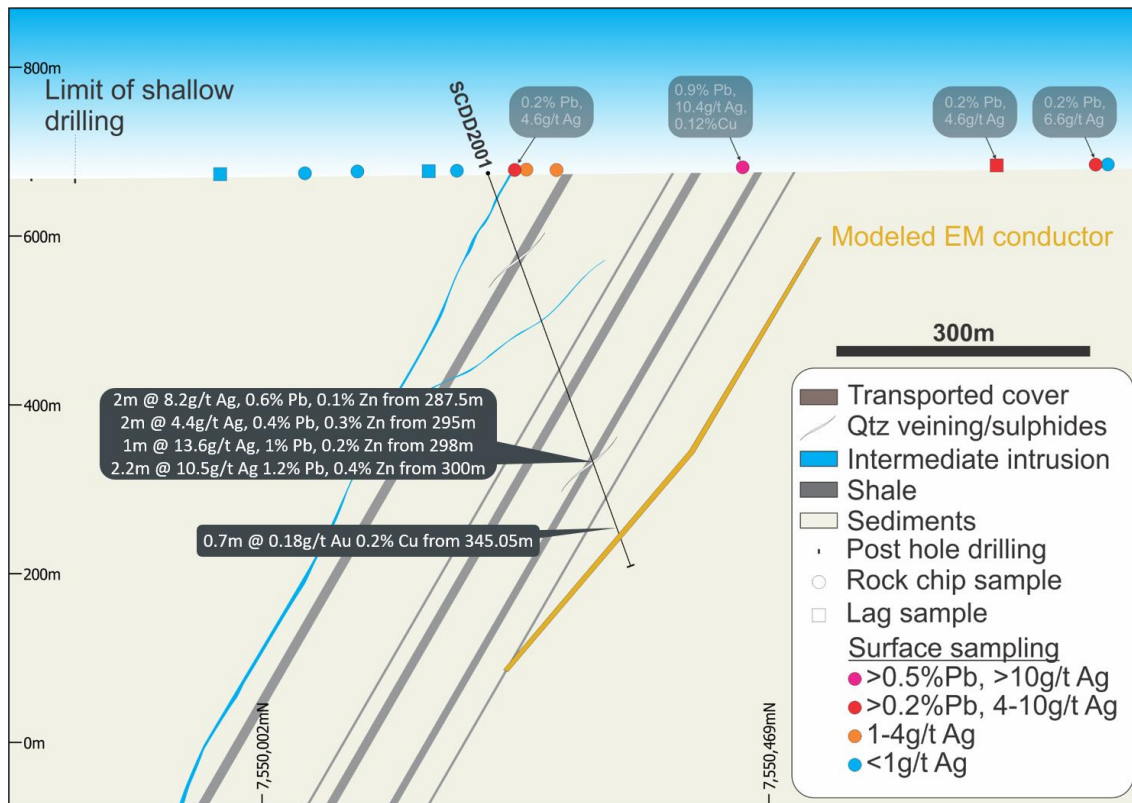


Figure 7 - Schematic cross section through SCDD2001 at Scimitar showing the targeted conductor and results.



Figure 8 - Scimitar Target Area with diamond drill rig in the middle ground.

## North Arunta Project Overview

The North Arunta Project covers ~3,190km<sup>2</sup> of exploration licences which are 100% owned by Prodigy Gold. The project consists of a 200km long gravity trend with associated metamorphosed sedimentary rocks, dolerite intrusions and large granite intrusions. The region has several known mineral occurrences including gold, copper, nickel, zinc, tin and tantalum.

The project is well serviced with infrastructure and is located close to the Stuart Highway, the Ghan Rail Line, and the Northern Territory Gas Pipeline (Figure 9). Many targets previously identified by Newmont remain undrilled.

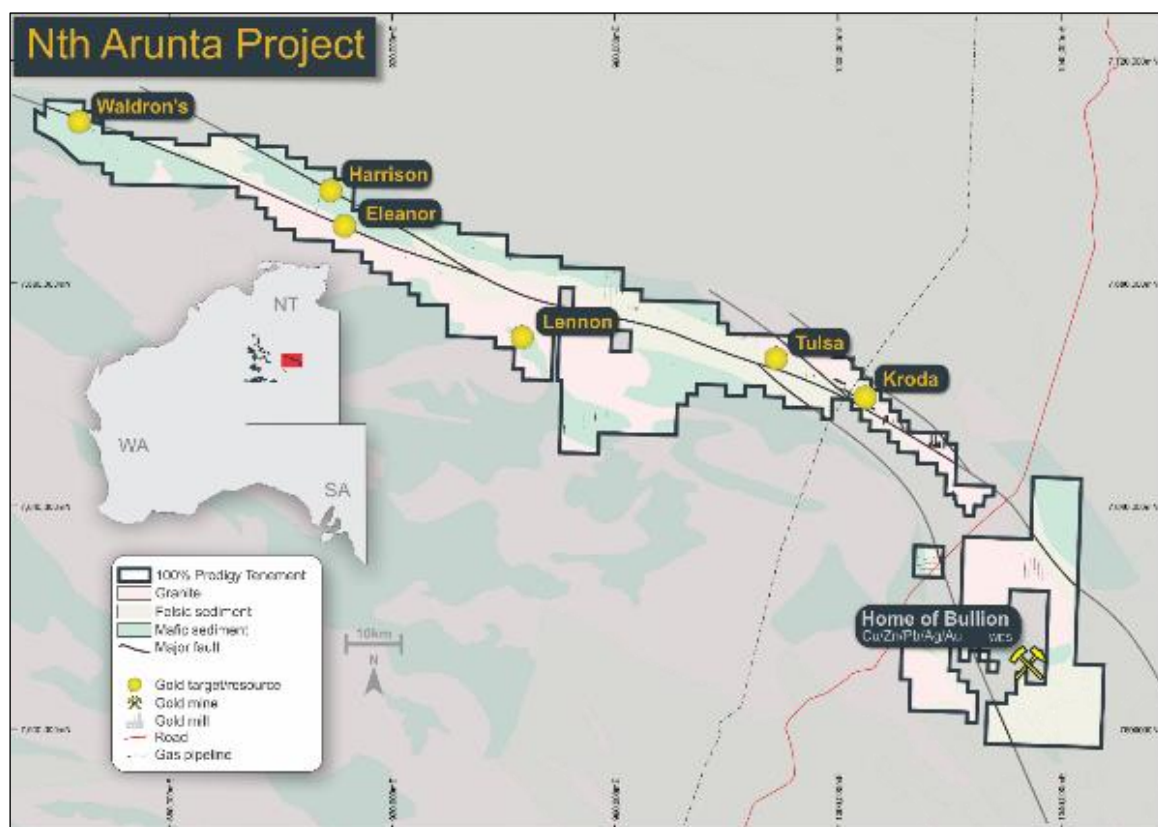


Figure 9 – North Arunta Project Targets

### Tulsa Target

The Tulsa Target, drilled as part of this most recent program, is located within a regional NW-trending structural corridor. Tulsa was a priority target based on highly anomalous soil geochemistry. Furthermore, it is along strike from the Kroda deposit 17km to the south east. Although the rocks at Tulsa are slightly younger, they remain highly prospective for both intrusion hosted and orogenic gold mineralisation. Regional reconnaissance aircore was completed to drill the interpreted extension of the mineralisation seen along the Kroda trend.

Drilling was completed on 7 lines testing the full 5km strike length of the 5km x 3km soil gold anomaly. The recent 28 hole (1,551m) drill program successfully drilled the extension of the favourable horizon that hosts the Kroda Project. This horizon, defined by arsenic anomalism of over 50ppm, was intersected on 4 lines extending for over 4.4km. Gold anomalism was intersected in a single hole with best result of 3m @ 0.15g/t Au from 48m in TSAC20025 (ASX 7 October 2020). The absence of a large scale bedrock gold or pathfinder multi-element anomaly has downgraded this target and the Tulsa Target.

Aircore drilling at the Lennon, Harrison and Eleanor Targets is planned for H1 2021. Permitting is pending at the Waldron's Target.



## Bonanza Project

The Tanami Region is host to multiple 1Moz+ gold deposits (Figure 10). The Company is using broad spaced RAB and aircore drilling to screen for the alteration and geochemical footprints associated with large scale deposits. Drilling is prioritised on targets with the same rocks as the known gold deposits, occurring in similar structural settings.

### Bonanza West Prospect

The Bonanza West Prospect is located to the west of the Old Pirate Gold Mine and Buccaneer Gold Deposit (Figure 10). The majority of the prospect area was not previously drill tested, although soil sampling was conducted over most of the region. Previous surface sampling campaigns across the targets have generated significant surficial gold and arsenic anomalies. Only portions of the existing surface anomalies had follow up drill-testing via vertical vacuum or RAB drilling. These shallow drilling techniques often failed to penetrate the cover sequence or the leached/depleted zone and where this has occurred, these techniques are not considered effective.

During the quarter, Prodigy Gold completed aircore drilling of 110 aircore holes for 9,288m at the Bonanza West Prospect testing 3 target areas. The areas drilled include the Beluga Target, a 3.5km long soil gold anomaly, and two structural targets.

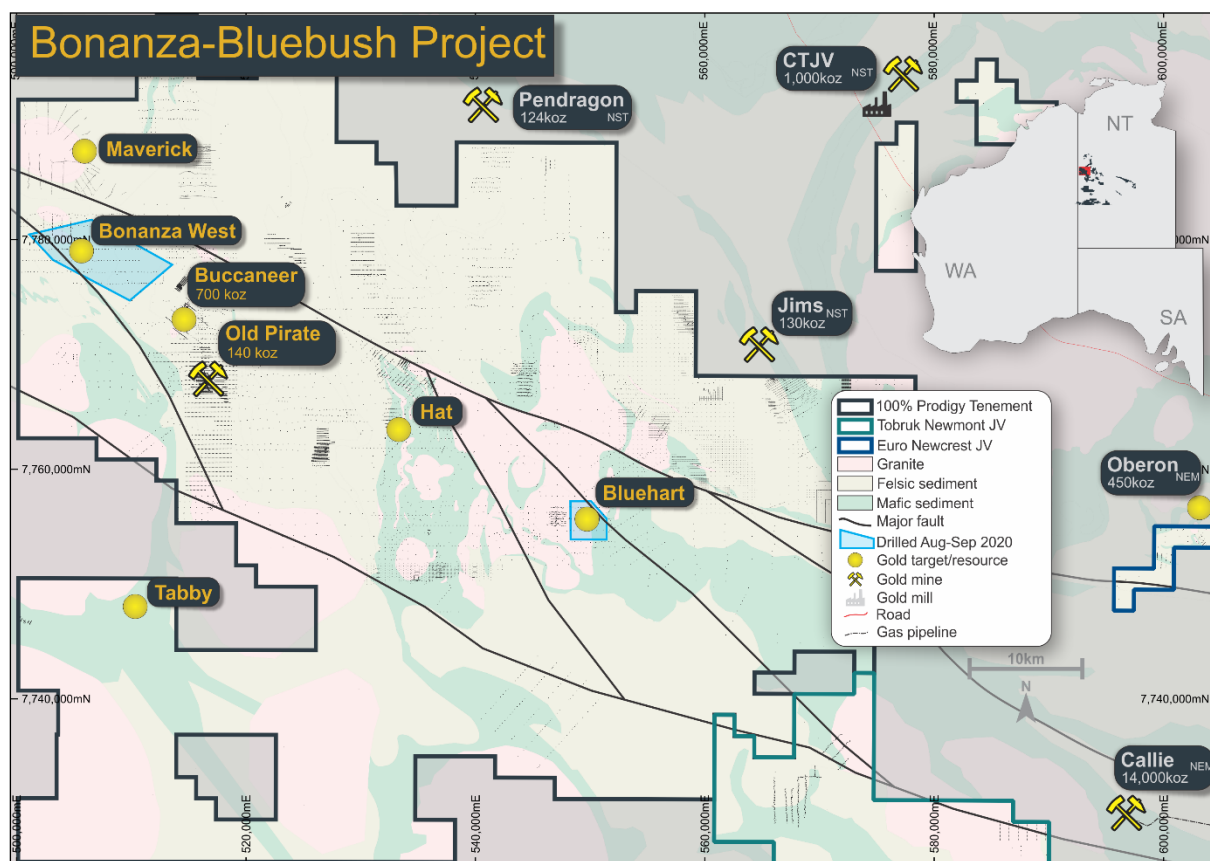


Figure 10 - Tanami Target areas drilled in 2020 (blue).

Results from this round of drilling returned with the best sample of 1m @ 0.27g/t Au from 107m in hole BZAC200120 (ASX 7 October 2020). The result is associated with a highly silicified fine grained sandstone with quartz veinlets within a shear. The drill result is 50m to the southeast of a historic (1998) rock chip sample of 0.11g/t Au. Adjacent drilling does not appear supportive of a large scale gold system in this location.

Surface gold enrichment at Beluga has failed to extend into bedrock and does not warrant further work. Permitting is underway for reconnaissance aircore drilling at Tabby and Maverick. Tabby is

interpreted to be the favourable folded Dead Bullock Formation under cover that has not previously been drilled. The Maverick Target is a coincident gold and pathfinder element soil anomaly that has not effectively been bedrock drilled previously.

### Bluehart Exploration Update

The Bluehart Prospect is located 53km along strike of the 14Moz Callie Gold Mine and is associated with a 1,000m long high-grade soil and rock chip gold anomaly (Figure 10).

Bluehart is associated with a northwest trending splay off the Trans-Tanami Fault Zone, similar to Callie. This northwest splay is coincident with soil and rockchip gold anomalism. Similar to the Callie deposit, sinistral shearing and east-west aligned anticlines are present within the three target areas at Bluehart with graphitic reduced sediments mapped in outcrop.

Aircore drilling, comprising 57 holes for 1,869m, was completed in the second half of 2020, testing three targets at the Bluehart Prospect. Low level gold results were returned last quarter with no significant assays being returned from the aircore program (ASX 14 January 2021). The thickness of Dead Bullock Formation, the target stratigraphic horizon, is thinned in the area limiting the potential for gold deposits of the scale targeted by the Company.

### PHD Target

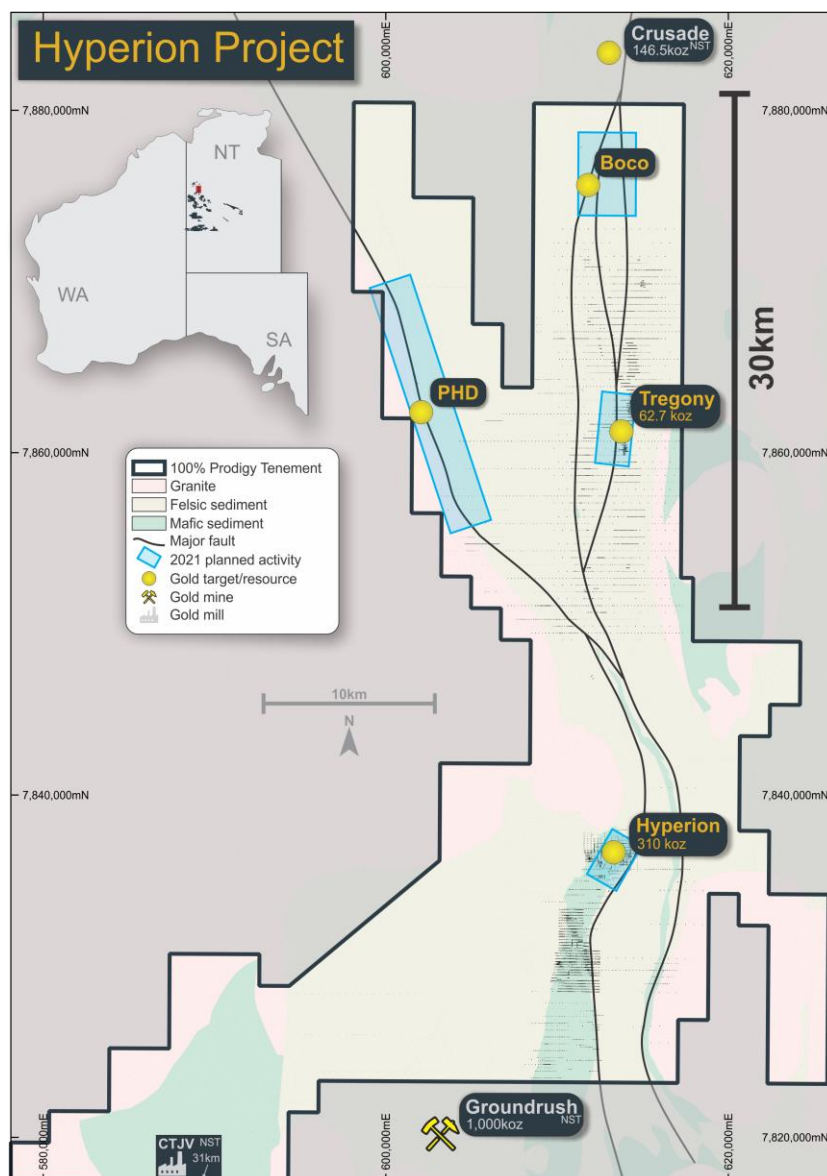


Figure 11 - Hyperion Project located to the North of Northern Star's Central Tanami Project

PHD is a 9km soil Au anomaly on the Hyperion Project, 30km northwest of the existing 310koz gold deposit (Figure 11). Shallow RC drilling by Ord River Resources in 2005 defined gold in RC drilling within two zones over 3.5km of strike at the PHD Prospect.

Previous soil anomalism associated with this structure has now been shown to extend for over 9 km. Airborne magnetic surveying completed in 2019 highlights the extensions of the structure along strike and the potential for parallel structures.

During November 2020 sampling and mapping was undertaken in preparation for the planned aircore drilling program. A total of 147 samples were collected on an irregular 600x50m spacing infilling areas not previously sampled along strike of previous RC drilling.

Soil sampling results support the continuity of the anomaly interpreted from airborne magnetics data (Figure 12) (ASX 14 January 2021).

Aircore drilling is planned to commence at the beginning of the 2021 field season at a 500m x 100m spacing. The results of aircore drilling and structural interpretation, will be used to design subsequent RC drilling.

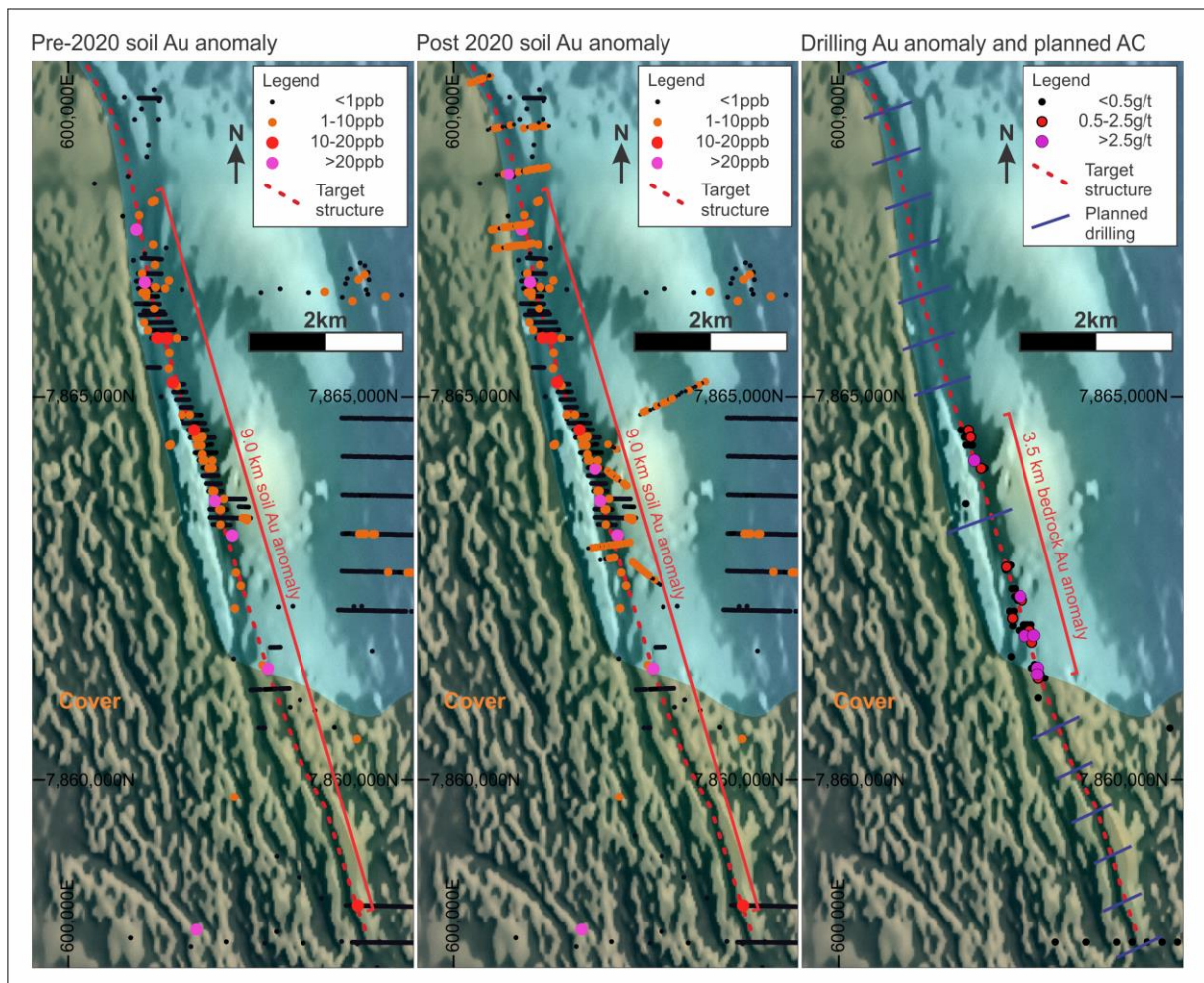


Figure 12 - 1VD aeromagnetic image of the PHD Target showing recent surface sampling (opaque) and previous surface sampling (transparent) (left image); the main PHD gold anomaly and existing drilling with planned AC traverses (right image).



## Joint Venture Portfolio

### Lake Mackay Project Exploration Summary

The Lake Mackay Project is 400km northwest of Alice Springs and comprises approximately 15,630 km<sup>2</sup> of exploration licences and applications (14,886km<sup>2</sup> IGO 70%/Prodigy Gold 30% JV, 744km<sup>2</sup> IGO 59.5%/Prodigy Gold 25.5%/Castile 15%)(Figure 16).

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.

IGO commenced activity on the current Lake Mackay JV area in 2014. Systematic exploration lead to the discovery of gold and base metal mineralisation at Bumblebee in 2015 and Grapple in 2016. Diamond drilling of Grapple in 2017 defined gold and copper mineralisation over 800m of plunge including a result of 11m @ 7.9g/t Au, 20.7g/t Ag, 0.8% Cu, 0.5% Pb, 1.1% Zn & 0.1% Co in 17GRDD001 (ASX 18 September 2017). In 2018, further work identified Ni, Co and Mn-bearing laterites. During 2018, IGO completed the \$6M earn-in and the JV Project is funded 70/30.

During the quarter, a drilling program targeting several high priority targets was completed at the Lake Mackay Project (ASX 22 October 2020). The program was focused on drilling six high priority targets (65 aircore holes for 1,944m) which are prospective for cobalt-nickel-manganese, gold and copper mineralisation.



*Figure 13 - Drilling at the Grimlock Prospect on the Lake Mackay JV, October 2020.*

Results from the program were reported post quarter end (ASX 18 January 2021). A highlight of this program was the intersection of bedrock gold at the Goldbug Prospect. Goldbug is a soil gold anomaly that extends for 600m (Figure 15) and is open to the east and northwest and is located 50km to the east of the Arcee Gold Prospect (Figure 16).

Further information on the targets is included in the below target summary.

Table 2 - Summary of October 2020 Lake Mackay Project Drilling

Target	Holes Drilled	Metres	Target Commodity	JV Area
Grimlock	38	993	Co, Ni, Mn	1
Swoop	18	342	Co, Ni, Mn	1
Goldbug	3	278	Au	2
Grapple	4	235	Au, Cu	1
Cluster	1	84	Cu, Au, Ni, Co	1
Raw	1 (incomplete)	12	Cu, Au	1
<b>Total</b>	<b>65</b>	<b>1,944</b>		

<sup>1</sup>IGO/PRX <sup>2</sup>IGO/PRX/CST See background section for project ownership split

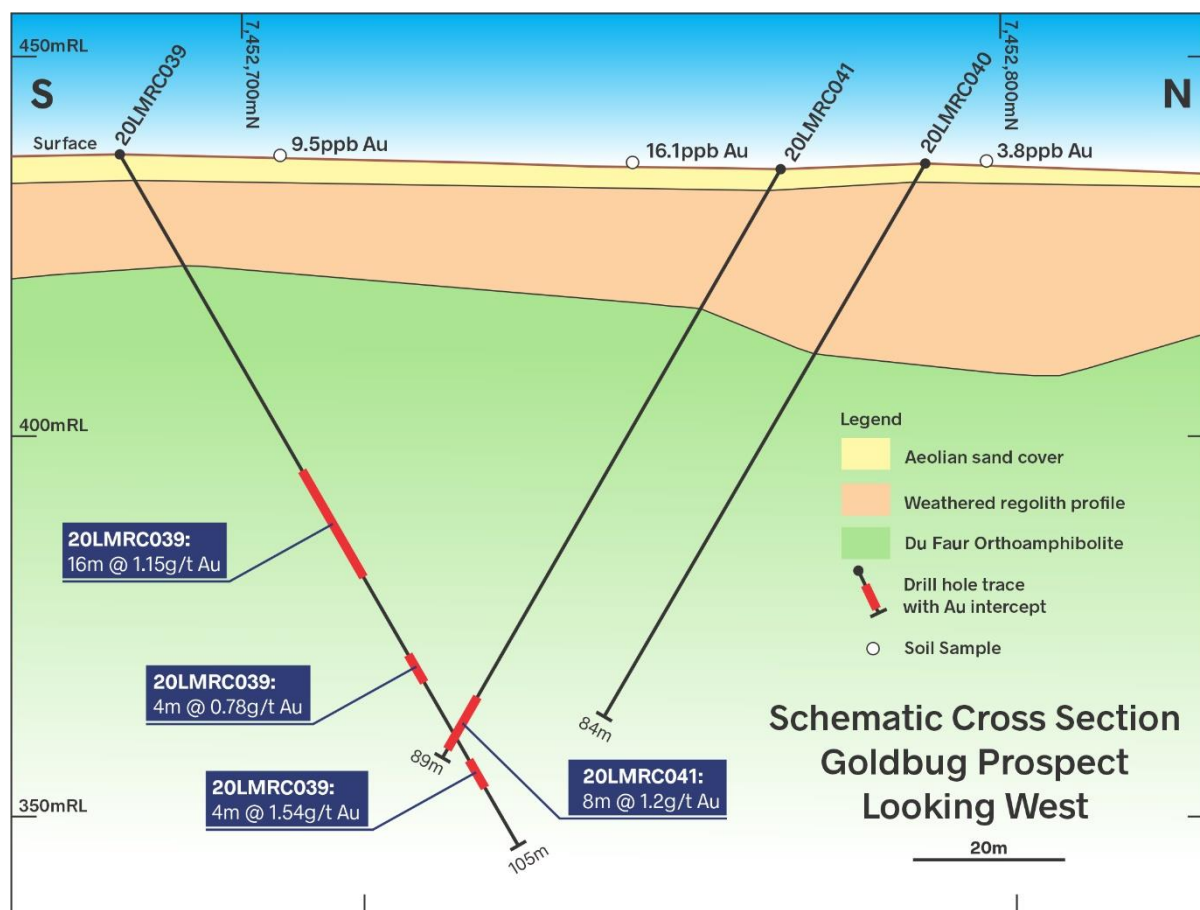


Figure 14 - Cross section highlighting first mineralised holes intersected at the Goldbug Prospect.

### Target Summary

**Goldbug Prospect** is a 600m long soil gold anomaly over the Du Faur Orthoamphibolite. The target was originally identified through systematic soil sampling. Initial drilling in 2019 failed to identify the bedrock source of the soil gold anomaly. Goldbug is one of a number of soil gold anomalies at Lake Mackay.

The RC program of 3 holes for 278m drilled in late 2020 has successfully intersected bedrock gold mineralisation. Gold is associated with pyrite and quartz veining in an orthoamphibolite. Best results are (ASX 18 January 2021):

- 20LMRC039
  - 16m @ 1.15g/t Au from 48m
  - 4m @ 0.78g/t Au from 76m
  - 4m @ 1.54g/t Au from 92m
- 20LMRC041
  - 8m @ 1.2g/t Au from 80m

Drill hole 20LMC040 was not drilled to a depth that would intersect the mineralisation now defined.

The strike of the structure is interpreted to be broadly east-west as suggested by the long axis of the soil anomaly. The dip of the structure is unknown however is likely to be steep, as seen with other structures at Lake Mackay, or north dipping. Soil gold anomalism extends for over 600m and is open to the east. The Goldbug Prospect has significant volume potential and warrants further RC drilling in 2021.

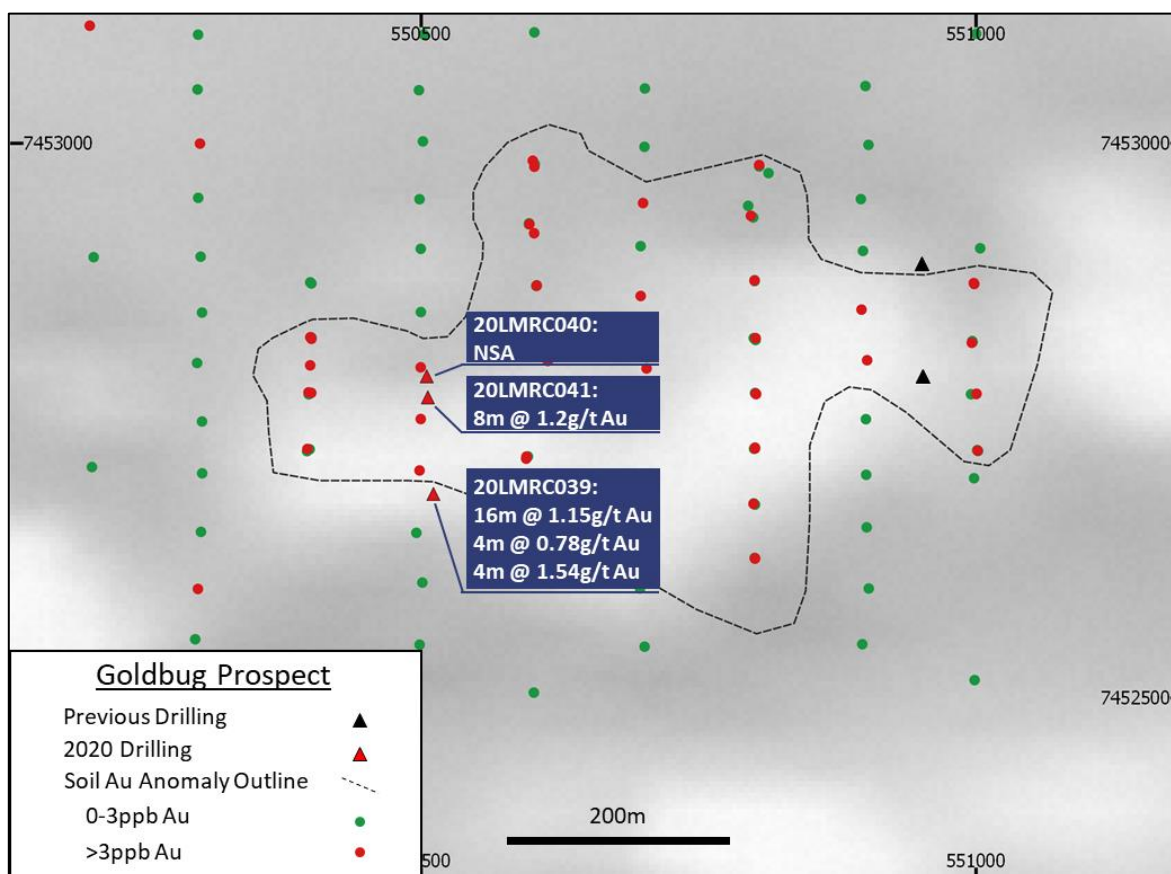


Figure 15 - Goldbug Prospect Collar map with 1vd magnetics

**Grimlock Prospect** has shallow enrichment of cobalt and nickel developed over weathered ultramafic phases on the margins of an intrusion. Initial surface sampling identified cobalt of over 2% (ASX 12 December 2019). RC drilling confirmed the results of surface sampling with elevated cobalt defined over 4km. Leach test work undertaken in 2019 demonstrated over 97% of cobalt is extractable (ASX 12 December 2019).

The recent program aimed to define the scale potential of the prospect with a grid of RC holes on a 300-400m spacing across a 3.5km long area.



The 38 hole RC program of 993m successfully defined further nickel and cobalt mineralisation at Grimlock. Best results from 2020 drilling are (ASX 18 January 2021):

- 20LMAC002
  - 6m @ 0.02% Co and 0.57% Ni from 10m
  - 12m @ 0.07% Co and 1.17% Ni from 20m including 4m @ 0.11% Co and 1.56% Ni from 24m
- 20LMAC003
  - 12m @ 0.13% Co and 0.64% Ni from 8m
- 20LMAC006
  - 6m @ 0.13% Co and 0.68% Ni including 2m @ 0.29% Co and 0.9% Ni from 20m
- 20LMAC011
  - 2m @ 0.1% Co and 0.2% Ni from 26m

The abundant pyrolusite associated with high grade cobalt in previous drilling was not intersected in the 2020 drilling program reducing the scale potential.

**Swoop Target** displays a similar cobalt-nickel-manganese enrichment in lag samples as Grimlock. 18 holes were completed at Swoop to test the extent of enriched laterite and for the presence of pyrolusite (Mn). Drilling comprised 18 holes for 342m across the 1km long magnetic high. Best results included (ASX 18 January 2021):

- 20LMAC047 4m @ 0.15% Co and 0.67% Ni from 14m
- 20LMAC051 10m @ 0.13% Co and 0.51% Ni from 2m
- 20LMAC052 2m @ 0.02% Co and 0.52% Ni from 14m
- 20LMAC058 2m @ 0.11% Co and 0.22% Ni from 4m

The mafic/ultramafic intrusion at Swoop and surface enrichment appears similar to Grimlock. There is potential for several other mafic/ultramafic intrusions identified at Lake Mackay to host further cobalt and nickel mineralisation. As the cobalt enrichment at Swoop covers a smaller area, Grimlock will remain the focus of any future Ni-Co work at Lake Mackay.

**Cluster Target** is a very discrete magnetic high that was drilled to confirm the source of the magnetic response. No base metal mineralisation of interest was intersected in the hole.

**Grapple Prospect** – Au and Cu associated with sulphides had been defined at Grapple over a strike length of approximately 800m. The current program aimed to define shallow mineralisation up plunge of previous drilling. The 4 holes completed were drilled along 300m of strike for a total of 235m drilled.

Results have returned with base metal intersections in 3 holes (ASX 18 January 2021):

- 20LMRC042 - 5m @ 0.2g/t Au, 46.1g/t Ag, 0.5% Cu, 0.9% Pb, 3.2% Zn and 0.2% Co
- 20LMRC043 – 1m @ 3.2g/t Au, 11.4g/t Ag, 2.6% Cu, 0.59% Zn
- 20LMRC044 - 2m @ 0.7g/t Au, 11g/t Ag, 0.34% Cu, 0.2% Pb, 0.6% Zn
- No significant results were reported for 20LMRC045.

The mineralisation was intersected in the targeted position and limits the continuity of shallow mineralisation to the east. The mineralisation remains open down plunge to the west.

**Raw Prospect** is a polymetallic (predominantly Au and Bi) soil and rock chip anomaly. Drilling was commenced as a part of the recent RC campaign but was abandoned due to a mechanical failure of the rig. An adjacent EM conductor was defined in 2018 and a diamond drill test is planned for FY2021.

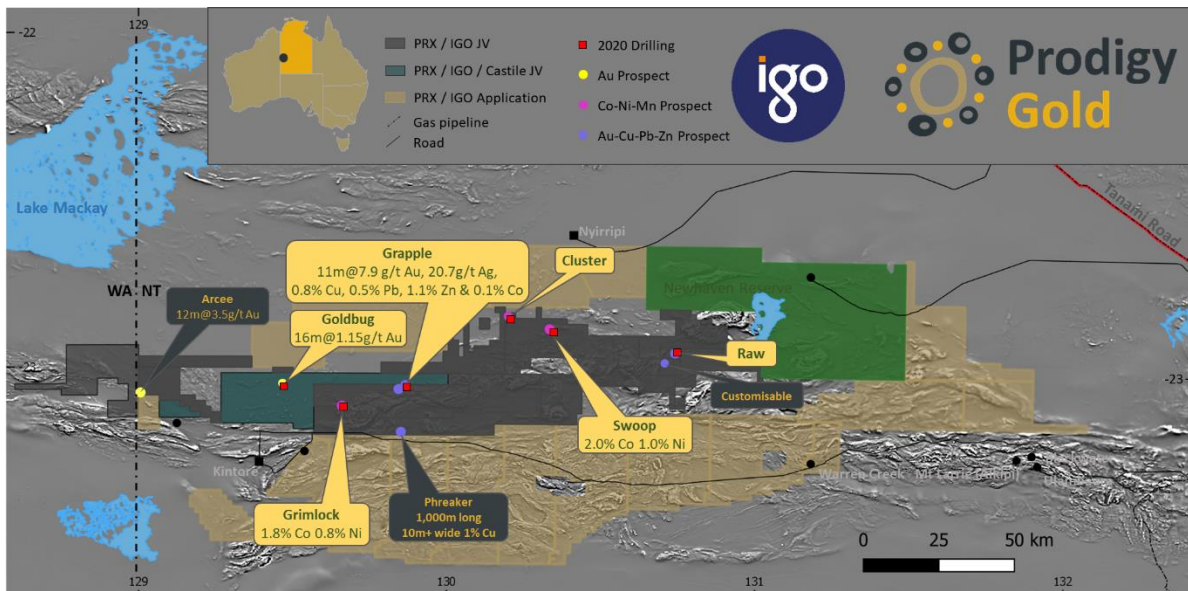


Figure 16 - Lake Mackay Project Map with Active Prospects and recent drilling

### Future Work

- Follow-up diamond drilling is planned for the Raw, Customisable, and Phreaker Prospects.
- Once additional soil sampling is completed in WA, the Arcee Prospect area will be re-interpreted and anomalous areas will be selected for infill sampling. Any anomalies generated will likely be tested by RC drilling along with the strike extent of the Arcee Prospect.
- Additional RC drilling is planned for the Goldbug Target

### Tobruk JV (Newmont)

The Tobruk Project is interpreted to have occurrences of the same prospective lithologies that host Newmont Callie Gold deposit and several smaller deposits including Groundrush and Titania-Oberon. The Project's potential is further enhanced by having 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.

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

Results of an airborne gravity survey completed last quarter were received during the quarter. On ground activities remained suspended due to COVID-19 restrictions.

Whilst concerns and disruptions relating to COVID-19 are anticipated, fieldwork is scheduled to commence in early April 2021, after the cessation of the wet season.

### Newcrest withdraws from Euro Project Farm-in Agreement

In November, Prodigy Gold advised that Newcrest Mining Ltd ("Newcrest") had withdrawn from the Euro Project Farm-in Agreement (the "Agreement") established in July 2018 (ASX 4 July 2018). Under the Agreement Newcrest had the ability to earn up to a 75% interest in the Project by sole funding up to \$12M over seven years.

Given Newcrest did not meet the Stage 1 Expenditure requirement to earn a 51% interest (\$6M spend within four-year period), Prodigy Gold retains a 100% interest in the Project. Unfortunately delays in

land access, further compounded by COVID-19, have hampered the progress of the Euro Project when funds can be redeployed to competing projects.

The Euro Project remains an area of significant interest, as it hosts key targets along strike or parallel to the Trans-Tanami Fault trend which have seen limited or no previous exploration and Prodigy Gold will provide further updates on exploration plans in due course.

### **ESG (Environmental Social Governance)**

A comprehensive update was provided in the inaugural Prodigy Gold 2021 ESG Report available on the Company website.

No reportable injuries or environmental incidents for the quarter. No COVID-19 transmissions with ongoing protocols including screening, hygiene and physical distancing in place.

Focus over the last quarter has been on ensuring permitting and sacred site clearances are in place for 2021 activities, COVID-19 management including transit to avoid community interaction, and rehabilitation of historic exploration sites. A sacred site clearance survey was completed on areas of the North Arunta Project during the quarter.

### **Corporate Overview**

#### **Attendance at Noosa Mining Virtual and Mining the Territory Conferences**

During the quarter, the Company's Managing Director Matt Briggs presented at the Noosa Mining Virtual Conference. The conference was attended by several investors online and Matt's presentation covered Prodigy Gold's investment highlights and near-term plans. A copy of the presentation was lodged on the ASX on 10 November 2020.

In addition, Matt Briggs also presented at the Mining the Territory virtual conference on the 12 November 2020.

#### **Capital Structure**

During the quarter 7 Million unlisted vested director options lapsed unexercised and, following shareholder approval at the AGM held on 2 November 2020, the Company issued 10.4 Million unlisted options to directors (ASX 3 November 2020).

As at quarter end the Company has a total of 580,627,606 fully paid ordinary shares and 31.1 Million unlisted options on issue.

#### **Cash Position**

At quarter end, Prodigy Gold held A\$8.55M in available cash with no debt.

Payment reported in the Appendix 5B under section 6.1 consist of remuneration paid to executive and non-executive directors of the Company, including PAYG and superannuation, on a cash basis.

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

### **For further information contact:**

**Managing Director, Matt Briggs**  
**+61 8 9423 9777**



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Follow [Prodigy Gold](https://www.linkedin.com/company/prodigy-gold) on LinkedIn



## **About Prodigy Gold NL**

Prodigy Gold has a unique greenfields and brownfields exploration portfolio in the proven multimillion-ounce Tanami Gold district. 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, Reynolds Range and North Arunta Projects
- systematic evaluation of high potential early stage targets
- joint ventures to expedite discovery on other targets

### **Competent Person's Statement**

*The information in this announcement relating to exploration targets and exploration results are based on information reviewed and checked by Mr Sam Ekins who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ekins is a full time employee of Prodigy Gold NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Ekins consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.*

*Prodigy Gold NL confirms that it is not aware of any new information or data that materially affects the information included in the market announcement and that all material assumptions and technical parameters underpinning the estimates included in referenced previous market announcements continue to apply and have not materially changed.*

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Prodigy Gold NL

ABN

58 009 127 020

Quarter ended ("current quarter")

December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,155)	(1,791)
(b) development		
(c) production		
(d) staff costs	(143)	(301)
(e) administration and corporate costs	(130)	(185)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	53
1.5 Interest and other costs of finance paid	(4)	(9)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	110	284
1.8 Other (provide details if material)	11	11
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,297)</b>	<b>(1,938)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	-	(103)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	(103)

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (cash bond for environmental guarantee)	(62)	(104)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(62)</b>	<b>(104)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,914	10,700
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,297)	(1,938)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(103)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(62)	(104)



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,555</b>	<b>8,555</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,305	1,414
5.2	Call deposits	7,250	8,500
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,555</b>	<b>9,914</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 Director fees and salaries (incl. superannuation) on a cash basis	119
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (Guarantee Facility)	2,381	2,381
7.4 <b>Total financing facilities</b>	2,381	2,381
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
*Prodigy Gold has guarantee facilities with the ANZ and CBA which do not require any security to be granted over the Company's assets. No interest is payable for the facilities as the funds drawn are fully cash-backed. Related fees are part of expenditure under point 1.5.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,297)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,297)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,555
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	8,555
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	6.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: The Board of Directors  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.