

ASX ANNOUNCEMENT / MEDIA RELEASE

ASX: PRX

5 September 2022

Variation to agreement with Stockton regarding Old Pirate Project and Tanami Exploration Tenements

On 29 April 2022 **Prodigy Gold NL (ASX: PRX)** ("**Prodigy Gold**" or the "**Company**") announced that it had entered into an agreement with Stockton Mining Pty Ltd ("**Stockton**") for the divestment of the Company's Old Pirate Gold Project and 23 surrounding exploration tenements located in the Tanami Region of the Northern Territory ("**Agreement**").

Transaction Overview

By way of summary, the Agreement provided for the sale of:

- 23 exploration tenements;
- The part of ML29822 which holds the Old Pirate Project excluding the area containing the Buccaneer Project; and
- Camp, mill and airfield surface infrastructure,

with the Company retaining the right to access to the camp and infrastructure to allow the Company to progress its Buccaneer Project.

Consideration payable by Stockton included:

- Deposit of \$100,000, payable in two stages;
- Pre-IPO payment of \$750,000 (under escrow);
- IPO payment of \$863,000 from IPO proceeds;
- 12,500,000 consideration shares at IPO with a deemed issue price of \$0.20;
- A net smelter royalty of 2.5% payable on any minerals recovered from the Old Pirate Project (ML29822);
- Either \$3,000,000 in cash or shares, subject to the delineation of a JORC compliant Mineral Resource of 500,000 ounces of gold on tenement applications EL30944 and EL30814 (subject to regulatory approvals and Prodigy Gold's equity remaining below 19.9%) ("**Contingent Consideration**"); and
- Prodigy Gold may nominate a board member.

Variation

The Company and Stockton have agreed to the following variations to the Agreement:

- replacement of the Contingent Consideration on tenement applications EL30944 and EL30814 with an agreement for a net smelter royalty of 2.5% now payable on any minerals recovered from applications EL30944 and EL30814. In addition to this, the previously agreed Old Pirate Project (ML29822) net smelter royalty will remain in place. The other terms of the royalty deed have not yet been agreed; and
- Stockton will agree to pay to the Company the holding costs in respect of the exploration tenements and the Old Pirate Project (ML29822), incurred after 31 December 2022 and which are attributable to completion of the Agreement being delayed, where such delays are not a direct result of the actions of Prodigy Gold. Where the delay is a result of factors outside of Stockton's reasonable control, Stockton will only be required to pay 50% of those holding costs.

This announcement is approved for release by the Board of Directors.

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About Stockton

Stockton Mining Pty Ltd is a private company focused on gold exploration.

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 and Lake Mackay Projects
- a scoping study on the Buccaneer Resource
- systematic evaluation of high potential early-stage targets
- joint ventures to expedite discovery on other targets