

ASX ANNOUNCEMENT / MEDIA RELEASE

ASX: PRX

7 September 2022

UNDERWRITTEN RIGHTS ISSUE TO RAISE UP TO APPROXIMATELY \$11.65 MILLION

The directors of Prodigy Gold NL (ASX Code: "PRX") (**Prodigy**) are pleased to announce an underwritten two (2) for one (1) renounceable pro rata rights issue at an issue price of \$0.01 per new Prodigy share to raise up to approximately \$11.65 million (before costs and expenses) (**Rights Issue**).

The issue price for the Rights Issue represents a discount of

- approximately 30% to the volume weighted average market price of Prodigy shares on the 5 ASX trading days on which those shares traded up to and including 5 September 2022 of A\$0.0142; and
- approximately 30% to the closing market price of the Company's Shares on 6 September 2022 of \$0.014 (being the last trading day prior to the date of this announcement)

The maximum number of shares to be issued under the Rights Issue is 1,165,255,212 (based on the undiluted share capital of Prodigy as at the close of trade on 6 September 2022, without taking into account the impact of rounding).

The Rights Issue is renounceable. This means that shareholders' rights to subscribe for new Prodigy shares under the Rights Issue are transferable.

Pulse Markets Pty Ltd (**Underwriter**) has agreed to fully underwrite the Rights Issue (**Underwriting Agreement**). Major shareholder, APAC Resources Limited, has agreed to sub-underwrite the Rights Issue to up to approximately \$9.71 million (inclusive of its entitlements), but to have this commitment reduced to the extent eligible shareholders take up any shortfall and to the extent any other sub-underwriting commitments are secured above \$1.94 million. This will ensure that approximately \$11.65 million (before costs and expenses) is raised under the Rights Issue, subject to the terms of the Underwriting Agreement.

After payment of the costs and expenses of the Rights Issue, Prodigy intends that the funds raised from the Rights Issue will be used to:

- (a) complete exploration work on Prodigy's projects, including:
 - (i) in the Hyperion area which includes projects at Tregony and Hyperion, along with detailed reviews of current and historic Mineral Resources in this project area
 - (ii) at Lake Mackay, fulfilling its sole funding commitment, as well as any warranted follow up work from the recently completed drilling, from the Lake Mackay agreement (refer ASX announcement 18 May 2022);
- (b) continue the resource development and scoping study work at the Buccaneer Deposit;
- (c) repayment of the short-term debt facility of \$2.5million and costs of that facility;

- (d) project development, project divestment, field capital equipment and project acquisition costs and tenement maintenance costs; and
- (e) general working capital requirements.

Shares being offered under the Rights Issue will only be offered to registered holders of shares with registered addresses in Australia and New Zealand, as at 6.30pm Perth time on 12 September 2022 (**Eligible Shareholders**).

The Rights Issue will be conducted without a prospectus in accordance with section 708AA of the *Corporations Act 2001 (Cth)* (**Act**) and ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Full details of the Rights Issue, including details of the underwriting and sub-underwriting, are set out in the Offer Memorandum and Appendix 3B lodged with ASX today. The Offer Memorandum will be sent to Eligible Shareholders on 15 September 2022.

The indicative timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Offer – announcement of Rights Issue (including cleansing notice), Offer Memorandum and ASX Appendix 3B lodged with ASX	Wednesday 7 September 2022
Letters to Excluded Shareholders	Thursday 8 September 2022
Ex date and Rights trading commences – the date on which Shares commence trading without the entitlement to participate in the Rights Issue and Rights trading commences on a deferred settlement basis	Friday 9 September 2022
Record date – the date for determining entitlements of Shareholders to participate in the Rights Issue	Monday 12 September 2022
Offer Memorandum sent to Shareholders – despatch of Offer Memorandum and Acceptance Form – Rights Issue opens for acceptances	Thursday 15 September 2022
Last day of Rights trading	Monday 19 September 2022
New Shares quoted on a deferred settlement basis	Tuesday 20 September 2022
Closing Date – The last day for receipt of acceptance forms (5.00pm AWST)	Monday 26 September 2022
Last date to announce results of Rights Issue Lodgement of Appendix 2A Allotment of new shares under Rights Issue Deferred settlement trading ends at market close if Appendix 2A is lodged before noon (Sydney time)	Monday 3 October 2022
Expected commencement of normal trading in New Shares on ASX	Tuesday 4 October 2022
Despatch of holding statements to persons who accepted the Offer	Wednesday 5 October 2022

Subject to the ASX Listing Rules and the terms of the Underwriting Agreement, the Directors reserve the right to vary the dates for the Rights Issue at their discretion.

Shareholders with queries concerning the Rights Issue should contact the Company's share registry, Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (international).

Cleansing notice

Prodigy gives notice under section 708AA(2)(f) of the Act that:

- (1) the securities being offered under the Rights Issue will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (2) as at the date of this announcement Prodigy has complied with the provisions of Chapter 2M of the Act as they apply to Prodigy and section 674 and section 674A of the Act;
- (3) as at the date of this announcement there is no information that is excluded information under section 708AA(8) and (9) of the Act that has not already been disclosed to investors generally or in this announcement, the Offer Memorandum or Appendix 3B lodged with ASX today;
- (4) the potential effect the Rights Issue will have on the control of Prodigy's undiluted share capital is as follows:
 - (a) if all eligible shareholders take up their entitlements in full the Rights Issue will have no effect on the control of Prodigy, subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue,
 - (b) Shareholders not subscribing to their full entitlements (or ineligible to participate) will be diluted by up to 200% ;
 - (c) the potential percentage holdings of the Underwriter and APAC following the Rights Issue will be depend on the take up by eligible shareholders and other sub underwriting commitments secured by the Underwriter, with some scenarios set out in the table below:

Holder	% holding currently (on an undiluted basis)	Post Rights Issue**		
		% shares issued in the sub-underwriting arrangement to APAC Resources Limited or under the Underwriting Agreement to the Underwriter		
		0%	50%	100%**
APAC Resources Limited	19.83%	19.83%	39.9%	62.2
Underwriter*	0%	0%	33.3%	66.7%

**In the unlikely event the sub-underwriting commitments are terminated, the Underwriter will take up 100% of the shortfall subject to the terms of the underwriting agreement.*

***calculated on an undiluted basis up to the maximum subscription of \$11.65m and APAC Resources Limited sub-underwriting (inclusive of entitlement) capped at \$9.71m*

****this is the maximum potential control APAC Resources Limited could obtain subscribing for \$9.71m of Shares (including its Entitlements) in the unlikely event that no Shareholder takes up their Entitlements and the Underwriter subscribes for the remaining shortfall.*

- (5) The consequences of the potential effect on control of the Company referred to above will be an increase in the voting power of the Underwriter or APAC Resources Limited by an amount equal to the percentage increase in its respective control of Prodigy's undiluted share capital. The maximum voting power that the Underwriter could have post the Offer is 66.7% (in the circumstances noted above). The maximum voting power that APAC Resources Limited could have post the Offer is 62.2% (in the circumstances noted above). If APAC Resources Limited (or in the unlikely event that the sub-underwriting commitments are terminated, the Underwriter) holds more than 50% of the shares on issue in Prodigy it will be able to solely pass resolutions at general meetings of Prodigy (if it is not excluded from voting).

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

For further information please contact:

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