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ASX ANNOUNCEMENT / MEDIA RELEASE **ASX:PRX**

26 July 2018

Lake Mackay JV: Exploration Update

HIGHLIGHTS

- **Follow-up rock chip samples from Grimlock Prospect confirm high Manganese (Mn)-Nickel (Ni)-Cobalt (Co) in outcrops with results up to 2.5% Co, 1.1% Ni, 46.4% Mn**
- **Spectrem airborne EM survey commenced with two blocks completed – target generation in progress**

Prodigy Gold NL ("Prodigy Gold" or the "Company") is pleased to provide an update on exploration activities on the Lake Mackay Joint Venture ("JV") being managed by Independence Group NL ("IGO")[1].

Prodigy Gold's Managing Director Matt Briggs said:

"The exploration program for 2018 is producing some encouraging results. Recent soil results from the Blaze prospect have confirmed multiple large anomalies northeast of the Grapple/Bumblebee prospects, while confirmation of high levels of Mn-Ni-Co in surface duricrust at Grimlock provides strong encouragement to continue more detailed work over this target."

"The Company is looking forward to the continuation of the airborne EM survey over the next Quarter and, subject to permits, testing the targets which will be generated from final analysis of the data in the remaining 2018 field season and continuing through to 2019."

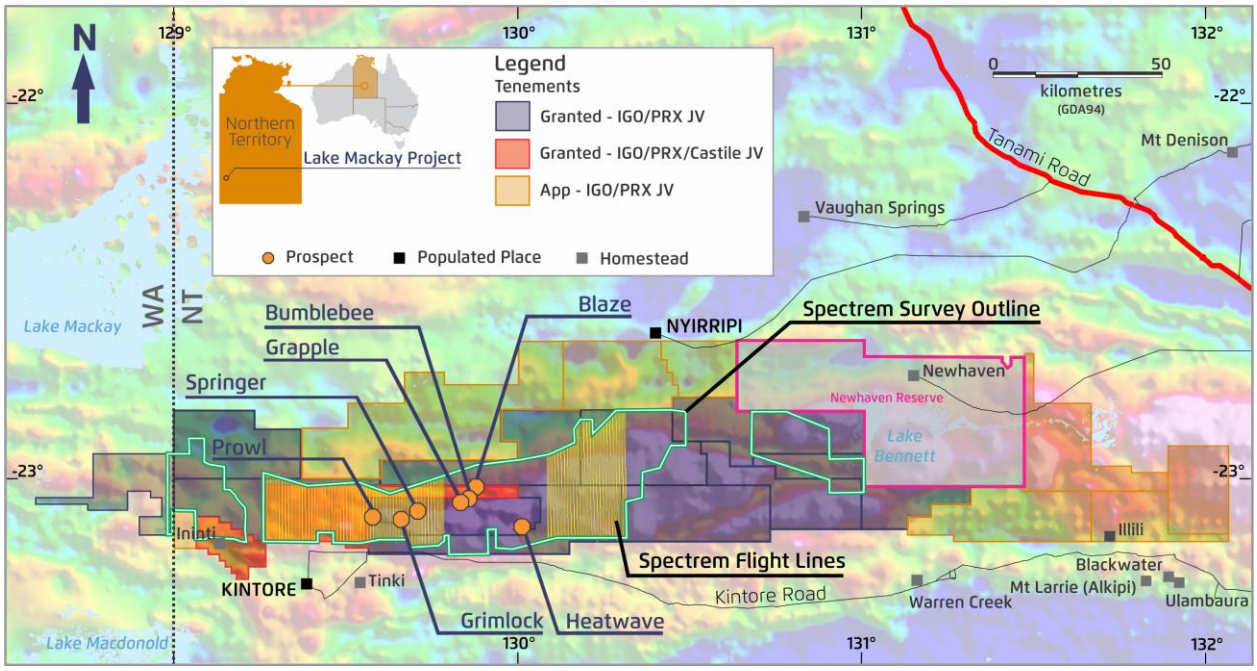

Fig 1. Lake Mackay JV area highlighting Spectrem AEM survey lines completed (orange) and planned survey area (blue outline).

[1]*IGO is earning 70% interest in Prodigy Gold's Lake Mackay tenements by solely funding A$6 million of exploration expenditure (ASX 6 May 2016).*

Background

The Lake Mackay Project is 400km northwest of Alice Springs, adjacent to the Western Australian border, and comprises approximately 13,000km^2 of exploration licences and applications (12,100km^2 IGO/Prodigy Gold JV, 900km^2 IGO/Prodigy Gold/Castile JV). The emerging mineralised belt at Lake Mackay is at a very early stage of exploration. IGO is executing an exploration program as part of a joint venture with Prodigy Gold to systematically evaluate the Lake Mackay Project. 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.

Soil Sampling

Infill soil sampling on a 200m × 400m grid was completed over the Bumblebee, Blaze and Heatwave Prospects. Results confirmed multi-element – Au-Bi-As-Cu (Pb-Zn) – anomalism suggesting "Grapple-style" mineralisation may be associated with these prospects. A second round of infill soil sampling was completed at Blaze and to the north of the Bumblebee Prospect on a 50m × 200m grid. Anomalous areas (>5 ppb Au) have been identified but they do not have the same level of anomalism as those identified at the Bumblebee or Grapple Prospects at this sample spacing.

Regional reconnaissance soil sampling on an 400m × 800m grid over poorly explored areas of the project commenced in June 2018, and a 200m × 200m spaced +3.15mm lag sampling program was completed over the Grimlock Mn-Ni-Co prospect – previously called Du Faur; results are pending.

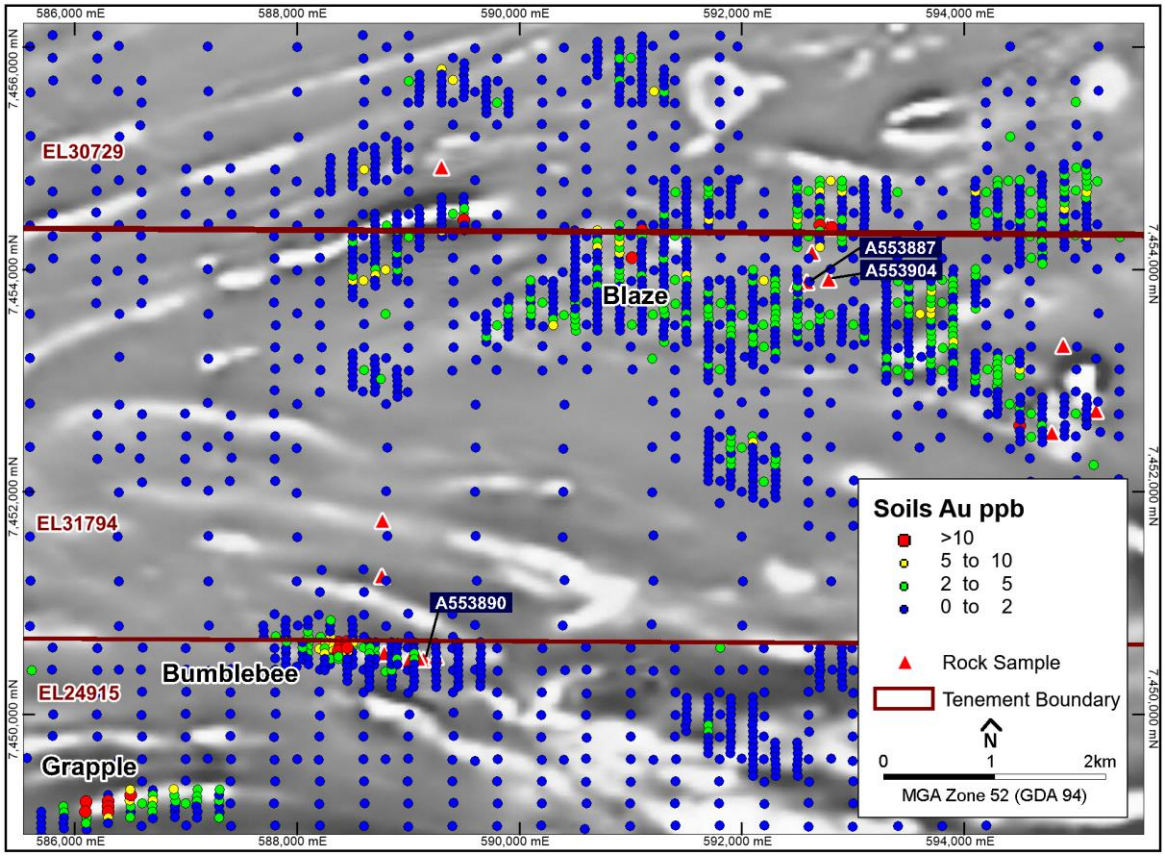

Figure 2: Blaze, Grapple and Bumblebee gold soil anomalies. Rock samples shown as red triangles with anomalous samples labelled.

Rock Sampling

A total of thirty rock chip samples were collected for assaying as part of the mapping program. Three samples returned anomalous results from the Blaze and Bumblebee prospects, including a maximum assay result of 0.25 g/t Au in sample A553887 (Figure 2, Table 1).

Table 1: Anomalous rock chip results from Blaze and Bumblebee Prospects

Prospect	Sample	Au g/t	Ag g/t	Cu ppm	Fe %	Mn ppm	Pb ppm	S ppm	Sn ppm	Zn ppm
Blaze	A553887	0.25	0.3	244	20.19	386	24	1100	7	667
Bumblebee	A553890	0.09	1.4	681	40.65	735	1019	418	338	552
Blaze	A553904	0.15	0.6	1268	25.14	380	137	631	73	274

At the Grimlock Prospect, eight samples were collected from a pyrolusite-bearing duricrust (Figure 3). Four of the eight samples assayed returned values greater than 1.5% Co and 0.5% Ni, providing support for the 2015 sampling results and confirming the prospect as a strong Mn-Ni-Co anomaly warranting further follow-up exploration. The Grimlock Prospect covers a gabbronorite intrusion.

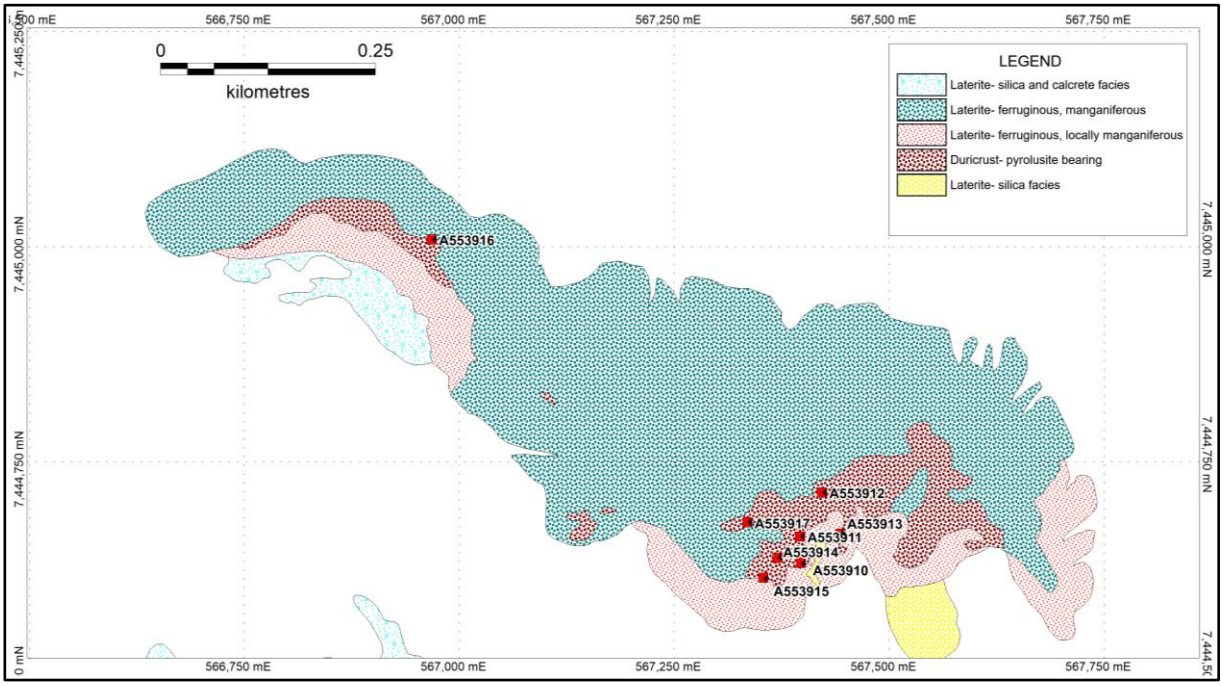

Figure 3: Grimlock Prospect rock sample locations on recently completed geology map.

Table 2: Grimlock Prospect Rock Chip Assay Results

Sample	Ag g/t	Co %	Fe %	Mn %	Ni %	Sc g/t	Pt g/t
A553910	24.3	2.52	12.29	34.89	1.12	45	0.23
A553911	2.8	0.12	51.45	4.99	0.14	38	0.17
A553912	0.6	0.26	44.85	3.11	0.34	177	0.03
A553913	1.7	0.19	51.25	4.58	0.37	29	0.07
A553914	32.7	1.77	2.39	46.36	0.53	68	0.19
A553915	22.2	2.03	7.07	39.59	0.76	96	0.30
A553916	0.3	0.02	52.00	0.31	0.11	98	0.04
A553917	19.3	1.81	14.02	31.40	0.66	161	0.14

Prospect Mapping

Prospect-scale mapping was undertaken on the Grapple, Bumblebee, Heatwave, Springer, Prowl and Grimlock prospects.

Airborne EM Survey

The Spectrem airborne EM survey commenced with two survey blocks completed to the east and west of the Bumblebee and Grapple Prospects (Figure 1). Work completed covers two NTGS collaborative co-funded survey areas. By the end of the Quarter, 5,582 line-km had been flown. Analysis of the data from the completed survey is at a very preliminary stage with final analysis and target generation to be completed next Quarter with the aim of testing the targets during the balance of 2018 and the 2019 field season.

The survey is continuing this Quarter.

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 2018 will continue to build on 2017 and 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

Matt Briggs
Managing Director

JORC Code (2012) Competent Persons' Statements

The information in this announcement relating to exploration results is based on information reviewed and checked by Mr Doug Winzar who is a Member of The Australian Institute of Geoscientists. Mr Winzar is a full-time employee and security holder of IGO. Mr Winzar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Mr Winzar consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

Appendix 1: JORC Tables

Section 1: Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	**Soil Samples** - The project is reconnaissance soil sampled on nominal 800mE × 400mN grid spacing. The sample is uniformly collected from the surface to 20cm depth. - The samples are sieved through 0.4mm on site to reduce the sample size. - The sample positions were located using a handheld GPS, which also records the sample number at the time of sample collection. - Sample holes are backfilled upon completion of the sample. - Follow up sampling is conducted on more detailed grid spacing using the same sampling technique. **Rock Chip Samples** - Rock chip samples were collected during the geological mapping program.
Drilling techniques	- No drilling results are reported in this release
Drill sample recovery	- No drilling results are reported in this release
Logging	- A sample description is recorded to specify if it is taken from an area with soil, lag or outcrop in close vicinity to the sample site.
Sub-sampling techniques and sample preparation	**Soil Samples** - The samples are dried and sieved to recover a representative 30g of >50µm material at a sample preparation laboratory. - Additional material is available for check assaying of either BLEG or Aqua Regia analysis. - Field duplicate samples were collected every 50 samples, with the material collected from the same sample site. - The fine fraction material is collected to reduce the diluting effect of the transported sand cover at surface. This is not industry standard but is being applied to test surface geochemistry in areas that were previously considered unsuitable for soil sampling. **Rock Chip Samples** - Samples were dried, crushed and pulverised to >75µm and split to produce a nominal 200g sub sample.
Quality of assay data and laboratory tests	**Soil Sampling** - A 10g sub-sample is used for analysis by BLEG with an MS finish for Au and Ag. A 0.5g sub-sample is used for analysis by Aqua Regia with ICP-MS finish for Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Pd, Pt, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. **Rock Chip Samples** - Both BLEG and Aqua Regia are partial digestion techniques. - BLEG is suitable for reconnaissance Au exploration at a lower detection limit than Aqua Regia. - Aqua Regia is suitable for base metal exploration and for Au pathfinder elements. - Four-acid digest and fire assay methods are suitable for use on the rock chip samples. - Laboratory QAQC involves the use of internal lab standards and blanks using certified reference materials. - IGO also provides reference samples that are inserted every 50 samples.
Verification of sampling and assaying	- The sample coordinates are recorded on the GPS and recorded on the sample sheet. This is entered into excel and reviewed by the project manager prior to being submitted to the acQuire database. - No adjustments or calibrations have been made to the assay data used in this report.

Criteria	Explanation
Location of data points	- Sample points were recorded using Garmin handheld GPS. Expected accuracy is ±5m for easting and northing. - The grid system is MGA_GDA94 (Zone 52), local easting and northing are in MGA. - Handheld GPS is adequate for soil sampling.
Data spacing and distribution	- Sample space is on a nominal 800mE × 400mN spacing with infill to 200mE and subsequently 50mN along lines in areas of interest.
Orientation of data in relation to geological structure	- The soil sampling is only intended to provide a surface soil sample. - The initial grid sampling should not have any sample bias. - Infill sampling is generally done on a 200mN × 400mE, followed by 50mN × 200mE grids. This creates a sample bias in the soil sampling.
Sample security	- The soil samples are transported from the field to the sample preparation laboratory in Alice Springs by IGO personnel or contractors. Once the samples are sieved they are transported to Perth using the laboratories standard chain of custody procedure.
Audits or reviews	- A review of initial BLEG results concluded that Au and Ag were the only elements appropriate for BLEG analysis in the Lake Mackay environment. Subsequently Aqua Regia was done for base metals and pathfinder elements.

Section 2: Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	- The area of the Lake Mackay Project reference in this release includes EL24915, EL30729, EL31794 and EL30731. - These tenements are in good standing and no known impediments exist. - Prodigy Gold and Independence Group NL ("IGO") entered into a multi-phase agreement covering the Lake Mackay Project on 21 August 2013. - In May 2016 IGO triggered Phase 2 of the agreement to earn a 70% interest in the project. This involved subscribing for A$1.5M Prodigy Gold shares in placement with a six-month escrow period and spending A$6M on exploration on the project over 4 years.
Exploration done by other parties	- EL24915 was previously explored by BHP in the South Tanami JV. BHP flew a Geotem survey in 1999 and completed ground EM and drilling in 2004 targeting nickel sulphides.
Geology	- The project area is considered highly prospective for orogenic shear hosted gold deposits based on similarities that exist between the West Arunta and the Granites-Tanami Block with respect to gold deposition timing and structural settings. - The region is also considered by IGO and Prodigy Gold to have potential for the discovery of deposits having several mineralisation styles including: • Iron-ore-copper-gold (IOCG) deposits • Volcanogenic hosted massive sulphide deposits (VHMS) • Mafic or ultramafic intrusion related Ni-Cu-PGE
Drill hole Information	- No drill hole information is included in this release
Data aggregation methods	- No drill hole information is included in this release only point sampling results are reported
Relationship between mineralisation widths and intercept lengths	- No drill hole information is included in this release

Diagrams	-	Maps of soil sample results are included in the main part of this release
Balanced reporting	-	Both anomalous and background values are plotted on the soil sampling maps
	-	Rock chip results include a range of results indicative of the sampling program
Other substantive exploration data	-	Surface EM survey and DHEM survey generated plates are displayed in the sections in the body of the ASX release.
Further work	-	Further drilling is required to intersect the thicker zone of mineralisation in the positions interpreted based on the DHEM surveys.