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

18 December 2018

Capstan Prospect RC drilling intersects 4m @ 6.1g/t gold

HIGHLIGHTS

- **1.2km zone defined at Capstan Anticline and open along strike**
- **Capstan North Target**
  - **4m @ 6.1g/t Au (BLRC001)**
    - **including 1m @ 23.9g/t Au**
  - **9m @ 1.3g/t Au (BLRC021)**
- **Hat Target**
  - **4m @ 1.2g/t Au (BLRC019A)**
  - **1m @ 2.0g/t Au (BLRC004)**
- **Field activity is planned to recommence late Q1 2019**

Prodigy Gold NL ('Prodigy Gold' or the 'Company') (ASX: PRX) is pleased to report assay results from RC drilling at the 100% owned Bluebush Gold Project in the Tanami Goldfields, Northern Territory.

Prodigy Gold Managing Director Matt Briggs said: *"Broad spaced RC drilling under aircore gold anomalism at the Capstan Prospect has defined a 1.2km zone of interest which is still open along strike. Results of up to 4m @ 6.1g/t gold and 9m @ 1.3g/t gold in shallow RC drilling continue to clearly demonstrate the potential for a new discovery with further drilling. BLRC001 has yielded the highest grade result so far at the Capstan North target.*

Work at Capstan will recommence with the start of the field activities in late Q1 2019. By this time the airborne magnetics will have been completed. This helps us improve the interpretation and ranking of targets across what is clearly a large gold province. Ongoing investment in exploration will progressively unlock the value of our large holding here."

"Results of RC drilling at Suplejack are being compiled and will be announced before Christmas. Results for Euro JV RC drilling, North Arunta JV RC drilling and an update on the Lake Mackay JV activities will follow in the coming weeks."

Background

Capstan is a 22km x 8km sub-area of the Bluebush Project, falling within the Trans-Tanami Fault Zone and located 50km northwest of the world-class Callie Gold Mine (Figure 5).

Aircore drilling over the last 14 months at Capstan have defined a new large scale bedrock gold anomaly over an area 8km long with results up to 4g/t Au in aircore (ASX Announcement - 2 August 2019). This gold anomalism occurs in the Dead Bullock Formation, the same rock type that hosts the Callie Deposit.

Full results have now been returned for 26 RC holes from 4,368m of drilling completed at Capstan.

Capstan Prospect – Capstan North Target

RC has defined a 1.2km long zone of interest in bedrock within the Capstan North Project (Figure 1). Best results include 4m @ 6.1g/t Au from 128m including 1m @ 23.9g/t Au from 129m (BLRC001), and 9m @ 1.3g/t Au from 31m (BLRC021). Both holes are coincident with quartz veining and alteration. The holes are

from two RC lines drilled 640m apart and represent the first RC drilling in the Capstan Prospect area. Aircore drilling indicates the mineralisation is open along strike at Capstan North extending for over 1.2km.

Capstan Prospect – Hat Target

The Hat Prospect is located 4km to the south of Capstan North (Figure 1). Aircore drilling has defined a corridor of gold mineralisation 4.5km long. Two lines of 320m spaced RC drilling recently completed are the first RC holes drilled at Hat. These holes intersected 4m @ 1.2g/t Au from 111m (BLRC019A) and 1m @ 2.0g/t Au from 102m (BLRC004). These intersections were associated with quartz veining within a steeply west dipping structure in the Killi Killi Formation. Additional aircore drilling will be undertaken to the north and south prior to additional RC drilling being undertaken at Hat.

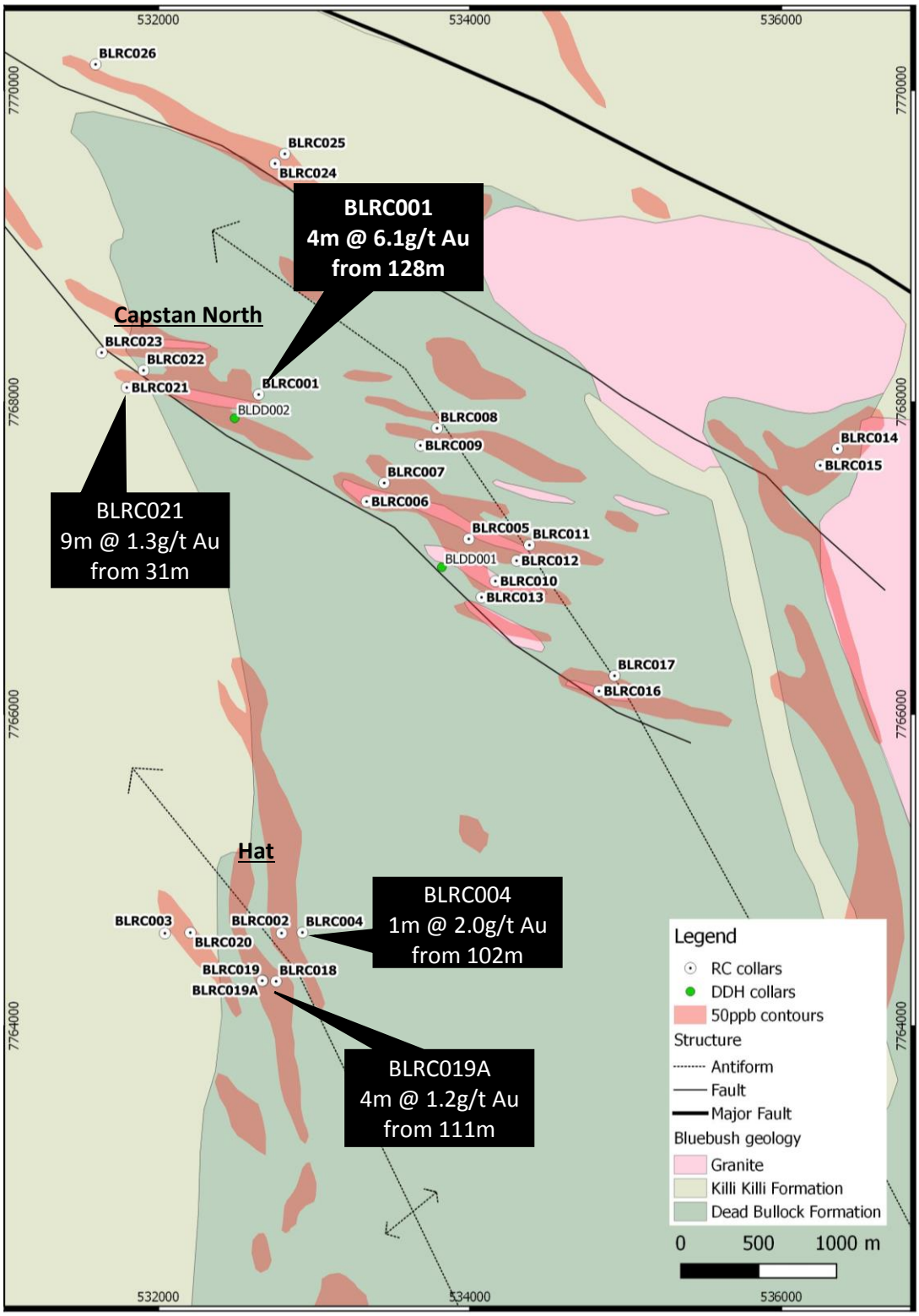

Figure 1. Capstan Target showing RC holes, anomalous gold trends (red) and significant results from 2018 RC drilling.

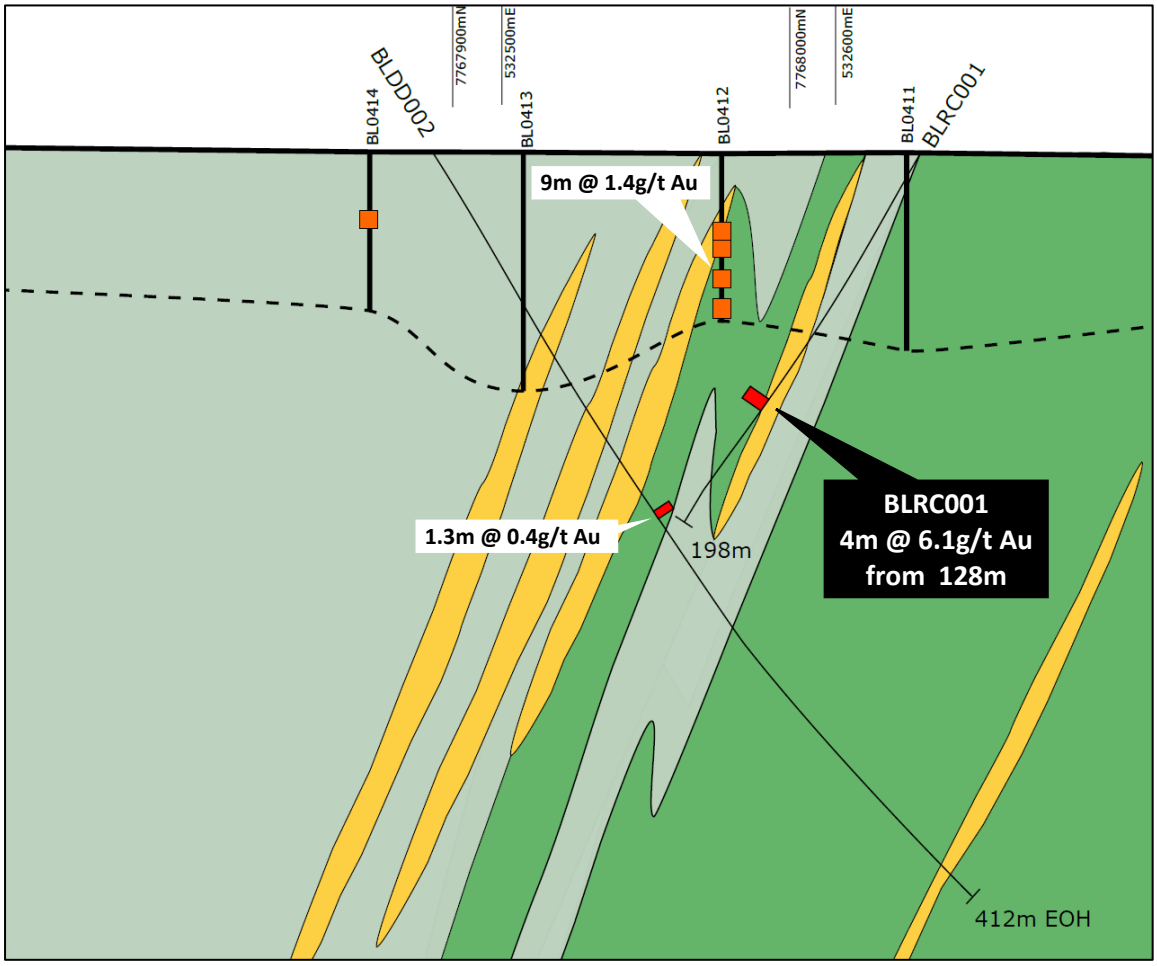

Figure 2. Oblique cross section through hole BLRC001. Recent RC result highlighted in black.

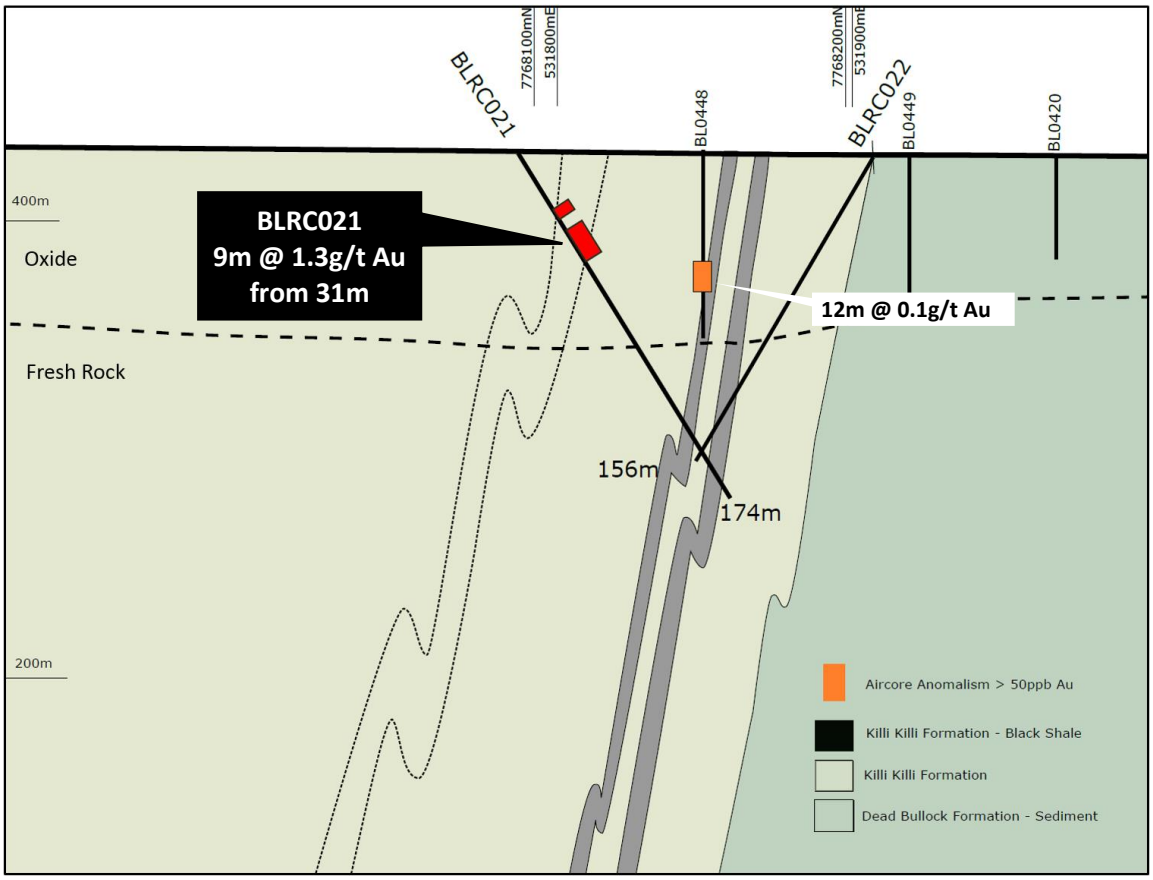

Figure 3. Oblique cross section through hole BLRC021. Recent RC result highlighted in black.

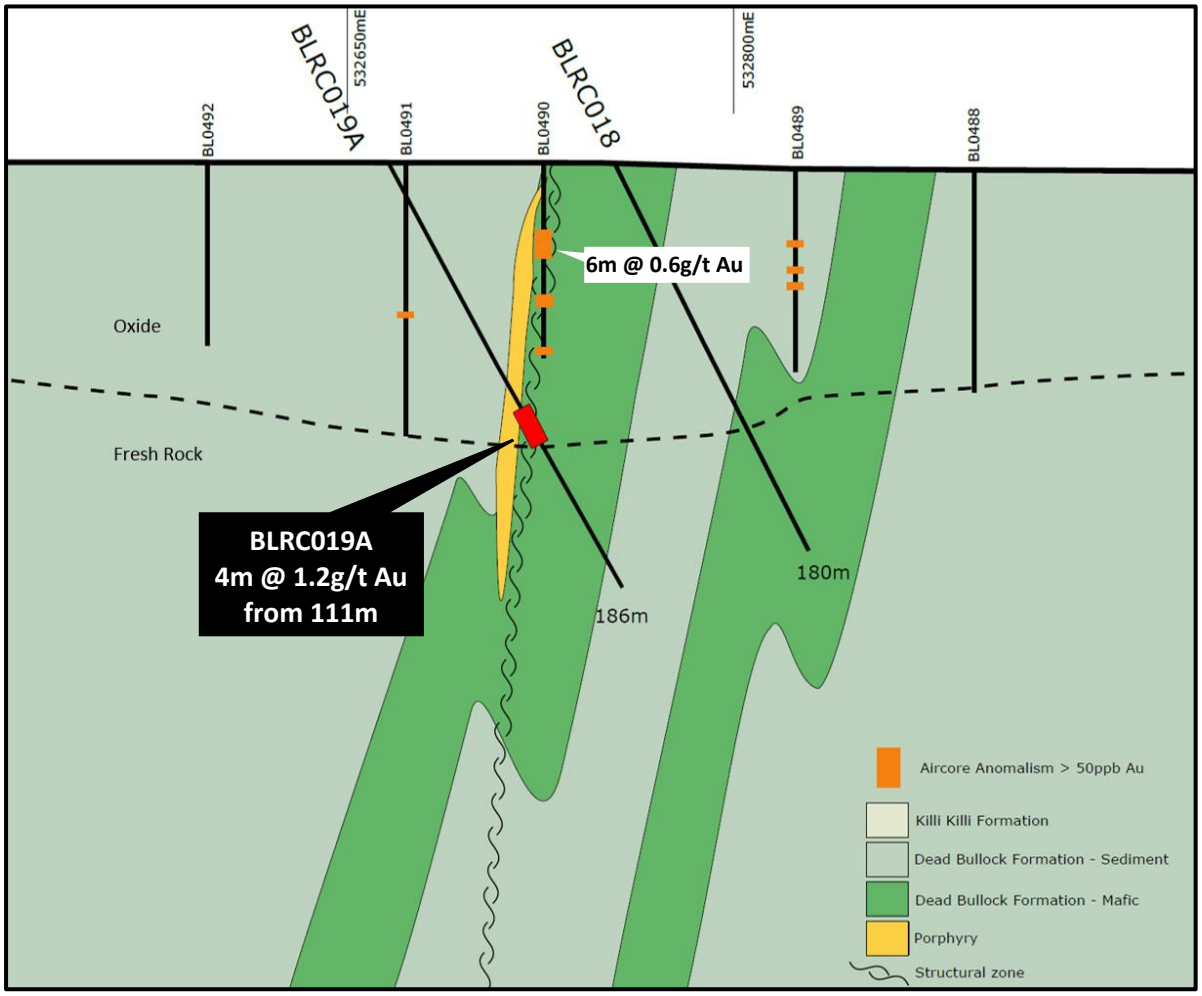

Figure 4. East-west cross section through hole BLRC019A. Recent RC result highlighted in black.

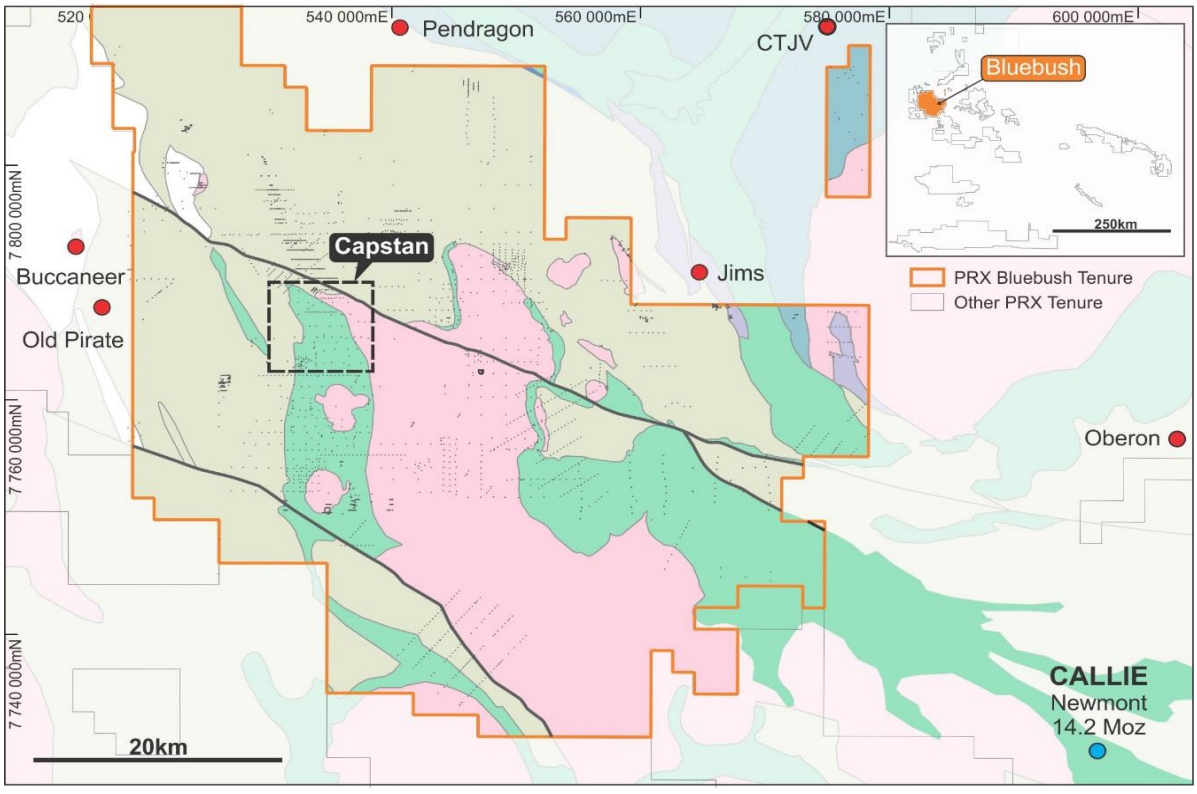

Figure 5. Capstan Prospect (dashed outline) location map within the Bluebush Project. Dead Bullock Formation (green).

Ongoing Works Program

Prodigy Gold is undertaking an infill airborne magnetics survey over the Capstan Prospect. This data will be combined with multi-element geochemistry from the recent RC drilling, to rank and prioritise drilling in 2019. Additional RC and aircore drilling will focus on the best results at Capstan North and extensions to Hat and Capstan East. Drilling is scheduled to recommence following the break of the wet season late in Quarter 1 2019.

Signed

Matt Briggs
Managing Director

About Prodigy Gold

Prodigy Gold has a unique greenfields and brownfields exploration portfolio in the proven multi-million ounce Tanami Gold district. An aggressive program for 2019 will continue to build on 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

Figure 6. RC Drilling at the Capstan Prospect - October 2018

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 Matt Briggs who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Briggs 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 Briggs 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 Significant intercepts at the Capstan Prospect 2018 RC Drilling

Hole ID	From (m)	To (m)	Interval Width (m)	Grade g/t Au	Prospect
BLRC001	**128**	**132**	**4**	**6.1**	Capstan North
including	129	130	1	23.9	
BLRC021	27	28	1	0.6	Capstan North
and	**31**	**40**	**9**	**1.3**	
BLRC019A	111	115	4	1.2	Hat
BLRC004	102	103	1	2.0	Hat
BLRC005	44	45	1	0.7	Capstan North
and	58	59	1	0.6	
and	73	74	1	0.5	
BLRC012	80	81	1	0.5	Capstan North

Mineralised RC intercepts >0.5g/t Au or where geologically significant

Appendix 2 Collar information for significant intercepts at the Capstan Prospect 2018 RC Drilling

Hole ID	Total Depth (m)	East[1]	North[1]	RL	Dip	Azimuth
BLRC001	198	532643	7768049	427	61	226
BLRC004	156	532924	7764600	411	60	269
BLRC005	222	533992	7767123	416	61	226
BLRC012	144	534299	7766984	415	61	44
BLRC019A	186	532666	7764291	410	59	92
BLRC021	174	531796	7768094	430	61	41

[1] GDA 94 Zone 52

[2] Collar information for mineralised RC drill holes 0.5g/t Au

Appendix 3: JORC Table 1

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	*Prodigy Gold has used a dedicated reverse circulation (RC) rig. RC drilling techniques are used to obtain 1m samples of the entire downhole length. RC samples are logged geologically and all samples submitted for assay. 26 RC holes for 4,368 metres were drilled in this reported program at Capstan.*
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	*The full length of each hole was sampled. Sampling was carried out under Prodigy Gold's protocols and QAQC procedures as per industry best practice. Bag sequence is checked regularly by field staff and supervising geologist against a dedicated sample register. See further details below.*

Criteria	JORC Code explanation	Commentary
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	*RC samples were taken using a 10:1 Sandvik static cone splitter mounted under a polyurethane cyclone to obtain 1m samples. Approximately 3kg samples were submitted to the lab. Prodigy Gold samples were submitted to Bureau Veritas Adelaide for crushing and pulverising to produce a 40g charge for Fire Assay with AAS finish.*
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	*Prodigy Gold RC drilling was undertaken by Topdrill with a Schramm 685. This rig has a depth capability of approximately 600m, using a 1000psi, 1350cfm Sullair compressor and auxiliary booster. Holes were drilled with 5 5/8" diameter bit.*
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed	*All Prodigy Gold RC samples were taken using a 10:1 Sandvik static cone splitter mounted under a polyurethane cyclone. Samples were split into calico bags and sent to the lab for assay; with the remainder of sample material remaining on site. Size of the sample was monitored at the drill site by the responsible geologist to ensure adequate recovery.*
	Measures taken to maximise sample recovery and ensure representative nature of the samples	*Dust suppression was used to minimise sample loss. Drilling pressure airlifted the water column below the bottom of the sample interval to ensure dry sampling. RC samples are collected through a cyclone and cone splitter. The sample required for assay is collected directly into a calico sample bag at a designed 3kg sample mass which is optimal for full sample crushing and pulverisation at the assay laboratory. The polyurethane cyclone was emptied after each complete 6m drill rod, and cleaned out every 5 rods to minimise any potential for contamination.*
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	*No relationship between Prodigy Gold sample recovery and grade is apparent and sample bias due to preferential loss/gain of fine/coarse material is unlikely.*
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	*Prodigy Gold drilling samples were geologically logged at the drill rig by a geologist using paper logging/excel and sections. Data on lithology, weathering, alteration, ore mineral content and style of mineralisation, and quartz content and style of quartz were collected.*
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	*Logging is both qualitative and quantitative. Logging factors such as lithology, weathering, colour and alteration are logged qualitatively. Quartz veining and ore minerals are logged in a quantitative manner.*
	The total length and percentage of the relevant intersections logged	*All holes were logged in full by Prodigy Gold geologists.*
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	*No core was collected.*
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	*1 metre RC samples were split with a cone splitter mounted under a polyurethane cyclone. All intervals were sampled dry.*
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	*All samples have been analysed for gold by Bureau Veritas in Adelaide. Samples were dried and the whole sample pulverised to 85% passing 75µm, and a sub sample of approximately 200g is retained for Fire Assay which is considered appropriate for the material and mineralisation and is industry standard for this type of sample.* *After receiving the gold assay and interpreting the drillholes with all available data, specific intervals were selected for downhole multi-element analysis. Samples were taken at approximately 1 sample every 10m outside the ore zone and 1 sample every 5m within the ore zone. The pulps at the lab underwent mixed acid digest using MA100/1/2.*

Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	*Field duplicates were taken every 40 samples. Standards and blanks were inserted every 20 samples. At the laboratory, regular repeat and Lab Check samples are assayed.*
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	*Samples were split using a rig mounted Sandvic static cone splitter, which was checked to be level for each hole. Sample weights were monitored to ensure consistent sample collection. Field duplicates are collected every 40 samples.*
	Whether sample sizes are appropriate to the grain size of the material being sampled.	*Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and preference to keep the sample weight below 4kg to ensure the requisite grind size in a LM5 sample mill.*
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	*Prodigy Gold use a lead collection fire assay, using a 40g sample charge, with an ICP-AAS (atomic absorption spectroscopy) finish. The lower detection limit for this technique is 0.01ppm Au and the upper limit is 1,000ppm Au that is considered appropriate for the material and mineralisation and is industry standard for this type of sample* *In addition to standards and blanks previously discussed, Bureau Veritas conducted internal lab checks using standards, blanks. Standards and blanks returned within acceptable limits, and field duplicates showed good correlation.* *In addition to gold assaying, ~10% of samples undergo mixed acid digestion where an aliquot of sample is weighed and digested with a mixture of nitric, perchloric and hydrofluoric acids. This method produces results for 59 elements.*
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	*4 acid digest data is also used to assist in litho-geochemical determination.* *A KT-10 magnetic susceptibility meter was used to measure the magnetic susceptibility of every metre, with readings collected in SI units (x10-3).*
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	*A blank or standard was inserted approximately every 20 samples. For drill samples, blank material was supplied by the assaying laboratory. Two certified standards, acquired from GeoStats Pty. Ltd., with different gold grade and lithology were also used. QAQC results are reviewed on a batch by batch basis and at the completion of the program.*
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	*Significant intersections were calculated independently by both the Project Geologist and database administrator.*
	The use of twinned holes.	*The drilling being reported is exploratory in nature. As such, none of the holes have been twinned in the current program. Where results warrant, follow-up drilling will be completed.*
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	*Primary data was collected into an Excel spreadsheet and the drilling data was imported in the Maxwell Data Schema (MDS) version 4.5. The interface to the MDS used is DataShed version 4.5 and SQL 2008 R2 (the MDS is compatible with SQL 2008-2016 – most recent industry versions used). This interface integrates QAQCReporter 2.2 as the assay quality control software. DataShed is a system that captures data and metadata from various sources, storing the information to preserve the value of the data and increasing the value through integration with GIS systems. Security is set through both SQL and the DataShed configuration software. The database is subject to a robust database backup/recovery plan procedure.* *Prodigy Gold has one sole Database Administrator. Access to the database by the geoscience staff is controlled through security groups where they can export and import data with the interface providing full audit trails. Assay data is provided in a CSV (text file) in MaxGeo format from the laboratories and imported by the Database Administrator. The database assay management system records all metadata within the MDS and this interface provides full audit trails to meet industry best practice.*
	Discuss any adjustment to assay data.	*No transformations or alterations are made to assay data stored in the database. The lab's primary Au field is the one used for plotting and Resource purposes. No averaging is employed.*

Criteria	JORC Code explanation	Commentary
Location of data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	*Hole collars were surveyed with a handheld GPS pre- and post drilling. Handheld GPS reading accuracy is improved by the device 'waypoint averaging' mode, which takes continuous readings of up to 5 minutes and improves accuracy. Down hole surveys that recorded dip and azimuth have been completed in all drill holes using a downhole Reflex gyro tool. Surveys are taken every 18m both downhole and uphole at the completion of drilling.*
	Specification of the grid system used.	*The grid system used is MGA_GDA94, Zone 52.*
	Quality and adequacy of topographic control.	*For holes surveyed by handheld GPS. The RL has been updated based off the 15m SRTM data and recorded in the database.*
Data spacing and distribution	Data spacing for reporting of Exploration Results.	*At Capstan variable drill hole spacings were used to adequately test targets and were determined from AC drilling results, geochemical, geophysical and geological data. Drill traverses are spaced approximately 320m to 1km apart with holes approximately 80m on section.*
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	*The drilling subject to this announcement has not been used to prepare Mineral Resource Estimates.*
	Whether sample compositing has been applied.	*No sample compositing is applied.*
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	*At Capstan the orientation of mineralisation is unknown and no orientation based sampling bias is known at this time.*
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	*No orientation based sampling bias has been identified in this data.*
Sample security	The measures taken to ensure sample security.	*Samples were transported from the rig to the field camp by Prodigy Gold personnel, where they were loaded onto a Toll Express truck and taken to Bureau Veritas Laboratories secure preparation facility in Adelaide. Prodigy Gold personnel have no contact with the samples once they have been picked up for transport. Tracking sheets have been set up to track the progress of the samples. The preparation facilities use the laboratory's standard chain of custody procedure.*
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	*Prodigy Gold conducted a Lab Visit to Bureau Veritas laboratory facilities in Adelaide in August 2017 and found no faults. QA/QC review of laboratory results shows that Prodigy Gold sampling protocols and procedures were generally effective.*

SECTION 2: REPORTING OF EXPLORATION RESULTS

Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	*The Capstan Prospect covers ELs 31291 and 29860 and is located in the Northern Territory. The tenements are wholly owned by Prodigy Gold, and subject to the 'Tanami A' agreement between Prodigy Gold and the Traditional Owners via Central Land Council (CLC).*
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	*The tenements are in good standing with the NT DPIR.*
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	*The Capstan target area was first recognised in this district by surface geochemistry and shallow lines of RAB drilling in the late 1990s by Otter Gold NL. North Flinders, Normandy NFM and Newmont Asia Pacific subsequently all conducted exploratory work on the project with the last recorded drilling (prior to Prodigy Gold) completed in 2007. Previous exploration work provided the foundation on which Prodigy Gold based its exploration strategy.*

Geology	Deposit type, geological setting and style of mineralisation.	*Geology at the Capstan Prospect consists of a NW plunging antiform of Dead Bullock Formation with Killi Killi sediments towards the north and west. Structural complexity is evident from tightly folded outcropping chert beds.* *The wider Capstan Prospect geology is a N-S trending block of Dead Bullock Formation bounded by two NW-trending Tanami Faults. Two granites intrude into the stratigraphy. The mineralisation style is currently unknown but is anticipated to be similar in style to the Callie Deposit 75km to the east.*
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.	*Summaries of all material drill holes are available within the Company's ASX releases.*
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case	*Not applicable.*
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	*Prodigy Gold does not use weighted averaging techniques or grade truncations for reporting of exploration results. All reported assays have been length weighted with a nominal 0.5g/t gold lower cut-off with <2m of internal dilution. No upper cut-offs have been applied.*
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	*Summaries of all material drill holes and approach to intersection generation are available within the Company's ASX releases.*
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	*No metal equivalent values are used.*
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	*From surface mapping and previous drilling in the district, host lithologies and mineralisation are most commonly steeply dipping (between 60 and 80 degrees). Where sufficient outcrop exists to inform planning, drill holes are angled so as to drill as close to perpendicular to mineralisation as possible. Downhole widths, and estimates of true widths where significantly different, are reported.*
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	*Refer to Figures and Tables in the body of the text.*
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	*All exploration results have been reported based on the reporting criteria.*
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	*Multi-element geochemistry and spectral logging studies have been completed on the deposit. These are used to influence the interpretation of the regolith profile and host rock lithology.*

Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	*Further work at Capstan includes:* *Airborne magnetics including interpretation of the NTGS 100m lines spacing airborne magnetic survey* *Interpretation of multi-element data to constrain the stratigraphic sequence within the Dead Bullock Formation* *Follow up AC and RC drilling.*