

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

2 July 2020

**Preparations Underway to Recommence Exploration at 100%  
owned Tanami Gold Projects****KEY POINTS**

- **Prodigy Gold exploration staff now on the ground on Tanami Projects**
- **Discussions with drilling contractors are underway to allow a return to exploration**
- **Western Australia EIS co-funding application successful for planned RC drilling on Lake Mackay JV tenement**
- **Prodigy Gold remains strongly positioned with A\$11.4M<sup>1</sup> in cash and JV farm-in commitments providing a distinct competitive advantage as an exploration leader in the Tanami Gold Province**

Prodigy Gold NL (ASX: PRX) ('Prodigy Gold' or the 'Company') is pleased to advise that preparations are underway to recommence exploration activity across the Company's 100%-owned gold portfolio in the Tanami region of the Northern Territory.

Following the unexpected delays and access restrictions caused by the COVID-19 pandemic, Prodigy Gold has put in place a safe and robust plan to re-start exploration work across several priority gold targets at the earliest possible opportunity.

Prodigy Gold will continue to systematically explore the Company's 100%-owned project portfolio with aircore and diamond drilling to screen for new large-scale gold deposits in the Tanami. Currently, 19 targets across the Tanami and North Arunta Regions are planned to be screened for large scale gold deposits.

Two Prodigy Gold exploration staff members are on site preparing the camp for the re-start of activity once full access is granted and the required permits are issued. Exploration will start at the Bluebush-Bonanza and North Arunta Projects.

Over the coming months, aircore drilling is planned at Bluebush, West Bonanza, Tregony, Hyperion and the North Arunta Projects. Several of these targets can be rapidly progressed to RC drilling following results of these initial aircore drilling programs.

Further details on these exploration programs will be provided over the coming weeks as preparations are complete and further resources are deployed.

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<sup>1</sup> As at 31<sup>st</sup> March 2020

## Prodigy Gold's Tanami Opportunity Revisited

Prodigy Gold offers investors exposure to a massive strategic landholding in the proven and significantly under-explored Tanami Gold Province (host to **multiple 1Moz+ gold deposits**) in the Northern Territory. This exposure is supported by a clearly defined exploration strategy to screen its 100%-owned tenement portfolio for new large-scale gold deposits analogous to the **14.2Moz Callie Gold Mine**.

Prodigy Gold is positioned as one of the leading exploration companies in the Tanami as evidenced by the Company's F2019 spend of A\$5.7 million on exploration (not inclusive of JV partner spend), which has resulted in drilling across the Company's 100%-owned portfolio increasing from approx. 5,000m to 46,000m per year.

The importance of Prodigy Gold's current position as a well-funded and experienced operator in the Northern Territory is further highlighted by a number of impeding factors that are present for new companies looking to successfully enter and operate in the NT. Some of these have been outlined in the table below in a comparison with operating in Western Australia.

These factors create a significant opportunity for Prodigy Gold to accelerate towards discovery as an established explorer with granted tenure and robust relationships with key local stakeholders.

Key Comparisons	Western Australia	Northern Territory	PRX's Advantage
<b>Time taken to secure an exploration licence</b>	Average 256 days <sup>2</sup>	Average 4.5 years from application to grant  ~45% applications were abandoned during the application process	✓ ~30% licences granted 2015-2019 were to PRX  ✓ PRX has 97 tenements already granted
<b>Total number of licences</b>	17,566	1,596	✓ PRX has robust relationships with key stakeholders including the CLC and Traditional landowners
<b>Total number of entities (companies) with licences</b>	3,176	456	
<b>Total area</b>	2.5 million km <sup>2</sup>	1.3 million km <sup>2</sup>	
<b>Fraser Institute Survey Mineral Potential Global Ranking</b>	2 <sup>nd</sup> the world	5 <sup>th</sup> in the world	✓ PRX has an enviable land package and multiple high-quality exploration targets in one of the world's most prospective jurisdictions
<b>Annual economic value generated from mining<sup>3</sup></b>	A\$103B	A\$5.3B	
<b>Clear barriers to entry for new explorers looking to enter the NT</b>	Exploration companies able to get up and running easily with supportive framework	Can be time consuming and costly for companies to get started  Persistence and strong funding support is required  Companies need a minimum scale of operation and to 'know how to operate in the NT'	✓ Farm-in commitments from partners  ✓ PRX has a sound cash position and supportive major shareholders  ✓ PRX has established camp and infrastructure and a deep knowledge of the area

Table 1: Comparison table highlighting differences between operating in the NT and WA.

<sup>2</sup> WA DMIRS Q1 2020 Approvals Reporting

<sup>3</sup> Australian Bureau of Statistics Report 5220.0 - Australian National Accounts: State Accounts, 2018-19

## **Management Commentary**

“With the resumption of field activity underway, the Prodigy Gold team has worked incredibly hard to delineate some very compelling exploration targets in the Tanami and we are now within striking distance of getting back to drilling which is very encouraging.”

“Although the Northern Territory can prove challenging for new exploration companies looking to establish a footprint, Prodigy Gold is well advanced. We have been exploring in the Tanami for a long time, so we have the technical IP of the district and we have proven our effectiveness at operating within the regulatory system, as evidenced by our aggressive exploration strategy and ability to attract major farm-in partners to our projects.”

“The NT has the same scale and the same calibre of deposits as WA – yet there has been 7 times the exploration undertaken in WA – so this is truly an under-explored region. We look forward to proving further updates as activity across the business increases.”

## **COVID-19 Management**

Prodigy Gold has a COVID-19 management plan in place for safe activity in the NT and for the return of staff to their place of residence. All planned exploration occurs more than 50km from communities in the Tanami and North Arunta.

Current restrictions require a 14 day quarantine prior to entry onto the exploration license and for staff returning to Western Australia an additional 14 day quarantine upon return. The NT government has indicated the quarantine requirement may be reduced on the 17<sup>th</sup> of July 2020. This would remove the requirement for the 14 day quarantine on entry. The Central Land Council is yet to provide any clarity on whether this will extend to the lands they administer. The Company plans to resume drilling activity soon after the 17<sup>th</sup> of July on the basis of restrictions begin removed.

During the suspension of activities in the Northern Territory due to COVID-19, the Company has been assessing projects in Western Australia. The addition of a project in WA would provide flexibility in the event of COVID-19 restrictions being sustained, and alternate work areas during permitting delays in the NT.

## **Prodigy Gold FY2021 planned work programs**

Prodigy Gold plans to test 19 high priority targets during the FY2021 field season. The work comprises up to 27,000m of aircore drilling across three project areas and follow-up RC drilling. Campaigns of field mapping and geochemical sampling of drill spoils and rock chips will be run concurrent to the drilling programs.

Authorised for release by Prodigy Gold’s Chairman, Tommy McKeith.

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## **About Prodigy Gold NL**

Prodigy Gold has a unique greenfields and brownfields exploration portfolio in the proven multi-million-ounce Tanami Gold Province. 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 North Arunta Projects
- drilling of extensions to the shallow gold resources at Hyperion
- systematic evaluation of high potential early stage targets
- joint ventures to expedite discovery on other targets