

ASX ANNOUNCEMENT / MEDIA RELEASE

QUARTERLY REPORT

For the 3 months ended 30 June 2020

Key Points:

Planned Exploration

- Exploration staff now on the ground at Tanami tenements following COVID-19 delays
- Prodigy Gold to screen 19 high priority targets for large-scale gold deposits during the FY2021 field season across the Tanami and North Arunta Regions
- Exploration work will comprise up to 27,000m of aircore drilling - campaigns of field mapping and geochemical sampling of drill spoils and rock chips will be run concurrent to the drilling programs
- Northern Territory co-funding application successful for planned RC drilling on the Lennon Prospect on the North Arunta Project
- Western Australia EIS co-funding application successful for planned RC drilling on Lake Mackay JV tenement
- 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

Joint Ventures

- Lake Mackay (IGO) – Six targets with RC and diamond drilling planned for Lake Mackay in FY2021
- Euro (Newcrest) – No activities were completed in the Tanami Province during the quarter due to COVID-19 restrictions
- Tobruk JV (Newmont) – Results of deep sensing geochemical surveys has identified three targets

Corporate Summary:

- Managing Director's presentation at Noosa Mining Virtual Conference in July 2020
- Prodigy maintains a healthy cash balance of A\$10.7M at 30 June 2020

Prodigy Gold NL (ASX: PRX) ('Prodigy Gold' or the 'Company') is pleased to provide this activities report for the three months ended 30 June 2020.

Management Commentary

“Notwithstanding the unforeseen delays caused by COVID-19, we enter the back half of this calendar year well positioned and with a clear plan to resume our aggressive exploration programs across the Tanami Gold Province.”

“Our enviable land position within the Tanami is well supported by a number of strategic farm-in partnerships and with multiple exciting drill-ready targets set to be tested in this upcoming program we are eagerly anticipating the resumption of field work.”

“We have maintained a strong dialogue with the traditional landowners over recent months and we have implemented a rigorous COVID-19 safety protocol to ensure the wellbeing of our staff and the local communities as our staff return to site. I look forward to providing further updates as we increase exploration over the next few months.”

June Quarter Summary

Prodigy Gold is positioned as a leading explorer in the Tanami Gold Province

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.

Prodigy Gold is positioned as one of the leading exploration companies in the Tanami as evidenced by the Company's FY2020 exploration spend of A\$6.6 million (not inclusive of JV partner spend), which has resulted in drilling across the Company's portfolio increasing from approximately 5,000m to 27,000m in F2020.

Prodigy Gold 100% Projects

Background: The Tanami is host to multiple 1Moz+ gold deposits. The Company is using broad spaced RAB and aircore drilling to screen for the alteration and geochemical footprints associated with large scale deposits. Drilling is prioritised on targets with the same rocks as the known gold deposits, occurring in similar structural settings. This approach has already successfully defined broad scale anomalism at the Capstan project including RC drill results of up to 4m @ 6.1g/t Au (ASX: 18 December 2018).

Prodigy Gold is continuing to systematically explore the Company's 100%-owned project portfolio with aircore, reverse circulation ("RC") and diamond drilling to screen for new large-scale gold deposits analogous to the 14.2Moz Callie Gold Mine in the Tanami.

Following the unexpected delays and access restrictions caused by the COVID-19 pandemic, the Company advised post quarter end that preparations were well advanced to re-commence exploration activity across the Company's 100%-owned gold portfolio.

With members of the Company's exploration team now on-site, Prodigy Gold has put in place a clear plan to re-start exploration work across several priority gold targets early this quarter.

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.

Over the coming months, aircore drilling is planned at Bluebush and West Bonanza (Figure 1), Tregony (Figure 2), and the North Arunta Projects (Figure 3). Several of these targets can be rapidly progressed to RC drilling following results of these initial aircore drilling programs.

The Company has been successful in being awarded co-funding for the Lennon Prospect as part of the Northern Territory's "Resourcing the Territory" initiative. This will contribute up to 50% of the cost of RC drilling. The fieldwork is dependent on COVID-19 access restrictions and sacred site clearance surveys being completed at Lennon.

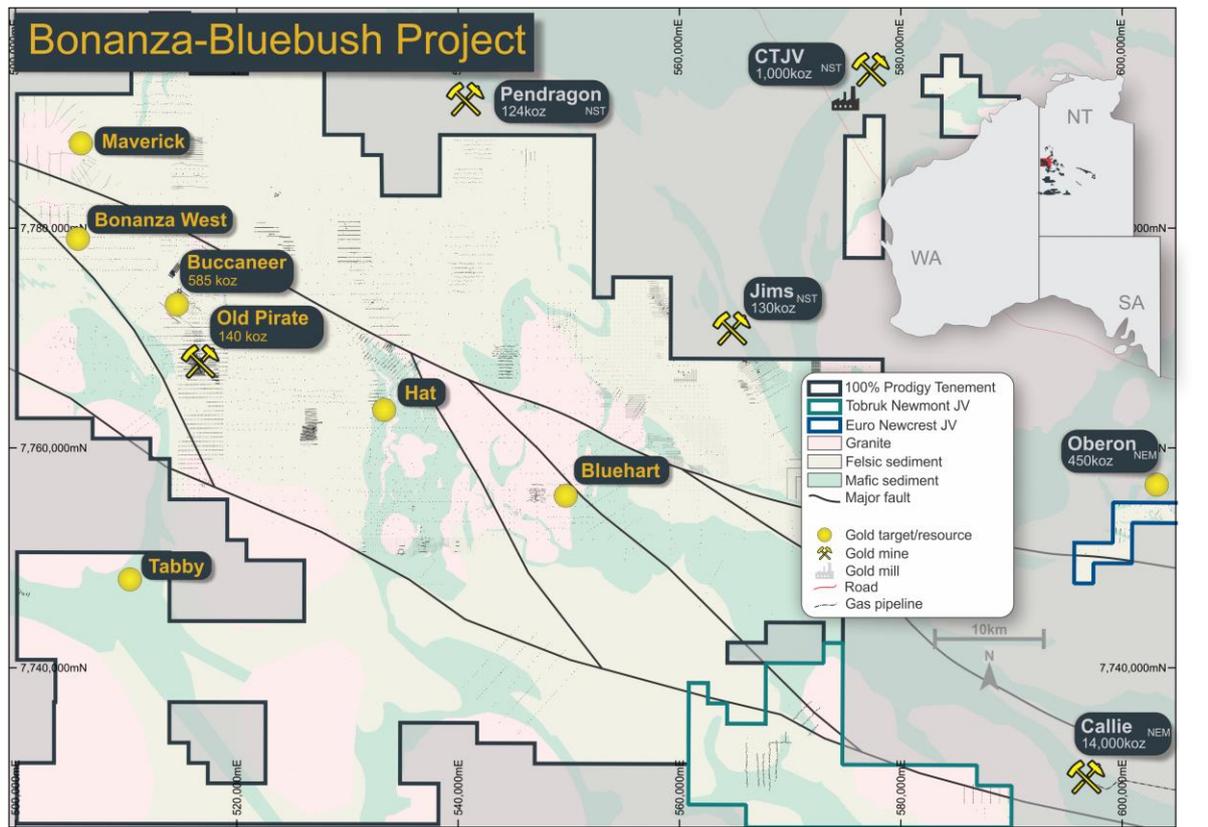


Figure 1 - Bonanza-Bluebush Project Areas in the southern Tanami

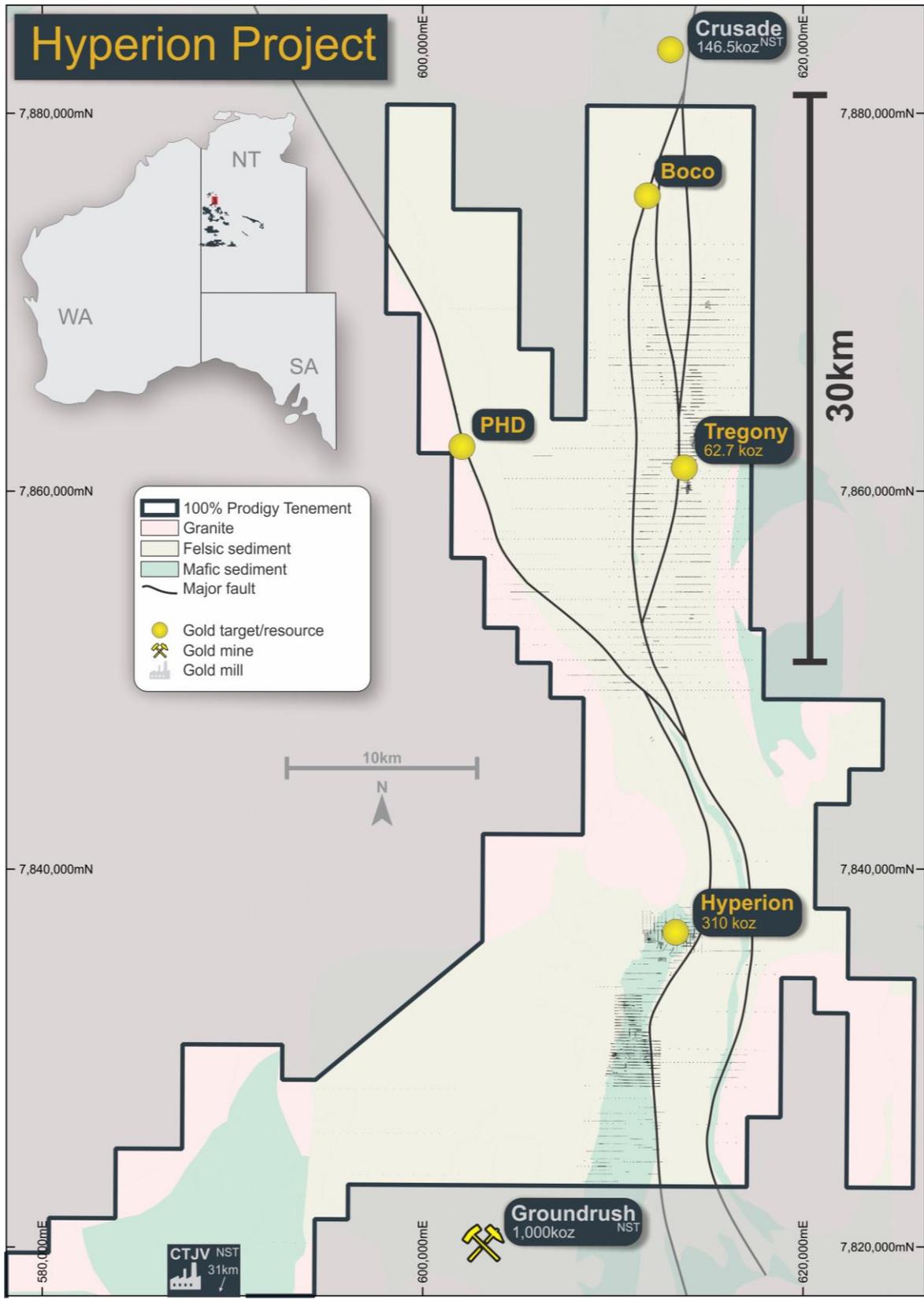


Figure 2 - Hyperion Project in the northern Tanami

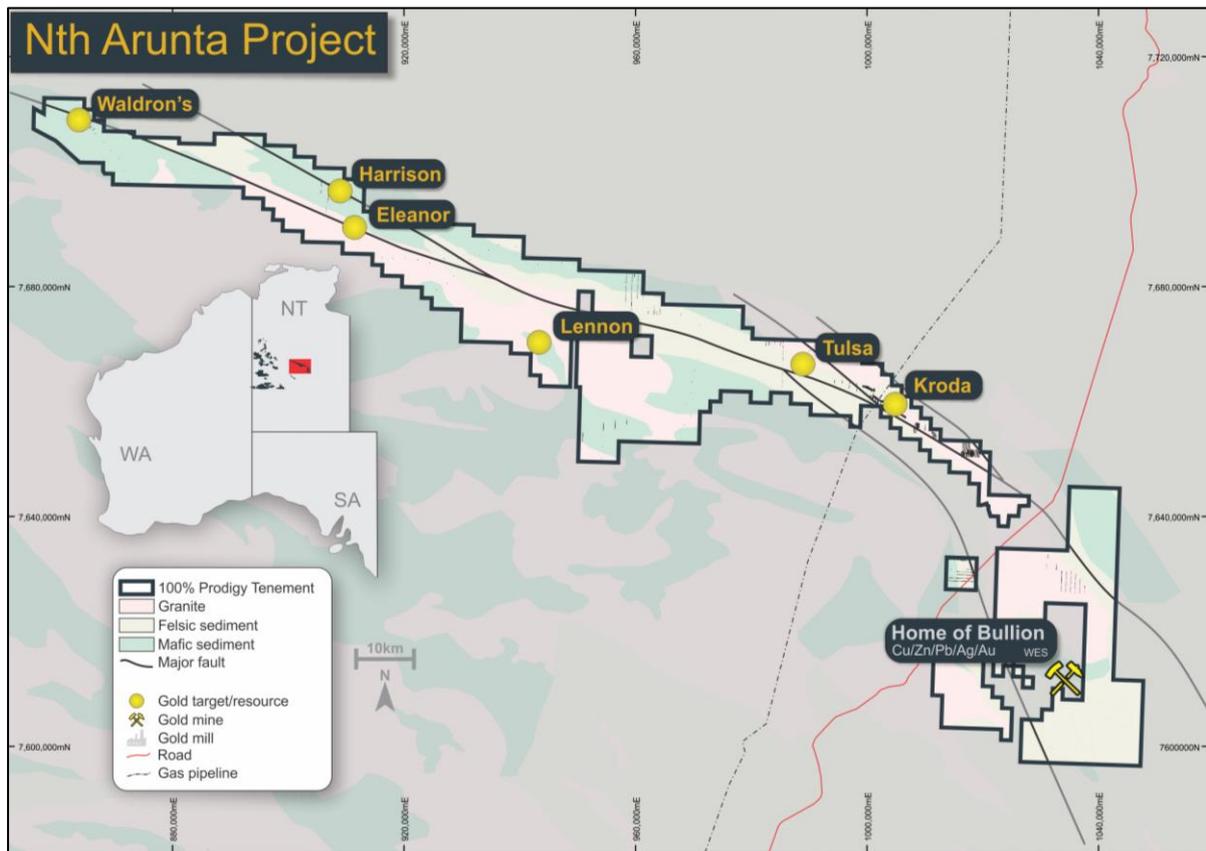


Figure 3 - North Arunta Project

With ongoing delays and extended timeframes for permitting in the Northern Territory combined with the risk of further COVID-19 related restrictions, the Company is continuing due diligence on projects in Western Australia.

Joint Venture Portfolio Overview

Joint Venture activities were suspended due to the implementation of a biosecurity zone over the majority of the Northern Territory. The Company will provide details of work programs as soon as activities have recommenced.

Drilling is planned for at least 6 targets at Lake Mackay. Systematic fieldwork is planned across numerous targets at Lake Mackay in FY2021. Diamond drilling is to be undertaken at the Grimlock, Phreaker, Raw and Customisable targets. RC drilling is planned at Grimlock and Raw.

Grimlock Ni-Co-Mn Prospect - Following on from successful leach test work, two PQ diamond holes are planned to acquire additional samples for metallurgical test work. A ground penetrating radar (GPR) survey is also planned to map the depth, thickness and continuity of the Ni-Co-Mn enriched duricrust from surface to approximately 25m depth. This will be used to target a 10-12 hole RC program to assess the size potential of the prospect.

Raw Prospect - A single 540m diamond drill hole is planned to intersect an EM conductor which was too deep to drill with conventional RC at the end of 2019. Additionally, ~400m of RC drilling is planned to test beneath a 1.1km long gold and multi-element soil anomaly adjacent to the conductor at Raw (ASX 16 October 2019).

Phreaker Prospect - RC drilling completed at the Phreaker Prospect in August 2019 confirmed that the mineralised system extends for over 750m of strike (ASX 16 October 2019). Downhole EM completed on this target demonstrated that the strongest part of the ~1,000m long EM conductor has not been

effectively tested. Two diamond drill holes are planned to test positions down dip of the existing RC drilling.

Customisable Target - A 350m diamond drill hole is planned to test a modelled EM conductor.

Arcee Au Prospect - Soil sampling is proposed to follow up soil anomalies identified at the end of 2019, including the Arcee Au anomaly. Positive results would allow for step out drilling from the RC result of 12m @ 3.5g/t Au (ASX 16 October 2019).

During the quarter, planning was well underway for the 2020 field season, however the drilling program was postponed due to COVID-19 pandemic-related regional travel access restrictions, which were introduced to protect remote outback communities. IGO is in consultation with the Central Land Council and the Department of Primary Industry and Resources and will recommence field activities at the earliest appropriate time. At this juncture, this timing remains uncertain.

ESG (Environmental Social Governance)

Greenhouse Gas Emissions

The Company continues to mitigate greenhouse gas emissions while maintaining the high portability, robustness and reliability that remote exploration requires.

Waste, Pollution and Disturbance

Recyclable materials are stockpiled separately for transport to Alice Springs. Freight trucks are backloaded when available. The remaining waste is managed according to the approved annual Mine Management Plan and Hazardous Substances Management Plan. The Company has a plan of ongoing rehabilitation of recent and historic activities. No breaches occurred in the June quarter.

Water Use

Water is managed under an Environment Management Plan for the mining project and Mine Management Plans for exploration projects. The Company has a Water Management Plan based on hydrogeological modelling of groundwater aquifers, water accounting, level monitoring and annual quality monitoring. Bores previously constructed for mining have undergone stage 1 decommissioning. Current water extraction is well below volumes contemplated for mining. No breaches to the plan occurred in the last quarter.

Land Use

The Company conducts its activities under an approved annual Mine Management Plan for exploration, and an approved Care and Maintenance and Mine Closure Plan for mining. The latter two plans have received NT EPA approval and outline mitigation and control measures to be used to prevent and minimise environmental impacts. The plans were revised in 2016/2017, and on an annual basis, to reflect the change in project status of the Old Pirate Project to care and maintenance, the completion of rehabilitation of the minesite and landforms and took into account risk input from government agencies and stakeholders that were consulted during the period. Within and subsequent to the plan approvals are:

1. Biodiversity Management Plan;
2. Water Management Plan;
3. Mine Closure Plan;
4. Care and Maintenance Plan;
5. Erosion and Sediment Control Plan;
6. Hazardous Substances Management Plan;
7. Vehicle Management Plan;
8. Social Impact Management Plan;

9. Cultural Heritage Risk Management Plan;
10. Fire Management Plan;
11. Ground Disturbance Management Plan;
12. Noise Management Plan;
13. Biting Insects Management Plan;
14. Air Quality Management Plan;
15. Emergency Response Management Plan; and
16. Waste Rock Dump Management Plan (was not part of the original EIS documentation but has been formulated for the MMP)

No breaches to these plans occurred in the last quarter. The annual update to the Twin Bonanza care and maintenance mine management plan was submitted in December 2019. Mine Management Plans – Exploration have been submitted for all other planned work areas.

In addition to NT Government approved permits and plans, the Company is required to submit Work Area Programs for approval from the Central Land Council. These plans further mitigate the risk to culturally significant sites, and give the opportunity for Traditional Owner input.

No breaches to these plans occurred in the last quarter.

Workforce and diversity

The Company has been looking to employ staff from the lands on which we operate. Two staff have been sourced from the local communities however this has been delayed due to restrictions on interaction with the local communities due to COVID-19.

The Company's diversity policy is available on the website. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance. There have been no exceptions to the policy this quarter.

Safety Management

No reportable injuries were reported this quarter. A COVID-19 management plan has been developed for travel and exploration activities in the Northern Territory. This quarter the Company has focused on crisis management and has implemented a system that allows for two way messaging in remote areas. This system should expedite support crews reaching the locations where assistance is required in an emergency.

Communities

Engagement with local communities is prescribed in Exploration Agreements required under the Aboriginal Land Rights Act 1974. These agreements are administered by the Central Land Council. All meetings were suspended in the June quarter due to biosecurity zones being implemented by the Commonwealth Government.

The Company has been engaging with the CLC mining officers to promote employment and business opportunities for local residents. The Company continues to engage with recruitment providers in Alice Springs. Field supplies are sourced through Northern Territory based suppliers.

The Company applies a bias towards local contractors in its tender process. Work Area Programs have been submitted to the Central Land councils for 2020 activities. These outline the nature and location of planned activities to ensure significant cultural sites are protected and communities are consulted and notified in advance of the exploration.

Structure and Oversight

The Company's constitution and corporate governance policies are available on the Company website. No breaches in policy occurred during the period. The Company's policies have been updated to reflect the 4th Edition Corporate Governance Principles and Recommendations where appropriate and published on the website at <http://www.prodigygold.com.au/about-prodigy-gold/corporate-governance/>. Annual reporting will reflect the revised standards.

Code and Values

The Company maintains a code of conduct and Golden Rules. No breaches in policy occurred during the period.

Transparency and Reporting

The reporting by the Company exceeds the requirements of ASIC and the ASX. The Company's policies have been updated to reflect the 4th Edition Corporate Governance Principles and Recommendations where appropriate. Annual reporting will reflect the revised standards. All reporting was completed on time. No breaches occurred during the reporting period.

Cyber-risk and Systems

The Company has systems in place to prevent and mitigate intrusion of IT systems. No IT breaches are known.

Changes in Risk Matrix

During the quarter the Company's risk matrix was reviewed by the Board. An external peer review was completed as a part of the update of the risk matrix. Remote communication was identified as an area to be improved and a system to allow routine 2 way communication in addition to satellite phones was implemented.

Corporate Overview

Attendance at Noosa Mining Virtual Conference

Post quarter end, the Company's Managing Director Matt Briggs presented at the Noosa Mining Virtual Conference. The conference was attended by several investors online and Matt's presentation covered Prodigy Gold's investment highlights and near-term plans. A copy of the presentation was lodged on the ASX on 16 July and the recording is available on the website at <http://www.prodigygold.com.au/investors/media/>.

Capital Structure

During the quarter, the Company advised that 450,000 unlisted options with a zero exercise price expired and lapsed unexercised on 16 April 2020.

Subsequent to quarter end the Company issued 1,050,000 options with a zero exercise price under the Company's Employee Share Option Plan. The options were issued as part of an initiative to encourage long-term staff retention along with the alignment of the interests of shareholders and employees.

On 1 July 2020 the Company confirmed that 2,000,000 unlisted options issued to Matt Briggs on 29 November 2019, vested and 500,000 unlisted options were cancelled in accordance with the terms.

Subsequently the Company has a total of 39,700,000 unlisted options on issue.

Cash Position

At quarter end, Prodigy Gold held A\$10.7M in available cash with no debt.

Payments reported in the Appendix 5B under section 6.1 consist of remuneration paid to executive and non-executive directors of the Company, including PAYG and superannuation, on a cash basis.

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

Signed



Matt Briggs
Managing Director



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Follow [Prodigy Gold](https://www.linkedin.com/company/prodigy-gold) on LinkedIn

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 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

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 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Prodigy Gold NL

ABN

58 009 127 020

Quarter ended ("current quarter")

June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(638)	(6,573)
(b) development		
(c) production		
(d) staff costs	(144)	(551)
(e) administration and corporate costs	(87)	(575)
1.3 Dividends received (see note 3)		
1.4 Interest received	44	193
1.5 Interest and other costs of finance paid	-	(32)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	131	304
1.8 Other (provide details if material) Includes \$250,000 received from TRL Tanami for agreement over Old Pirate	3	341
1.9 Net cash from / (used in) operating activities	(691)	(6,893)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	3
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	3
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(766)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	11,234
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,391	6,356
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(691)	(6,893)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	3
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,234

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	10,700	10,700

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,400	1,141
5.2	Call deposits	9,300	10,250
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,700	11,391

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 Director fees and salaries (incl. superannuation) on a cash basis	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (Guarantee Facility)*	2,381	2,381
7.4 Total financing facilities	2,381	2,381
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
*Prodigy Gold has guarantee facilities with the ANZ and CBA which do not require any security to be granted over the Company's assets. No interest is payable for the facilities as the funds drawn are fully cash-backed. Related fees are part of expenditure under point 1.5.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(691)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(691)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	10,700
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	10,700
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	15.5
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.