

20 November 2018

Level 1, 141 Broadway
Nedlands WA 6009, AUSTRALIA

T +61 8 9423 9777
F +61 8 9423 9733
E admin@prodigygold.com.au
W www.prodigygold.com.au
 ABN 58 009 127 020

Dear Shareholder

Prodigy Gold NL (Company) – 1 for 4 Non-Renounceable Pro Rata Rights Issue

The Company announced on 16 November 2018 a 1 for 4 non-renounceable pro rata rights issue at an issue price of \$0.082 per new share (**New Share**) to raise up to approximately \$8.8 million (before transaction costs) (**Rights Issue**).

The Rights Issue is not underwritten but a shortfall facility is included. Details of the potential effect of which the Rights Issue (and the placement of shortfall shares under the shortfall facility), are set out in the offer document.

Any New Shares not taken up by eligible shareholders will be shortfall shares and can be applied for by other eligible shareholders under the shortfall facility in excess of their entitlement of New Shares.

Shortfall shares will be allocated as follows:

- the directors reserve the right to issue (or to not issue) the shortfall shares to any one or more eligible shareholders or third parties at their discretion;
- eligible shareholders will not receive more shortfall shares than they have applied for; and
- no shortfall shares will be issued to an applicant if doing so would, to the extent of the knowledge of the Company, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of the Company's issued voting shares under Chapter 6 of the Corporations Act or would otherwise be contrary to the Corporations Act or Listing Rules.

The Company intends that the funds raised under this Rights Issue, together with existing cash, will be used to fund ongoing exploration, project development and acquisitions, general working capital and expenses associated with the Rights Issue. Exploration activities will particularly include drilling on the 100% owned Bluebush Project and contributions to the Lake Mackay JV.

You will receive a copy of the offer document shortly. In accordance with section 708AA of the Corporations Act 2001, a prospectus is not required for this Rights Issue.

Details of the Rights Issue are set out in the offer document and an Appendix 3B that has been lodged with ASX. Both documents are available on the ASX's website (www.asx.com.au) and on the Company's website (www.prodigygold.com.au).

| Summary of Key Information | |
|--|--|
| Type of offer | Non-renounceable pro rata 1 for 4 rights issue of approximately 108 million ordinary shares to eligible shareholders that are on the share register of the Company as at the record date, being 5.00pm WST on 23 November 2018 |
| Issue price | \$0.082 per New Share |
| Offer ratio | 1 New Share for every 4 existing shares held at the record date |
| Non-renounceable | Your entitlements may not be sold on ASX or otherwise transferred |
| Ranking of new shares | The New Shares will be fully paid and will rank equally in all respects with the Company's existing issued ordinary shares |
| Number of shares and options prior to Rights Issue | The number of fully paid ordinary shares quoted on ASX at the date of this letter is 435,601,334. There are also 24,000,000 unquoted options over ordinary shares held by directors, or their nominees, and employees of the Company |

| Summary of Key Information | |
|--------------------------------|--|
| Number of shares quoted on ASX | The number of fully paid ordinary shares to be quoted on ASX on completion of the rights issue including the New Shares to be issued will be approximately 543,663,968 |

Indicative Timetable

| Event | Date |
|---|--|
| Announce Offer, deliver Appendix 3B to ASX | Friday, 16 November 2018 |
| Deliver Offer Document and cleansing notice to ASX | Friday, 16 November 2018 |
| Despatch Appendix 3B information letters to shareholders Despatch letters to option holders who cannot participate in Offer | Tuesday, 20 November 2018 |
| 'Ex' date (date from which securities commence trading without the entitlement to participate in the Offer) | Thursday, 22 November 2018 |
| Record Date | Friday, 23 November 2018 (5:00pm WST) |
| Despatch Offer Document and Entitlement and Acceptance Form to Eligible Shareholders (and notify ASX when this occurs) Despatch letters to ineligible Shareholders | Wednesday, 28 November 2018 (5:00 pm WST) |
| Offer opens | Wednesday, 28 November 2018 |
| Closing Date | Monday, 10 December 2018 (5:00pm WST) |
| New Shares quoted on a deferred settlement basis | Tuesday, 11 December 2018 |
| Notify ASX of undersubscriptions (i.e. Shortfall Shares) | Thursday, 13 December 2018 |
| Issue of New Shares (and confirm to ASX when this occurs) | Friday, 14 December 2018 (12 noon WST) |
| Expected commencement of trading of New Shares | Monday, 17 December 2018 |

This timetable is indicative only and is subject to change. The Company reserves the right to vary the dates and times of the Offer without prior notice to you, subject to compliance with the Corporations Act and the Listing Rules. Should this occur, any extension will have a consequential effect on the anticipated date of issue of the New Shares.

For further information of your entitlement or how to deal with your rights please refer to the offer document (which you will receive shortly) or contact the Company:

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Taking up your entitlements may have taxation, financial and other implications. If you are in any doubt as to how to deal with your rights, you should contact your stockbroker or other professional adviser.

Yours sincerely



Mr Matt Briggs
Managing Director