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

12th December 2019

Lake Mackay JV Update: Grimlock Returns +97% Co and Mn Extractions in Leach Testwork

HIGHLIGHTS

- **First bench-scale leach extraction results returned for high grade Grimlock Co-Ni-Mn sample with head grade of 1.94% Co, 0.47% Ni and 51.91% Mn:**

  Atmospheric Leach SO_2

  - **>97% Co extracted**
  - **>99% Mn extracted**
  - **>85% Ni extracted**
- **Additional surface samples collected for leach extraction testwork returned head grade assays >2.7% Co**
- **Lake Mackay tenement package reduced to focus on priority projects**
- **RC drilling planned for Grimlock and Swoop Co, Ni, Mn Prospects in the new year**
- **Diamond drilling planned on Raw and Phreaker Au and base metal Prospects in the new year**
- **Results received from RC drilling and soil sampling completed at Arcee Prospect this quarter – extends gold-in-soil anomaly to 2.3km long**

Prodigy Gold NL (ASX: PRX) ("Prodigy Gold" or the "Company") is pleased to advise that IGO has provided leach extraction results from surface samples collected from the Grimlock Co-Ni-Mn Prospect and RC results from the Arcee Prospect, located within the broader Lake Mackay Project in the Northern Territory. The Lake Mackay Project is held in Joint Venture ("JV") with Independence Group NL (ASX: IGO) (IGO 70%; PRX 30%).

Management Commentary

Prodigy Gold's Managing Director Matt Briggs said:

"The results of leach extraction testwork, which could form part of a process to recover cobalt-nickel-manganese at Grimlock, have exceeded our expectations. The trial applied atmospheric leaching using SO_2 providing a lower capital and operating cost process than those which require high pressure leaching."

"Preliminary bench-scale test work was completed on samples of the cobalt-nickel-manganese duricrust. Atmospheric Leach testing was undertaken using SO_2 for the reductive leach tests. This first round of tests was completed on samples taken from surface at the Grimlock Prospect (Figure 1). Additional samples collected have yielded Co grades in excess of 2.7%. While the samples provide an

indication of the recovery of high grade mineralisation in several areas, the average grade of the deposit and average recoveries are likely to be lower."

"A targeted follow-up exploration program at Lake Mackay is planned to commence early in the next field season and we look forward to providing further updates in due course".

Sample	Leaching Reagent	Temp (°C)	pH	Co (%)	Ni (%)	Mn (%)
LMGLK_MT-01_001	SO_2+ H_2SO_4	70	Initial 3 then 2	96.1	81.5	99.2
LMGLK_MT-01_002	SO_2+ H_2SO_4	40	1.8	95.4	74.9	98.9
LMGLK_MT-01_003	SO_2+ H_2SO_4	70	1.8	97.6	85.2	99.2

Table 1 - Preliminary Atmospheric Leach Extraction Results for a sample from the Grimlock Prospect

Table 1 shows the recent preliminary sighter leaching tests conducted at the Perth laboratories of Bureau Veritas using SO_2 (Sulphur Dioxide) to reduce the manganese dioxide present and with the addition of some H_2SO_4 (Sulphuric Acid) at 40 and 70°C. These tests were performed at atmospheric pressure with a 3-hour residence time. The best conditions tested yielded extractions for the surface sample LMGLK_MT-01_003 of 97% cobalt, 99% manganese and 85% nickel. The testwork shows encouraging extraction results at a bench scale and further leach tests are planned as part of a series of future metallurgical studies.

When compared to other cobalt deposits, Grimlock has the advantage of being a shallow, flat lying prospect, with thin zones containing exceptional grades of cobalt. As the cobalt appears to be attached to manganese oxides, initial test work has indicated that an agitated leach process at around 70°C and atmospheric pressure should be sufficient to extract a significant portion of the cobalt.

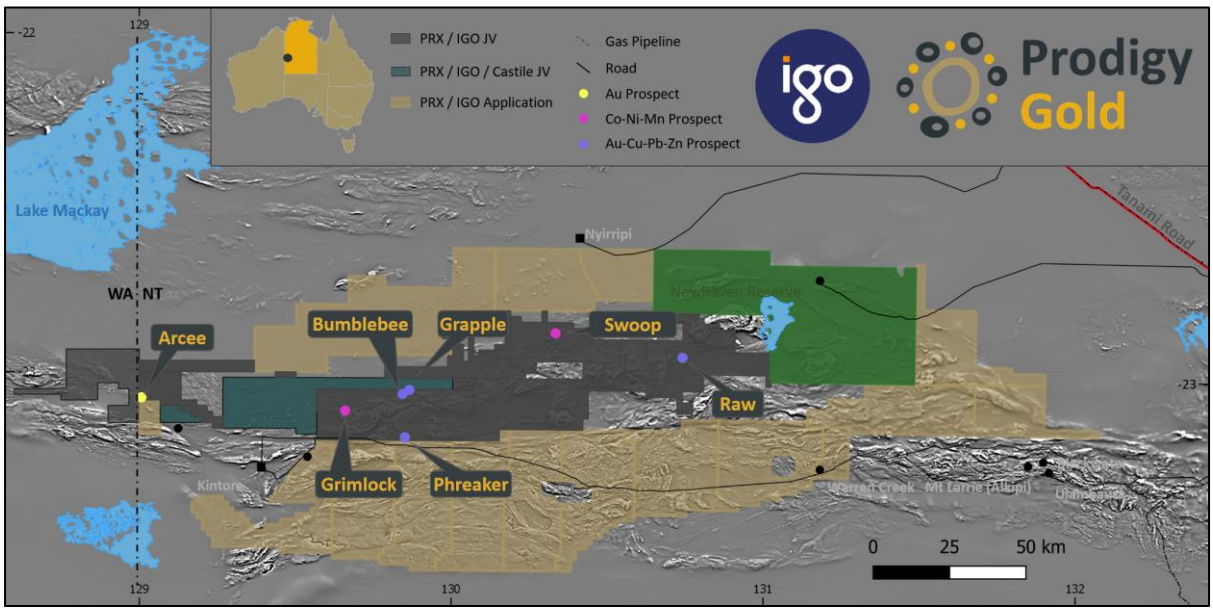

Figure 1 – Lake Mackay Project Map with Active Prospects

Exploration Program Update

Arcee Gold Prospect

The Arcee Prospect is an 800m long coherent gold-in-soil anomaly open to the west (Figure 2). The Prospect was first recognised in soil sampling conducted earlier in 2019. Initial drilling intersected disseminated sulphide in amphibolite yielding a 12m interval of low-level gold. A hole completed 350m to the southeast, 19LMRC072, returned 12m @ 3.5g/t Au from 112m, including 8m @ 4.9g/t Au from

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116m (ASX: 16 October 2019). This intersection included disseminated pyrite and minor quartz veining.

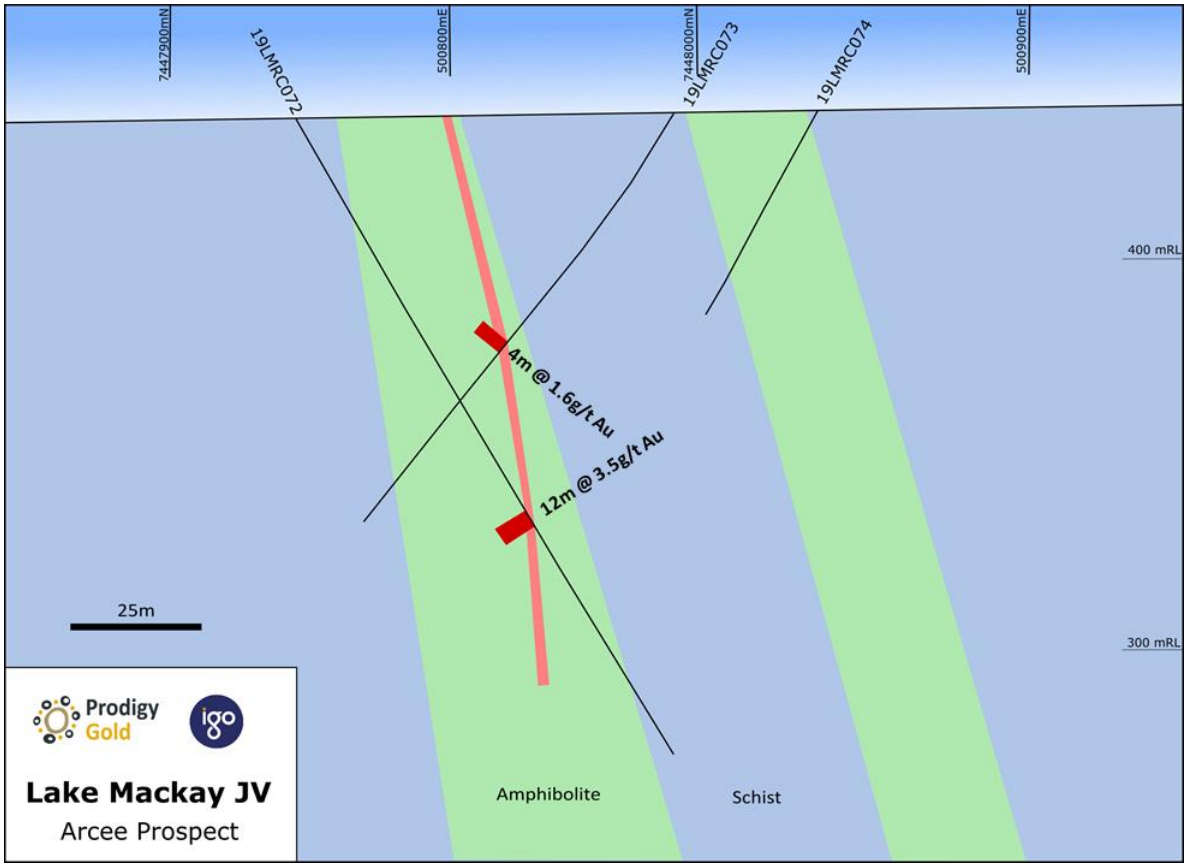

Figure 2 - Arcee Prospect Cross-section

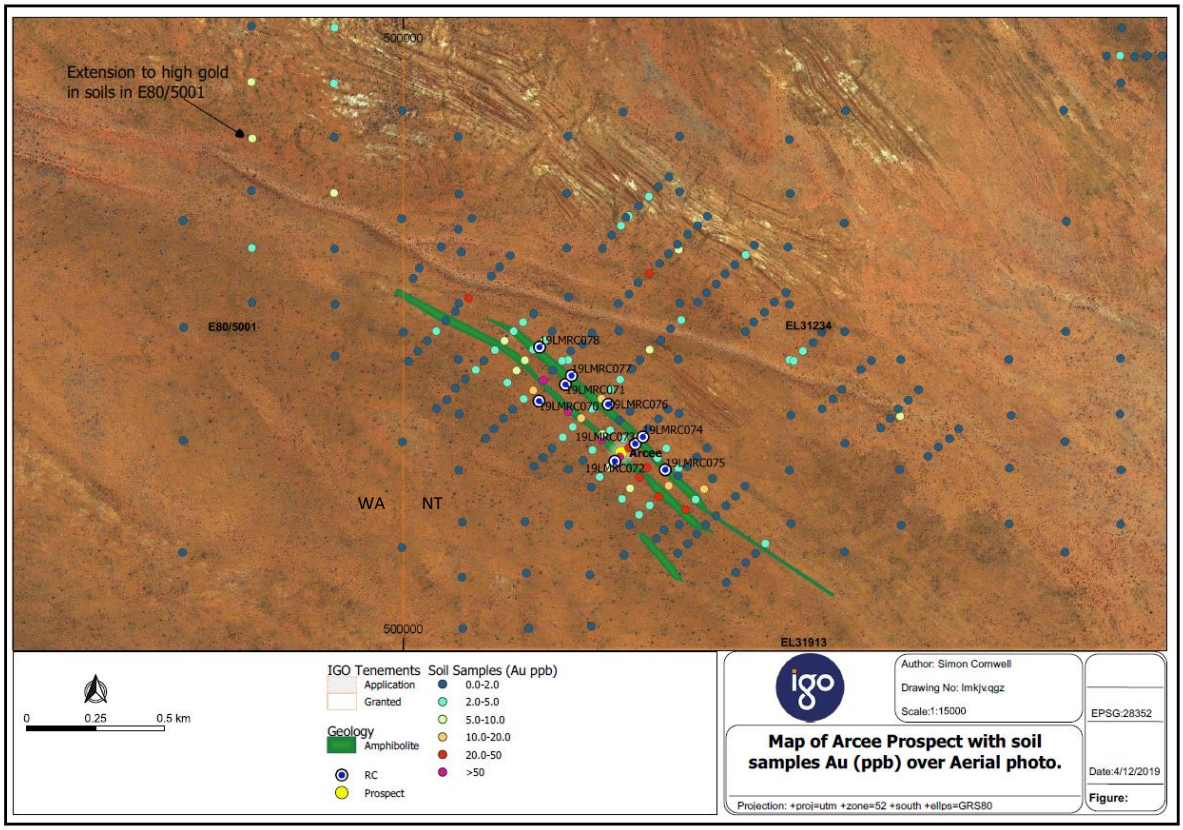

Figure 3 - Arcee Prospect Collar and Soil Sample Map

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Results were returned for an additional six RC holes completed at the Arcee Prospect. Drilling was completed on five sections testing ~600m of strike. The drilling confirmed the interpreted orientation of mineralisation. The best results were returned from the original section RC drilled, 19LMRC073 4m @ 1.6g/t Au from 72m, and the section 120m to the west 19LMRC076, 4m @ 1.5g/t Au from 128m. The most western line of drilling intersected 19LMRC078, 4m @ 0.9g/t Au from 104, demonstrating the mineralisation likely extends to the west as suggested by recent soil sampling (Figure 3)

Assays have also been received from infill soil sampling around Arcee and the west into E80/5001. 200 x 400m soil sampling close to the WA/NT border has extended the Arcee gold anomaly into E80/5001. This now extends the Arcee gold-in-soil anomaly to 2.3km long.

Tenement Reduction

Tenement relinquishments were completed in line with tenement conditions. Areas were selected for relinquishment because of three conditions:

1. Area had been effectively screened by surface geochemical sampling and/or airborne electromagnetic surveying;
2. Area was under an extensive palaeochannel system that reduced the likelihood of discovery
3. Area was of cultural significance and exploration was not allowed to occur in these areas.

Future Work

- Follow-up diamond drilling is planned for the Raw and Phreaker Prospects.
- Once the final soil sample results are received from the recent sampling in WA, the Arcee Prospect area will be re-interpreted and anomalous areas will be selected for infill sampling. Any anomalies generated will likely be tested by drilling along with the strike extent of the Arcee Prospect.
- Additional studies of Grimlock will be required to determine the size potential and grade of the mineralization. This will likely involve several shallow diamond drillholes and a grid of shallow reverse circulation drillholes.

Lake Mackay JV Background

The Lake Mackay Project is 400km northwest of Alice Springs and comprises approximately 15,630 km^2 of exploration licences and applications (14,886km^2 IGO 70%/Prodigy Gold 30% JV, 744km^2 IGO 53.8%/Prodigy Gold 23.1%/Castile JV 23.1%)(Figure 1). 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.

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

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Figure 4 - Pyrolusite outcrop at the Grimlock Prospect which commonly contains elevated Co and Ni

Relevant Announcements

16 October 2019	Lake Mackay JV Update - New Gold Prospect Identified
17 July 2019	More Copper and Cobalt intersected at Lake Mackay
11 April 2019	9,600m drilling program underway & project area increased by 50%
20 February 2019	63 AEM targets and Ni-Co prospect defined
25 October 2018	IGO meet 70% Earn-in Expenditure
26 July 2018	Lake Mackay JV - Exploration Update
15 November 2017	Final Grapple Diamond Drilling Results
20 December 2016	Exploration Update Grapple Prospect Drill Intersections

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JORC Code (2012) Competent Persons' Statements

Information in this report relating to nickel, cobalt and associated metals of the Grimlock Prospect (Lake Mackay JV Project) is based on information compiled by Dr Chris Ward, a full-time employee of IGO and a Member of AusIMM. Dr Ward has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting Exploration Results, Mineral Resources, and Ore Reserves. Dr Ward consents to the inclusion of the data in the form and context in which it appears.

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 – Lake Mackay JV Project Metallurgical Test Work Sample Location and Assay Results

Sample	Easting[1]	Northing[1]	Co (%)	Ni (%)	Mn (%)
LMGLK_MT01	567369	7444639	1.94	0.47	51.91
LMGLK_MT02	566784	7445018	2.75	0.84	24.08
LMGLK_MT03	566782	7445018	1.48	0.63	19.94
LMGLK_MT04	566981	7445012	0.02	0.16	0.22

Appendix 2 – Significant intercepts from the Arcee Prospect RC Drilling Program

Hole ID	From (m)	To (m)	Interval Width (m)	Au (g/t)
19LMRC073	72	76	4	1.6
19LMRC076	128	132	4	1.5
19LMRC078	104	108	4	0.9

Mineralised geological intercepts containing samples >0.5g/t Au

Appendix 3 – Arcee Prospect Drillhole Locations

Hole ID	Total Depth (m)	Easting[1]	Northing[1]	RL[2]	Dip	Azimuth
19LMRC073	132	500841	7447993	437	-60.2	231.0
19LMRC074	60	500869	7448018	438	-60.1	232.7
19LMRC075	150	500950	7447899	439	-60.2	223.7
19LMRC076	198	500743	7448136	438	-60.4	223.6
19LMRC077	140	500610	7448240	438	-60.5	226.2
19LMRC078	168	500494	7448343	437	-60.19	224.8

[1]MGA 94 Grid Zone 52

[2]Estimated from DEM

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Appendix 4: JORC Code, 2012 Edition – Table 1- Lake Mackay Drilling 2019

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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Reverse Circulation (RC) drilling commenced in April 2019. • RC Sampling ▪ One metre RC samples were collected with a scoop. ▪ Four metre composite samples were collected from an orbital splitter attached to the rig. ▪ Individual metre samples were sampled where geological logging and/or portable HHXRF identified mineralisation. ▪ Samples were dried, pulverised to -75µm and split to produce a nominal 200 gram sub sample. ▪ 1 metre samples were analysed for gold using a 25 gram Lead collection fire assay with analysis by Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES). ▪ Multi-element analysis was completed using a four-acid digest on a 0.2g prepared sample with analysis of 33 elements with ICP-OES.
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.).*	• An RC drill rig, owned and operated by Strike Drilling was used. • The RC drilling was conducted with a 127mm face sampling hammer bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• The sample recovery was estimated by the relative size of the piles of drill spoil that were placed on the ground. • Sample quality was recorded during logging (wet\dry samples) and qualitative recovery codes (C=contaminated, G=good, M=moderate, O=oversize, P=poor, U=undersize) were assigned to the samples.
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• The RC chips were logged on 1 metre intervals using the IGO coding system. Lithology, weathering, colour, alteration, veining and mineralisation are logged (Qualitative).). A representative chip sample was collected for each metre.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For RC, one-metre drill samples were laid out on to the ground in 30m rows, and four-metre composite samples of approximately 4kg were collected from an orbital, into pre-numbered calico bags. The majority of samples (>99%) were dry. • A sample scoop was used for one-metre samples. • Samples were prepared at the Intertek Laboratory in Alice Springs. Samples were dried, and the whole sample was crushed and pulverised to 85% passing 75µm, and a sub-sample of approx. 200g retained. • A duplicate field sample was taken at a rate of 1 in 50. • Field duplicate assay results are reviewed to confirm that the sample results are representative. • For exploration drilling the sample size is considered appropriate to give an indication of mineralisation given that the sample is crushed to -75µm.

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Criteria	JORC Code explanation	Commentary
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.* • *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.* • *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.*	• 4 metre composites were analysed used 10g Aqua Regia and 1 metre intervals were analysed using 25g fire assay for Au and four-acid digest for Ag, base metals and pathfinders. The fire assay is a total digest and the four-acid is considered a "near total" digest. • No geophysical or XRF results are used in exploration results reported. • Laboratory QAQC involves the use of internal lab standards and blanks using certified reference materials. Lab duplicates are also monitored to ensure the sample results are representative. • IGO also provides reference samples and blanks that are inserted every 50 samples. • All assays undertaken for the metallurgical testwork were performed by a NATA Accredited laboratory with appropriate standards analysed with the metallurgical testwork samples for verification. • Metallurgical testwork solid samples were analysed using standard X-ray Fluorescence Spectrometry on oven dry (105 C) samples and leach solution samples were analysed by Inductively Coupes Plasma (ICP) Optical Emission Spectroscopy (OES) methods.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were identified in the field by an IGO geologist and were selected for 1 metre sampling. • No twinned holes were completed. • Primary data was collected in Field Marshall files. Data are imported directly to the database with importers that have built in validation rules. Assay data are imported directly from digital assay files and are merged in the database with sample information. Data are uploaded to a master SQL database stored in Perth, which is backed up daily. Data is reviewed and manually validated upon completion of drilling. • From time to time assays will be repeated if they fail the company QAQC protocols, however no adjustments are made to assay data once accepted into the database. • Metallurgical testing samples were analysed in duplicate and from time to time assays were repeated if they failed the company QAQC protocols, however no adjustments are made to the assay data once accepted into the LIMS database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Hole collars were recorded using Garmin handheld GPS and averaging for 90 seconds. Expected accuracy is + or – 3m for easting and northing. The azimuth of the drill collars were measured with a compass using magnetic north and recorded in the database. A clinometer was used to check the dip of the hole at the collar. • Downhole surveying was conducted with the Reflex Ez-trac system. Measurements were collected every 30m during the drilling of the hole. • The grid system is MGA_GDA94 (zone 52)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• This drilling is not used for resource estimation, it was intended to attempt to identify bedrock sources of multi-element soil and rock chip geochemical anomalies associated with gold mineralised systems and to test a conductor that was identified from a moving loop electromagnetic

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Criteria	JORC Code explanation	Commentary
		survey. • RC samples were composited over 4 metres.
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.* • *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.*	• The drill lines were designed to be perpendicular to the soil anomalies and the EM conductor. • No sampling bias is considered to have been introduced.
Sample security	• *The measures taken to ensure sample security.*	• The RC drill samples were collected in pre-numbered calico bags and then placed in poly-weave bags. They were transported from the field to the sample preparation laboratory in Alice Springs by XM Logistics and IGO personnel. • Once the sample preparation is completed in Alice Springs the samples are transported to Perth for analysis using the laboratories standard chain of custody procedure.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No specific audits or reviews have been undertaken at this stage in the program.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	
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 security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Lake Mackay Project currently consists of multiple tenements with the results reported from) EL 29748 (Blaze IGO 35.7%/Prodigy Gold 15.3%/Castile JV 49%),EL30731, (Phreaker 70% IGO 30% Prodigy Gold) and EL31234 (Arcee 70% IGO 30% Prodigy Gold) • These tenements are in good standing and no known impediments exist. • Prodigy Gold NL and IGO entered into a multi-phase agreement covering the Lake Mackay Project on 21 August 2013. • In October 2018 completed phase 2 of the agreement to earn a 70% interest in the project. This involved subscribing for $1.5M ABM shares in placement with a 6-month escrow period and spending $6M on exploration on the project over 4 years.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• EL24915 was previously explored by BHP in the South Tanami JV. BHP flew a Geotem survey in 1999 and did ground EM and drilling in 2004 targeting Ni sulphides.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The region is considered by IGO and PRX to have potential for the discovery of deposits having a number of mineralisation styles including: ○ Iron-ore-copper-gold (IOCG) deposits ○ Volcanogenic hosted massive sulphide deposits (VMS) ○ Tanami style gold deposits ○ Ni-Co Laterite deposits
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*	• Included in Appendix 1 and 2

Criteria	JORC Code explanation	
	○ *down hole length and interception depth* ○ *hole length.* • *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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Cu-Au results with 0.25g/t Au or 0.4% Cu or 0.4% Zn Cutoff and 1m internal dilution
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').*	• Downhole widths are provided as this is the first drilling program at these prospects and mineralisation geometry is poorly understood at this stage.
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.*	• Plan views and sections are provided in the document.
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.*	• Cu-Au results are reported on 0.25g/t Au or 0.4% Cu or 0.4% Zn Cutoff and 1m internal dilution
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.*	• Material data is reported
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.*	• Continue with soil sampling and ground geophysical (moving loop EM) surveys on targets in WA once heritage clearance obtained. • Diamond drilling of MLEM conductors and testing Phreaker Prospect at depth. • RC drilling of Arcee Prospect. • Metallurgical testing of Grimlock material.

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