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ASX: PRX

ASX ANNOUNCEMENT / MEDIA RELEASE

29 April 2022

Prodigy Gold Signs Agreement over Old Pirate Project and Tanami Exploration Tenements

Prodigy Gold NL (ASX: PRX) ("Prodigy Gold" or the "Company") is pleased to advise that it has entered into an Agreement with privately owned Stockton Mining Pty Ltd ("Stockton") for the divestment of the Company's Old Pirate Gold Project and 23 surrounding exploration tenements located in the Tanami Region of the Northern Territory.

Transaction Overview

Sale Assets:

- Prodigy Gold's (including its wholly owned subsidiaries) holding in 23 exploration tenements as per Figure 1 and Appendix 2
- The part of ML29822 which holds the Old Pirate Project excluding the area containing the Buccaneer Project
- Camp, mill and airfield surface infrastructure
- The Company will enter a Memorandum of Understanding (MOU) with Stockton to maintain access to the camp and infrastructure to allow the Company to progress its Buccaneer project

Consideration payable by Stockton:

- Non-refundable deposit of \$50,000 within 5 business days of execution of the Agreement
- Non-refundable payment of \$50,000 within 5 business days of the Company obtaining shareholder approval of the asset sale pursuant to Rule 11.4 of the ASX Listing Rules
- Payment of \$750,000 into an escrow account on the later to occur of 90 days after the
 execution of the Agreement and 5 business days after the Company obtaining shareholder
 approval of the asset sale pursuant to Rule 11.4 of the ASX Listing Rules
- Payment of \$863,000 from IPO proceeds or consideration shares to the extent that such payment is not approved by ASX
- 12,500,000 consideration shares at IPO with a deemed issue price of \$0.20
- A net smelter royalty of 2.5% payable on any minerals recovered from the Old Pirate Project (ML29822)
- Subject to the delineation of a JORC compliant Mineral Resource of 500,000 ounces of gold on tenement applications EL30944 and EL30814 either \$3,000,000 in cash or shares. The issue of the shares is subject to regulatory approvals and Prodigy Gold's equity remaining below 19.9%. There is no time limitation in respect of such delineation
- Prodigy Gold may nominate a board member













Condition precedent for Completion:

- Receipt of relevant approval from government and semi-government agencies and parties with an interest in the assets
- The Company obtaining shareholder approval to the asset sale pursuant to Rule 11.4 of the ASX Listing Rules
- ASX approving the cash component of the sale price in the ASX listing application of Stockton pursuant Condition 11 of Rule 1.1 of the ASX Listing Rules
- Splitting of ML29822 into two areas, one covering the Old Pirate Project (Stockton) and the other covering the Buccaneer Project (Prodigy Gold)
- Execution of a Minerals Right Deed including the royalty considerations
- Deed of release for Davidson Gold and Stockton from any liability for an operator agreement terminated in October 2021¹
- Stockton completing an IPO no later than 31 December 2022 unless otherwise agreed by the parties

The Agreement terminates if completion has not been achieved on the 31 December 2022 or such later date as agreed by the parties in writing.

Negotiation of a variation to the agreement if a reverse takeover opportunity with a similar value proposition as the IPO presents itself.

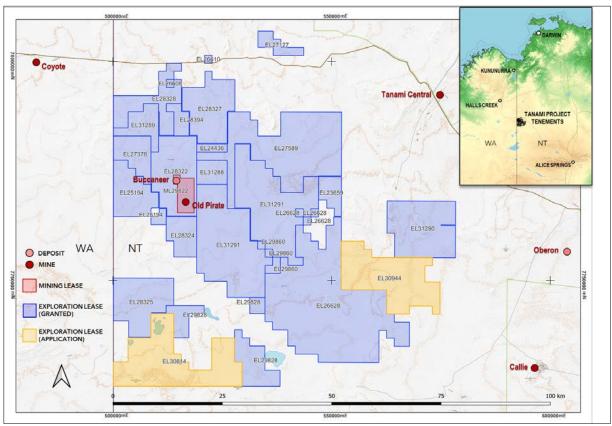


Figure 1. Sales tenements

Management Commentary

Prodigy Gold Executive Director, Brett Smith, said: "The transaction with Stockton is structured in such a way that it delivers upside for both parties."

1

¹ ASX: 19 Oct 2021

"It significantly reduces Prodigy Gold's holding costs, provides an up-front payment and an equity position in the new company while allowing access to the infrastructure to allow us to continue the assessment of the Buccaneer Deposit."

"The acquisition will allow Stockton to focus exploration activities on known gold targets and apply structural geological models in the search for new discoveries in a region that hosts a number of world class gold deposits."

This announcement is approved for release by the Board of Directors.

For further information please contact:

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About Stockton

Stockton Mining Pty Ltd is a private company focused on gold exploration.

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 Projects
- a scoping study on the Buccaneer Resource
- systematic evaluation of high potential early stage targets
- joint ventures to expedite discovery on other targets

Appendix 1

			Indicated In		Inferred			Total				
Project	Date	Cut-Off Grade (g/t)	Tonnes (Mt)	Grade (g/t Gold)	Metal (Koz)	Tonnes (Mt)	Grade (g/t Gold)	Metal (Koz)	Tonnes (Mt)	Grade (g/t Gold)	Metal (Koz)	Resource Author
Old Pirate	² Aug-16	1.0	0.04	4.6	7	0.72	4.7	109	0.76	4.7	115	1
Buccanee	r³ Aug-17	1.0	1.2	1.7	65	8.8	1.8	520	10.0	1.8	585	2

Note: Totals may vary due to rounding.

1 CSA Global 2 Optiro Pty Ltd

² ASX: 19 August 2016 ³ ASX: 1 September 2017

Competent Persons Statements

The information in this report that relates to Mineral Resources for Old Pirate was previously released to the ASX on the 19 August 2016 – Old Pirate Updated Mineral Resource Estimate. This document can be found at www.asx.com.au (Stock Code: PRX). It fairly represents information reviewed by Mr. David Williams, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. At the time of the 19 August 2016 release Mr. Williams was a full time employee of CSA Global Pty Ltd. Mr. Williams has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he undertook to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Williams had previously provided written consent for the 19 August 2016 release.

The information in this report that relates to Mineral Resources for Buccaneer was previously released to the ASX on the 1 September 2017 – Twin Bonanza – Buccaneer Resource Update. This document can be found at www.asx.com.au (Stock Code: PRX). It fairly represents information compiled by Mr. Matt Briggs who is a member of the Australasian Institute of Mining and Metallurgy and reviewed by Mr. Paul Blackney who is a member of the Australasian Institute of Mining and Metallurgy. At the time of the 1 September 2017 release Mr. Briggs was a full time employee of ABM Resources NL (now called Prodigy Gold NL) and Mr. Blackney was a full time employee of Optiro Pty Ltd. Both Mr. Briggs and Mr. Blackney have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they undertook to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Briggs and Mr. Blackney had previously provided written consent for the 1 September 2017 release.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources as reported on the 19 August 2016 and 1 September 2017, and the assumptions and technical parameters underpinning the estimates in the 19 August 2016 and 1 September releases continue to apply and have not materially changed.

The information in this announcement relating to Mineral Resources from Old Pirate and Buccaneer are based on information reviewed and checked by Mr Edward Keys, MAIG. Mr Keys is a Member of the Australasian Institute of Geoscientists (AIG) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Keys is a fulltime employee of the Company in the position of Exploration Manager and consents to the inclusion of the Mineral Resources in the form and context in which they appear.

Appendix 2 - Sales Tenements

Project	Tenement	Prodigy Gold Ownership	Status	
Bluebush	EL23659	100	granted	
	EL24436	100	granted	
	EL26610	100	granted	
	EL27127	100	granted	
	EL27589	100	granted	
	EL28327	100	granted	
	EL29860	100	granted	
	EL31288	100	granted	
	EL31290	100	granted	
	EL31291	100	granted	
	EL30944 ⁽¹⁾	100	application	
Bonanza	EL25194	100	granted	
	EL26608	100	granted	
	EL27378	100	granted	
	EL28322	100	granted	
	EL28324	100	granted	
	EL28325	100	granted	
	EL28328	100	granted	
	EL28394	100	granted	
	EL31289	100	granted	
	ML29822 ⁽²⁾	100	granted	
	EL30814 ⁽¹⁾	100	application	
Tanami Ngungaju JV ⁽³⁾	EL26628	90	granted	
	EL29828	90	granted	

¹⁾ Subject to the delineation of a JORC compliant Mineral Resource of 500,000 ounces of gold or gold equivalent on EL30944 and EL30814 either \$3,000,000 in cash or shares.

²⁾ Subject to a split of the ML into the Old Pirate Project (100% Stockton) and the Buccaneer Project (100% Prodigy Gold)

Joint Venture with Ngungaju Lithium Operations Pty Ltd (formerly Altura Lithium Operations Pty Ltd) 10%/Prodigy Gold NL 90%.