

ASX ANNOUNCEMENT / MEDIA RELEASE

16 November 2018

ASX: PRX

Non-renounceable Rights Issue

- **Non-renounceable pro rata rights issue**
- **Offered on basis of 1 New Share for every 4 Shares held, at an Issue Price of \$0.082 per New Share with a shortfall facility which may be utilised at the directors' discretion**
- **The Rights Issue is not underwritten**
- **Shareholders participating in the Offer may be eligible to receive Junior Minerals Exploration Incentive credits¹ ("JMEI")**
- **All eligible directors intend to take up their entitlements under the Rights Issue**
- **Substantial shareholders, Pacific Road Capital, St Barbara Limited (ASX: SBM) and Independence Group NL (ASX: IGO) representing approximately 34.68 percent of the share capital, have committed to support the rights issue**
- **\$3M of commitments received from major shareholders, directors and managers**
- **Funds to be deployed for accelerated exploration program at 100%-owned Tanami gold projects**
- **Steady stream of exploration results are pending across multiple projects**

Prodigy Gold NL ("**Prodigy Gold**" or "**Company**") announces today that it is undertaking a 1 for 4 non-renounceable pro rata rights issue (**Rights Issue**) of ordinary shares (**Shares**) to raise up to approximately \$8.8 million.

JMEI Credits

Eligible Shareholders participating in the Rights Issue may be eligible to receive Junior Minerals Exploration Incentive (**JMEI**) credits. Subject to the uptake of the rights issue, the maximum possible JMEI credit entitlement that could be available to shareholders is up to 30% of every \$1 spent. A participating shareholder's precise JMEI entitlement amount will be determined following the lodgement of Prodigy Gold's Annual Tax Return for the 2018/2019 Financial Year. Prodigy Gold has a total JMEI credit of \$1,576,603 available for distribution and only new shares issued during the 2018/2019 FY will be eligible for JMEI credits.

The actual number of JMEI credits to be received by each Eligible Shareholder for the 2018/19 FY will depend on a number of factors including but not limited to:

- the total number of Prodigy Gold shares issued during the 2018/19 FY
- the assessment of Prodigy Gold's tax rate for the FY (30% vs 27.5%)
- the actual amount of allowable exploration incurred during the JMEI eligibility period
- Prodigy Gold's tax losses for the JMEI eligibility period
- Prodigy Gold retaining its eligibility; and
- the individual Shareholder's financial circumstances.

¹ For full details refer to ASX announcement 8 June 2018 and the ATO website at <https://www.ato.gov.au/Business/Junior-Minerals-Exploration-Incentive/>

All Eligible Shareholders are encouraged to seek their own independent financial advice in regard to JMEI Credits before participating in the Rights Issue.

Overview of the Rights Issue

Under the Rights Issue, eligible shareholders will be entitled to apply for 1 New Share for every 4 fully paid ordinary shares held at 5.00pm (WST) on 23 November 2018 (**Record Date**).

The Issue Price represents a 4% discount to the 10 day volume weighted average price of the Company's shares prior to the date of this announcement.

All New Shares will rank equally with existing shares of the Company from the date of issue.

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 addition to their entitlement of New Shares. 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 (subject always to the Listing Rules and the Corporations Act).

Proceeds of the Rights Issue 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.

The indicative timetable for the Rights Issue is as follows:

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 Application Form to Eligible Shareholders (and notify ASX when this occurs) Despatch letters to ineligible Shareholders	Wednesday, 28 November 2018 (5:00pm 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

Offer Documents

Further details about the Rights Issue, including how eligible shareholders may apply for their entitlement and apply for additional new shares under the shortfall facility, will be set out in an offer document to be sent to eligible shareholders on or about the date referred to in the indicative timetable above.

Shareholders whose registered address is outside of Australia and New Zealand will be ineligible to participate in the Rights Issue and a separate document will be sent to those shareholders on or about the date referred to in the indicative timetable above, advising details of the Rights Issue and the fact that those shareholders will not be entitled to participate.

All Eligible Shareholders are encouraged to seek their own independent financial advice before participating in the Rights Issue, in particular in regard to JMEI credits.

Prodigy Gold Managing Director Matt Briggs said:

“There are few, if any, other gold exploration and project development companies that have the scale of prospective tenements in a world class gold mining district, with exploration managed by an experienced team, and multiple joint ventures accelerating the potential for discovery.”

“The proceeds of the Rights Offer will be used to continue exploration at an accelerated rate of exploration on our 100% owned gold projects in the Tanami. The success of 2018 aircore drilling programs have been highly encouraging and the catalyst to continue an aggressive exploration program through 2019.”

“Additionally, the Lake Mackay JV with IGO is screening this emerging metallogenic province with airborne EM, soil sampling and moving loop EM. The project is now primed for a substantial base metal discovery with 39 anomalies presently defined. 9,600 metres of drilling is planned in the next seven months.”

“The Company is still awaiting RC drilling results for completed programs at Capstan (100% Prodigy Gold), Suplejack (100% Prodigy Gold) and Euro (farm-in with Newcrest), and a RC and diamond drilling program at North Arunta (Gladiator Resources JV) is about to commence.”

“Several geophysical surveys are underway including, airborne EM at Lake Mackay undertaken by IGO and a 100m spaced airborne magnetic and radiometric survey over Euro and Capstan. This survey is currently being conducted by Northern Territory Geological Survey and Geoscience Australia with Prodigy Gold, and Newcrest contributing to infill priority areas to 100m lines spacing.”

Signed



Mr Matt Briggs
Managing Director