GROUP ANNUAL REPORT FOR EXPLORATION LICENCES 24915, 25146, 30729, 30730, 30731, 30732, 30733, 30739 AND 30740 GR485

LAKE MACKAY PROJECT

FROM 13 OCTOBER 2017 TO 12 OCTOBER 2018

Holder	Prodigy Gold NL
Operator	Independence Group NL
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Date	11 December 2018
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Target Commodities	Gold, Copper
Datum/Zone	GDA94/ MGA Zone 52
250,000 mapsheet	Mount Rennie (SF52-15)
100,000 mapsheet	Leisler, Willie
Distribution:	NT DME – digital
	Prodigy Gold NL- digital
	Central Land Council- digital
	Independence Group NL- digital

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1 Abstract

The Prodigy Gold NL (PRX) tenements EL24915, 25146, 30729, 30730, 30731, 30732, 30733, 30739 and 30740 are located approximately 400km WNW of Alice Springs in the wester Arunta region. EL24915 was granted on 23rd September 2013 and the rest of the tenements were granted on 13th October 2017.

These tenements form part of the Lake Mackay JV with Prodigy Gold NL (PRX), with ownership of the project 70% IGO and 30% PRX with each party contributing their share of the project expenditure.

All on ground exploration since the tenement was granted has been conducted by IGO.

Exploration during the reporting period consisted of sacred site clearance surveys, 2972 soil samples, 48 rock chip samples, 209 lag samples, 74.1 km^2 of geological mapping, 6088 line km of airborne electromagnetic (AEM) surveying and 8 line km of moving loop electromagnetic (MLEM) ground geophysical surveying.

2 Location, Title History, Physiography and Access

The tenements that make up GR485 are located 400km west-north-west of Alice Springs on Aboriginal Freehold Land (Figure 1). EL24915 was granted on 23rd September 2013 and the rest of the tenements were granted on 13th October 2017.

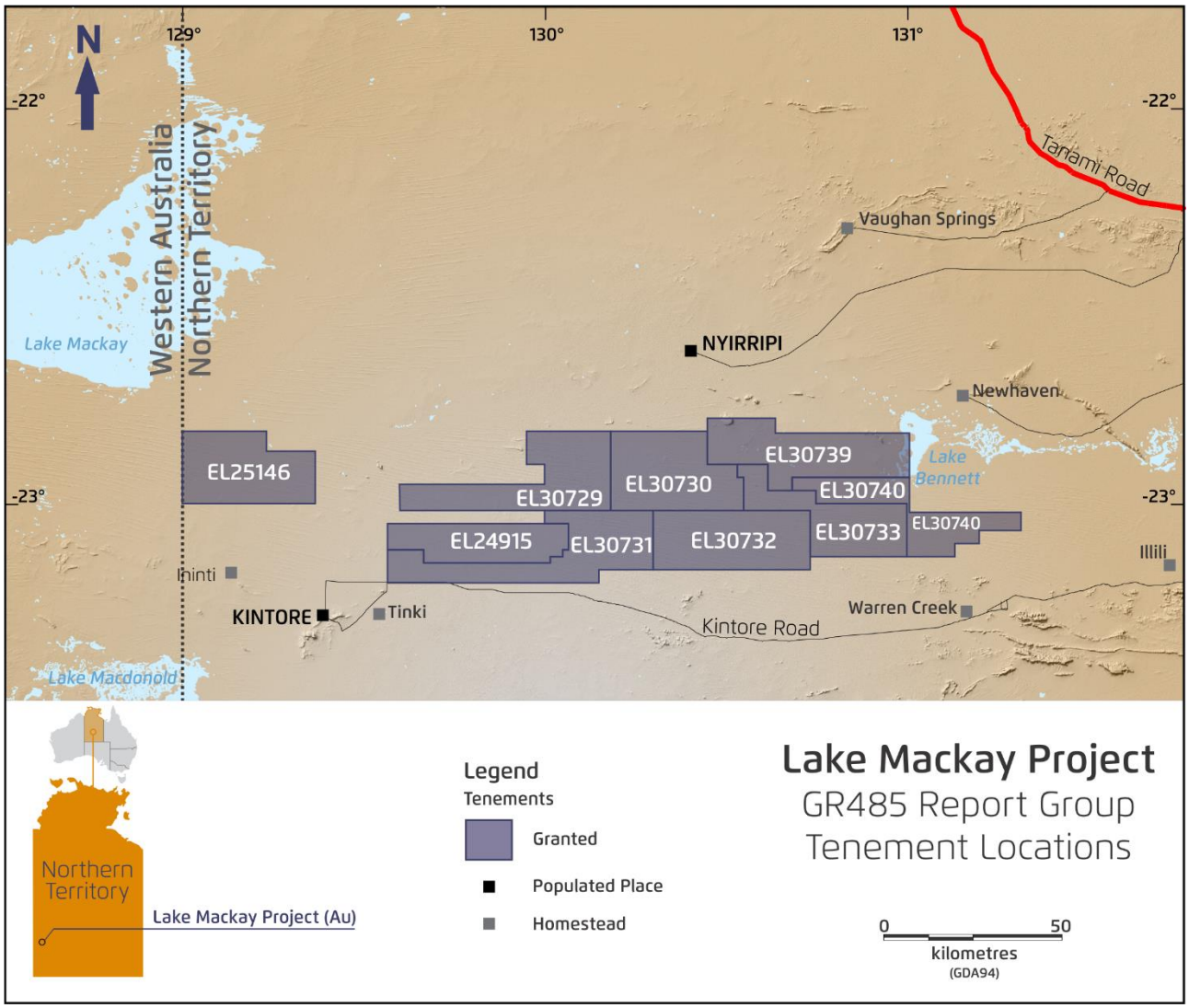

Figure 1: GR485 location map

These tenements form part of the Lake Mackay Joint Venture with IGO controlling 70% and being the operator and PRX controlling 30% and funding their share of the project expenditure.

Most of the project area is dominated by sandy spinifex plains. An extensive east-west oriented dune field covers 70% of the project area. Stands of scrubby mulga occur in areas with shallow sand cover.

Access to the western tenements is via the Stuart Highway, Tanami Road and Gary Junction (Kintore) Road and then temporary cross-country tracks. Access to the eastern tenements is via the Stuart Highway, Tanami Road, Newhaven Access Road and the track that heads south from Emu Bore.

3 Geological Setting, Exploration / Mining History and Exploration Rationale

The project area is situated in the southwestern Aileron Province of the Arunta Region. The tenement is parallel to and lies within 20km and north of the Central Australian Shear (CAS) that forms the boundary between the 1840-1710Ma Aileron Province and the 1690-1660Ma Warumpi Province. (Joly, Denith, Porwal, Spaggiari, Tyler, & McCuaig, 2013). The development of the CAS is thought to have occurred during the

oblique accretion of the Warumpi Province to the North Australian Craton during the Liebig Orogeny (1640-1625Ma).

The area comprises strongly deformed and variably metamorphosed siliciclastic sediments which were deposited between 1840Ma and 1800Ma. These metasedimentary rocks have been assigned to the Lander Group, which is interpreted to be laterally equivalent with the Tanami Group. A regional lithostratigraphy has not been established in the Lander Group due to the lack of continuous outcrop and marker horizons, the high metamorphic grade of many areas and extensive deformation.

Metamorphosed dolerite sills and pyroxenite intrude the Lander Group within the project area. The sills contain the same folded regional fabric as the enclosing sedimentary rocks and are typically recrystallised to hornblende amphibolite. The Dufaur Suite comprises low-K tholeiites, suggesting emplacement in a thinning crust/extensional environment. The age is unknown, but they may have intruded during the Stafford Event (1820-1795Ma) (Scrimgeour, 2013).

Carrington Suite granite has been identified to the north east of the project area and dating returned an age of 1767Ma (Scrimgeour, 2013).

An intrusive suite of rocks within the project area form part of the Andrew Young Igneous Complex (AYIC). These rocks comprise coarse augite bearing norite, porphyritic micro-crystalline norite, olivine and K-feldspar bearing norite, biotite bearing olivine Gabbronorite, quartz bearing microdiorite, anorthosite and plagioclase-andradite-clinopyroxene rock. Throughout this area weakly foliated biotite granites are also present and are interpreted to be genetically related to the mafic rocks. A sample of one of these granites returned an age of 1640Ma (Scrimgeour, 2013)

Through regional assessment in 1996, BHPB identified the poorly exposed Andrew Young Igneous Complex (AYIC) as having potential for Cu-Ni mineralisation. Rock chip sampling of Andrew Young Hills in 1997 confirmed the Ni-Cu prospectivity of the Andrew Young Igneous Complex near Lake Bennett. An aeromagnetic survey flown by NTGS in 1998 identified magnetic features consistent with the Andrew Young Igneous Complex were widespread to the south west all the way from Lake Bennett to Sandy Blight Junction, upgrading the Ni-Cu prospectivity of this entire area.

BHPB signed a joint venture with Southern Tanami Exploration who held the prospective ground to the west. BHPB flew a GEOTEM 25Hz survey covering most of the area that they considered to be prospective in 1999 (Figure 2). Exploration License 9695 was granted on 14 May 2001.

Several years were taken gaining access to the ground with the Central Land Council. In 2003 ground moving loop EM follow-up was done on 8 sites. In 2004, orientation maglag sampling, ground fixed loop EM and an RC drilling program consisting of 9 holes to test 8 targets for a total of 1062m was completed. Metadolorite and Gabbros in the northern areas were interpreted to be Dufaur Mafic Suite and Pyroxenite rocks in the south were interpreted to be part of the Andrew Young Igneous Complex (Gregory, Merrillees, & Christensen, 2004).

Reconciliation of the targets with downhole EM confirmed that the targets had been intersected in the drilling and that the conductive zones may relate to clays associated with shear zones or faults.

BHPB concluded that the GEOTEM system was an effective screen of the project area for conductive Ni-Cu targets, the best of which have been tested. They subsequently withdrew from the JV the following year.

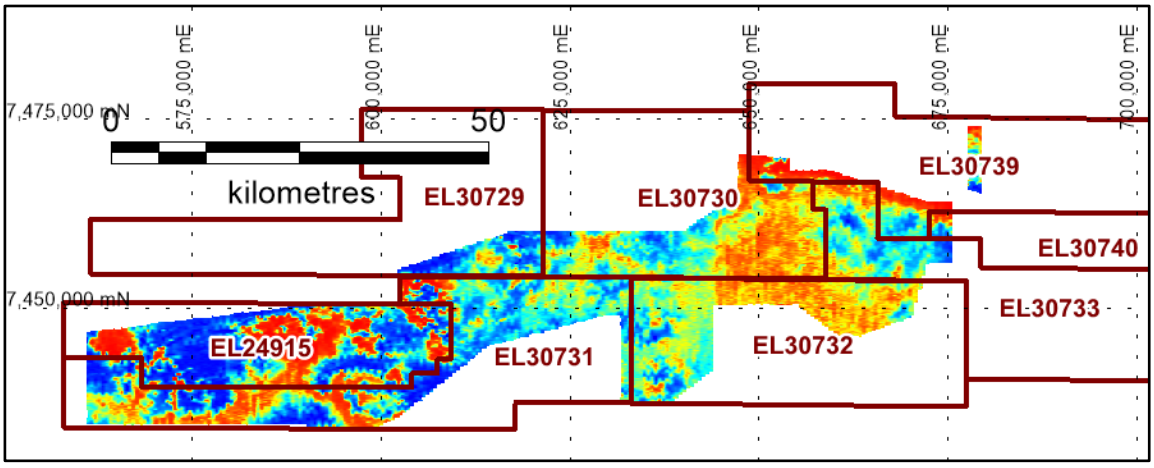

Figure 2: BHP Geotem Bx Ch 5 previously conducted on GR485 tenement areas (GDA94 Zn 52).

In 2006, Geoscience Australia released a report on the mineral potential of Proterozoic Mafic-Ultramafic Intrusions in the Arunta Region (Miezitis, Jaireth, & Hoatson, 2006). Mineral potential modelling was carried out for three types of orthomagmatic deposits:

- Type 1: Basal segregations of Ni-Cu-Co +/- PGE sulphides in mafic-ultramafic intrusions (e.g. Voiseys Bay, Canada);
- Type 2: Stratabound PGE-bearing sulphide layers in large layered mafic-ultramafic intrusions (e.g.Bushveld Complex); and
- Type 3: Stratabound PGE-bearing sulphide layers in 'Alaskan-type' alkaline-ultramafic intrusions (e.g. Goodnews Bay, Alaska).

The Andrew Young Hills intrusion in the eastern portion of the BHPB project area was used for this review. It was ranked the highest with a level of certainty of moderate to high for Type 1 deposits out of the 15 intrusions that were assessed. It was the only intrusion to get a ranking of 5 (Highest). It received a ranking of 3 for the Type 2 deposits, the second highest rank. Only the Mordor Complex was rated for Type 3.

In 2013, Geoscience Australia released a report called 'Iron oxide-copper-gold potential of the southern Arunta Region'. This identified 10 prospective zones with Zone 3, the area surrounding the Andrew Young Igneous Complex, identified as the largest zone. It was one of the only zones selected without known copper-gold mineralisation at the time of the report.

In 2013, the Department of Mines and Petroleum in Western Australia released Report 113 "An Integrated Geological and Geophysical Study of the West Arunta Orogeny and its Mineral Prospectivity". This identified the southwestern Aileron Province across the border to be prospective for orogenic gold, intrusive related gold, sedimentary exhalative Pb-Zn-Ag deposits and Uranium (Joly, Dentith, Porwal, Spaggiari, Tyler, & McCuaig, 2013).

ABM purchased the Lake Mackay Project tenements including tenement applications from Tanami Gold NL in December 2009. A deed for exploration was negotiated with the CLC for EL24915 and it was granted on 23rd September 2013, approximately one month after IGO had signed an option agreement with ABM covering all of the Lake Mackay tenements.

IGO initially targeted the project for orogenic gold. The area was considered to have the same key constituents that were identified in the WA study. Granites of 1770 and 1640Ma age (Carrington and AYIC) which show local gold enrichment in WA. Major deep structures, physical trapping environments and chemical trapping environments were also thought to be present. The west-northwest trend of gold

anomalism from regional sampling in WA was parallel to D1 structures and the CAS that continued in to the virtually unexplored Aileron Province in the NT. The recent discovery of the Bumblebee and Grapple prospects within EL24915 to the east also confirmed prospectivity for base metal mineralization. The reconnaissance soil sampling that was undertaken in the first year of the tenement was designed to test for both gold and base metal mineralization.

Work has been undertaken in previous years on EL24915 and is summarized below:

3.1 Year 1 (23 Sep 2013 - 31 Oct 2014)

IGO conducted reconnaissance soil sampling of EL24915 in 2014. This involved the collection of 812 soil samples and 6 rock samples. Anomalous results were identified for Au, Cu and Ni within the tenement. Adjoining open ground was pegged covering the majority of the Andrew Young Igneous Complex in December 2014.

3.2 Year 2 (1 Nov 2014 – 31 Oct 2015)

In 2015, 1169 soil samples and 89 rock samples were collected within EL24915. This refined the target areas and a first pass drilling program of 5 prospects with Aircore and slimline RC was completed consisting of 89 holes and 2781m.

Mineralisation was identified in 3 of the prospects. Bumblebee had a gold rich base metal style of mineralisation that was considered to have affinities to a lower Fe end member of the IOCG style of deposit (Crawford, 2015), while Springer and Prowl were interpreted to be orogenic gold style.

The Group reporting was withdrawn in 2015 once the other granted tenements that were in the Lake Mackay JV were withdrawn from the agreement; this changes the reporting date from 1 November back to 22 September.

3.3 Year 3 (1 Nov 2015 – 22 September 2016)

Regional mapping of EL24915 was completed in November 2015 and petrography was completed on 18 samples from the mapping program.

Surface sampling consisted of 634 soil samples over anomalous areas from previous sampling and 59 rock chip samples that were collected during the mapping program and soil sampling program.

MLEM was completed over the Bumblebee Prospect and 7 additional soil anomalies within EL24915. A total of 90.8 line km was collected.

A total of 10 holes were drilled for a total of 1380.5m. This involved 7 holes at Bumblebee Prospect, 1 hole at Springer Prospect and 2 water bores. Water was intersected in one water bore and it was established as RN19124.

DHEM was conducted on 8 holes that were drilled in the reporting period - 7 at Bumblebee and 1 at Springer.

3.4 Year 4 (23 Sep 2016 – 22 Sep 2017)

5, 667 Line Km of aeromagnetic and radiometric surveying was completed over EL24915. 18 RC holes for 3,315m and this program intersected Au, Ag, Cu, Pb, Zn, Bi and Co mineralization at the Grapple Prospect. 4.2 line Km of MLEM and 1.85 line km of Fixed Loop Electromagnetics (FLEM) were completed and defined conductors to the west of the RC drilling. 6 diamond holes for 2,917.4m were completed at the Grapple Prospect and mineralization has been detected over a strike length of 800m and is still open to the west. DHEM was conducted on 11 RC holes and 6 diamond holes for a total of 4,474m of DHEM.

4 Exploration Completed

Exploration during the reporting period consisted of sacred site clearance surveys, 2566 soil samples, 32 rock chip samples, 209 lag samples, 74.1 km2 of geological mapping, 6088-line km of airborne electromagnetic (AEM) surveying and 8 line km of moving loop electromagnetic (MLEM) ground geophysical surveying. A summary of the activities per tenement is provided in Table 1.

Table 1: Summary of exploration in the reporting period

Tenement	Soil Samples	Rock Samples	Lag Samples	Geological Mapping (km^2)	Airborne EM (Line km)	Ground EM (Line km)
EL24915	70	21	139	36.6	1851	8
EL25146	302				22	
EL30729	746	5		27.5	1129	
EL30730	193				911	
EL30731	879	6	70	10	2077	
EL30732					98	
EL30733	8					
EL30739	145					
EL30740	227					
Total	**2566**	**32**	**209**	**74.1**	**6088**	**8**

5 Exploration Index Map

The Exploration Index Map is included as Appendix 1, Sheet 1.

6 Geological activities and office studies

Geological mapping of seven target areas was completed in the reporting period by Dr Leon Vandenberg. The prospect areas were selected based on anomalous areas identified from soil sampling. The maps and the associated mapinfo format data is provided in Appendix 2.

A petrographic report on the diamond drilling at the Grapple Prospect was completed by Dr Tony Crawford and is in Appendix 2.

7 Remote sensing

Nothing to report.

8 Geophysical activities

An aeromagnetic and radiometric survey was flown over GR485 tenements as part of a co-funded project wide survey at 200m spaced flight lines (N-S) prior to the granting of the tenement.

6088-line Km of SPECTREM 25 Hz base frequency airborne electromagnetic surveying was completed during the reporting period. This project wide AEM survey is still in progress and final report and data has not

been received from the contractor. Reports and data have been provided to the NTGS for the co-funded blocks. The survey was flown on a 300m line spacing with N-S lines and 90m mean terrain clearance.

8 line km of MLEM was completed on an anomaly identified from the preliminary AEM data in EL24915. The MLEM survey configuration is summarised in Table 2 and the data is provided in Appendix 3. Once the remaining AEM anomalies have had MLEM completed the best conductors will be selected for drilling in 2019.

Table 2: Survey configuration flor Lake Mackay Project MLEM

Configuration	Slingram
Loop Size	200m
Line Spacing	200m
Station Spacing	100m
Total line kms	80.4
Receiver system	Smartem24 EMIT Fluxgate – Bz (up), Bx (east), By (north)
Sensor Location	200m east or North (or in front) of loop centre
Transmitter	Transmitter Technologies TTX-1
Effective current	~60-80A
Frequency	1Hz

9 Surface Geochemistry

9.1 Soil sampling

Areas identified from the radiometric survey that showed a bedrock response were selected for reconnaissance soil sampling. A sample spacing of 400m (N-S) x 800m (E-W) was selected. Prior to undertaking the soil sampling a sacred site clearance survey was conducted by the Central Land Council.

Sampling was conducted by teams of two people, using All Terrain Vehicles (ATV), from mobile camps that were established at several locations throughout the project area along temporary access tracks.

The samples were collected from a depth of 0 to 20cm after scraping the surface to remove any organic matter. Samples were screened on site to -0.4mm for an approximate 2.0kg of fine material. The samples were then submitted to Intertek in Alice Springs for additional screening to -50µm. Samples were then dispatched to Perth for analysis.

Exploration during the reporting period consisted of 2566 soil samples.

The BLEG technique was used for Au and Ag with a 10g aliquot of -50µm material. A 0.5g Aqua Regia digest was used for Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Pd, Pt, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr.

The initial sampling identified anomalous areas which were subsequently infilled at a 200m (N-S) x 400m (E-W) sample density and then 50m (N-S) x 200m (E-W). Peak multi-element results are displayed in Table 3. All assay data are included in the digital appendices.

Table 3: Peak -50um soil sampling results (GDA 94 Zn 52)

Element	Sample Number	MGA East (m)	MGA North (m)	Value	Peak	Mean	Median	Standard Deviation
Ag	LM06271	563302	7441448	ppb	107	14	11	9
As	LM05010	685608	7462800	ppm	13.16	2.16	1.99	0.9
Au	LM05499	501802	7456700	ppb	28.66	0.93	0.71	1.2
Bi	LM04892	704781	7457604	ppm	3.15	0.32	0.28	0.16
Co	LM04867	635996	7469589	ppm	102.77	11.32	9.93	6.33
Cu	LM01537	591901	7454801	ppm	166.19	21.83	16.99	15.5
Mn	LM04572	579012	7437496	ppm	1973.2	456.2	425.1	219.7
Ni	LM04873	636002	7468397	ppm	657.5	14.5	10.9	24.7
Pb	LM01682	592702	7454399	ppm	76.4	11.3	11.1	3.2
Zn	LM01682	592702	7454399	ppm	119	20.9	18.5	9.6

9.2 Rock chip sampling

32 rock chip samples were collected by the soil sampling team and during the geological mapping activities. These were testing “Grapple Style” Au-Cu targets and Mn-Ni-Co Duricrust formed on ultramafic intrusions. 4 acid digestion was used for assaying with Pt and Pd included in the suite for Mn-Ni-Co samples.

Table 4: Analytical method used for rock chip samples

Sample Type	Digest (Lab Code)	Finish (Lab Code)	Element (Detection Limit)
Rock Chip	Four Acid (4A)	Inductively coupled plasma optical emission spectrometry (OE33)	Ag (0.5ppm), Al (50ppm), As (10ppm), Ba (2ppm), Bi (5ppm), Ca (50ppm), Cd (0.5ppm), Ce (20ppm), Co (1ppm), Cr (5ppm), Cu (1ppm), Fe (100ppm), K (20ppm), La (20ppm), Li (1ppm), Mg (20ppm), Mn (1ppm), Mo (2ppm), Na (20ppm), Ni (1ppm), P (50ppm), Pb (5ppm), S (50ppm), Sb (5ppm), Sc (1ppm), Sn (5ppm), Sr (1ppm), Te (5ppm), Ti (5ppm), Tl (5ppm), V (1ppm), W (5ppm), Zn (1ppm)
	25g Lead Collection Fire Assay (FA25)	Inductively coupled plasma optical emission spectrometry (OE04)	Au (1ppb), Pt (0.5ppb), Pd (0.5ppb)

Table 5: Peak Rock Chip sampling results (GDA 94 Zn 52)

Element	Sample Number	MGA East (m)	MGA North (m)	Value	Peak	Mean	Median	Standard Deviation
Ag	A553919	566002	7444106	ppm	36.1	7.1	0.9	10.8
As	A553896	606383	7441316	ppm	1146	44	5	198
Au	A553894	592772	7454391	ppb	327	22	2	60
Bi	A553894	592772	7454391	ppm	95	11	3	20
Co	A553910	567397	7444632	ppm	25173	4663	67	7549
Cu	A553994	573015	7445608	ppm	2091	238	111	397
Mn	A553914	567370	7444638	ppm	463593	100862	7110	151148
Ni	A553910	567397	7444632	ppm	11201	2118	215	3076
Pb	A553890	589139	7450500	ppm	1019	195	13	306
Zn	A553919	566002	7444106	ppm	1233	354	253	325

The anomalous rock chip sampling results will be considered for drill testing in the 2019 field season.

9.3 Lag Sampling

A lag sampling grid was collected to define the Mn-Ni-Co anomalism developed in the duricrust associated with the Andrew Young Igneous Complex intrusion. The same analytical technique that was used for the rock samples was used with 4 acid digest and fire assay for Au, Pt and Pd. This has defined anomalous zones for further investigation and possible drilling in 2019.

Table 6: Peak Lag sampling results (GDA 94 Zn 52)

Element	Sample Number	MGA East (m)	MGA North (m)	Value	Peak	Mean	Median	Standard Deviation
Co	A554513	567401	7444694	ppm	3000	169	97	301
Mn	A554513	567401	7444694	ppm	71811	2516	1189	6123
Ni	A554610	567401	7443499	ppm	3957	1001	822	780
Pt	A554513	567401	7444694	ppb	62.8	19	16.2	11.7
Zn	A554534	568200	7443101	ppm	664	98	77	83

10 Drilling

All drilling data was provided in the 2017 report for EL24915 but some of the expenditure fell into this reporting period due to the lag in time between the activity and the time the payment was made for the drilling and sample assaying.

11 Geotechnical Studies

Nothing to report.

12 Resources and reserve estimation/modelling

Nothing to report.

13 Conclusion and recommendations

The soil sampling, rock chip and lag sampling results have identified multi-element anomalism that may be derived from “Grapple” style mineralization and Ni-Mn-Co duricrusts on weathered ultramafics. The AEM has also identified bedrock conductors and this survey is still in progress. The MLEM has been completed over one target and this will continue over all priority AEM conductors once heritage clearance is completed. A review of the high priority bedrock conductors and geochemical anomalies will be undertaken once MLEM and final infill soil sampling has been completed. The most prospective targets will then be drill tested in the upcoming period.

14 References

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