



2019

ANNUAL REPORT

Prodigy Gold NL



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Dear Shareholder,

Our strategy of securing joint venture partners as well as expanding exploration on our 100% owned tenements has resulted in Prodigy Gold having one of the most active greenfields exploration programs in Australia. 2019 saw a number of targets generated and drill-testing is underway for a significant gold or base metal discovery in the Tanami Region.



“ The Company is well funded and together with our joint venture partners is ready to make a significant discovery and deliver value for our shareholders.

Matt Briggs and the team were very busy during the year with the following highlights:

- Exploration at the Capstan Prospect within the Company’s 100% owned Bluebush Gold Project is generating robust anomalies;
- A \$12 million farm-in agreement with Newcrest Mining (ASX: NCM) over the Euro tenements;
- A \$14.5 million joint venture agreement with Newmont Goldcorp over the Tobruk tenements;
- Identification of 63 targets in airborne EM at the Lake Mackay JV Project, a joint venture with Independence Group NL; and
- A rights issue raising \$3.6 million;

The Company will take advantage of the higher gold price and seek to secure funding through the divestment of resources at our Twin Bonanza Project. At the same time we will actively look to add to resources at the Suplejack Project.

Our partner at the Lake Mackay Project, Independence Group NL, has undertaken a project scale airborne EM survey, soil sampling and commenced a 9,600m RC drilling program. 63 targets were identified through the airborne EM and drilling has led to the discovery of various prospects including Grimlock, Blaze, Swoop and Phreaker.

Our partner at the Euro Project, Newcrest Mining, has undertaken an IP survey and undertook drilling programs at Dune and Vivitar.

At the Tobruk Project, our partner Newmont Goldcorp, is ready to commence exploration as soon as final permits are received.

At the North Arunta Project, Gladiator Resources Ltd has undertaken an IP survey identifying gold drill targets at the Kroda Prospect. Initial drilling at Kroda delivered promising results.

Prodigy Gold and our partners are committed to environmentally responsible exploration and rehabilitates on an ongoing basis.

On behalf of the Board I would like to thank the team for their energy and focus in delivering our strategy and look forward to hopefully successful results from the very active program. I would also like to thank my fellow directors for their support and strategic guidance over the last year.

And lastly I would like to thank you, Prodigy Gold’s shareholders, for your support and look forward to rewarding you when our very active program delivers results.

Again, on behalf of the Board I am pleased to present you with the Company’s 2019 Annual Report and expect 2020 to be a very exciting year exploring and unlocking the discovery potential of our extensive exploration tenure.



THOMAS MCKEITH

EXPLORATION

Environment and Safety

The Company successfully completed all activities with no reportable injuries to its employees and contractors. Prodigy Gold continues to improve the safety management system undertaking risk based revisions to procedures and policies and expanded these activities during the year.

The Company is subject to significant environmental regulation in respect to its exploration activities. Prodigy Gold ensures rehabilitation of exploration activities is completed upon the finalisation of each program. Rehabilitation of AC drill access tracks is minimised with innovative clearing where the Prodigy Gold team in partnership with its drill contractors seek to leave the smallest of drill footprints. Our exploration team has instigated on-site recycling to prevent waste going to landfill with the recyclable items transported ~700km to Alice Springs for recycling. There were no significant environmental incidents reported.

Strategy

Prodigy Gold is focussed on exploration in the Tanami region in the Northern Territory. The Tanami is one of Australia's most prospective gold regions. This prospective terrain has had limited previous work completed with the majority of discoveries to date in areas of outcrop. The Company is systematically working through its tenement holding and rapidly advancing the high priority opportunities in the portfolio.

Prodigy Gold's strategy to unlock the discovery potential of the Company's vast and prospective tenure was put into action by the team implementing an aggressive exploration program to expedite discovery. The highly experienced exploration team reviewed and ranked the projects in Prodigy Gold's extensive portfolio building on previous years successes in the Bluebush Project located to the west of Newmont's world class 14.2Moz Callie Gold Mine, and the Suplejack Project 15km to the north of Northern Star's 1.6Moz Groundrush gold deposit.

During the year Prodigy Gold undertook:

- Aggressive exploration on 100% Prodigy Gold Projects with 34,355m drilled on priority targets
- Fast-tracked exploration via joint ventures (IGO, Newcrest and Newmont)
- Innovative research in partnership with CSIRO to unlock the geology of the Tanami

Prodigy Gold actively sought out joint-venture partners for areas outside the Company's current focus area and will continue to do so.

100% PRODIGY GOLD PROJECTS

Suplejack Project

The Suplejack Project is situated on exploration licence EL9250 and located 19km north of the 1.6Moz Groundrush Pit and 58km to the northeast of the Central Tanami processing plant. Suplejack, including Hyperion, Tethys and Seuss, contains a Mineral Resource Estimate of 4.9Mt at 1.9g/t for 309.5koz gold (ASX: 31 July 2018). Details of the Suplejack Mineral Resource Estimate are in the Company's 2019 Mineral Resource Statement. In 2018 the team continued to test targets within a prospective trend that extends for over 50km in a northsouth direction and hosts numerous areas of gold anomalism that appear to be associated with eastwest striking structures. Ongoing work is aimed at growing resources at Suplejack and progressing the discovery of new standalone targets.

Exploration

The 2018 drilling program comprised 5 RC holes for a total of 1,002m at Suplejack. The program targeted to drill the strike extensions of the favourable mafic sediments at the intersection with the Suplejack Fault, a major regional structure (Figure 1) (ASX: 20 December 2018). Two holes drilled to the south intersected broad zones of mineralisation within the Suplejack Fault, and demonstrate the Suplejack Fault is a wide structure with strong gold mineralisation.

The RC results are:

- 89m @ 0.3g/t Au from 67m to EOH (SJRC0058) incl. 11m @ 0.7g/t Au from 143m to EOH
- 43m @ 0.4g/t Au from 137m to EOH (SJRC0056) incl. 7m @ 0.7g/t Au from 149m to EOH

Both holes intersected brecciated siltstone and carbonaceous shale with significant quartz veining and associated pyrite alteration.

Two holes were drilled to confirm the plunge extension of the sediment beneath the existing resource at Seuss (Figure 2). SJRC0055 intersected and confirmed the lower sediment and mineralisation with intersections of 15m @ 0.8g/t Au from 243m and 4m @ 1.4g/t Au from 264m. A second hole, SJRC0054 confirmed the fault offset between the upper and lower sediment at Seuss results in a break in the mineralisation. These holes are both outside the existing resource area.

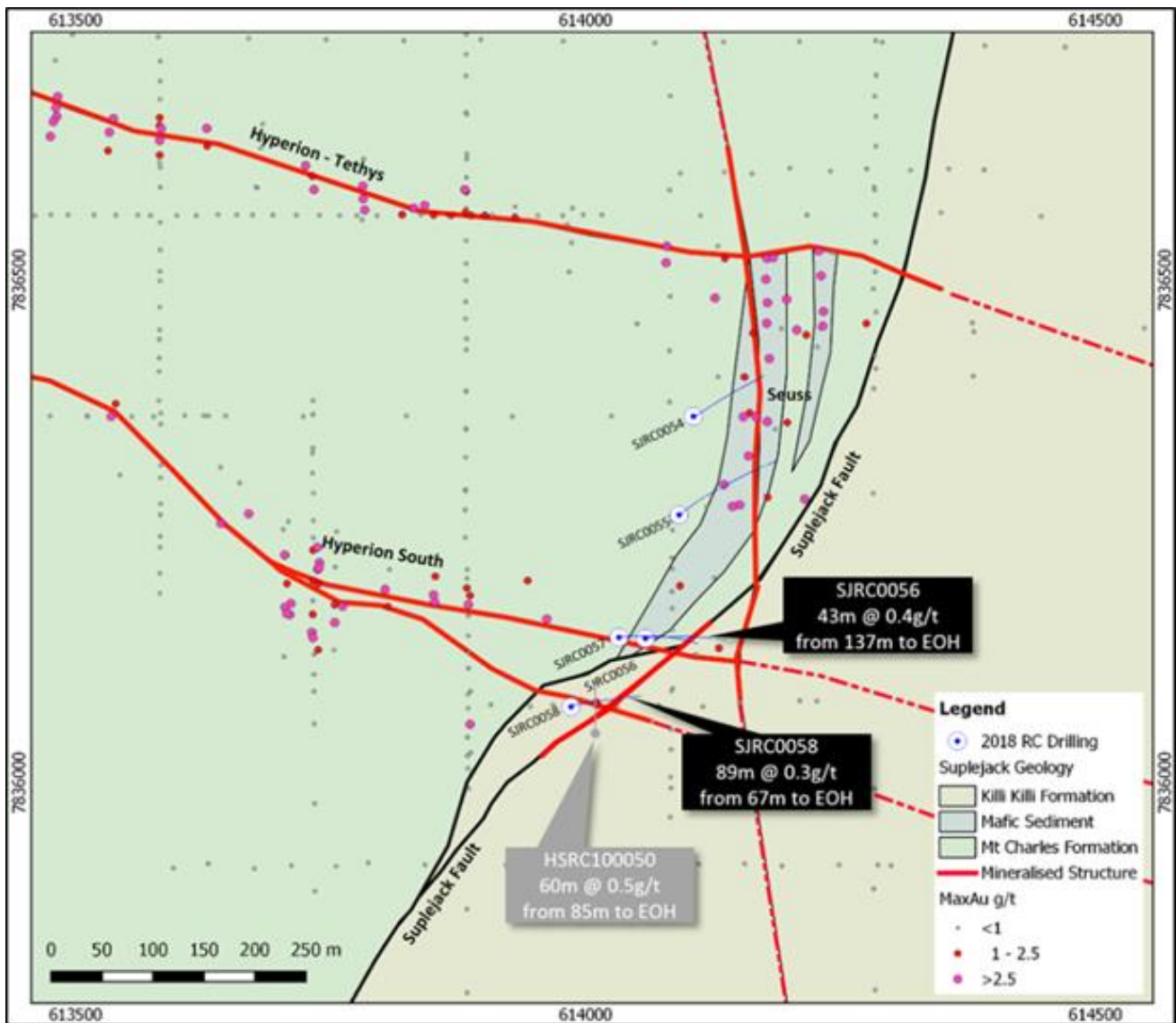


Figure 1 – Suplejack RC drilling collar map with 2018 Suplejack Fault results highlighted in black



Figure 2 – Seuss North-South long section (ASX: 20 December 2018)

Other Suplejack targets

The Company intends to expand activities to Tregony, Boco, and Old 8 Mile Fault. A review of the existing data requires inspection of historic diamond core from a program at Tregony completed prior to reporting to a JORC 2012 standard.

Future work includes testing the broad gold bearing structure at Suplejack with a 350m diamond drillhole which is co-funded by the NT Government under Resourcing the Territory Initiative (Figure 3). The diamond drillhole is designed to confirm if the brecciated sediment is the control of mineralisation and if higher grade zones can be defined. The brecciated sediment is a new style of mineralisation that could unlock a new generation of targets at the Suplejack Project. There is potential for additional shoots and exploration along the 75km strike length of the Suplejack Fault. The Company aims to define additional near surface resources for a standalone mining area. The diamond drillhole is planned to be completed during the September 2019 quarter.

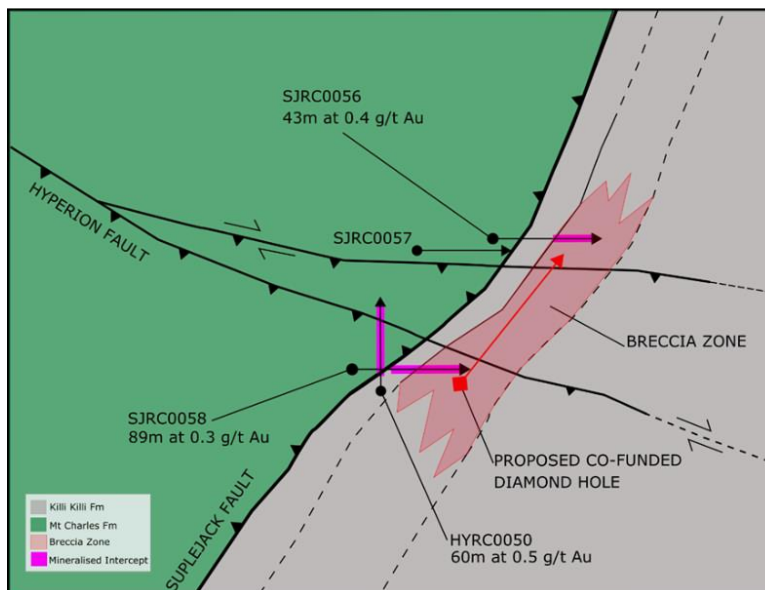


Figure 3 – Suplejack planned co-funded diamond drillhole and interpreted mineralisation

Bluebush Project

Bluebush is considered prime exploration ground with potential for the discovery of another Callie deposit (14.2Moz). It is a large-scale target area falling within the Trans-Tanami Fault Zone located 50km to the northwest of the world-class Callie Gold Mine owned by Newmont Mining. The prospective Dead Bullock Formation, host rock of the Callie deposit, extends into the project area with structural similarities of folding and faulting complexity and geochemical anomalism associated with Callie. Exploration at Bluebush comprised staged drilling programs, litho-geochemistry mapping and structural interpretation. Activities for 2019 focused on the Capstan area where aircore drilling has outlined large scale gold anomalism and first pass aircore drilling at the Galaxy and Apertawonga Prospects (Figure 4).

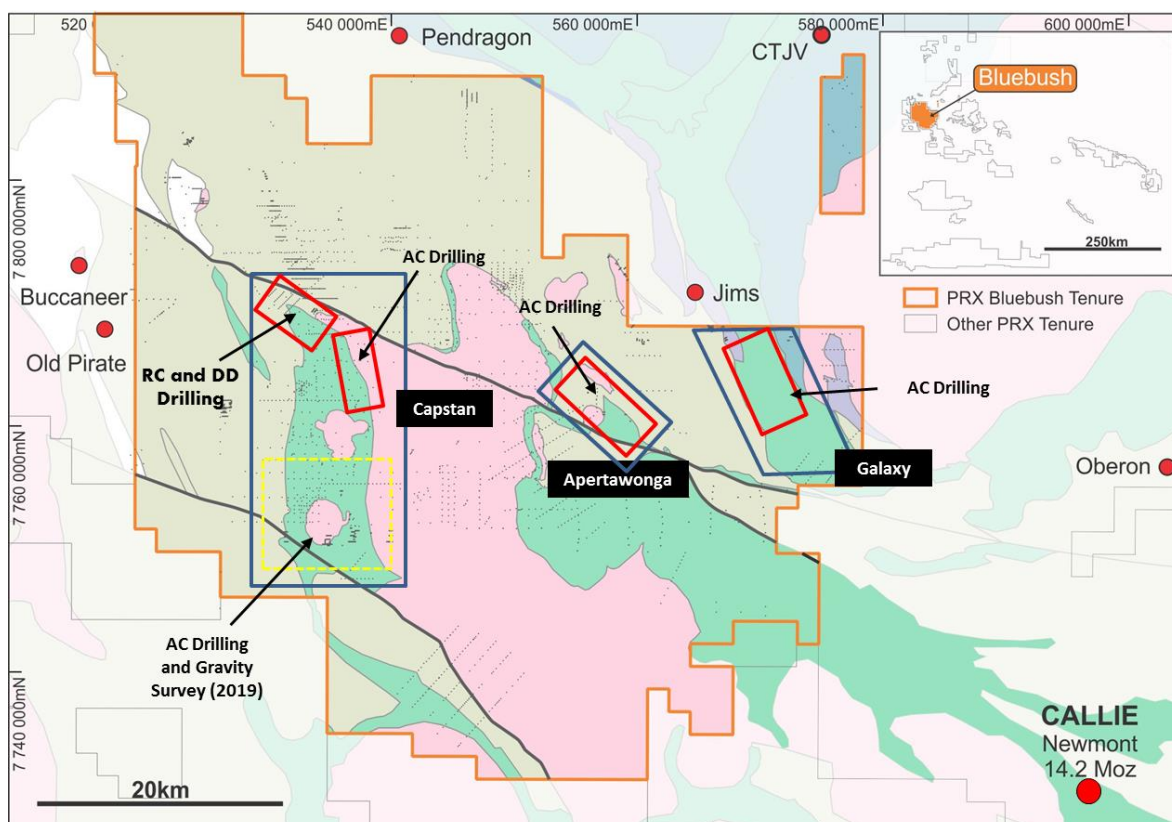


Figure 4 – Prodigy Gold Bluebush Projects and work programs

Exploration

The initial first pass aircore drilling which commenced in 2018 was aimed at testing anomalous geochemical and structural targets at the Capstan, Indefatigable, Hornblower and Wild Turkey Prospects. Drilling results highlighted bedrock anomalism extending over a 8km area at the Capstan Prospect which was subsequently infilled.

Capstan

Capstan is a 22km x 8km sub-area of the Bluebush Project, falling within the Trans-Tanami Fault Zone and located 50km northwest of the world-class Callie Gold Mine. The interpreted folding and faulting complexity and geochemical anomalism within the Dead Bullock Formation (host rocks of Callie) highlight the prospectivity of the area. Approximately 95% of Capstan is undercover and surface sampling has only been effective in very limited areas in the north and south of the Prospect. Drilling in the second half of 2017 defined bedrock gold anomalism over an area 8km long which included the five key target areas. These areas were targeted for infill aircore drilling during the Q1 2019.

Infill aircore program: A total of 179 aircore holes were completed, targeting five areas outlined in Q2 2018 drilling. This program was generally drilled on a 320 x 80m spacing. The drilling was successful in upgrading and extending the previously defined gold anomalies. Highlights above 0.5g/t Au for the full infill program, are (ASX: 2 August 2018 and 15 October 2018):

- 9m @ 1.4g/t Au from 36m including 3m @ 2.8g/t Au from 36m (BL0412) Capstan Anticline
- 1m @ 4.0g/t Au at 89m - EOH (BL440) Capstan North
- 3m @ 1.8g/t Au from 69m (BL0480) Top Hat
- 6m @ 0.6g/t Au from 27m (BL0490) Top Hat
- 3m @ 0.6g/t Au from 54m (BL0491) Top Hat
- 3m @ 0.6g/t Au from 48m (BL0415) Capstan Anticline
- 6m @ 0.5g/t Au from 48m (BL0445) Capstan North

Infill drilling extended the northsouth gold trend at Top Hat/Hat to over 4km long, coincident with a flexure in the contact between the Killi Killi Formation and the Dead Bullock Formation. At Capstan Anticline, the gold trend was extended over 1.5km long and remains open to the southeast. The largest gold trend, at Capstan North, extends for over 4.5km with the highest grades and widest part of the anomaly coincident with massive siltstones interpreted to correlate with the Dead Bullock Formation.

Diamond Drilling: Two diamond holes were drilled for a combined total of 951.4m. The holes were drilled to gain accurate structural information and commence determining the orientation of the bedrock source of gold anomalism delineated by aircore drilling (ASX: 15 October 2018). The Company has received funding from the Northern Territory Government as part of the 'Resourcing the Territory' initiative for this program.

BLDD001 was designed to test under a 300m wide zone of gold anomalism including BL0384 (3m @ 0.3g/t Au) (ASX: 2 August 2018). The predicted stratigraphic units were intersected and a 20m zone of shearing, disrupted by late faulting, was intersected at 176m-192m. The hole was completed at 539.4m.

Diamond hole BLDD002 hole was designed to drill under aircore hole BL0412 (9m @ 1.4g/t Au including 3m @ 2.8g/t Au (ASX: 2 August 2018)). The hole intersected multiple quartz porphyry intrusions from 90m-189m. Between 132m-189m the hole intersected a zone containing quartz veining, disseminated sulphide and albite alteration and brecciation of the quartz-porphyry and surrounding sediments. The hole was completed at 412m.

Highest grade results from the diamond drilling were 1.3m @ 0.44g/t Au from 186.7m from BLDD002 (ASX: 26 October 2018). Both holes provided stratigraphic and structural information used to optimise the design of the Capstan RC drilling program.

RC Drilling: 26 RC holes for 4,368m of drilling were completed at Capstan North and at Hat. Drilling targeted anomalism defined in the infill aircore and diamond drilling.

Capstan North: RC drilling has defined a 1.2km long zone of interest in bedrock within the Capstan North Project (Figure 5). Best results include 4m @ 6.1g/t Au from 128m (BLRC001), and 9m @ 1.3g/t Au from 31m (BLRC021) (ASX: 18 December 2018). Both holes are coincident with quartz veining and alteration. The holes are from two RC lines drilled 640m apart and represent the first RC drilling in the Capstan Prospect area. Aircore drilling indicates the mineralisation is open along strike at Capstan North extending for over 1.2km.

Hat: The Hat Prospect is located 4km to the south of Capstan North. Aircore drilling has defined a corridor of gold mineralisation 4.5km long. Two lines of 320m spaced RC drilling are the first RC holes drilled at Hat. These holes intersected 4m @ 1.2g/t Au from 111m and 1m @ 2.0g/t Au from 102m (ASX: 18 December 2018). These intersections were associated with quartz veining within a steeply west dipping structure in the Killi Killi Formation.

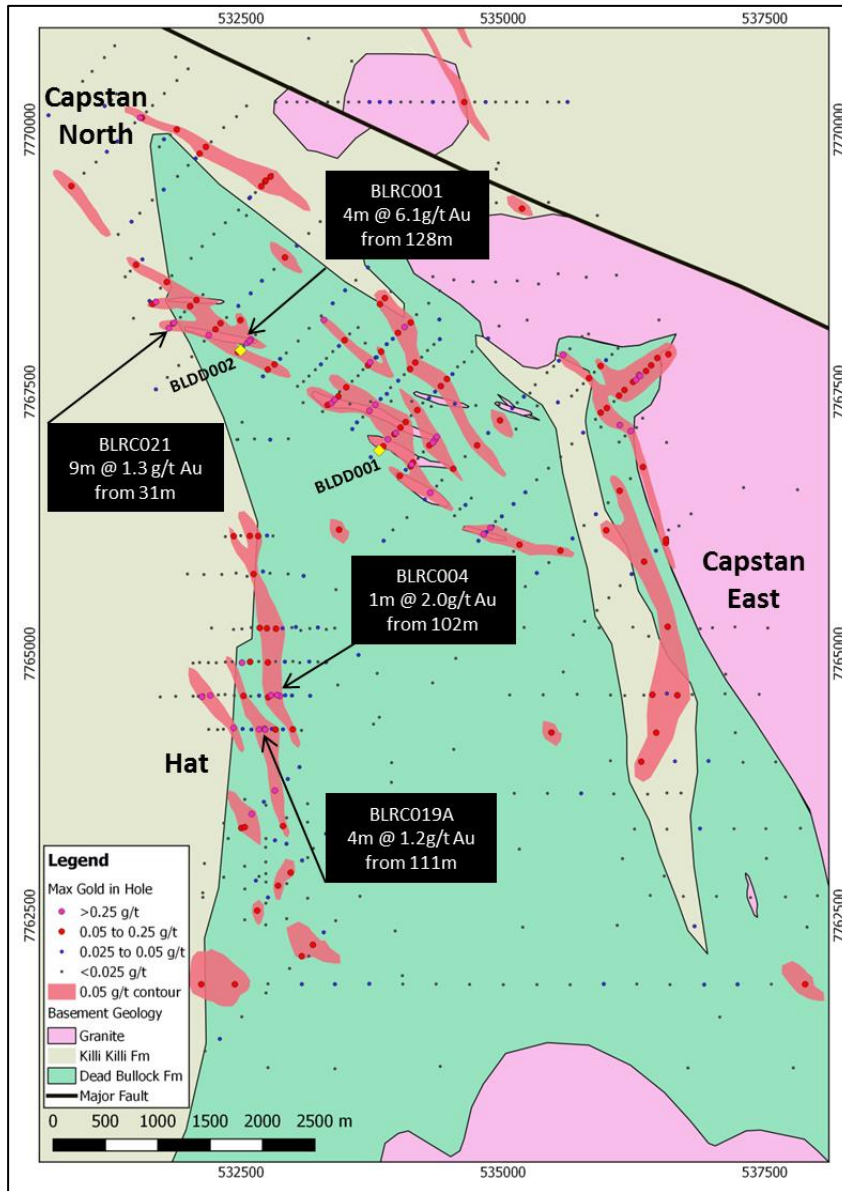


Figure 5 – Capstan Prospect showing significant results from 2018 RC drilling and anomalous aircore gold trends (red)

Galaxy

The Galaxy Prospect is located on the southern extension of the Central Tanami Trend which produced 2.2M ozs of gold between 1997 and 2002 from a number of deposits, all hosted within the Mt Charles Formation. Jims Pit, located 5km northwest of Galaxy, is part of the Central Tanami Trend and produced ~120kozs between 1998 and 2001.

Aircore Drilling: 95 holes for 6,550m of reconnaissance RAB drilling were completed at the Galaxy Prospect (ASX: 31 October 2018). Drilling tested a 9.5km long section of the prospective Mt Charles and Dead Bullock Formation along strike of Jims and the Galifrey mineralised shears. Drill holes were spaced on broad 640m X 160m and 1,280m X 320m grids. Results extended the mineralised trend to 6km south of the Jims Pit. Best results from drilling include 12m @ 0.5g/t Au from 27m incl. 3m @ 1.3g/t Au from 33m (BL0558), 12m @ 0.2g/t Au from 42m incl. 3m @ 0.4g/t Au from 42m (BL0569) and 3m @ 0.4g/t Au from 99m (BL0597).

Aircore drilling of Callie style targets recommenced in May 2019. The litho-geochemical study completed with the CSIRO identified that the intermediate sediments, interpreted to be the control on mineralisation in the Tanami are more prevalent at Capstan East, the north-south trend at Top Hat and at Apertawonga. These sediments in combination with the gold in previous aircore drilling support these areas being priority targets.

Capstan East Target

The Capstan East gold trend remains underexplored with a strike length of 7km identified as a priority target for 2019. Drilling in 2018 included results of 1m @ 4.0g/t Au at EOH and 6m @ 0.5g/t Au at the north end of the 7km trend (ASX: 2 August 2018). Anomalism is defined on 640m spaced lines with hole BL0336A returning 3m @ 0.18g/t Au (ASX: 9 July 2018). Gold anomalism is coincident with arsenic anomalism and a northsouth fault.

39 holes for 2,338m of infill aircore targeted an area of 4km x 2km only tested with 13 historic drill holes >20m depth. Drilling aimed to intersect gold in bedrock anomalism and the intersection of prospective units of the Dead Bullock Formation with a mineralising structure. The recent program intercepted sulphides and veining in the holes overlying the interpreted position of the northsouth fault. All samples are currently being processed at the laboratory.

Apertawonga Target

Apertawonga is located 47km to the northwest of the 14.2Moz Callie Gold Mine. The area contains magnetic Dead Bullock Formation adjacent to the Tanami Fault and has shallow cover with limited RAB drilling. The historic drilling intersected anomalous arsenic. Arsenic is often associated with gold mineralisation in the Tanami Region.

Results from 54 holes for 3,316m of reconnaissance drilling at Apertawonga defined gold and pathfinder anomalism over 4.5km with potential extensions to the southeast (ASX: 16 July 2019). The anomalism has been intersected within the interpreted Dead Bullock Formation on the margin of a small intrusion, including highlights of 1m @ 0.7g/t Au from 36m (BL0668) and 3m @ 0.14g/t Au from 36m (BL0655).

A second anomalous area has been identified which is open to the southeast with the multi-element samples from this area pending. Follow up aircore drilling is scheduled for August 2019.

Co-funded NTGS Geophysics

Prodigy Gold co-funded part of an extensive aeromagnetic survey undertaken by the NT Geological Survey. This survey covered the Euro Project and part of the Bluebush Project including the Capstan Prospect (Figure 6). The magnetic data will allow the Company to enhance the location of drillholes during the 2019/2020 drilling seasons.

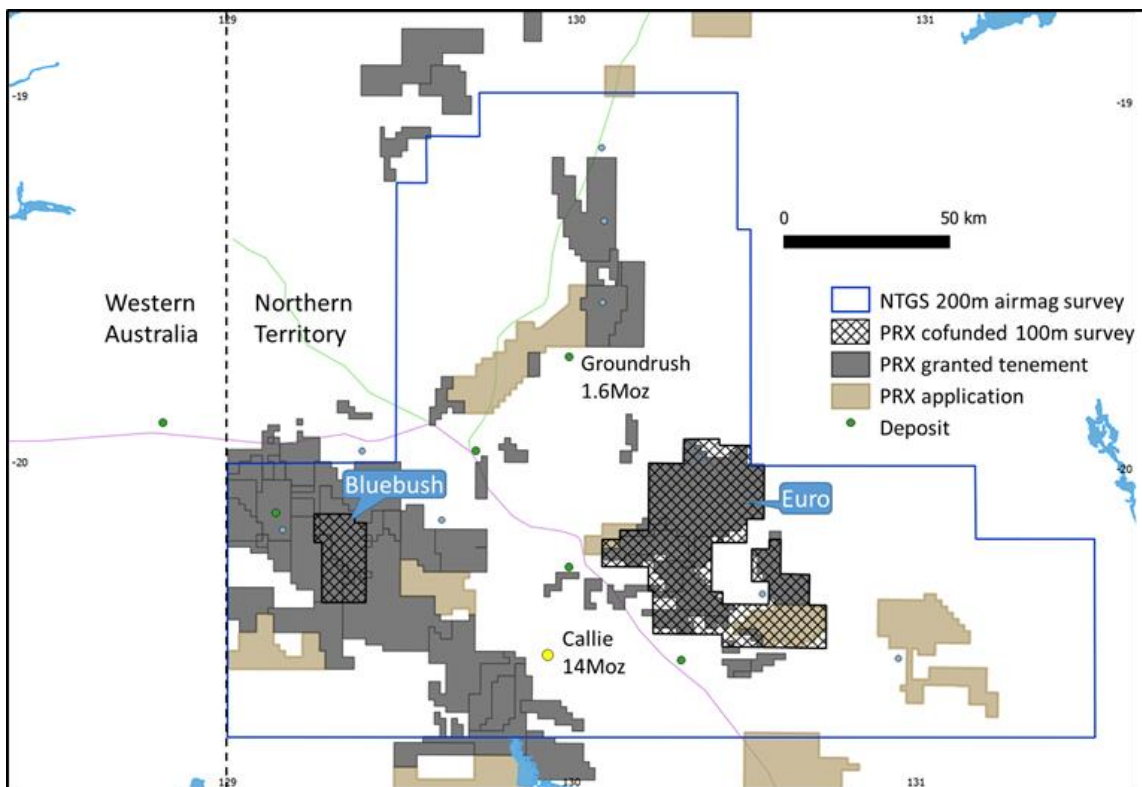


Figure 6 – Northern Territory Geological Survey airborne magnetics survey areas

Future Work

Geochemical data will be assessed with the gold results to finalise future drill plans. Approximately 40 aircore holes are proposed to further define the gold anomaly at Apertawonga and these will be included as part of a larger campaign within Capstan. RC drilling is planned to infill the mineralised trend that is open along strike at Capstan North extending for over 1.2km. Further RC drilling is planned at Hat, Apertawonga and Capstan East.

The southern half of the Capstan Project, Capstan South (~120km²) remains significantly unexplored and is interpreted to be underlain by the same favourable folded stratigraphic package; the Dead Bullock Formation. The area has seen limited exploration by North Flinders Mines (shallow VAC holes) and Newmont who completed a single AC line as part of their Tanami Regional Framework Study. The highly prospective area has been a priority target for Prodigy Gold since completing 1km x 1km drilling over part of the southern area in 2017 (ASX: 21 November 2017). Regional spoil collection has highlighted potential in the area for the favourable intermediate rock unit, interpreted to host mineralisation at Callie.

Recently released, preliminary magnetic data from the co-funded NTGS Tanami survey has highlighted folding coincidental with historical anomalism (Figure 3). Six reconnaissance/framework traverses are currently underway at Capstan South for 61 holes.

A co-funded gravity survey has been planned to cover an area of structural complexity in the south of the Capstan Prospect. The area has shallow sand cover and limited prior drilling. The co-funded gravity survey will allow a trial for lower cost geophysical techniques to be used prior to aircore drilling. The survey is planned to be completed during the 2019 field season.

JOINT VENTURE PROJECTS

Lake Mackay JV Project

Independence Group NL ("IGO") commenced activity on the current Lake Mackay JV area in 2015. Systematic exploration lead to the discovery of gold and base metal mineralisation at Bumblebee in 2015 and Grapple in 2016. Diamond drilling of Grapple in 2017 defined gold and copper mineralisation over 800m of plunge including a result of 11m @ 7.9g/t Au, 20.7g/t Ag, 0.8% Cu, 0.5% Pb, 1.1% Zn & 0.1% Co in 17GRDD001 (ASX: 18 September 2017). In 2018 further work identified Ni, Co, and Mn mineralisation at Grimlock while a 14,951 line-kilometre airborne EM survey was being completed. During 2018 IGO completed the \$6M earn-in and the JV project is now funded 70/30.

Project Background

The Lake Mackay Project is 400km northwest of Alice Springs, adjacent to the Western Australian border, and comprises approximately 18,680km² of exploration licences and applications (17,780km² IGO/Prodigy Gold JV, 900km² IGO/Prodigy Gold/Castile JV). The emerging mineralised belt at Lake Mackay is at a very early stage of exploration. 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 (Figure 7).

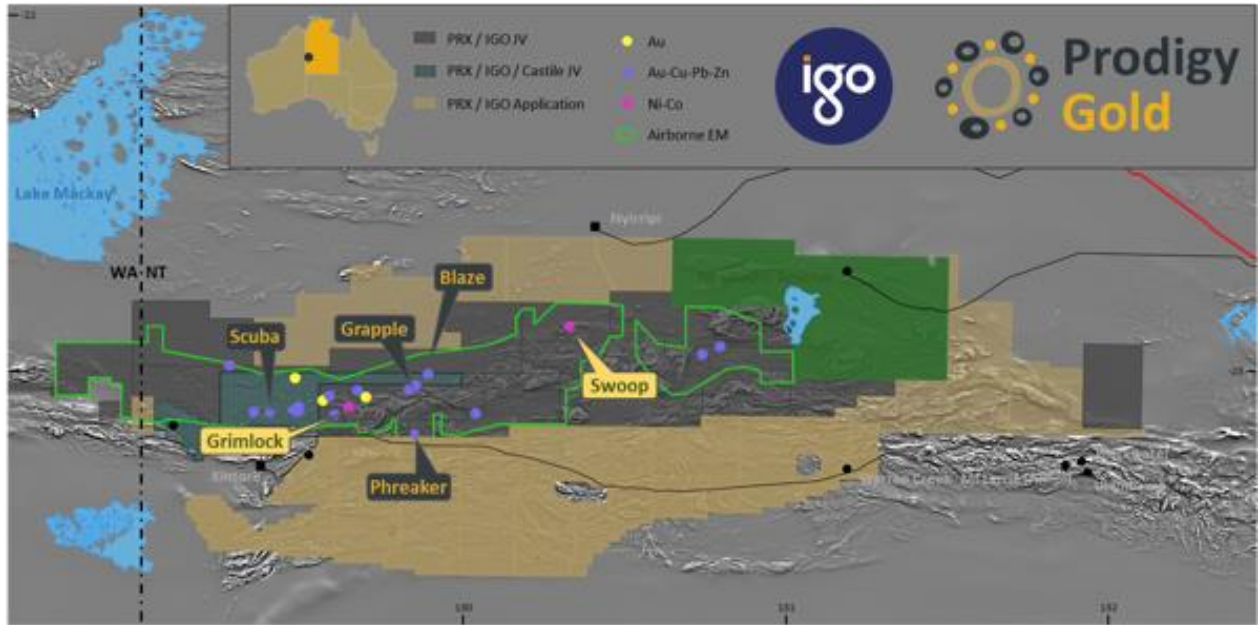


Figure 7 – Lake Mackay JV Project Location

Spectrem AEM Survey

The Spectrem airborne electromagnetics (“AEM”) survey was completed on 11 January 2019 with a total of 14,951 line-km flown for the entire survey (Figure 8). 63 targets have been recognised consisting of 19 Priority 1 targets, 35 Priority 2 targets and 9 Priority 3 targets. This included an area that was co-funded by the Northern Territory Government under the Geophysics & Drilling Collaboration Program.

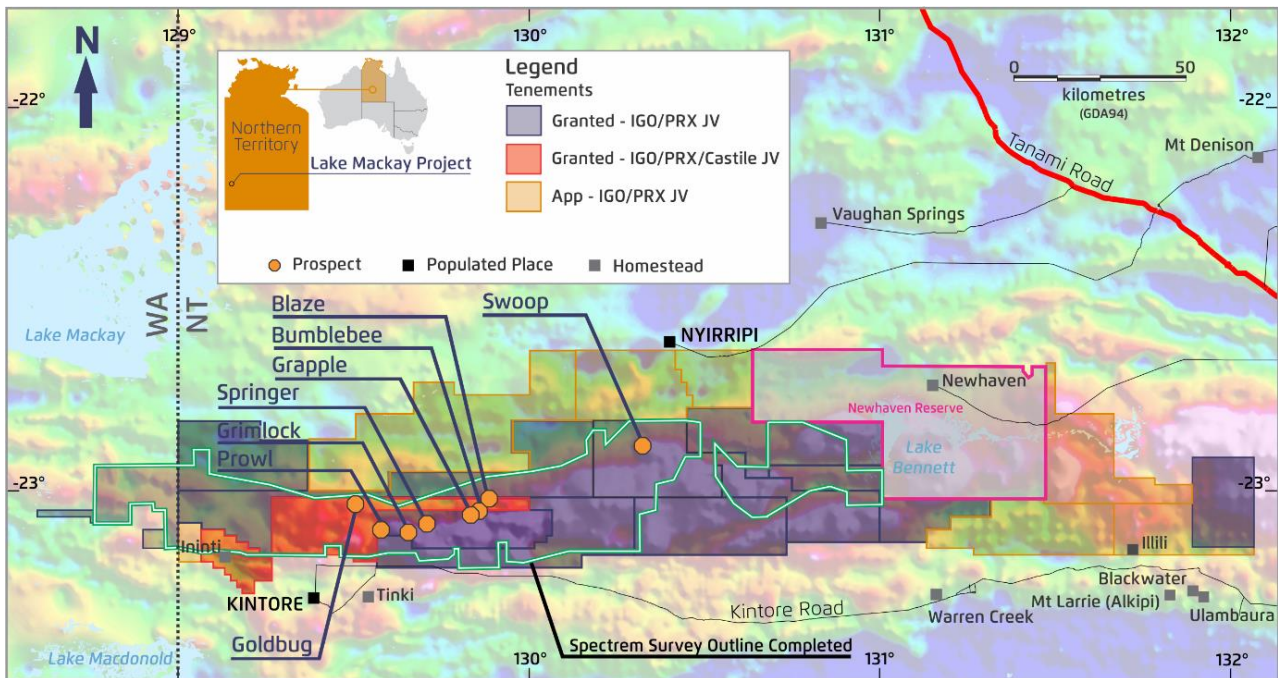


Figure 8 – Lake Mackay Project Location and Spectrem airborne EM survey status

Drilling

In April 2019, managing JV partner IGO commenced a nominal 9,600m reverse circulation (“RC”) drilling program to test bedrock conductors generated from Moving Loop Electromagnetic (“MLEM”) surveys, which were undertaken to characterise 63 conductive targets identified by the Spectrem AEM survey completed in January 2019. A total of 42 holes for 8,544 metres were completed by the end of June 2019 testing 26 targets across the Lake Mackay Project.

Base Metal EM Targets

Two EM targets had anomalous results with Scuba and Phreaker Prospects containing base metals.

Three RC holes (for 930m of drilling) were drilled (ASX: 17 July 2019) on a single section into a 1km-long modelled EM conductor at the Phreaker Prospect. Results from these holes include sulphide intersections of:

- 14m @ 0.84% Cu, 0.15g/t Au, 4.1g/t Ag from 353m in hole 19LMRC028
- 10m @ 0.98% Cu, 0.06g/t Au, 13.9g/t Ag from 146m in hole 19LMRC031
- 11m @ 1.15% Cu, 0.07g/t Au, 7.9g/t Ag from 189m in hole 19LMRC032

Higher grade copper intervals were also intersected, with 19LMRC032 returning an interval of 2m @ 2.45% Cu from 189m.

The modelling of EM anomalies and drilling outlined sulphide mineralisation over 250m of vertical extent, but still open at depth, and 1,000m of strike. Follow-up drilling is planned during the September 2019 Quarter to test the strike length of Phreaker on a 200m-spacing to determine the scale of the system and to define thicker and/or higher-grade zones (Figure 9).

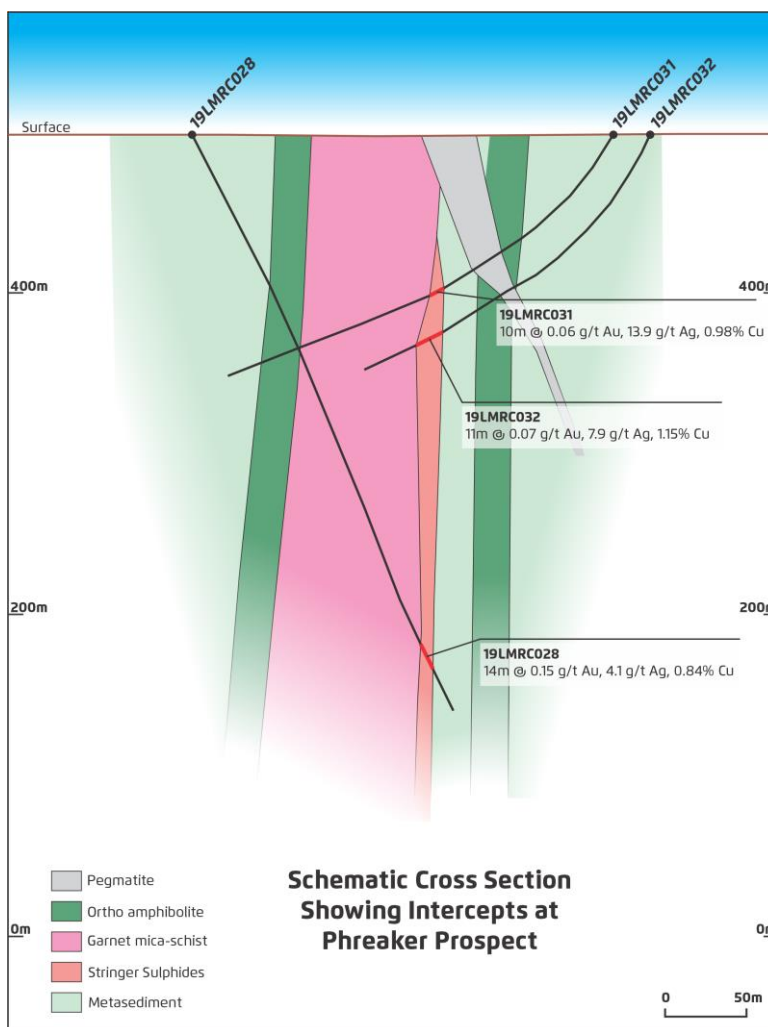


Figure 9 – Schematic Cross Section of Phreaker Prospect. Section facing west

A second large EM conductor at the Scuba Prospect has returned elevated Zn and Pb results. Two RC holes totaling 572m were drilled into this target in the west of the Lake Mackay Project. The results from drilling at Scuba were:

- 2m @ 1.21% Zn, 0.35% Pb, 0.12% Cu, 9.4g/t Ag from 186m in hole 19LMRC015
- 1m @ 0.43% Zn, 0.05% Pb, 0.06% Cu, 2.3g/t Ag from 278m in hole 19LMRC017

The results at Scuba are insufficient to upgrade this target and so no further work is currently planned.

Grimlock Target

The first three RC holes completed at the Grimlock Co-Ni Prospect all intersected a dark manganese-rich duricrust horizon. Assay results included (ASX: 30 May 2019):

- 4m @ 0.6% Co and 0.49% Ni from 2m in hole 19LMRC003
- 1m @ 1.86% Co and 0.84% Ni from 8m and 4m @ 0.22% Co and 0.64% Ni from 20m in hole 19LMRC004
- 4m @ 0.13% Co and 0.32% Ni from 2m and 5m @ 0.15% Co and 0.41% Ni from 13m in hole 19LMRC005

An additional seven holes (for 262m) were then drilled to confirm the presence of the shallow Co-Ni mineralisation in other areas of duricrust mapped or interpreted to continue under shallow cover.

Best results for these additional seven holes (ASX: 17 July 2019) (Figure 10) included:

- 4m @ 0.17% Co and 0.78% Ni from 13m in hole 19LMRC018
- 5m @ 0.28% Co and 0.85% Ni from 18m in hole 19LMRC020
- 1m @ 0.42% Co and 0.17% Ni from 4m in hole 19LMRC022

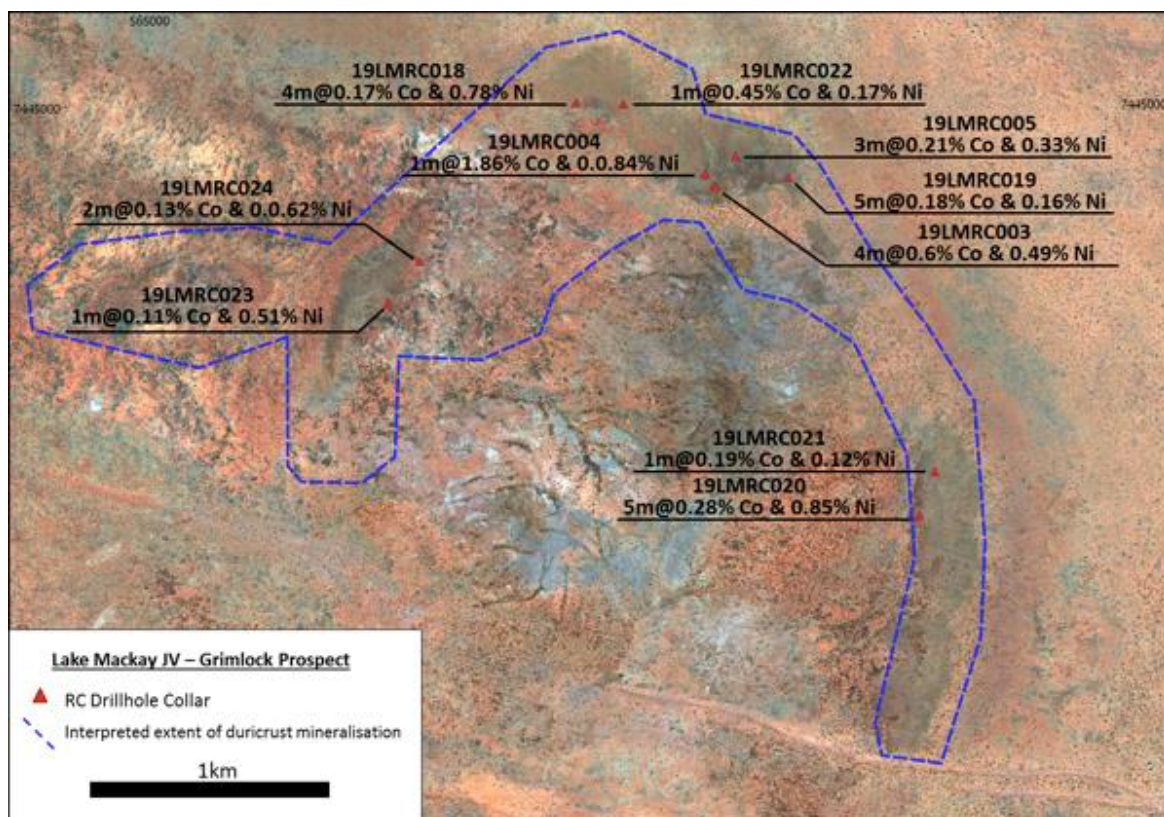


Figure 10 – Grimlock Prospect collar map labelled with best intersection per hole

Soil and Rock Chip Programs

Reconnaissance and selective infill soil sampling were completed over several phases for a total 1,582 samples. Results identified eight high priority, new, multi-element anomalies, including Grapple-style anomalies, for follow-up sampling in addition to the recently identified Blaze Prospect (ASX: 25 October 2018).

Future Work

- Continue with ground geophysical (moving loop EM) surveys
- Continuing 5,000m of RC drilling planned for FY2020 including:
 - Drilling priority conductors and soil anomalies
 - Drilling strike extent of Phreaker Prospect on a 200m spacing
- Metallurgical testing of high-grade Grimlock material
- Soil sampling

North Arunta JV Project

Gladiator Resources entered into a JV agreement with Prodigy Gold to spend \$6.5M to earn into 70% of the North Arunta Project. The Project covers ~4,500km² of exploration licenses. Barrow Creek consists of a 200km long gravity trend with associated metamorphosed sedimentary rocks, dolerite intrusions and large granite intrusions. The region has several known mineral occurrences including gold, copper, nickel, zinc, tin and tantalum.

Project Background

The Kroda Gold Prospect, which is the most advanced prospect in the Project area, is located on EL29896, 18 kilometres west of the Stuart Highway, 30 kilometres north of the town of Barrow Creek and 200 kilometres south of Tennant Creek. Kroda consists of 4 individual prospects (Kroda 1 to 4) with a combined anomalous strike length of 14 kilometres. Kroda is well serviced with infrastructure and is located on pastoral land close to the Stuart Highway, the Ghan Rail Line and the Northern Territory Gas Pipeline.

At Kroda 3, high-grade gold is hosted by breccia pipes that are near surface, steeply plunging and are confirmed by drilling to extend beyond 200 metres depth. Significant historic drill intercepts from Kroda 3 include 57m @ 3.8g/t gold and 29m @ 6.4g/t gold (ASX: 27 September 2011).

Exploration

During 2018 Gladiator Resources completed an IP survey and defined a large sulphide shell spanning the Kroda 3 and Kroda 4 targets. This sulphide was interpreted to correlate with shallowly plunging extensions to the system. A 2,204m RC and diamond drilling program successfully intersected sulphide; however the results reported demonstrate the sulphide was not mineralised with gold.

Two RC drillholes with diamond tails were drilled in the Kroda 3 Prospect as part of this program. Kroda 3 is an eastwest striking structure with gold results of 1g/t or more in RC and diamond drilling extending over 400m. Within the 400m strike is a 50-100m long >5g/t Au steeply dipping shoot. The diamond tail results of 5m @ 15g/t Au and 9m @ 11.5g/t Au (ASX: 28 February 2019) support this interpretation and correlate well with previous intersections (Figure 11). The high grade shoot is drilled to 150m below surface and is open down dip.

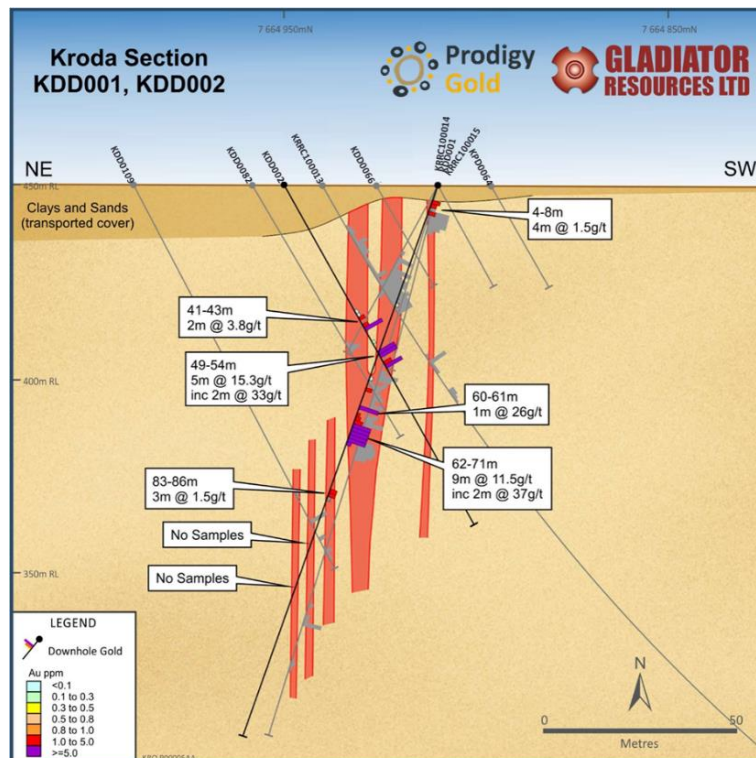


Figure 11 – North-south section 382630mE through Kroda 3

Future Work

The North Arunta Project extends for over 200km. There is potential for multiple deposits such as Kroda, or large systems to be discovered under shallow cover to the west. Gladiator has withdrawn several tenements from the JV Agreement during the financial year and is continuing its review of the project area to identify potential areas of exploration focus within the broader tenement package. Gladiator is yet to advise the work programs for 2019.

Euro Farm-in Agreement

On 4 July 2018 a subsidiary of Newcrest Mining Ltd (“Newcrest”) and Prodigy Gold signed a binding farm-in agreement. Under the agreement Newcrest will sole fund up to \$12M over seven years to ultimately earn up to a 75% interest in the Project.

Project Background

The Project includes ~3,478km² of exploration licenses and applications in the Tanami Region of the Northern Territory along strike of, or contains structures parallel to, the Trans-Tanami Trend. This is the regional control of major gold deposits in the area, including Newmont Mining’s 14.2Moz Callie Gold Mine. Previous exploration has primarily been soil sampling and patchy reconnaissance drilling with 10 of the 17 tenements in the Euro JV Project having no drilling in the last 20 years.

Exploration

Dune Prospect

The Dune Prospect is located 1.5km to the south of the Newmont Oberon Deposit. Three targets have been drilled at the Dune Prospect. The targets have coincident geochemical anomalism and IP or magnetic geophysical anomalies. In late 2018, 8 holes for a total of 1,466m of RC drilling were completed as the first bedrock drilling into these targets. The holes ended prior to reaching the target depth due to the intersection of water in the holes. Although not reaching target depth the initial program produced encouraging results from these drillholes including 2m @ 12g/t Au, 8m at 1.9g/t Au, and 2m at 3.0g/t Au (ASX: 22 January 2019).

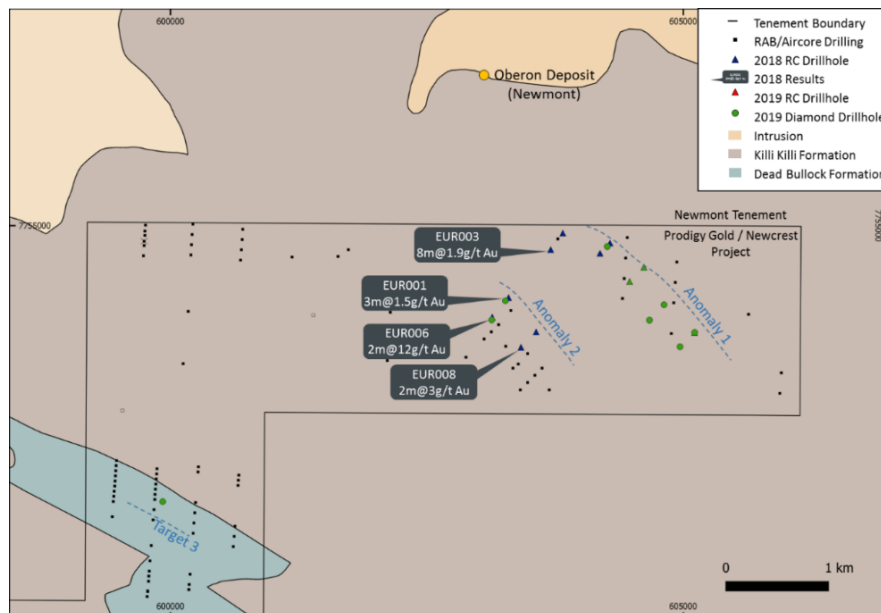


Figure 12 – Dune Prospect 2019 drilling program (ASX: 10 July 2019) Anomaly

The recently completed RC/diamond program has tested the target position for Anomaly 1 and Anomaly 2 (Figure 12). Target 3, a magnetic high now demonstrated to be Dead Bullock Formation, has also had a diamond hole drilled. This hole was co-funded by the Northern Territory Government as part of its Resourcing the Territory Initiative. The samples for these three targets are at the assay laboratory with final results pending.

Vivitar Prospect

The Vivitar Prospect is located 7km northeast of the Tanami Track. The target is a 1km long As-Mo anomaly with a coincident IP geophysical anomaly in altered sediments. Previous RAB drilling is interpreted to have not effectively tested the target.

8 RC holes for 2,199m of RC drilling at Vivitar were completed during the June 2019 Quarter. Low level gold anomalism was intersected in EUR0028 with a best result of 1m @ 1.3g/t Au from 141m (ASX: 10 July 19). Weak alteration was observed in the drilling. No further work is currently planned for the IP geophysical target at Vivitar.

Future Work

Drilling is planned to expand to targets to the northwest with reconnaissance aircore drilling scheduled at Anomaly 16, Anomaly 14, and Prospero. Targeted RC and diamond drilling has been proposed.

Tobruk Farm-in Agreement

During May 2019 Prodigy Gold signed a A\$14.5M Exploration Farm-in and Joint Venture Agreement (“Agreement”) with Newmont Exploration Pty Ltd (now known as Newmont Goldcorp Exploration Pty Ltd), a wholly owned subsidiary of Newmont Goldcorp Corporation (“Newmont Goldcorp”) (ASX: 16 May 2019). Under the Agreement, Newmont Goldcorp is to sole fund up to A\$12M in exploration expenditure to earn up to a 70% interest in the Tobruk Project and provide a total of A\$2.5M cash payments to Prodigy Gold (with A\$1M being contingent on Newmont Goldcorp electing to proceed to phase 2 of the earn-in).

The Agreement covers the Company’s tenements and tenement applications at the Tobruk Project, adjacent to Newmont Goldcorp’s 14.2 Moz Callie Gold Mine.

Tobruk Project Background

The Tobruk Project is interpreted to have occurrences of the same prospective lithologies that host Newmont Goldcorp’s Callie Gold deposit and several smaller deposits including Groundrush and Titania-Oberon. The Project’s potential is further enhanced by having analogous structural settings to known Tanami deposits, including tightly folded stratigraphy, Trans Tanami parallel faults and drill defined anomalous geochemistry positioned on the margins of magnetic features.

Most of the historical exploration work in the Tobruk area was undertaken by North Flinders Mines Limited (NFM)/Normandy Mining Limited (NML) in the late 1980s and 1990s and subsequently by Newmont and AngloGold Australia (AngloGold) in the early 2000s. Previous exploration has comprised field mapping, aeromagnetic/detailed ground magnetic surveys and targeted soil, rock chip and lag sampling. Drilling (RAB and aircore) was primarily directed at testing magnetic features supported by anomalous surface geochemistry at targets identified in Dead Bullock Formation sediments, considered the most prospective sequence in the Tanami group. Key logistical advantages include the 450km gas pipeline to the Newmont Goldcorp Granites Plant recently constructed and the Federal Government’s commitment to upgrade the Tanami Track, which will improve the economics of any future discoveries.

Future Work

Permitting of heritage clearances is well advanced. On-ground work, including geochemistry is scheduled to commence later in 2019.

Operator Agreement – Old Pirate

Ark Mines (ASX: AHK) and Prodigy Gold signed a letter agreement for Ark Mines to operate the Old Pirate Project and provide an exclusive option to negotiate an agreement for Buccaneer subject to various conditions, including the completion of an operator agreement (ASX: 17 April 2018). Prodigy Gold received the \$50,000 non-refundable deposit. Ark Mines and the Company agreed to terminate the letter agreement during October 2018. Prodigy Gold continues to assess opportunities with the aim of maximising the value from this asset.

MINERAL RESOURCES

Prodigy Gold's Mineral Resources for 30 June 2019 are summarised below. See the 2019 Annual Mineral Resource Statement (ASX: 9 August 2019) and the individual announcements referenced below for additional information.

Prodigy Gold's Mineral Resource governance includes systems and procedures that ensure:

- All persons responsible for preparing and reporting Prodigy Gold estimates qualify as a Competent Person as defined by the JORC Code (2012 Edition), and the Competent Persons have provided written sign-off on publicly reported estimates
- Estimates are prepared using accepted industry methods
- Competent Persons prepare and provide Prodigy Gold with the supporting documentation for each estimate, and before being reported to the Board, estimates are either reviewed by Prodigy Gold senior technical staff or by a suitably qualified external reviewer
- Any material changes or updates to estimates are reviewed and approved by the Prodigy Gold's Board before being promptly announced to the market

Consolidated Resource Summary

Table 1 – Prodigy Gold Mineral Resource Summary as at 30 June 2019.

Project	Date	Cut-Off Grade (g/t)	Indicated			Inferred			Total			Resource Author
			Tonnes (Mt)	Grade (g/t Gold)	Metal (Koz)	Tonnes (Mt)	Grade (g/t Gold)	Metal (Koz)	Tonnes (Mt)	Grade (g/t Gold)	Metal (Koz)	
Old Pirate	Aug-16	1.0	0.04	4.6	7	0.72	4.7	109	0.76	4.7	115	1
Buccaneer	Aug-17	1.0	1.2	1.7	65	8.8	1.8	520	10.0	1.8	585	2
Suplejack	July-18	0.8	0.92	2.35	69	4.02	1.86	240	4.93	1.95	310	2
Total		various	2.2	2.0	141	13.5	2.0	869	15.7	2.0	1,010	

Note: Totals may vary due to rounding.

- 1 CSA Global
- 2 Optiro Pty Ltd

Old Pirate Mineral Resource

Table 2 – Old Pirate August 2016 Mineral Resource Estimate (ASX: 19 August 2016)

Old Pirate-Project – Mineral Resource Estimate – August 2016				
Domain	Classification	Tonnes (Mt)	Grade (Au g/t)	Metal (koz)
Western Limb	Indicated	0.010	7.5	3.0
	Inferred	0.280	5.5	49.7
Central	Indicated	0.020	3.1	2.4
	Inferred	0.420	4.2	56.3
East	Indicated	0.005	7.6	0.5
	Inferred	0.010	4.9	1.6
Golden Hind	Indicated	0.005	3.5	0.5
	Inferred	0.005	4.1	0.9
Sub-Total	Indicated	0.040	4.6	6.5
	Inferred	0.720	4.7	108.5
Total	Indicated + Inferred	0.760	4.7	114.9

Note: Totals may vary due to rounding.

Buccaneer Mineral Resource
Table 3 – Buccaneer August 2017 Mineral Resource Estimate (ASX: 1 September 2017)

Buccaneer Project - Mineral Resource Estimate – August 2017									
Oxide	Indicated			Inferred			Total		
	Tonnes (Mt)	Grade (Au g/t)	Metal (koz)	Tonnes (Mt)	Grade (Au g/t)	Metal (koz)	Tonnes (Mt)	Grade (Au g/t)	Metal (koz)
Oxidised	0.2	1.69	12	0.1	1.82	4	0.3	1.73	16
Transitional	0.7	1.69	40	0.5	1.52	22	1.2	1.63	62
Fresh	0.3	1.59	13	8.3	1.86	494	8.5	1.85	507
Total	1.2	1.67	65	8.8	1.84	521	10.0	1.82	585

Note: Totals may vary due to rounding.

Suplejack Mineral Resource
Table 4 – Suplejack July 2018 Mineral Resource Estimate (ASX: 31 July 2018)

Suplejack Project - Mineral Resource Estimate July 2018									
Oxide	Indicated			Inferred			Total		
	Tonnes (Mt)	Grade Au (g/t)	Metal (koz)	Tonnes (Mt)	Grade Au (g/t)	Metal (koz)	Tonnes (Mt)	Grade Au (g/t)	Metal (koz)
Oxide	0.03	1.48	1.3	0.29	2.28	21.2	0.32	2.21	22.6
Transitional	0.26	1.79	14.8	1.16	2.08	77.3	1.41	2.03	92.1
Fresh	0.63	2.62	53.1	2.57	1.72	141.8	3.20	1.89	194.9
Total	0.92	2.35	69.3	4.02	1.86	240.3	4.93	1.95	309.5

Note: Reported above 0.8g/t cut-off and above the 230mRL. Totals may vary due to rounding.

Competent Persons Statements

The information in this announcement relating to exploration targets and exploration results is based on information reviewed and checked by Mr Matt Briggs who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Briggs is a full time employee of Prodigy Gold NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Briggs consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

The information in this report relating to the Mineral Resources is based on information reviewed and compiled by Mr Matt Briggs who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Briggs is a full time employee of Prodigy Gold NL and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Briggs consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

All information compiled in this statement has been previously announced and this annual statement fairly represents a summary of the supporting information and documentation. Prodigy Gold NL confirms that it is not aware of any new information or data that materially affects the information included in the market announcement and that all material assumptions and technical parameters underpinning the estimates included in referenced previous market announcements continue to apply and have not materially changed.

TENEMENT MANAGEMENT

The total area of 42,577km² (2018: 37,855km²) held under tenure by Prodigy Gold and its joint venture partners has increased during the financial year. The area held under granted mineral tenements is 19,826km² with 22,751km² held under exploration licence application. To address the costs associated with maintaining such a large land holding and to better focus exploration activities, the Company continues to actively seek to reduce its tenure costs through joint venture and divestment.

The Company relinquished two granted tenements during the year, withdrew one tenement application and applied for 12 additional tenements. Joint venture interests in the Lake Mackay JV with IGO changed to 70% IGO and 30% Prodigy Gold during the year and in the Lake Mackay JV with IGO and Castile changed to 49% Castile, 35.7% IGO and 15.3% Prodigy Gold.

A map showing the location of the Company's current tenement holding is presented in Figure 13 below and a complete list of tenements follows this report.

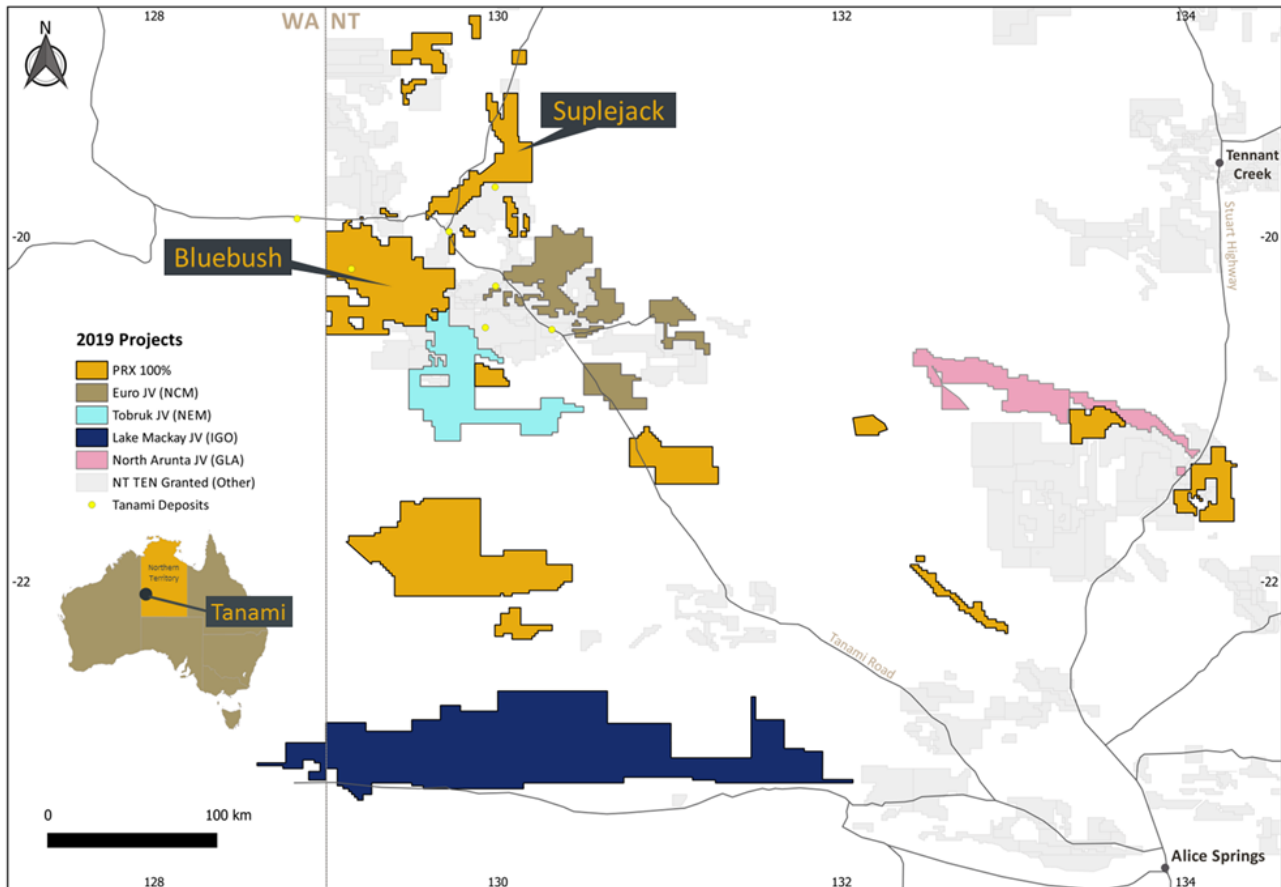


Figure 13 – Prodigy Gold's Central Desert mineral tenements and applications as at 30 June 2019

CORPORATE

Shares on Issue and Unlisted Options

Prodigy Gold placed 45,026,272 shares at an issue price of \$0.082 per share for total proceeds of \$3,692,155 during December 2018. The shares were issued following the completion of a non-renounceable rights issue announced on 16 November 2018 comprising subscriptions and shortfall applications.

The Company issued 2,325,000 options to employees under the terms and conditions of the Company's Employee Share Option Plan during June 2019.

Prodigy Gold has a total of 480,627,606 shares on issue and 26,325,000 million unlisted options.

Board Changes

Prodigy Gold's largest shareholder Pacific Road Capital has substituted Mark Faul with Mike Strizaker as their replacement nominee director.

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

Summary of Mining Tenements as at 30 June 2019

Area of Interest	Tenement	Group's Interest	Tenement Status	Status Changes During the Year
NORTHERN TERRITORY				
TANAMI				
<i>Birrindudu</i>	EL5889	100	granted	
	EL28326	100	granted	
	EL31332	100	granted	
	EL23523	100	granted	
<i>Bluebush</i>	EL23659	100	granted	
	EL24436	100	granted	
	EL26610	100	granted	
	EL26634	100	granted	
	EL27119	100	granted	
	EL27127	100	granted	
	EL27589	100	granted	
	EL28327	100	granted	
	EL29860	100	granted	
	EL31288	100	granted	
	EL31290	100	granted	
	EL31291	100	granted	
	EL30944	100	application	
<i>Bonanza</i>	EL25194	100	granted	
	EL26608	100	granted	
	EL27378	100	granted	
	EL28322	100	granted	
	EL28324	100	granted	
	EL28325	100	granted	
	EL28328	100	granted	
	EL28394	100	granted	
	EL29790	100	granted	
	EL31289	100	granted	
	ML29822	100	granted	
EL30814	100	application		
<i>Suplejack</i>	EL9250	100	granted	
	EL26619	100	granted	
	EL27125	100	granted	
	EL27126	100	granted	
	EL27979	100	granted	
	EL31330	100	granted	
	EL31331	100	granted	
	EL31530	100	granted	
	EL26623	100	application	✓ Out of veto during the year
	EL27980	0	vetoed	✓ Withdrawn during the year
	EL32055	100	application	✓ Applied for during the year
EL32056	100	application	✓ Applied for during the year	
<i>Abroholos</i>	EL29833	100	application	
	EL29834	100	application	
<i>Tobruk ⁽¹⁾</i>	EL25156	100	granted	
	EL25191	100	granted	
	EL25192	100	granted	
	EL28785	100	granted	
	EL29832	100	granted	
	EL29859	100	granted	
	EL30270	100	application	

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

Area of Interest	Tenement	Group's Interest	Tenement Status	Status Changes During the Year
<i>Tobruk</i> ⁽¹⁾	EL30274	100	application	
	EL32057	100	application	✓ Applied for during the year
<i>Euro</i> ⁽²⁾	EL25845	100	granted	
	EL26590	100	granted	
	EL26591	100	granted	
	EL26592	100	granted	
	EL26593	100	granted	
	EL26613	100	granted	
	EL26615	100	granted	
	EL26618	100	granted	
	EL26620	100	granted	
	EL26621	100	granted	
	EL26622	100	granted	
	EL26673	100	granted	
	EL27604	100	granted	
	EL30271	100	application	
	EL30272	100	application	
EL30273	100	application		
EL30283	100	application		
<i>Tanami Altura JV</i> ⁽³⁾	EL26628	90	granted	
	EL29828	90	granted	
	EL26626	90	granted	
	EL26627	90	application	
LAKE MACKAY				
<i>Tarawera</i>	EL23898	100	application	
	EL24473	100	application	
	EL27894	100	application	
<i>Lake Mackay North</i>	EL30552	100	application	
	EL30553	100	application	
	EL30554	100	application	
	EL30555	100	application	
	EL30556	100	application	
<i>Tekapo</i>	EL28682	100	application	
<i>Warumpi</i> ⁽⁴⁾	EL24915	30	granted	
	EL25146	30	granted	
	EL30729	30	granted	
	EL30730	30	granted	
	EL30731	30	granted	
	EL30732	30	granted	
	EL30733	30	granted	
	EL30739	30	granted	
	EL30740	30	granted	
	EL31234	30	granted	Independence Group NL
	EL31723	0	granted	✓ Granted and relinquished during the year / Independence Group NL
	E80/5001	30	granted	Independence Group NL
	EL27947 ⁽⁵⁾	15.3	granted	Castile Resources Pty Ltd
	EL31974 ⁽⁵⁾	15.3	granted	Castile Resources Pty Ltd
	EL25147	30	application	
	EL31718	30	application	Independence Group NL
	EL31719	30	application	Independence Group NL
	EL31720	30	application	Independence Group NL
	EL31721	30	application	Independence Group NL
EL31722	30	application	Independence Group NL	

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

Area of Interest	Tenement	Group's Interest	Tenement Status	Status Changes During the Year
<i>Warumpi</i> ⁽⁴⁾	EL31723	30	application	Independence Group NL
	EL31913	30	application	Independence Group NL
	EL32095	30	application	Independence Group NL
	EL32096	30	application	Independence Group NL
	EL32097	30	application	Independence Group NL
	EL32098	30	application	Independence Group NL
	EL32099	30	application	Independence Group NL
	EL32100	30	application	Independence Group NL
	EL32101	30	application	Independence Group NL
	EL32102	30	application	Independence Group NL
EL32103	30	application	Independence Group NL	
NORTH ARUNTA				
<i>North Arunta JV</i> ⁽⁶⁾	EL8766	100	granted	
	EL23880	100	granted	
	EL23883	100	granted	
	EL23884	100	granted	
	EL23885	100	granted	
	EL23886	100	granted	
	EL25031	100	granted	
	EL25033	100	granted	
	EL25034	100	granted	
	EL25035	100	granted	
	EL25041	100	granted	
	EL25042	100	granted	
	EL25044	100	granted	
	EL26825	100	granted	
	EL28515	100	granted	
	EL28748	0	granted	✓ Relinquished during the year
	EL29896	100	granted	
	EL30470	100	granted	
	EL25030	100	application	
EL25036	100	application		
EL29819	100	application		
EL29820	100	application		
<i>Barrow Creek</i>	EL28727	100	granted	
	EL29723	100	granted	
	EL29724	100	granted	
	EL29725	100	granted	
	EL30507	100	granted	
EL30637	100	granted		
<i>Reynolds Range</i>	EL23655	80 ⁽⁷⁾	granted	
	EL23888	100	granted	
	EL28083	100	granted	
<i>Walkeley</i>	EL26903	100	application	

¹⁾ Farm-in and Joint Venture Agreement with Newmont Goldcorp Exploration Pty Ltd earning up to a 70% interest in the tenements.

²⁾ Farm-in and Joint Venture Agreement with Newcrest Operations Ltd earning up to a 75% interest in the tenements.

³⁾ Joint Venture with Altura Lithium Operations Pty Ltd.

⁴⁾ Joint Venture with Independence Group NL 70%/Prodigy Gold NL 30%.

⁵⁾ Tenement is subject to a Joint Venture between with Castile Resources Pty Ltd (49%), Independence Group NL (35.7%) and Prodigy Gold NL (15.3%).

⁶⁾ Joint Venture Agreement with Gladiator Resources Ltd earning a 51% interest in the tenements.

⁷⁾ Tenement is subject to a Joint Venture with Select Resources Pty Ltd. Prodigy Gold holds an 80% beneficial interest with a 60% interest currently registered on title.

DIRECTORS' REPORT

The Directors of Prodigy Gold NL present their report on the consolidated entity (Group), consisting of Prodigy Gold NL and the entities it controlled at the end of, and during, the financial year ended 30 June 2019.

Directors		
Mr Thomas McKeith	Non-Executive Chairman	
Mr Matthew Briggs	Managing Director	
Mr Brett Smith	Non-Executive Director	
Mr Mark Faul	Non-Executive Director	Resigned 30 November 2018
Mr Michael Stirzaker	Non-Executive Director	Appointed 3 December 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Company during the year consisted of exploration and evaluation of mineral resources. There was no significant change in the nature of the Company's activities during the year.

Dividends

There were no dividends paid or declared during the year.

Operating Results

The consolidated loss for the Group after providing for income tax amounted to \$5,004,727 (2018: loss of \$5,693,350).

Financial Position

The net assets of the Group have decreased by \$1,354,599 from 30 June 2018 to \$15,072,532 in 2019. The decrease is largely due to an increase in current liabilities as at 30 June 2019.

Significant Changes in the State of Affairs

Other than as disclosed in this Report, no significant changes in the state of affairs of the Company occurred during the financial year.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely Developments

- Continued regional exploration; and
- Further rationalisation of tenement holdings through divestment or joint venture.

Environmental Regulation

The Group's operations are subject to standard environmental regulation under the laws of the Commonwealth of Australia and the Northern Territory. The Group monitors its compliance with environmental regulations on an ongoing basis. The Directors are not aware of any significant breaches during the period covered by this report.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Mr Thomas McKeith

BSc Hons (Geol), GDE (Mining), MBA, Fellow AusIMM

Status: Independent

Position: Non-Executive Chairman

Qualifications and Experience:

Mr McKeith is a resource company executive with 29 years' experience in various exploration, business development, mine geology and executive leadership roles. He has led exploration teams to several significant discoveries and concluded several significant business development transactions. Mr McKeith was formerly Executive Vice President: Growth and International Projects for Gold Fields Ltd, where he was responsible for global exploration and project development. He has also served as CEO of Troy Resources Ltd and held non-executive director roles at Sino Gold Ltd and Avoca Resources. He is currently a non-executive director of Evolution Mining Ltd (since February 2014), non-executive chairman of Genesis Minerals Limited (since November 2018) and principal in various private resource investment companies.

Mr Matthew Briggs

BSc Hons (Geol), Member AusIMM, Member AICD

Status: Not independent

Position: Executive Director

Qualifications and Experience:

Mr Briggs has more than 20 years' experience in Australia and internationally in various aspects of mine geology, exploration, project management and strategic leadership in the gold industry. Matt graduated as a geologist from the University of Queensland and worked at a number of mine sites in Western Australia. Since then he has worked internationally on projects in Africa and headed Group Strategic Planning for Gold Fields Limited. Matt has been directly involved or managed teams that have discovered several multi-million ounce gold deposits.

Mr Brett Smith

BEng Hons (Chem), MBA, MA

Status: Not independent

Position: Non-Executive Director

Qualifications and Experience:

Mr Smith has participated in the development and delivery of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr Smith has served on boards of both private and public mining and exploration companies. He is currently Executive Director of Dragon Mining Limited (since February 2014), Deputy Executive Chairman of APAC Resources Limited (since May 2016) and Non-Executive Director of Tanami Gold NL (since November 2018). Overall, Mr Smith has over 30 year's international experience in the engineering, project development and organisational change management.

Mr Michael Stirzaker

BCom, CA

Status: Not independent

Position: Non-Executive Director

Qualifications and Experience:

Mr Stirzaker has over 30 years' commercial experience, mainly in mining finance and mining investment with KPMG, RFC Group Limited, Tennant Metals and Finders Resources. In 2010, Mr Stirzaker joined the private equity mining fund manager, Pacific Road Capital as a partner. Mr Stirzaker is currently non-executive director of Base Resources Limited and Firestone Diamonds plc. Mr Stirzaker was appointed to the Board of Prodigy Gold on 3 December 2018.

DIRECTORS' REPORT

Ms Jutta Zimmermann

Dip AQF, Dip IT, GradDipACG, FGIA, FCIS

Position: Company Secretary

Qualifications and Experience:

Ms Zimmermann is an accountant (Australian AQF diploma level) with over twenty five years of Australian and international industry experience encompassing accounting, company secretarial, government and community liaison, business development and corporate administration management. She holds a diploma in information technology (Australian bachelor degree level) and a graduate diploma in applied corporate governance. Ms Zimmermann holds the position of Chief Financial Officer and Company Secretary with the Company. She is a fellow of the Governance Institute of Australia and is a Director of two of Prodigy Gold's subsidiaries.

Directors' Meetings

The Company had no Board committees during the financial year. The number of meetings of the Group's Board of Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

Directors	Board Meetings	
	Eligible to Attend	Attended
Mr T McKeith	8	8
Mr M Briggs	8	8
Mr B Smith	8	8
Mr M Faul ¹	3	3
Mr M Stirzaker ²	5	5

¹ Mr M Faul resigned on 30 November 2018

² Mr M Stirzaker joined the Board on 3 December 2018

Interests in Shares and Share Rights of the Company

At the date of this report, the interests of the Directors in the shares and share rights of the Group were as follows:

Directors	Fully Paid Ordinary Shares	Unlisted Options
Mr T McKeith	2,158,586	7,000,000
Mr M Briggs	500,000	11,000,000
Mr B Smith	175,000	1,500,000
Mr M Stirzaker	-	-

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director's and the Group's key management personnel remuneration arrangements in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Remuneration Principles

Remuneration levels are set with the objective of attracting and retaining appropriately qualified and experienced staff. Remuneration packages are structured to recognise, encourage and reward improved performance and business growth, balanced between short-term and long-term goals. Benchmarking is undertaken where considered appropriate to ensure remuneration packages are competitively positioned in the market.

Remuneration and Nomination Committee

The Company had no Remuneration and Nomination Committee during the financial year. Given the current size and composition of the Company's Board, the full Board is responsible for the duties of the Committee as detailed in the relevant charter.

Non-Executive Director Remuneration

Non-Executive Directors' fees are set by the Board within the maximum aggregate amount of fees approved by shareholders at a general meeting. Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. The remuneration of Non-Executive Directors is fixed for each individual Director taking into account market rates for comparable companies for time, commitment, responsibilities and accountability.

The available Non-Executive Directors' fees pool is currently \$400,000. As at 30 June 2019 the Company utilised \$60,000 (2018: \$60,000) of the pool.

Performance evaluations of the Board are usually undertaken annually with a view to comparing the performance of the Board and Directors against their relevant Charters and their interactions with and performance of management. The Performance Evaluation Disclosure is available in the Corporate Governance Section of the Company's website.

Key Management Personnel Remuneration including the Managing Director

The key management personnel remuneration framework has three components and the combination of these comprise the key management personnel's total remuneration:

- Base salary and benefits
- Short-term incentives at the Board's discretion
- Long-term incentives at the Board's discretion

Base Salary and Benefits

Executive Directors, key management personnel and employees are offered a fixed base salary and benefits. Base salary and benefits are usually reviewed every year to ensure the employee's remuneration is competitive with the market. Employment contracts do not guarantee increases in base salary and benefits. The Executive Directors, key management personnel and employees receive the superannuation guarantee contribution required by the government, which was 9.5% during the reporting period, and do not receive any other retirement benefits. Other benefits include personal accident (working directors) insurance and other fringe benefits. No remuneration consultants were engaged.

Short-Term Incentives

The objective of short-term incentives is to align the interests of Executive Directors, key management personnel and employees with those of the shareholders through the payment of short-term incentives linked to pre-agreed targets. The targets include, where appropriate meeting budget forecasts, occupational health and safety measures, relationship management, exploration success, staff retention, compliance and formulating company strategies. Short-term

DIRECTORS' REPORT

incentives are designed to incentivise and reward individual contribution to achieving overall performance. No discretionary short-term incentive cash bonuses have been granted during the year.

Long-Term Incentives

All long-term and equity incentives must be linked to predetermined performance and/or continuity criteria. Long-term incentives are designed to align Executive Directors, key management personnel and employee's interest with the Company's longer term objectives of growth in market capitalisation, earnings per share, share performance compared to peer companies, exploration and strategic success. The Board may exercise its discretion in relation to approving incentives, including equity participation. The policy is designed to attract the highest calibre of key management personnel and reward them for performance. Key management personnel are also entitled to participate in employee share or option arrangements. No discretionary long-term incentive cash bonuses have been granted during the year. Executive management received options during the financial year with details provided in Note 15 and prior year options continued to vest during the financial year ended 30 June 2019.

Performance Evaluation

There was no performance based cash remuneration paid during the year but the Company may in future grant, as part of each Executive Director and key management personnel's remuneration package, a performance-based component, consisting of cash bonuses and/or incentives, including equity participation (refer to Note 15), linked to the achievement of key performance indicators (KPIs) and taking into account experience, qualifications and length of service.

Company Performance

The following table shows the gross revenue, losses and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years.

	2015	2016	2017	2018	2019
Revenue	392,368	36,149,624	180,138	141,739	168,037
Net loss	11,202,318	21,616,759	7,012,190	5,693,350	5,004,727
Share price at year-end	0.250	0.065	0.095	0.087	0.089
Dividend paid	-	-	-	-	-

Key Management Personnel

The following persons were key management personnel of the Group during the financial year:

Key Management Personnel	Position	Commencement of Position
Mr T McKeith	Non-Executive Chairman	27 June 2016
Mr M Briggs	Managing Director	3 October 2016
Mr B Smith	Non-Executive Director	9 May 2016
Mr M Faul ¹⁾	Non-Executive Director	12 June 2017
Mr M Stirzaker	Non-Executive Director	3 December 2018
Ms J Zimmermann	CFO / Company Secretary	1 June 2005

¹⁾ Mark Faul resigned on 30 November 2018.

DIRECTORS' REPORT

Details of Remuneration

Details of compensation for key management personnel ("KMP") and Directors of the Group are set out below:

2019	Short-Term Employee Benefits			Post-Employment Super-annuation	Long-Term Benefits Long Service Leave ²⁾	Share-based Payments Options ³⁾	Termination Benefits	Total	Proportion of Remuneration that is at Risk
	Cash Salary and Fees	Cash Bonus	Annual Leave ¹⁾						
	\$	\$	\$	\$	\$	\$	\$	\$	
Directors									
Mr T McKeith	54,795	-	-	5,205	-	-	-	60,000	0%
Mr M Briggs ⁴⁾	315,000	-	3,445	25,000	4,975	13,077	-	361,497	3.6%
Mr B Smith	-	-	-	-	-	-	-	-	0%
Mr M Stirzaker ⁵⁾	-	-	-	-	-	-	-	-	0%
Mr M Faul ⁵⁾	-	-	-	-	-	-	-	-	0%
Total Directors	369,795	-	3,445	30,205	4,975	13,077	-	421,497	
Other KMP									
J Zimmermann ⁴⁾	220,000	-	(1,675)	20,900	3,520	159	-	242,904	0.1%
Total Other	220,000	-	(1,675)	20,900	3,520	159	-	242,904	
Total	589,795	-	1,770	51,105	8,495	13,236	-	664,401	

¹⁾ Annual leave relates to movements in annual leave provisions during the year.

²⁾ Long service leave relates to movements in long service leave provisions during the year.

³⁾ These amounts are accounting accruals and have not actually been paid during the year.

⁴⁾ Share-based payments are options expensed based on the vesting conditions (refer to Note 15 in the consolidated financial statements).

⁵⁾ Mark Faul resigned on 30 November 2018 and Mike Stirzaker was appointed director on 3 December 2018.

2018	Short-Term Employee Benefits			Post-Employment Super-annuation	Long-Term Benefits Long Service Leave ²⁾	Share-based Payments Options ³⁾	Termination Benefits	Total	Proportion of Remuneration that is at Risk
	Cash Salary and Fees	Cash Bonus	Annual Leave ¹⁾						
	\$	\$	\$	\$	\$	\$	\$	\$	
Directors									
Mr T McKeith ⁴⁾	54,795	-	-	5,205	-	62,401	-	122,401	51.0%
Mr M Briggs ⁴⁾	317,269	-	19,173	22,731	-	116,269	-	475,442	24.5%
Mr B Smith	-	-	-	-	-	-	-	-	0%
Mr M Faul	-	-	-	-	-	-	-	-	0%
Total Directors	372,064	-	19,173	27,936	-	178,670	-	597,843	
Other KMP									
J Zimmermann	220,000	-	9,325	20,900	3,520	-	-	253,745	0%
Total Other	220,000	-	9,325	20,900	3,520	-	-	253,745	
Total	592,064	-	28,498	48,836	3,520	178,670	-	851,588	

¹⁾ Annual leave relates to movements in annual leave provisions during the year.

²⁾ Long service leave relates to movements in long service leave provisions during the year.

³⁾ These amounts are accounting accruals and have not actually been paid during the year.

⁴⁾ Share-based payments are options expensed based on the vesting conditions (refer to Note 15 in the consolidated financial statements).

DIRECTORS' REPORT

Performance Bonuses

No discretionary cash performance bonuses have been granted to executive management for performance to 30 June 2019 as executive management agreed to forgo their entitlement for this financial year in the best interest of the Company.

Options and Shares Issued as Part of Remuneration

Options valued at \$159 were issued to one KMP and prior year options continued to vest during the financial year ended 30 June 2019. For further detail refer to Note 15.

Employment Contracts of Directors and Other Key Management Personnel

Remuneration and other terms of engagement for Non-Executive Directors are formalised in service agreements. The agreement summarises the Board policies and terms, including compensation relevant to the office of Director.

The employment contracts of Executive Directors and Other Key Management Personnel stipulate a range of one to four month resignation notification periods. The Company may terminate an employment contract without cause by providing a range of one to three-month written notice or making payment in lieu of notice based on the individual's annual salary component. In the instance of serious misconduct the Company can terminate employment at any time. Other material provisions of the agreements relating to remuneration are set out below.

Non-Executive Directors

The base fees for the Non-Executive Chairman is \$60,000 per year and the shareholder nominee Directors did not receive any cash salary.

Mr M Briggs, Managing Director

- Term of agreement – 3 year contract commencing 3 October 2016;
- Base salary, inclusive of superannuation, \$340,000 per year;
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equals 3 month salary and, in the event of a takeover, equals 9 month salary;
- Notice period varies between no notice if mutually agreed and three month notice by the Company or the executive without reason.

Ms J Zimmermann, CFO and Company Secretary

- Term of agreement – 2 year contract commencing 1 July 2012, contract extended automatically;
- Base salary, exclusive of superannuation, \$220,000 per year;
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equals 6 month salary and, in the event of a takeover, equals 9 month salary;
- Notice period varies between no notice if mutually agreed and three month notice by the Company and 4 month notice by the executive without reason.

Additional Disclosure Relating to Key Management Personnel

Shareholding

No shares were issued by the Company to KMP's as remuneration during the financial year. Details of shares held directly, indirectly or beneficially by Directors and key management personnel and their related parties are as follows:

DIRECTORS' REPORT

Name	Balance at the Start of the Year	Received as Part of Remuneration	Additions	Disposals/Other	Balance at the End of the Year
Mr T McKeith	1,726,869	-	431,717	-	2,158,586
Mr M Briggs	-	-	500,000	-	500,000
Mr B Smith ¹⁾	140,000	-	35,000	-	175,000
Mr M Storzaker ²⁾	-	-	-	-	-
Mr M Faul ²⁾	-	-	-	-	-
Ms J Zimmermann	1,331,996	-	669,149	-	2,001,145
	3,198,865	-	1,635,866	-	4,834,731

¹⁾ Mr Smith is a nominee of APAC Resources Limited who are a substantial shareholder of Prodigy Gold.

²⁾ Mr Faul (resigned 30 November 2018) was and Mr Storzaker (appointed 3 December 2018) is a nominee of Pacific Road Capital Management who are a substantial shareholder of Prodigy Gold.

Option Holding

Directors and other key management personnel of the Group, including their personally related parties, hold options over ordinary shares in the Company.

Name	Balance at the Start of the Year	Received as Part of Remuneration	Additions	Disposals/Other	Balance at the End of the Year
Mr T McKeith	7,000,000	-	-	-	7,000,000
Mr M Briggs	11,000,000	-	-	-	11,000,000
Mr B Smith	1,500,000	-	-	-	1,500,000
Mr M Storzaker	-	-	-	-	-
Mr M Faul	-	-	-	-	-
Ms J Zimmermann	1,000,000	550,000	-	-	1,550,000
	20,500,000	550,000	-	-	21,050,000

Share-Based Payments

Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Refer to Note 15 to the financial statements for more information on options provided as part of remuneration to the Directors and key management personnel.

Loans to Directors and Other Key Management Personnel

No loans to Directors and other key management personnel of the Group were provided in 2019 (2018: NIL).

Other Transactions with Directors and Other Key Management Personnel

The terms and conditions of transactions with Directors, other key management personnel and their related parties and entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with non-Director related parties and entities on an arm's length basis.

This concludes the Remuneration Report, which has been audited.

DIRECTORS' REPORT

Insurance of Officers and Indemnities

During the financial year, the Company paid an insurance premium in respect of a contract insuring the Directors and executive officers of the Company and its related entities against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer of the Company or any of its related entities against a liability incurred by such an officer.

Proceeding on Behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on behalf of the auditor), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Payments for non-audit services were \$28,181 (2018: \$26,832) and are detailed in Note 13.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of *the Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Auditor's Independence Declaration

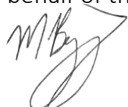
A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 35.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 and the *Corporation Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



MATTHEW BRIGGS
Managing Director

Dated this 9th day of August 2019
Perth, Western Australia

CORPORATE GOVERNANCE STATEMENT

In February 2019, the ASX Corporate Governance Council released a fourth edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles) which takes effect for an entity's first full financial year commencing on or after 1 January 2020. The Company will undergo a full review of its corporate governance policies during the financial year ending 30 June 2020 and will continue to report under the third edition ASX Principles for the current financial year.

The Group's Corporate Governance Statement for the year ended 30 June 2019 (which reports against these ASX Principles) may be accessed from the Company's website at www.prodigygold.com.au/about-prodigy-gold/corporate-governance.

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF PRODIGY GOLD NL

As lead auditor of Prodigy Gold NL for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Prodigy Gold NL and the entities it controlled during the period.



Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 9 August 2019

ANNUAL FINANCIAL REPORT

The financial statements of Prodigy Gold NL for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on 9 August 2019 and cover the consolidated entity consisting of Prodigy Gold NL and its subsidiaries as required by the *Corporations Act 2001*. Separate financial statements for Prodigy Gold NL as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*. However, limited financial information for Prodigy Gold NL as an individual entity is included in Note 20.

The financial statements are presented in Australian currency.

Prodigy Gold NL is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The address of the registered office and principal place of business is:

Prodigy Gold NL
Level 1, 141 Broadway
NEDLANDS WA 6009

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities on pages 5 to 21 and in the Directors' Report on pages 25 to 33, both of which are not part of this financial statement.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.prodigygold.com.au

ANNUAL FINANCIAL REPORT

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated	
		2019 \$	2018 \$
Revenue		168,037	141,739
Other income	2	1,650,410	133,121
Administrative expenses			
Employee and Directors benefits expenses	3	(530,559)	(498,778)
Share-based payments	3	(13,256)	(178,670)
Depreciation expenses	3	-	(15,981)
Other expenses		(455,041)	(493,332)
Exploration expenses	3	(5,703,721)	(4,781,449)
Impairment of property, plant and equipment		(15,670)	-
Impairment of capitalised exploration and evaluation expenditure	7	(104,927)	-
Loss before income tax expense		(5,004,727)	(5,693,350)
Income tax expense	4(a)	-	-
Loss for the year		(5,004,727)	(5,693,350)
Loss attributable to members of Prodigy Gold NL		(5,004,727)	(5,693,350)
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive loss for the year		(5,004,727)	(5,693,350)
Total comprehensive loss for the year attributable to members of Prodigy Gold NL		(5,004,727)	(5,693,350)
Basic and diluted loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (cents per share)	19	(1.09)	(1.45)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	Consolidated	
		2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	6,356,062	6,136,652
Other receivables	6	907,803	110,995
Inventories		143,525	15,003
Other current assets		110,010	125,408
TOTAL CURRENT ASSETS		7,517,400	6,388,058
NON-CURRENT ASSETS			
Term deposits	6	2,427,490	2,431,677
Property, plant and equipment		84,256	155,176
Exploration and evaluation expenditure	7	9,943,824	10,048,751
TOTAL NON-CURRENT ASSETS		12,455,570	12,635,604
TOTAL ASSETS		19,972,970	19,023,662
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	2,921,645	671,193
Employee benefits		234,178	178,702
TOTAL CURRENT LIABILITIES		3,155,823	849,895
NON-CURRENT LIABILITIES			
Employee benefits		58,385	58,385
Provisions	9	1,686,230	1,688,251
TOTAL NON-CURRENT LIABILITIES		1,744,615	1,746,636
TOTAL LIABILITIES		4,900,438	2,596,531
NET ASSETS		15,072,532	16,427,131
EQUITY			
Contributed equity	10	176,027,723	172,403,391
Reserves	11(a)	3,336,136	3,310,340
Accumulated losses		(164,291,327)	(159,286,600)
TOTAL EQUITY		15,072,532	16,427,131

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated	
		2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contribution from joint venturers		1,500,000	3,679
Expense re-imbursements from JV Partners		1,944,348	-
Payments to suppliers and employees (excludes payments for exploration)		(810,160)	(921,725)
Interest received		177,270	138,105
R&D uplift refund		-	71,069
Payments for exploration		(4,446,423)	(4,704,442)
Payments for JV Projects		(1,821,044)	-
Net cash (outflow) from operating activities	18	(3,456,009)	(5,413,314)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	58,374
Net cash inflow from investing activities		-	58,374
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,692,155	6,044,353
Placement / Refund of security deposits (cash-back)		51,087	101,346
Share issue costs		(67,823)	(15,582)
Net cash inflow from financing activities		3,675,419	6,130,117
Net increase in cash and cash equivalents		219,410	775,177
Cash and cash equivalents at beginning of year		6,136,652	5,361,475
Cash and cash equivalents at end of year	5	6,356,062	6,136,652

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Contributed Equity \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017		166,374,620	3,088,991	(153,593,250)	15,870,361
Comprehensive income for the year					
Loss for the year		-	-	(5,693,350)	(5,693,350)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(5,693,350)	(5,693,350)
Transaction with owners in their capacity as owners:					
Shares Issued	10(a)	6,044,353			6,044,353
Transaction costs	10(a)	(15,582)			(15,582)
Share-based payments	15	-	221,349		221,349
Total transactions with owners		6,028,771	221,349	-	6,250,120
Balance at 30 June 2018		172,403,391	3,310,340	(159,286,600)	16,427,131
Comprehensive income for the year					
Loss for the year		-	-	(5,004,727)	(5,004,727)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(5,004,727)	(5,004,727)
Transaction with owners in their capacity as owners:					
Shares issued	10(a)	3,692,155	-	-	3,692,155
Transaction cost	10(a)	(67,823)	-	-	(67,823)
Share-based payments	15	-	25,796	-	25,796
Total transactions with owners		3,624,332	25,796	-	3,650,128
Balance at 30 June 2019		176,027,723	3,336,136	(164,291,327)	15,072,532

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SEGMENT INFORMATION

Commencing 1 July 2018 the full Board of Directors, who are the chief operating decision makers, identified one operating segment reportable as exploration for the Group. Prior to 1 July 2018 the Company additionally reported on the Mining and Processing segment.

NOTE 2: OTHER INCOME

	Consolidated	
	2019	2018
	\$	\$
Contribution from joint venturers	1,500,000	-
Expense re-imbursements from JV Partners	64,567	-
Sale of Fixed Assets	-	34,462
R&D Refund	85,843	71,069
Other Income	-	27,590
	<u>1,650,410</u>	<u>133,121</u>

NOTE 3: EXPENSES

	Consolidated	
	2019	2018
	\$	\$
Employee and Directors' benefits expense	2,028,851	1,629,665
Less: Amounts included in exploration expenses	(1,498,292)	(1,130,887)
	<u>530,559</u>	<u>498,778</u>
Share-based payment expense	25,796	221,349
Less: Amounts included in exploration expenses	(12,540)	(42,679)
	<u>13,256</u>	<u>178,670</u>
Depreciation expense	55,250	96,626
Less: Amounts included in exploration expenses	(55,250)	(80,645)
	<u>-</u>	<u>15,981</u>
Exploration expenses:		
Employee benefit expense	1,498,292	1,130,887
Share-based payment expense	12,540	42,679
Depreciation expense	55,250	80,645
Other exploration expenses	4,137,639	3,527,238
	<u>5,703,721</u>	<u>4,781,449</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: INCOME TAX EXPENSE

	Consolidated	
	2019 \$	2018 \$
a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
b) Reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(5,004,727)	(5,693,350)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	(1,376,300)	(1,565,671)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable income	(23,607)	(19,544)
Share-based payments	7,094	60,871
Other permanent differences	483	633
	(1,392,330)	(1,523,711)
Deferred tax assets not brought to account	1,392,330	1,523,711
Income tax expense	-	-
The applicable weighted average effective tax rates	0%	0%
c) Deferred tax liability		
Exploration and evaluation expenditure	2,683,542	2,707,538
Temporary difference	71,096	42,886
	2,754,638	2,750,424
Off-set of deferred tax assets	(2,754,638)	(2,750,424)
Net deferred tax liability recognised	-	-
d) Unrecognised deferred tax assets arising on timing		
Tax losses	40,439,731	39,020,923
Temporary differences	2,104,479	2,090,875
Expenses taken into equity	17,844	76,017
	42,562,054	41,187,815
Off-set of deferred tax liabilities	(2,754,638)	(2,750,424)
Net deferred tax assets not brought to account	39,807,416	38,437,391

No deferred tax assets have been recognised as it is not probable that future tax profits will be available to offset these balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: INCOME TAX EXPENSE cont'd

Accounting Policy

Income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are not brought to account unless realisation of the asset is probable. Deferred tax assets in relation to tax losses are not brought to account unless it is probable that the benefit will be utilised.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

Prodigy Gold NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The Parent Entity, Prodigy Gold NL, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

Accounting estimates and judgements

Income taxes

The Group is subject to income taxes in Australia. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	2019 \$	2018 \$
Cash at bank and in hand	4,106,062	1,146,652
Short-term bank deposits	2,250,000	4,990,000
	<u>6,356,062</u>	<u>6,136,652</u>

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: TERM DEPOSITS AND OTHER RECEIVABLES

	Consolidated	
	2019	2018
	\$	\$
CURRENT		
Trade receivables	-	85,457
Other receivables (Note 6(a))	907,803	25,538
	<u>907,803</u>	<u>110,995</u>
NON-CURRENT		
Bond term deposit and DPIR Cash Bonds	2,427,490	2,431,677
	<u>2,427,490</u>	<u>2,431,677</u>

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group and are predominantly receivables from joint venture partners for expense re-imbursements. These amounts do not contain any past due assets that are not impaired and therefore nil expected credit losses have been recognised for the year ended 30 June 2019 as considered insignificant.

Accounting Policy

The Group measures trade and other receivables at amortised cost, less any allowance for expected credit losses.

NOTE 7: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Consolidated	
	2019	2018
	\$	\$
Carrying amount at the beginning of reporting period	10,048,751	10,048,751
Less: Impairment expense	(104,927)	-
Carrying amount at the end of reporting period	<u>9,943,824</u>	<u>10,048,751</u>

Accounting Policy

Acquired exploration and evaluation assets are carried at acquisition value less any subsequent impairment. All exploration and evaluation expenditure, subsequent to initial acquisition, is expensed until the Directors conclude that the technical feasibility and commercial viability of extracting a Mineral Resource are demonstrable and that future economic benefits are probable. In making this determination, the Directors consider the extent of exploration, the proximity to existing mine or development properties as well as the degree of confidence in the mineral resource.

No amortisation is charged during the exploration and evaluation phase. Amortisation is charged upon commencement of commercial production. Exploration and evaluation assets are tested for impairment triggers annually and if there is an indicator of impairment under AASB 6 *Exploration for and Evaluation of Mineral Resources*, the area of interest is tested for impairment under AASB 136 *Impairment of Assets*. Upon establishment of commercially viable mineral resources, exploration and evaluation assets are tested for impairment.

Accounting estimates and judgements

The Group undertook an assessment for impairment triggers of its exploration assets. Some non-core tenements were partially surrendered and accordingly impaired on a simple area basis. The balances for the remainder of the exploration assets are considered to be recoverable on the basis that the Group holds rights to tenure and has undertaken, and will continue to undertake, significant exploration on the exploration assets. Following this assessment, the Group recognised an impairment charge to exploration and evaluation expenditure totaling \$104,927 (2018: \$-).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8: TRADE AND OTHER PAYABLES

	Consolidated	
	2019	2018
	\$	\$
CURRENT LIABILITIES (Unsecured)		
Trade payables	1,846,559	172,237
Sundry payables and accrued expenses	1,075,086	498,956
	<u>2,921,645</u>	<u>671,193</u>

Information about the Group's exposure to liquidity risk is provided in Note 12.

Accounting Policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

NOTE 9: PROVISIONS

	Consolidated	
	2019	2018
	\$	\$
NON-CURRENT		
Exploration and mine restoration	1,686,230	1,688,251
	<u>1,686,230</u>	<u>1,688,251</u>

Movement in provisions

Movement in provisions during the current financial year, other than employee benefits, are set out below:

	Consolidated	
	2019	2018
	\$	\$
Opening balance	1,688,251	1,755,472
Additional provisions	46,900	164,403
Amounts reversed	(48,921)	(231,624)
Closing balance	<u>1,686,230</u>	<u>1,688,251</u>

Accounting Policy

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements. Full provision is made based on the value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The restoration provision relates to exploration, evaluation and development expenditure and rehabilitation relating to the mining lease.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9: PROVISIONS cont'd

Accounting estimates and judgements

Rehabilitation obligation

The Group estimates the future rehabilitation costs of the site and exploration locations taking into consideration facts and circumstances available at statement of financial position date. A provision has been recognised for the cost to be incurred for the restoration of mine and exploration sites based on the estimated cost. The estimated cost is determined to be the equivalent to the bonds provided to the relevant government departments, reduced by restoration work completed and then increased by a correction factor. The bonds provided are calculated by the government by allocating rehabilitation cost to activities proposed in a mine management plan submitted to the department. Restoration work is completed on an ongoing basis.

NOTE 10: CONTRIBUTED EQUITY

(a) Ordinary Shares

Details	Date	Number of Shares	Issue Price \$	Value \$
Opening balance	1 July 2017	375,157,803		166,374,620
Share placement	15 March 2018	60,443,531	0.10	6,044,353
Transaction costs relating to share issues				(15,582)
Closing balance	30 June 2018	<u>435,601,334</u>		<u>172,403,391</u>
Share placement	14 December 18	45,026,272	0.082	3,692,155
Transaction costs relating to share issues				(67,823)
Closing balance	30 June 2019	<u>480,627,606</u>		<u>176,027,723</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Options

The number of unlisted options of the Company as at 30 June 2019 is 26,325,000 (2018: 24,000,000). For further details refer to Note 15.

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: RESERVES

(a) Reserves

	Consolidated	
	2019 \$	2018 \$
Share-based payment reserve	3,336,136	3,310,340
	<u>3,336,136</u>	<u>3,310,340</u>

Movements in reserves

	Share-based payment reserve \$
Balance at 1 July 2017	3,088,991
Share-based payments expense	221,349
Balance at 30 June 2018	<u>3,310,340</u>
Share-based payments expense	25,796
Balance at 30 June 2019	<u>3,336,136</u>

(b) Nature and purpose of Share-based payment reserve

The share-based payment reserve is used to recognise the fair value of options issued as consideration for services provided.

NOTE 12: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management is addressed within an evaluative process at Board meetings.

Market Risk - Interest rate risk

Interest rate risk for the Group is considered to be minimal. The Group had no interest attracting debts at 30 June 2019 and assets are managed with a mixture of short term and at call investments. All other receivables are non-interest bearing.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: FINANCIAL RISK MANAGEMENT cont'd

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			Non-Interest Bearing \$	Total \$
			< 1 year \$	1 - 5 year \$	> 5 years \$		
30 June 2019							
Financial Assets:							
Cash and bonds	2.10%	4,106,062	2,250,000	-	-	-	6,356,062
Receivables		-	-	-	-	907,803	907,803
Total financial assets		4,106,062	2,250,000	-	-	907,803	7,263,865
Financial Liabilities:							
Payables		-	-	-	-	2,921,645	2,921,645
Total financial liabilities		-	-	-	-	2,921,645	2,921,645
30 June 2018							
Financial Assets:							
Cash and bonds	1.92%	1,146,652	4,990,000	-	-	-	6,136,652
Receivables		-	-	-	-	110,995	110,995
Total financial assets		1,146,652	4,990,000	-	-	110,995	6,247,647
Financial Liabilities:							
Payables		-	-	-	-	671,193	671,193
Total financial liabilities		-	-	-	-	671,193	671,193

The Group's exposure to interest rate risk relates primarily to the Group's cash and cash equivalents as detailed in the above table. A sensitivity analysis has been determined based on the exposure to interest rates at reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

Based on the financial instruments held at 30 June 2019, should the interest rate weaken/strengthen by 100 basis points against the effective interest rate with all other variables held constant, post-tax loss for the year would have been \$63,561 higher/\$63,561 lower (2018: \$61,367 higher/\$61,367 lower).

Credit Risk

Credit risk is managed on a Group basis. Credit risk is a risk of financial loss if the Group's counterparties are failing to discharge their obligation in respect to the Group's financial instruments held in those counterparties. Credit risk mainly arises from cash, cash equivalents, deposits with banks and receivables. The Group deposits its fund only with prudent banks with the minimum rating of "A", and the management believes they are fully recoverable from the banks when due. There are no receivables past due but not impaired.

Credit risk further arises in relation to financial guarantees given to certain parties (see Note 14 for details). The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in the table below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: FINANCIAL RISK MANAGEMENT cont'd

	Consolidated	
	2019 \$	2018 \$
Cash at bank	6,356,062	6,136,652
Bonds term deposit	2,427,490	2,431,667
Receivables	907,803	110,995
Bank guarantees	2,427,490	2,431,667

Liquidity Risk

The Group has prudent liquidity risk management which includes maintaining sufficient funds to meet operational and exploration expenditure when they are due for payment, and the availability of funding through an adequate amount of a committed fund sources. The Group and Parent Entity manage liquidity risk by continuously monitoring forecasts and actual cash flows.

The Directors of the Group place high importance on capital raising strategies and investor relations. Strategies pursued include road shows, company presentation to fund managers and sophisticated investors and consideration of strategic partnerships.

Maturities of financial liabilities

The tables below analyse the Group's and the Parent Entity's financial liabilities into relevant maturity periods based on the remaining period at balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	< 6 months \$	6 - 12 months \$	1 - 2 years \$	2 - 5 years \$	> 5 years \$	Total Contractual Cash Flows \$	Carrying Amount \$
30 June 2019							
Non-derivatives							
Non-interest bearing	2,921,645	-	-	-	-	2,921,645	2,921,645
Interest bearing	-	-	-	-	-	-	-
Total non-derivatives	2,921,645	-	-	-	-	2,921,645	2,921,645
30 June 2018							
Non-derivatives							
Non-interest bearing	671,193	-	-	-	-	671,193	671,193
Interest bearing	-	-	-	-	-	-	-
Total non-derivatives	671,193	-	-	-	-	671,193	671,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 13: AUDITOR'S REMUNERATION

	Consolidated	
	2019 \$	2018 \$
a) Audit services		
BDO	32,362	30,574
Total remuneration of audit services	32,362	30,574
b) Non-audit services		
BDO – Tax compliance services	28,181	26,832
Total remuneration of non-audit services	28,181	26,832

NOTE 14: CONTINGENCIES

Environmental

The Group provides for all known environmental liabilities. While the Directors believe that, based upon current information, its current provisions for the environmental rehabilitation are adequate, there can be no assurance that material new provisions will not be required as a result of new information or regulatory requirements with respect to known sites or identification of new remedial obligations at other sites.

Bank guarantees totaling \$2,275,504 (2018: \$2,326,588) have been provided. Term deposits of \$2,275,504 (2018: \$2,326,588) and a cash deposit of \$46,900 with the Department of Primary Industry and Resources secure these guarantees. Per Note 9 a restoration provision of \$1,686,230 (2018: \$1,688,251) has been recognised for all known required restoration costs.

NOTE 15: SHARE-BASED PAYMENTS

During the financial year ended 30 June 2019, the Group granted 2,325,000 zero exercise price options ("ZEPO" or "Option") as an equity incentive to employees of the Company which were issued on 28 June 2019. The term of the ZEPO's is 2 years for employees employed for more than 1 year and 3 years for employees employed for less than 1 year. The final number of ZEPO's vesting is at the full discretion of the board and subject to employee KPI's and Company performance criteria with the overriding KPI being environment and safety and the secondary KPI's being resource discovery and shareholder return.

The fair value of the ZEPO's at grant date were determined using a Black-Scholes option pricing model that takes into account the exercise price, the anticipated vesting period of the Option, the impact of dilution, the share price at grant date and expected price volatility of the underlying Option, the expected dividend yield and the risk-free interest rate for the term of the Option.

Employee ZEPO's	2 year ZEPO's	3 year ZEPO's
Number of ZEPO's granted (issued as per Appendix 3B on the ASX)	2,050,000	275,000
Adjusted number of ZEPO's (ZEPO's estimated to vest)	250,000	25,000
Number of ZEPO's vested	NIL	NIL
Fair value at grant date	\$0.094	\$0.094
Exercise price	NIL	NIL
Share price at grant date	\$0.094	\$0.094
Grant date	21 June 2019	21 June 2019
Exercise period	60 months	60 months
Vesting date (subject to option issue)	27 June 2021	27 June 2022
Expected price volatility of ZEPO's	110%	110%
Risk free interest rate	1.69%	1.69%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: SHARE-BASED PAYMENTS cont'd

For the purpose of measurement the board estimated that 25% of ZEPO's are likely to vest, that the anticipated vesting periods aligns with the vesting periods communicated to the relevant staff member and that employees will only be entitled to their ZEPO's if still employed at the vesting date.

During the financial-year ended 30 June 2017, the Group granted 11 Million options as an equity incentive to Mr M Briggs (Managing Director), which were shareholder approved at the Company's Annual General Meeting in November 2016 and issued on 3 November 2016. The term of the options is 4 years from 23 August 2016 with an exercise price to be calculated at a premium of 45% to the 5 day VWAP of Prodigy Gold's share price on:

- the day immediately prior to the date of signing the letter of appointment for Tranche 1 and
- the day immediately prior to the date the options vest for Tranche 2 and Tranche 3.

Matthew Briggs	Tranche 1	Tranche 2	Tranche 3
Number of options granted	5,000,000	3,000,000	3,000,000
Number of options vested	5,000,000	3,000,000	3,000,000
Fair value at grant date	\$0.063	\$0.060	\$0.060
Exercise price	\$0.090	\$0.189	\$0.122
Price at agreement date	\$0.062	\$0.062	\$0.062
Grant date	3 November 2016	3 November 2016	3 November 2016
Exercise period	48 months	48 months	48 months
Vesting date (subject to option issue)	3 November 2016	23 August 2017	23 August 2018
Expected price volatility of options	110%	110%	110%
Risk free interest rate	1.69%	1.69%	1.69%

The vesting of the above Tranche 3 options remain subject to continuing service conditions.

During the financial-year ended 30 June 2017, the Group granted 2 Million options as an equity incentive to Mr N Jones (Exploration Manager). The term of the options is 4 years from 20 March 2017, with an exercise price to be calculated at a premium of 45% to the 5 day VWAP of Prodigy Gold's share price on:

- the date of commencement of employment for Tranche 1 and
- the day immediately prior to the date the options vest for Tranche 2 and Tranche 3.

Neil Jones	Tranche 1	Tranche 2	Tranche 3
Number of options granted	1,000,000	500,000	500,000
Number of options vested	1,000,000	500,000	500,000
Fair value at grant date	\$0.073	\$0.071	\$0.069
Exercise price	\$0.153	\$0.157	\$0.125
Price at agreement date	\$0.106	\$0.106	\$0.106
Grant date	20 March 2017	20 March 2017	20 March 2017
Exercise period	48 months	48 months	48 months
Vesting date (subject to option issue)	20 March 2017	20 March 2018	20 March 2019
Expected price volatility of options	110%	110%	110%
Risk free interest rate	1.69%	1.69%	1.69%

The vesting of the above Tranche 3 options is subject to continuing service conditions. The options were issued on 20 March 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: SHARE-BASED PAYMENTS cont'd

Accounting estimates and judgements

Share-based payments are determined using a Black-Scholes option pricing model that takes into account the exercise price, the anticipated vesting period of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying option, the expected dividend yield and the risk-free interest rate for the term of the option.

When estimating the fair value of the options at measurement date, the Group adjusts the number of equity instruments included in the measurement of the transaction amount so that ultimately the amount recognised is based on the number of equity instruments that eventually vest. The Group uses the best available estimate of the number of equity instruments expected to vest at the end of each reporting period.

Share-based payments expense reconciliation

	Consolidated	
	2019	2018
	\$	\$
Share-based payments expense:		
Options (refer to Note 3)	25,796	221,349
	<u>25,796</u>	<u>221,349</u>

NOTE 16: RELATED PARTY TRANSACTIONS

Transactions between related parties occur on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated. The details of transactions with related parties of key management personnel are set out in page 32 of the Remuneration Report (Other transactions with Directors and other key management personnel).

During the year transactions occurred by the Parent Entity for exploration expenditure of its wholly owned subsidiaries. Any expenditure incurred by the Parent Entity on behalf of its wholly owned subsidiaries is written off and eliminated on consolidation.

NOTE 17: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 18: CASH FLOW INFORMATION

	Consolidated	
	2019 \$	2018 \$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(5,004,727)	(5,693,350)
Non cash investing and financing activities		
Depreciation	55,250	96,626
Gain/(loss) on disposal of property, plant and equipment (net)	-	(58,374)
Impairment of property, plant and equipment	15,670	-
Impairment of capitalised exploration expenditures	104,927	-
Share-based payments	25,796	221,349
Environmental bonding JV Partners	(46,900)	-
Changes in assets and liabilities		
(Increase)/decrease in term deposits and other receivables	(796,807)	(87,120)
(increase)/decrease in inventories	(128,522)	32,916
(increase)/decrease in other assets	15,397	10,289
(Decrease)/increase in trade and other payables and accruals	2,250,452	131,495
(Decrease)/increase in employee entitlements	55,476	76
(Decrease)/increase in provisions	(2,021)	(67,221)
Cash flow/(outflow) from operations	<u>(3,456,009)</u>	<u>(5,413,314)</u>

NOTE 19: LOSS PER SHARE

	Consolidated	
	2019 \$	2018 \$
a) Basic loss per share		
Basic loss per share attributable to the ordinary equity holders of the Company	<u>(1.09)</u>	<u>(1.45)</u>
b) Reconciliation of loss used in calculated loss per share		
Loss attributable to owners of Prodigy Gold NL used to calculate basic loss per share – Loss from continuing operations	<u>(5,004,727)</u>	<u>(5,693,350)</u>
	<u>(5,004,727)</u>	<u>(5,693,350)</u>
c) Weighted average number of shares used as denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>460,026,545</u>	<u>392,876,866</u>

The Group made a loss, therefore the diluted EPS is not shown as it is not dilutive.

Accounting Policy

Basic earnings/(loss) per share is calculated by dividing the profit/loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 20: PARENT ENTITY INFORMATION

The following information relates to the Parent Entity Prodigy Gold NL. The information presented has been prepared using accounting policies that are consistent with those presented in Note 23 and throughout.

	Parent Entity	
	2019 \$	2018 \$
Current assets	7,517,399	6,388,057
Non-current assets	12,455,571	12,635,605
Total assets	19,972,970	19,023,662
Current liabilities	3,155,823	849,895
Non-current liabilities	1,744,615	1,746,636
Total liabilities	4,900,438	2,596,531
Net assets	15,072,532	16,427,131
Contributed equity	176,027,723	172,403,391
Reserves	3,336,136	3,310,340
Accumulated losses	(164,291,327)	(159,286,600)
Total equity	15,072,532	16,427,131
Profit/(loss) for the year	(5,004,727)	(5,693,350)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive (loss)	(5,004,727)	(5,693,350)

NOTE 21: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with Prodigy Gold's accounting policies:

			Equity Holding		Investment	
			2019 %	2018 %	2019 \$	2018 \$
Parent Entity						
Prodigy Gold NL	Australia	Ordinary	-	-	-	-
Controlled entities						
Rare Resources NL	Australia	Ordinary	100	100	-	-
Australian Tenement Holdings Pty Ltd	Australia	Ordinary	100	100	-	-
					-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 22: COMPANY DETAILS

The registered office of the Group and principal place of business is:

Prodigy Gold NL
Level 1, 141 Broadway
NEDLANDS WA 6009

NOTE 23: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - not reported elsewhere

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Prodigy Gold NL is a for-profit entity domiciled in Australia for the purpose of preparing the financial statements. The principal accounting policies not reported elsewhere and adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with IFRS

The financial statement of Prodigy Gold NL also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted in Australia requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the economic entity's accounting policies. Refer to Note 4 (Income Tax Expense), Note 7 (Exploration and Evaluation Expenditure) and Note 9 (Provisions).

Financial statement presentation

In accordance to the *Corporations Act 2001*, there are no separate financial statements for Prodigy Gold NL as an individual entity presented. However, limited financial information for Prodigy Gold NL as an individual entity's is included in Note 20.

Going concern

The financial statements have been prepared on the going concern basis of accounting which assumes that the Group will be able to meet its commitments, complete rehabilitation, realise its assets and discharge its liabilities in the ordinary course of business.

The Group has approved a budget that contemplates an equity raising during the next financial year to fund an extensive exploration program in excess of its current cash reserves. However, the Group has the ability to defer exploration expenditure or divest assets in the event that the terms of an equity raising are not considered suitable to the Group.

(b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Prodigy Gold NL as at 30 June 2019 and the results of all controlled entities for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 23: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) New and Amended Accounting Standards Adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group has changed its accounting policies as a result of the adoption of the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The impact of these standards, and the other new and amended standards adopted by the Group, has not had a material impact on the amounts presented in the Group's financial statements.

AASB 9 Financial Instruments - Impact of Adoption

AASB 9 replaces the provisions of AASB 139 *Financial Instruments* that relate to the recognitions, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 July 2018 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Company assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate AASB 9 categories.

There was no impact on the amounts recognised in the financial statements as a result of adoption.

AASB 15 Revenue from Contracts with Customers - Impact of Adoption

The Group has adopted AASB 15 from 1 July 2018 which has no material impact to the amounts recognised in the financial statements.

(d) New Accounting Standards for Application in Future Periods

Reference	Title	Nature of Change	Application Date of Standard	Impact on the Group Financial Statements	Application Date for the Group
AASB 16	Leases	When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: <i>Leases</i> and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.	Annual reporting periods beginning on or after 1 January 2020	Although the Directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is anticipated that the impact will not be material as the Group does not have material leases. Leases that may be affected by the new standard are the lease of the premises in Nedlands, a copier lease and the lease of fuel tanks on ML29822. The full impact is yet to be determined.	1 July 2020

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. the consolidated financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes, as set out on pages 36 to 58 are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Group;
2. the Managing Director and the Chief Financial Officer of the Group have each declared as required by Section 295A that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated this 9th day of August 2019



MATTHEW BRIGGS
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the members of Prodigy Gold NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Prodigy Gold NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 7 of the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the group.</p> <p>Refer to Note 7 of the financial report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (“AASB 6”), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Assessing the ability to finance any planned future exploration and evaluation activity; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and director’s minutes; • Considering whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances that existed to indicate impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 7 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2019, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 32 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Prodigy Gold NL, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd



Wayne Basford

Director

Perth, 9 August 2019

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is set out below. The information was prepared based on share registry information processed up to 6 August 2019.

1. Shareholdings

(a) Distribution of shareholders

Size of holding category (number of shares held)	Number of Holders Ordinary Shares
1 – 1,000	673
1,001 – 5,000	1,108
5,001 – 10,000	733
10,001 – 100,000	1,319
100,001 and over	322
	4,155

(b) The number of shareholders holding less than a marketable parcel

The number of shareholders holding less than a marketable parcel is nil.

(c) The names of the substantial shareholders

The name of the substantial shareholders listed in the holding Company's register are:

Shareholders	Number of Ordinary Shares	% Held of Issued Ordinary Capital
Pacific Road Capital Management Pty Ltd	95,880,809	19.95
APAC Resources Limited & Allied Properties Investments (1) Company Limited	59,067,914	12.29
Independence Group NL	49,254,285	10.25
St Barbara Limited	47,110,000	9.80
Craton Capital Precious Metal Fund	26,000,000	5.41

(d) Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

1. Shareholdings cont'd

(e) 20 largest shareholders – Ordinary shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. PACIFIC ROAD CAP MGNT PL	95,880,809	19.95
2. NATIONAL NOM LTD	59,317,381	12.34
3. ZERO NOM PL	49,254,285	10.25
4. ST BARBARA LTD	47,110,000	9.80
5. J P MORGAN NOM AUST LTD	31,403,436	6.53
6. CITICORP NOM PL	9,602,992	2.00
7. BNP PARIBAS NOMS PL	8,565,701	1.78
8. PERTH SELECT SEAFOODS PL	8,533,334	1.78
9. SOUTHERN CROSS CAP PL	4,000,000	0.83
10. NORDSTROM STEPHEN GARTH	3,000,000	0.62
11. AKTIENGESELLSCHAFT D U	2,114,000	0.44
12. PASAGEAN PL	2,000,000	0.42
13. FRESHWATER RES PL	2,000,000	0.42
14. HSBC CUSTODY NOM AUST LTD	1,964,629	0.41
15. JUTTA Z PL	1,956,145	0.41
16. MCKEITH THOMAS DAVID	1,846,086	0.38
17. REXFAM TRADING PL	1,777,597	0.37
18. DOBBIN ANGELA	1,732,761	0.36
19. JEPS NOM PL	1,500,000	0.31
20. AKTIENGESELLSCHAFT D B	1,422,306	0.30
	334,981,462	69.70

2. Company Secretary

The name of the Company Secretary is Ms Jutta Zimmermann.

3. Registered and Principal Place of Business

Prodigy Gold NL
 Level 1, 141 Broadway
 NEDLANDS WA 6009
 Phone: +61 8 9423 9777
 Fax: +61 8 9423 9733

4. Register of Securities

Registers of securities are held at the following address:

Security Transfer Registrars Pty Ltd
 770 Canning Highway
 APPLECROSS WA 6153

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

The Company has 26,325,000 unlisted options, which were issued to a total of 10 holders under the terms and conditions of the Company's Employee Share Option Plan.

Option Holders	Number of Unlisted Options	% Held of Unlisted Options
Matthew Briggs	11,000,000	41.79%
Thomas McKeith	7,000,000	26.59%

7. On-Market Buy Back

The Company does not have a current on-market buy back.



Level 1, 141 Broadway, Nedlands WA 6009

www.prodigygold.com.au