



2020

ANNUAL REPORT

Prodigy Gold NL



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Dear Shareholder,

I would like start by acknowledging the widespread impacts of the COVID-19 pandemic currently being felt across the globe – in particular the associated economic and travel restrictions has been challenging for us all. I do hope that you have been able to manage through this crisis and remain healthy and safe.



For Prodigy Gold, the 2020 financial year has been a tale of two halves. The first half saw the Company raise \$12 million and undertake a record level of exploration activity across its 100% owned and joint venture projects. Unfortunately, this activity was stopped suddenly in the second half by restrictions imposed by the Northern Territory Government and the Central Land Council to limit the spread of the COVID-19 virus. While access to our projects was restricted, our team used the time to re-examine our exploration strategy and to generate and refine our exploration targets. Entering the new financial year, your Company is well funded, has a clear exploration strategy in place with activity back underway on our 100% owned projects and is re-energised to deliver value to you our shareholders.

Through perseverance and our robust relationships with key local stakeholders Prodigy Gold has become a leading exploration company in the Tanami.

However, operating a gold exploration company in the Tanami district is challenged by:

- the remoteness of the project areas and the lack of infrastructure;
- more than 95% of the prospective areas under cover;
- a shortened field season; and,
- a slow, cumbersome and costly approvals processes.

Notwithstanding, the Company has assembled and controls a large and prospective exploration tenement portfolio. Together with its quality joint venture partners IGO Limited, Newcrest Mining Limited and Newmont Corporation it now operates one of the largest greenfields exploration drilling programs in the country. This was achieved in the challenging, costly and time consuming environment described – an exceptional feat. Re-examination of our strategy has made it clear that Prodigy Gold needs to make some changes to realise the potential of its landholding and its top class exploration team.

We will expand our strategy of securing and supporting joint venture partners for our Tanami tenements. This way we will maintain and possibly increase exploration activity while retaining significant exposure to discovery success on our prospective holdings. We will accelerate exploration at our 100% owned North Arunta Project which is less remote and located on pastoral leases making it easier and cheaper to explore.

Lastly we will seek drill-ready opportunities in Western Australia where we can leverage our exploration team's top class abilities to deliver shareholder value.

The Board would like to thank Managing Director Matt Briggs and the team for their hard work and achievements in very difficult circumstances.

Highlights for the year include:

- keeping our team safe and supporting our local communities during the COVID-19 restrictions;
- identification and development of high quality targets in our portfolio while access to the field was prohibited;
- developing COVID-19 management plans to regain access to our project areas;
- completing a \$12 million fully underwritten placement that has left the Company well funded to pursue its strategy;
- signing an Operator Agreement on the Old Pirate Project that will see the redevelopment of the project;
- completing an innovative prospectivity analysis of the Tanami using machine learning; and
- encouraging initial metallurgical recoveries received for Co and Mn from samples taken at the Grimlock Prospect in the Lake Mackay joint venture with IGO.

In addition to increasing work on our 100% owned targets, we also have a lot to look forward to across our joint venture portfolio.

Our partner at the Lake Mackay Project, IGO Limited, is encouraged by the Co and Mn recoveries from Grimlock and further drilling is planned at Grimlock as well as other Cu-Au targets during the next year.

Our partner at the Euro Project, Newcrest, has received encouraging results from drilling at the Dune Propsect within our Euro JV Project.

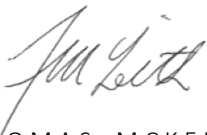
At the Tobruk Project, our partner Newmont, has completed deep probing geochemical sampling and geophysical surveys to identify targets for drilling in the next year.

Prodigy Gold and our partners are committed to environmentally responsible exploration and rehabilitates disturbances on an ongoing basis. Our team has worked to increase the transparency of our environmental, social and governance reporting and remains committed to our values.

On behalf of the Board I would like to thank the team for their energy and focus in delivering our strategy and developing a clear path for identifying new strategic opportunities and delivering shareholder value. I look forward to supporting their renewed energy and effort. I would also like to thank my fellow directors for their support and strategic guidance over the last year.

And lastly, as always, I would like to thank you our valued shareholders for your support and look forward to rewarding you through discovery.

Again, on behalf of the Board I am pleased to present you with the Company's 2020 Annual Report. I expect 2021 to be a very exciting year unlocking the discovery potential of our extensive exploration tenure and renewing the Company's focus on delivering shareholder value.



THOMAS MCKEITH

EXPLORATION

Strategy & Target Generation

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 advancing the high priority opportunities in the portfolio.

Prodigy Gold has built a deep knowledge and understanding of its Tanami portfolio through drilling and the acquisition of geochemical and geophysical data. In particular, the recent acquisition of the detailed airborne survey from the Northern Territory Geological Survey (NTGS), covering the majority of the Tanami Gold Province, has been a step change in the mapping of stratigraphy, fold hinges and structural offsets, which are key predictors of large scale deposits in this region. These culminated in the completion of an updated prospectivity analysis in the second half of the financial year, leading to a refining of target areas for 2020 exploration.

As a result of this improved understanding, the Company plans to test 19 high priority targets during the FY2021 field season. The work comprises up to 27,000m of aircore drilling across three project areas and follow-up RC drilling. Campaigns of field mapping and geochemical sampling of drill spoils and rock chips will be run concurrent to the drilling programs.

The exploration programs planned for the 2020/2021 field season continue to systematically screen the Tanami for large scale gold deposits. Aircore drilling is planned at Bluebush, West Bonanza, Tregony, Hyperion and the North Arunta Projects. Several targets can be rapidly progressed to RC drilling following results of the aircore drilling programs. Further information on individual targets and exploration plans has been outlined in the below report.

COVID-19 Impacts on Exploration

In March, the Company received a request from the Central Land Council (CLC) to delay the commencement of field activities to assist the CLC to mitigate coronavirus transmission to Traditional Owners and ensure the health services for the remote communities are in place. In spite of the remoteness of our exploration programs all exploration companies with Exploration Licences in Central Australia were requested to delay non-essential travel. As a result no on-ground exploration work was undertaken during the second half of the FY2020.

Prodigy Gold values its positive relationship with, and support of the Traditional Owners, and has continued to work with the Central Land Council to mitigate transmission risk.

During 2020, Joint Venture activities were suspended due to the implementation of a biosecurity zone over the majority of the Northern Territory.

Following detailed consultation with the CLC and Federal Government, Prodigy Gold has implemented a robust COVID-19 management plan, which has allowed the Company post FY-end to re-start exploration work across several priority gold targets. The Company continues to monitor the COVID-19 situation and will advise shareholders of any further impacts or delays caused by the virus.

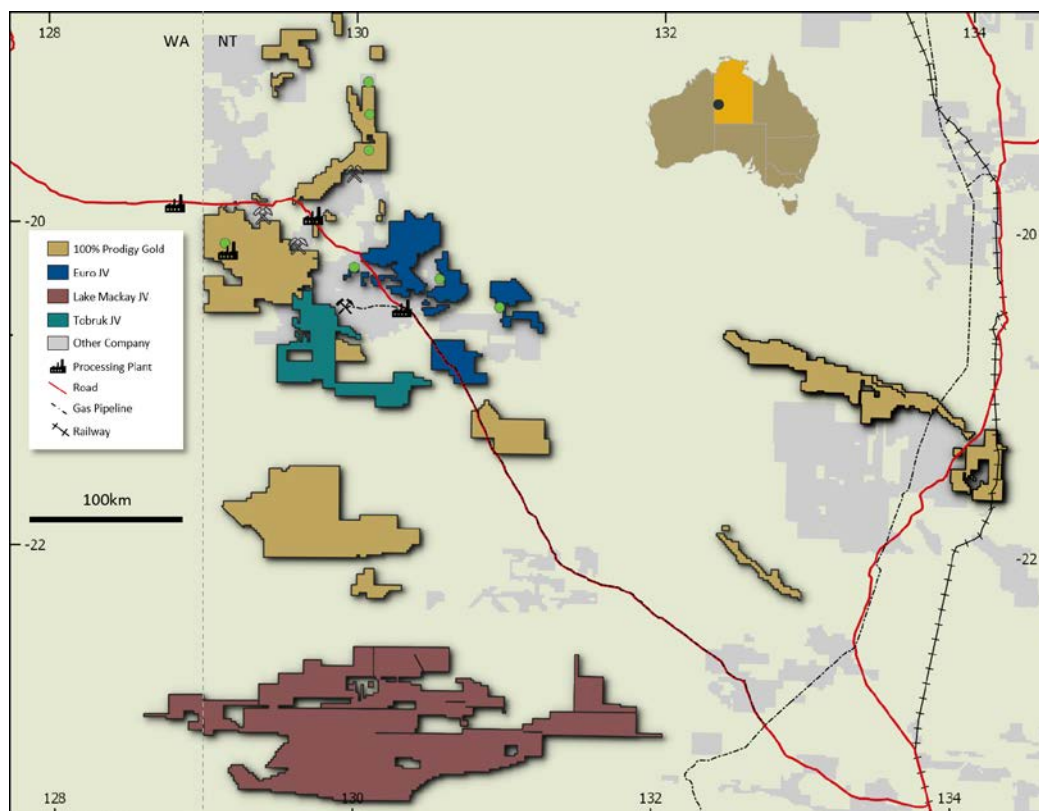


Figure 1 - Prodigy Gold project areas, gold deposits, and major infrastructure

100% PRODIGY GOLD PROJECTS

Refined Near-Term Priority Targets – Future work for FY2021

West Bonanza –Beluga Target

Previous historic surface sampling campaigns across the West Bonanza Area included gold grades of 63ppb Au in soils. In 1995 – 1996 vacuum drilling generated significant surficial gold and arsenic anomalies that remain ineffectively tested. 180 holes are planned to test 3 targets in the area. Figure 2 illustrates the West Beluga Target which warrants immediate aircore drilling. Several fences of aircore drilling are planned to identify bedrock mineralisation along the 3.5km strike of the structure.

Tregony Project – PHD Prospect

The Tregony Project falls within the same structural trend that includes the Groundrush (1.7Moz Au), Hyperion (310koz Au), and Crusade (119koz) deposits. Ord River completed prefeasibility studies on a JORC 2004 gold resource following diamond drilling in 2012.

The PHD and Boco Prospects were last systematically explored by AngloGold Ashanti/Acacia Resources from 1998 – 2004. Shallow RC drilling by Ord River Resources in 2005 defined gold in RC drilling within two zones over 3.5km of strike at the PHD Prospect. The soil anomalism associated with this structure is now interpreted to extend for over 9 km. Airborne magnetic surveying completed in 2019 highlights the extensions of the structure along strike and the potential for parallel structures (Figure 3).

Fences of aircore drilling are planned to confirm the position of the structure and prioritise areas along the gold trend to be RC drilled. The Suplejack Downs pastoral lease covers the Tregony Area and an access agreement is in place.

Additional aircore reconnaissance programs, including at the Bluebush Project, are planned to screen for large scale gold deposits in areas of transported cover.

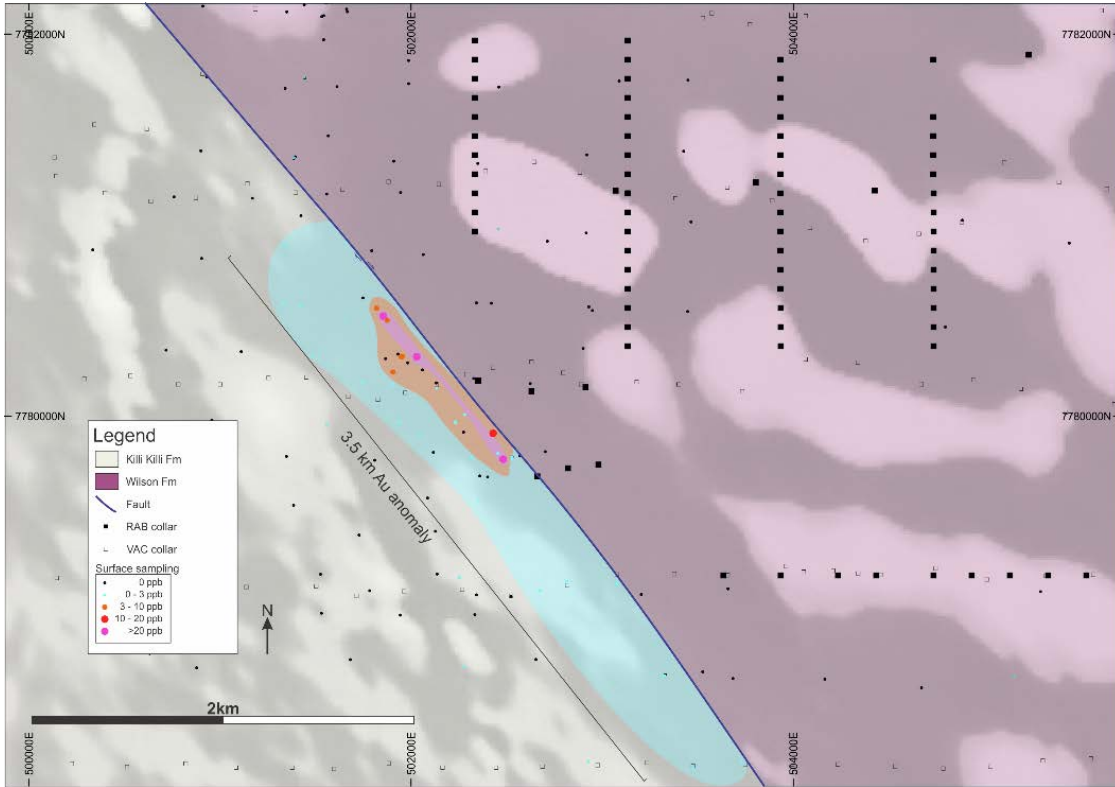


Figure 2 - West Bonanza Project Beluga Target with coincident rock chip and soil gold anomalism in historic sampling.

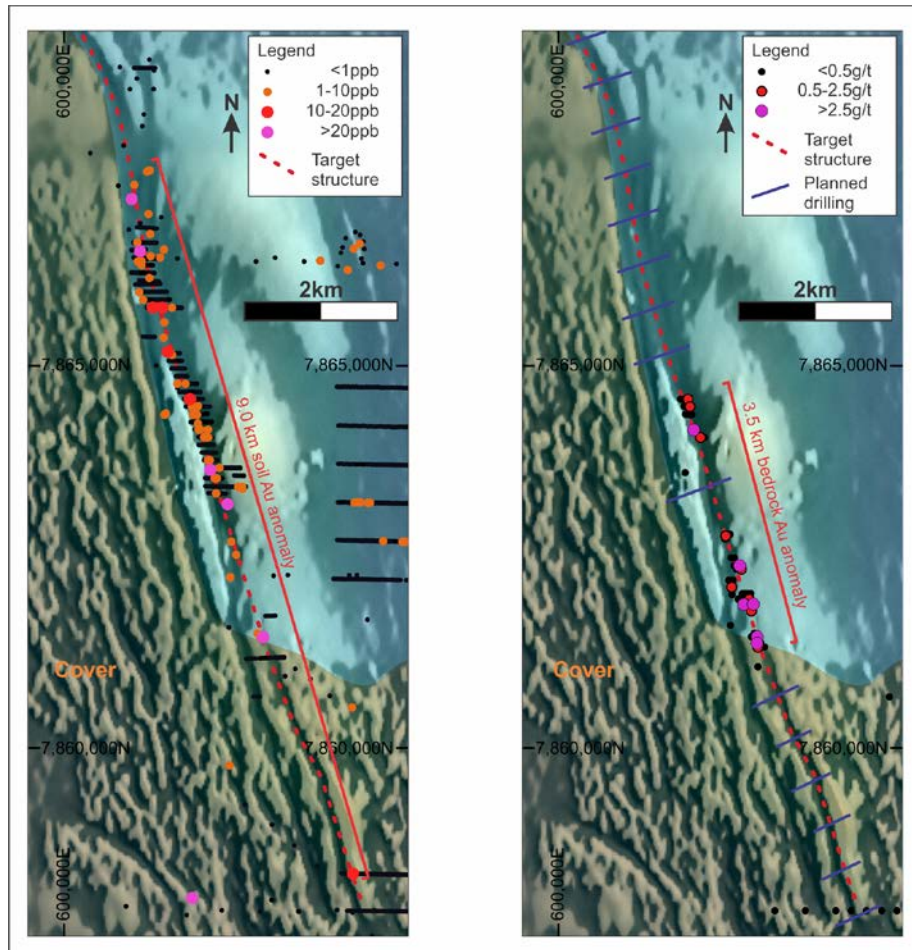


Figure 3 -PHD soil samples (left) and drilling (right). 2019 airborne magnetics highlights strike extensions planned to be drilled in FY2021.

North Arunta Project

The North Arunta Project 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. Many targets identified by Newmont remain undrilled.

Prodigy Gold has planned aircore drilling to systematically screen these prospects for large scale gold mineralisation. As there is less transported cover, soil sampling has successfully identified gold, arsenic and multi-element anomalism as commonly occurs associated with gold deposits. Aircore programs totaling 300 holes have been planned for 6 priority prospects (Figure 4).

As reported on 5 August 2020, drilling has commenced at the Tulsa Target. Previous ionic leach analysis of soil samples collected on this target produced coherent anomalies in the projected extension of gold mineralisation from the Kroda Prospect. Soil anomalism extends for more than 5km of strike.

Table 1 - Summary of 100% owned North Arunta Project Targets

Prospect	Target Anomaly	Best Historic Results	Target
Harrison	4.2km by 1km Au-in-soil	12m @ 1.03g/t Au from 36m incl 4m @ 2.27g/t Au from 36m 20m @ 0.7g/t Au from 28m incl 4m @ 2.67g/t Au from 40m	Mineralisation untested for 1,200m west of 4m @ 2.27g/t Au result
Eleanor	6km by 4km Au-As-in-soil	untested by drilling	untested by drilling
Lennon	7km by 3km Au-Cu-Mo-in-soil	untested by drilling	untested by drilling
Waldron's	4km by 1.5km Au-As-Sb-Mo-Ag-Cu	historical workings with rock chips up to 15g/t Au, and historical drilling results of 1m @ 29.5g/t Au, 7m @ 1.5g/t Au, 2m @ 4.4g/t Au	Previous drilling too shallow to effectively test potential
Tulsa	5km x 3km Au-in-soil	untested by drilling	untested by drilling
Kroda	400m strike >1g/t Au including a shoot of 50m+ at >5g/t Au	57m @ 3.8g/t Au and 6m @ 26g/t Au	Depth extensions and additional shoots on strike

(ASX: GLA 7 March 2018, 18 June 2018, PRX 19 March 2013)

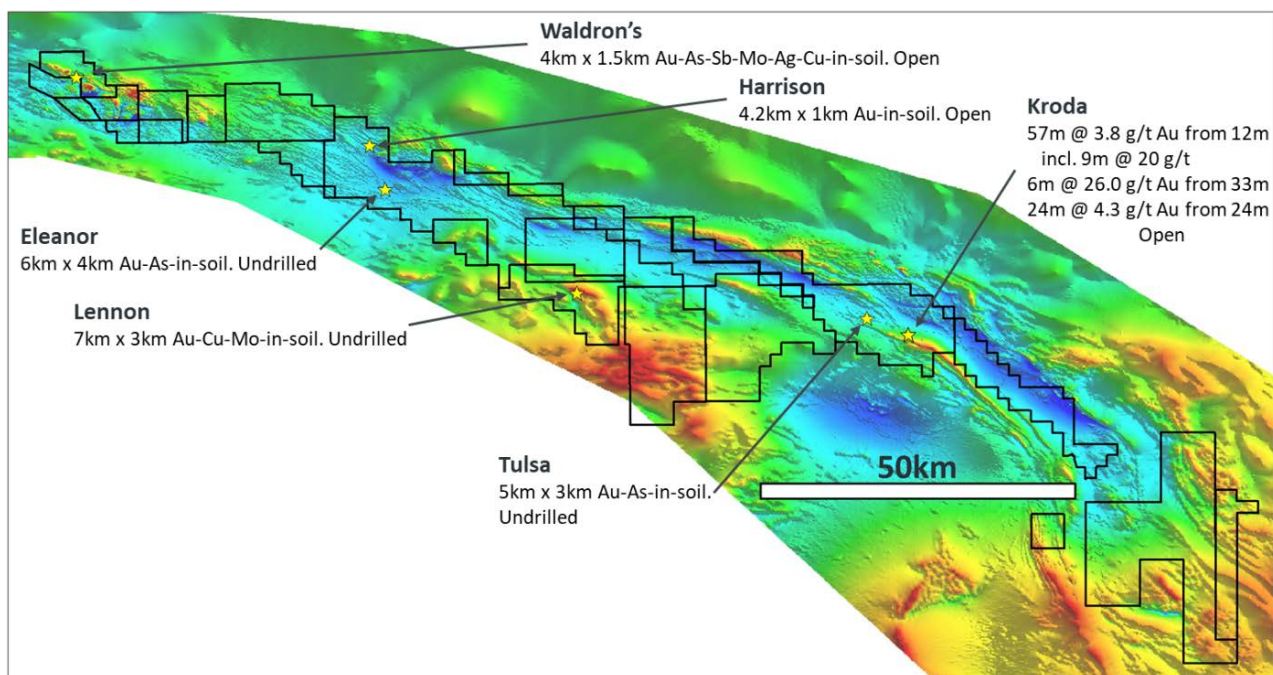


Figure 4 - North Arunta Prospects on 1vd magnetic image.

The Company has been successful in being awarded co-funding for the Lennon Prospect as part of the Northern Territory's "Resourcing the Territory" initiative. This will contribute up to 50% of the cost of RC drilling. The fieldwork is dependent on COVID-19 access restrictions and sacred site clearance surveys being completed at Lennon.

Assessment of Western-Australian Projects

With ongoing delays and extended timeframes for permitting in the Northern Territory combined with the risk of further COVID-19 related restrictions, the Company is continuing due diligence on projects in Western Australia.

Exploration Work undertaken during FY2020

Bluebush Project

Bluebush is considered prime exploration ground with potential for the discovery of another Callie deposit (14.2Moz). It is a large-scale project area falling within the Trans-Tanami Fault Zone located 50km (Figure 5) 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.

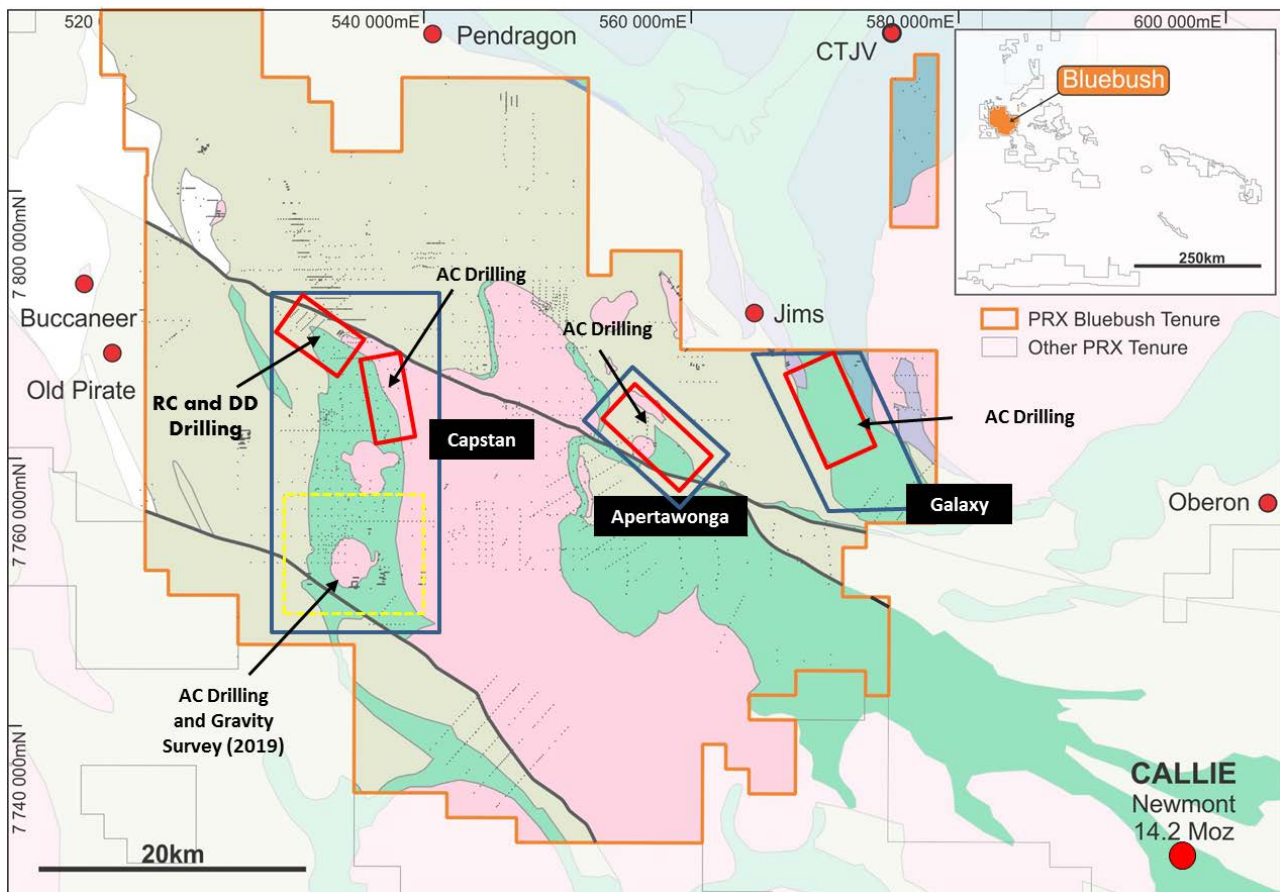


Figure 5 - Prodigy Gold Bluebush Projects and work programs

Exploration

Aircore drilling was completed during the year at the Bluebush Project targeting deposits analogous to the 14.2Moz Callie Gold Mine. Drilling included 12 RC holes and 192 aircore holes.

A summary of the targets and exploration activity completed at Bluebush is provided below.

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.

Capstan North RC Drilling

A total of 11 RC holes for 1,959m of drilling were completed testing 1,000m of strike (Figure 6). These holes were designed to confirm the interpreted orientation of mineralisation and infill between previous results including 4m @ 6.1g/t Au (RC), 9m @ 1.3g/t Au (RC) (ASX: 18 December 2018). Results of this drilling continued to define the mineralised structures. Sampling at Capstan returned results including 2m @ 1.2g/t Au from 122m (BLRC028) and 1m @ 1.1g/t Au from 102m (BLRC027) (ASX: 22 November 2019). While the target structure was intersected, the RC drilling limited the scale of gold mineralisation in this part of the prospect.

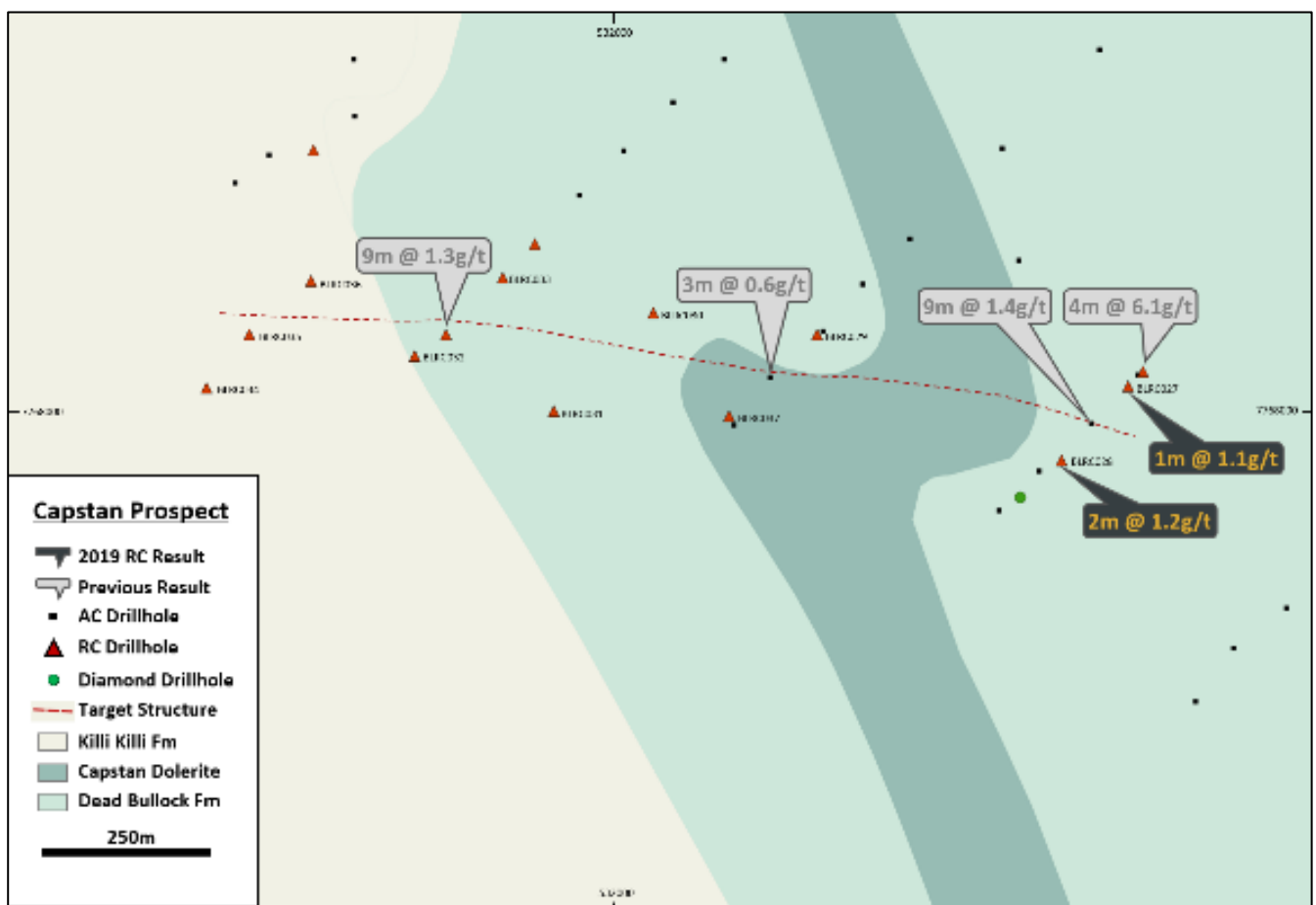


Figure 6 - RC drilling gold results at the Capstan Prospect

Hat RC and Aircore Drilling

Hat is a 3km long gold anomaly. The first wide spaced RC program completed in 2018, produced a result of 4m @ 1.2g/t Au from 111m (ASX: 18 December 2018).

A single RC hole was drilled at the Hat target designed to confirm the westerly dip to the north south striking structure. Sampling of the single RC hole drilled at Hat returned 2m @ 0.7g/t Au from 152m (BLRC038) (ASX: 22 November 2019). This hole has confirmed the interpreted steep westerly dip to mineralisation.

An aircore program of 44 drill holes was completed at the Hat Prospect in October 2019.

Results outlined a 0.3g/t Au anomaly within the larger system with best results (ASX: 9 December 2019) including:

- 6m @ 0.52g/t Au from 36m (BL0888)
- 3m @ 0.58g/t Au from 57m & 3m @ 0.51g/t Au from 69m (BL0880)
- 6m @ 0.45g/t Au from 75m (BL0844)
- 6m @ 0.47g/t Au from 45m (BL0854)

The gold anomalism has been defined along 3km of strike and is over 500m wide on the southern two sections most recently drilled. The best results and widest part of the gold anomaly coincide with the favourable Dead Bullock Formation and a northwest trending antiformal fold hinge. Gold deposits in the Tanami are typically associated with folded iron rich sediments as occurs at Hat.

This data will be combined with geophysical data to determine potential scale of targets and optimise future drilling.

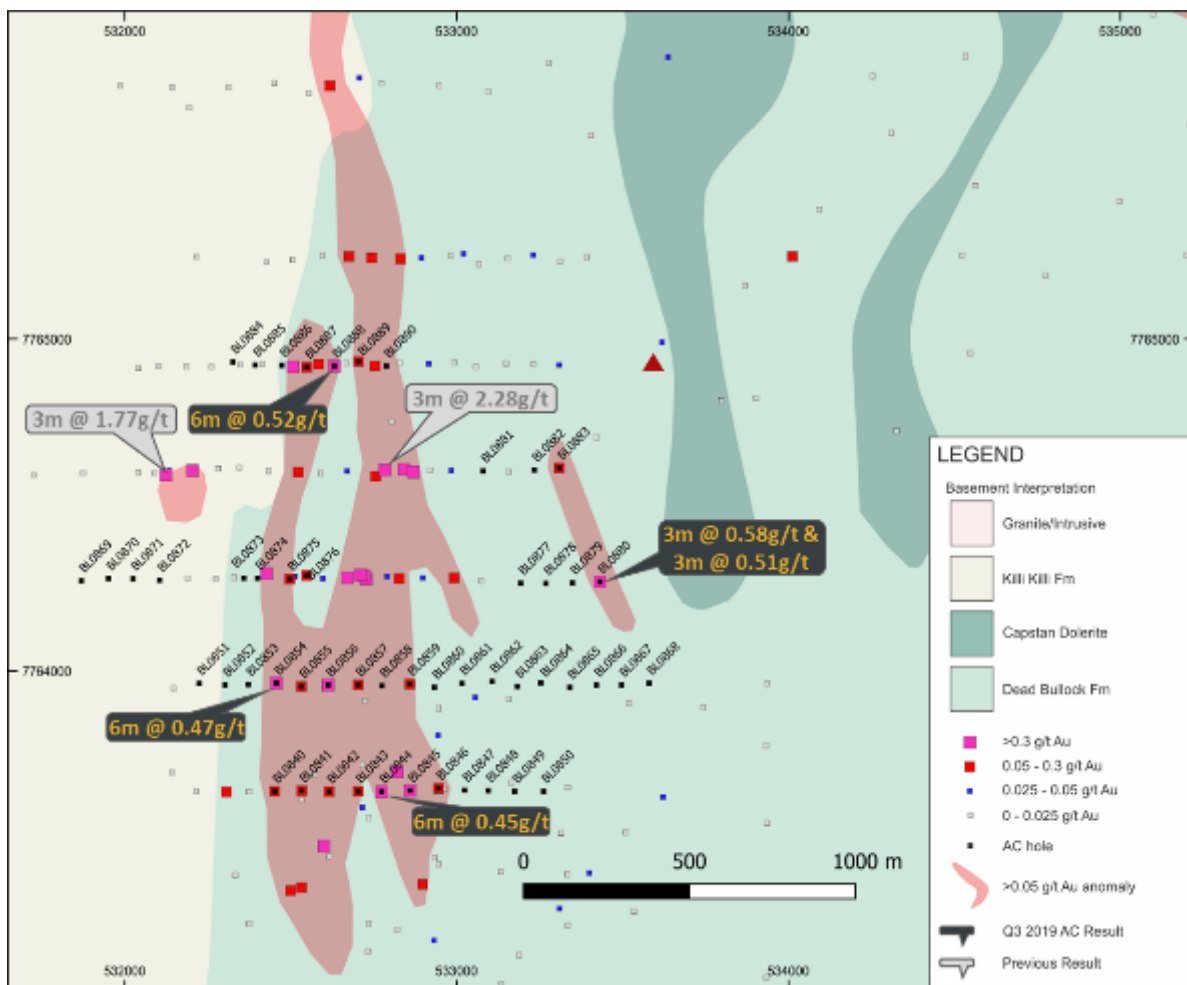


Figure 7 - Hat Prospect Geology Map and Recent Result Highlights

Capstan North Aircore Drilling

Capstan North was first drilled with aircore in 2018. Initial results included 1m @ 4.0g/t Au (ASX: 2 August 2018) at end of hole within a 900m zone of gold and arsenic anomalism hosted in folded Dead Bullock Formation.

A total of 18 aircore holes were drilled at Capstan North in late 2019, targeting an area of structural complexity coincident with gold anomalism. The best result (ASX: 9 December 2019) was in an area where results of up to 4g/t Au had previously been intersected (Figure 8).

- 3m @ 0.25g/t Au from 36m (BL0896)

No further drilling is planned on this target as the recent program has reduced the size of the potential target.

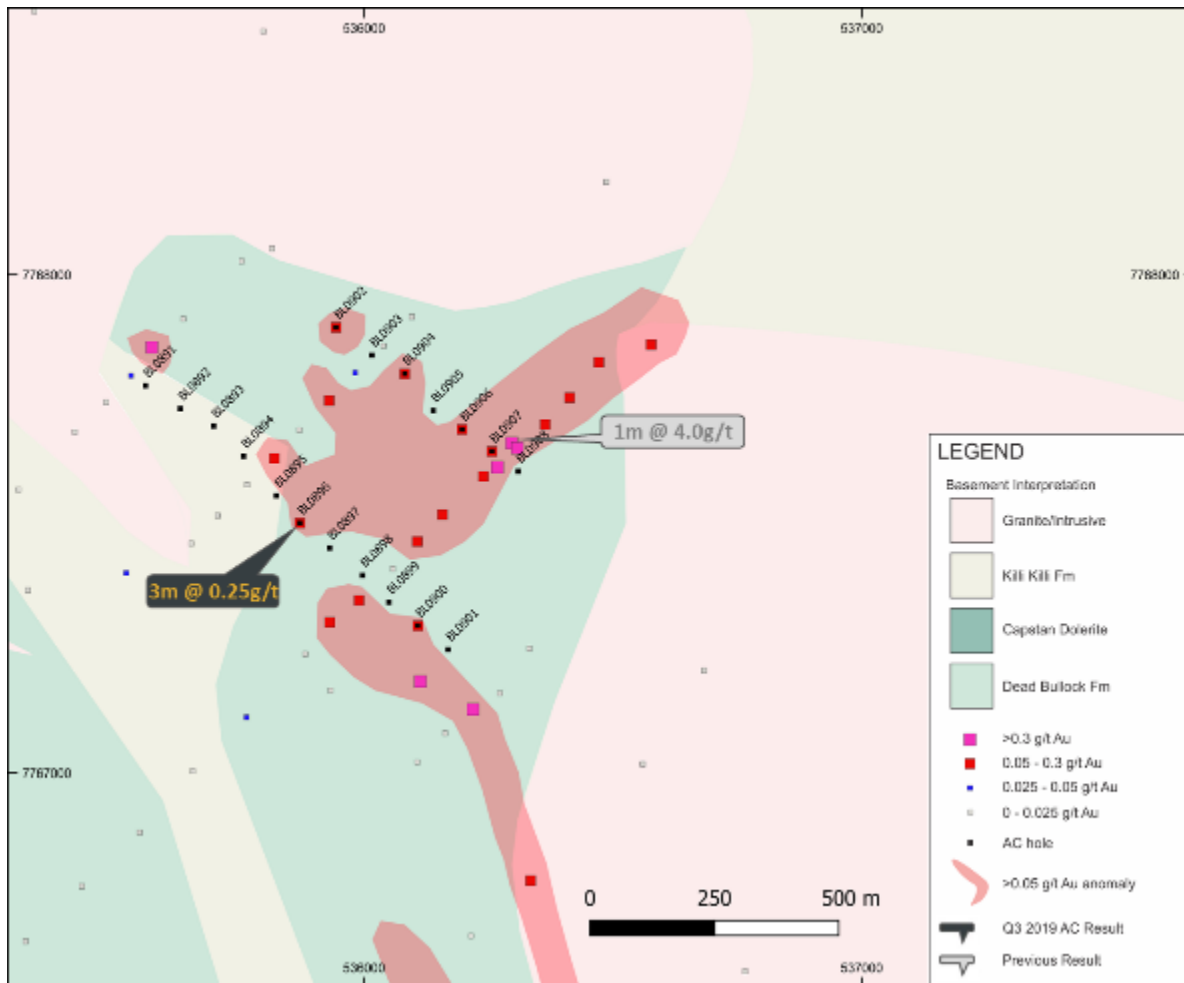


Figure 8 - Capstan North Target Geology Map and Recent Result Highlights

Capstan East Aircore Drilling

The Capstan East gold trend has a strike length of 7km identified as a priority target for 2019. Drilling in 2018 included a result of 6m @ 0.5g/t Au at the north end of the 7km trend (ASX: 2 August 2018). Gold anomalism is coincident with arsenic anomalism and a northsouth fault. Results from 39 reconnaissance aircore holes failed to identify gold anomalism of interest. Arsenic anomalism previously intersected is now interpreted to be sourced from graphitic shales.

Capstan South Aircore Drilling

Results were returned for 61 stratigraphic aircore holes completed at Capstan South (Figure 9). The broad drilling has confirmed stratigraphy and will form the foundation of a detailed aeromagnetic structural interpretation to target Callie-style deposits. No significant gold anomalism was identified in this drilling.

Apertawonga Target

The Apertawonga Prospect is located 50km northwest of the Callie Gold Mine. The target is a >7km long northwest trending magnetic anomaly. Apertawonga lies on a steep gravity gradient and is bisected by the Trans-Tanami Fault Zone, a long-lived regional structure that is interpreted to be a focus for gold bearing fluids during deformation.

A program of 54 aircore holes completed in June 2019 defined gold and pathfinder anomalism over 4.5km including highlights of 1m @ 0.7g/t Au from 36m and 3m @ 0.14g/t Au from 36m (ASX: 16 July 2019).

An additional 49 aircore holes were completed during the year to further define the gold anomaly at Apertawonga (Figure 9). Results of this drilling reduced the potential for gold mineralisation.

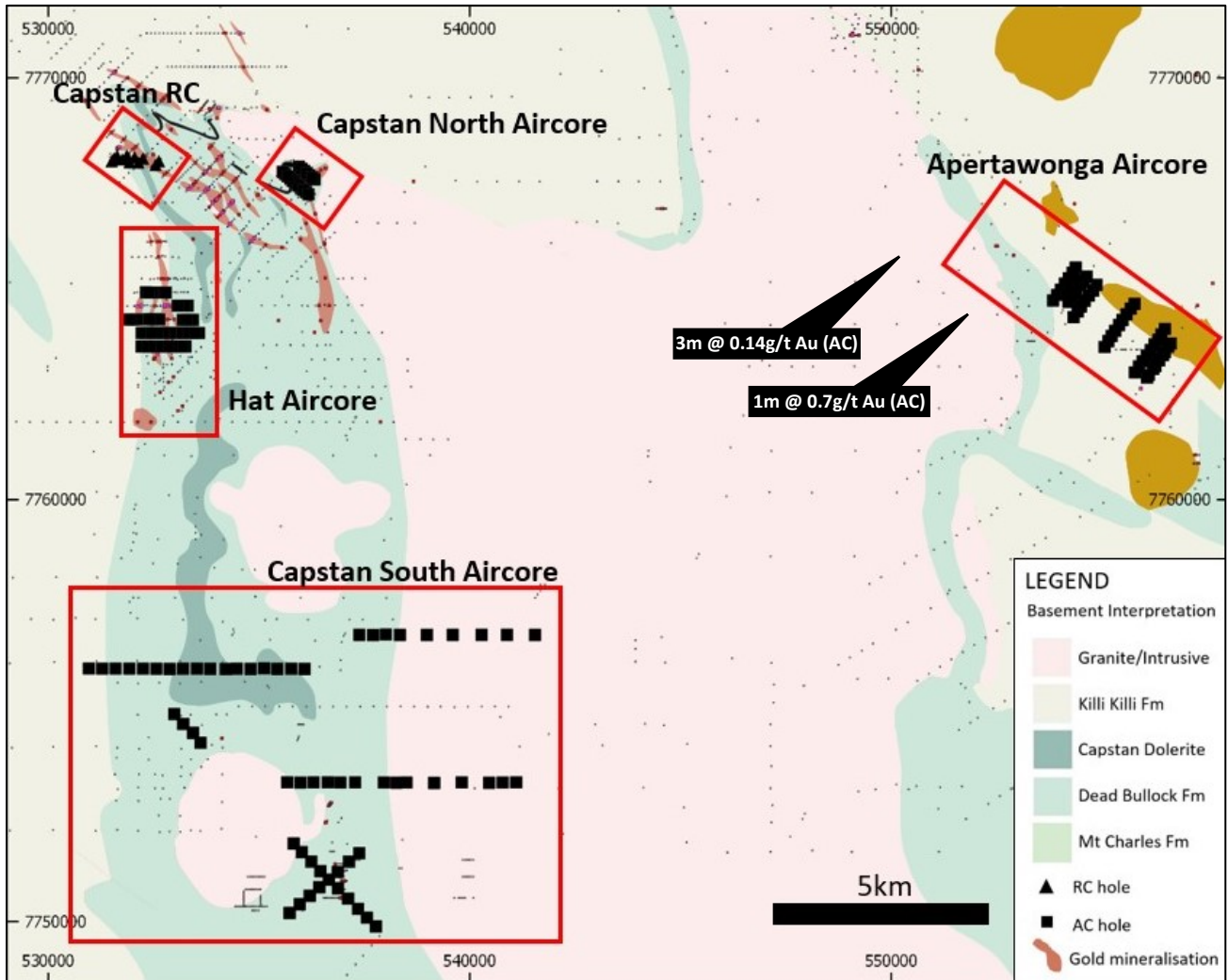


Figure 9 - Recent aircore drilling and results reported at the Apertawonga Prospect

Gravity surveys co-funded by the Northern Territory Government as part of the Resourcing the Territory Initiative were completed at Capstan East and Hyperion during the year.

Hyperion Gold Project

The Hyperion Project is located 19km to the north of the 1.6Moz Groundrush Pit (Figure 10) and 58km to the northeast of the Central Tanami Processing Plant site. The area has historically received sporadic shallow drilling. Drilling often ended in the depleted oxide zone testing the area ineffectively.

The Hyperion gold camp contains an indicated and inferred resource of 4.93Mt at 1.95g/t Au for 310koz (ASX: 31 July 2018). As part of its broader exploration strategy, Prodigy Gold is focused on growing the existing resource base at Hyperion and progressing the discovery of new standalone projects.

A summary of the targets and exploration work completed at Hyperion is provided below.

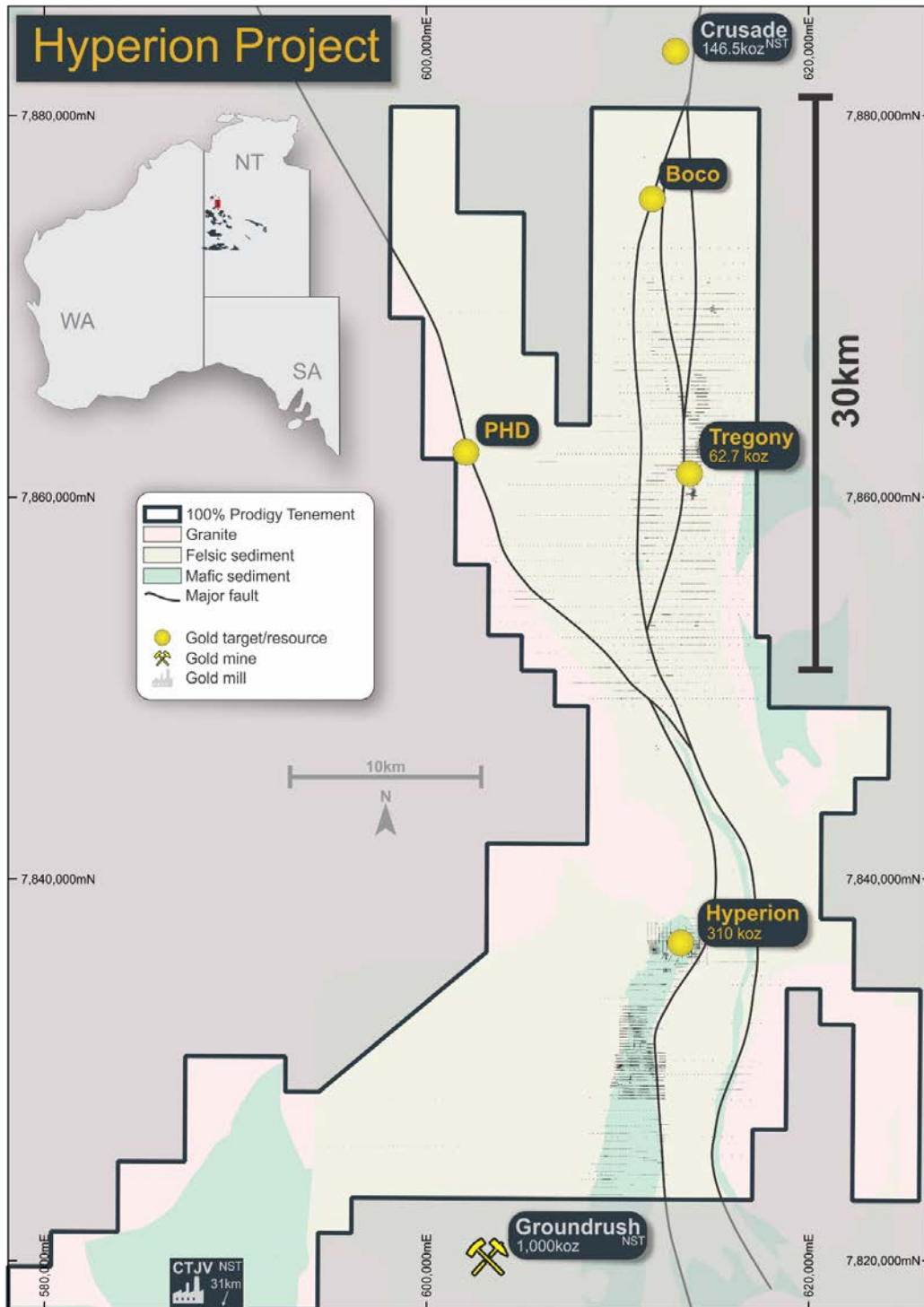


Figure 10 - Hyperion Project location on 100% owned Tenements.

Seuss Aircore Drilling

The Seuss Structure was first recognised in late 2016. Geochemical analysis of drilling in 2017 confirmed that a mafic sediment was the control of shallow high-grade shoots. Subsequent drilling has focused on the intersection of the sediment and mineralised structures.

A total of 32 aircore holes were completed in October 2019. This program was drilled to identify extensions of the east-west Hyperion structures to the east of the resource and extension of the Seuss and Hyperion Faults to the south and east of the resource. Two lines of drilling were completed 100m and 500m to the east of the resource, and a single line

600m to the south. The best results (ASX: 17 December 2019) from the program include:

- 6m @ 0.20g/t Au from 84m (SJ0187)
- 3m @ 0.13g/t Au from 102m (SJ0186)
- 3m @ 0.10g/t Au from 84m (SJ0185)
- 3m @ 0.10g/t Au from 54m (SJ0181)

Gold and arsenic results seen in SJ0186 and SJ087 indicate the mineralisation continues to the south of the resource. The drilling to the east appears to close off the potential for extensions in that direction.

Seuss Diamond Drilling

Previous drilling by Prodigy Gold identified breccia hosted gold mineralisation associated with the Seuss Fault. This is a new style of mineralisation for the district and the prospective structure has potential to host significant mineralisation where it obliquely intercepts the mafic sediments at Seuss.

A 369.8m NTGS co-funded diamond drill hole HYDD100054 was completed in November 2019. This hole was designed to provide structural information to assist in the targeting of gold mineralisation. The drill hole has successfully intersected the target structure with similar veining and alteration (Figure 11) seen in the previous RC holes. Drilling intersected approximately 78m of veining from within the interval 141-261m (ASX: 22 November 2019).



Figure 11 - Veining, sulphides, and alteration in diamond hole HYDD100054 similar to that seen in the 2018 RC drilling

HYDD100054 defined a broad interval of low-grade gold mineralisation along the targeted fault. This hole is consistent with the previous RC drill holes completed to the north and SJRD0058 to the south. Intervals of arsenopyrite and veining correlated with elevated gold anomalism.

Results from drill hole HYDD100054 include (ASX: 10 February 2020):

- 4m @ 0.6g/t Au from 106m
- 2m @ 0.5g/t Au from 144m
- 15m @ 0.4g/t Au from 167m
- 3m @ 0.3g/t Au from 236m
- 18.76m @ 0.6g/t Au from 243m
- 1m @ 2.4g/t Au from 255m

A diamond tail was also completed on RC hole SJRC0058. This tail extended the hole from 156m to 249.2m. The hole previously ended with a 0.7g/t Au sample from within an interval of 89m @ 0.3g/t Au (Figure 13) (ASX: 20 December 2018). The diamond tail intersection of this hole intersected additional quartz veining and sulphide.

Final results from extended drill hole SJRD0058 include:

- 89m @ 0.3g/t Au from 67m (ASX: 20 December 2018)
- 5m @ 0.3g/t Au from 166m (ASX: 10 February 2020)

Drilling has continued to define gold mineralisation to the south of the existing resource area. Broad intervals of mineralisation are unusual in the district. A favourable lithology or structural intersection may yield higher grade gold mineralisation to the south (Figure 12) and the Company is assessing potential follow-up drilling options in this area.

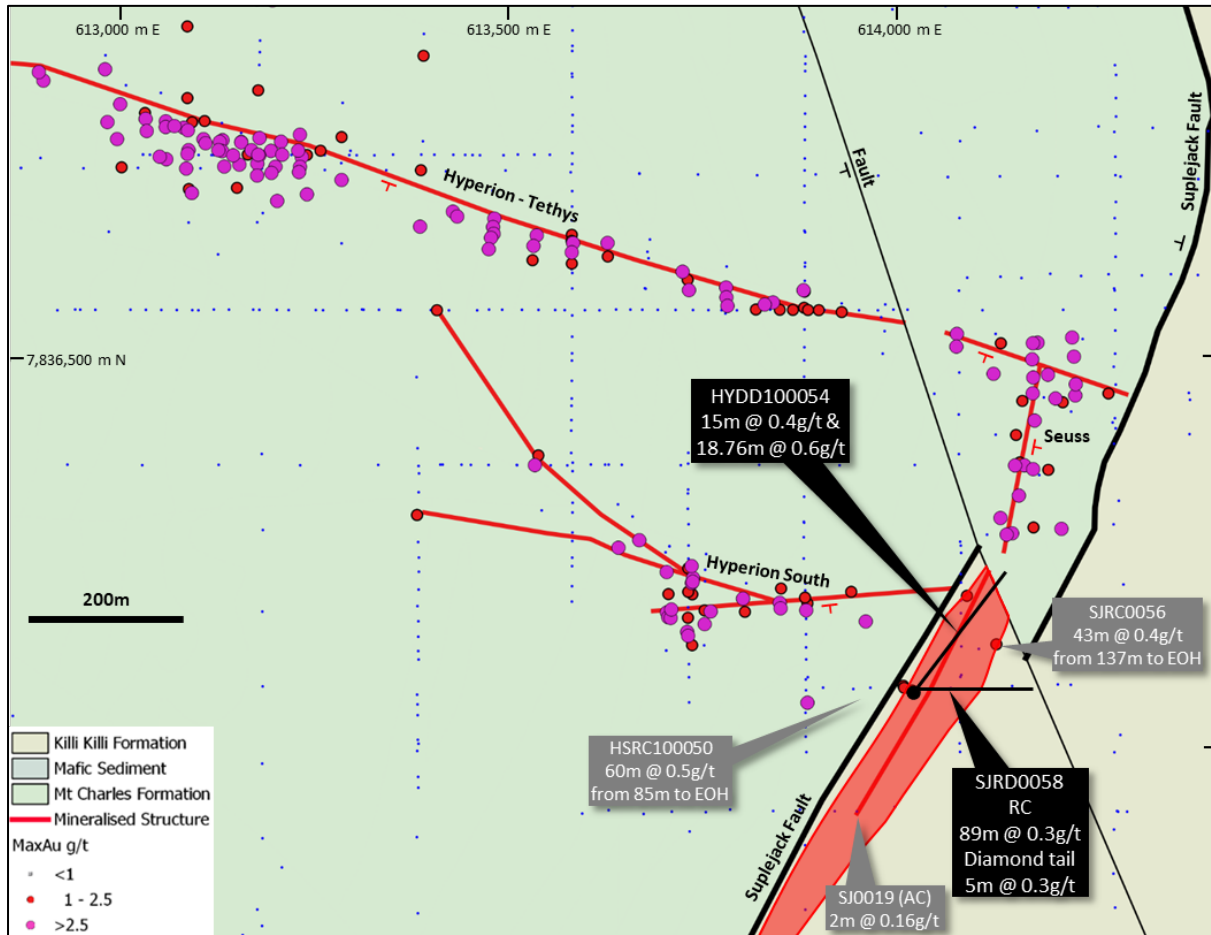


Figure 12 - Hyperion Project geology map with recent drill results, to the south of the Hyperion Resource, highlighted in black.

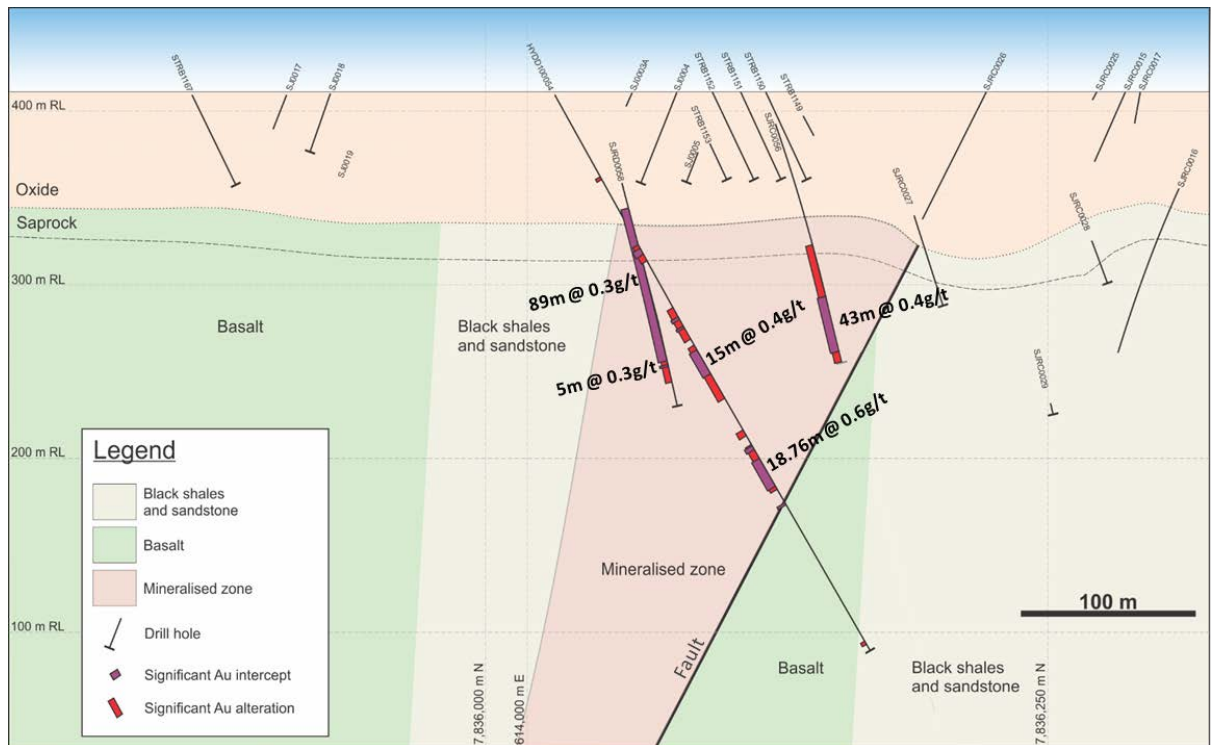


Figure 13 - Hyperion Project east-west cross section illustrating the broad zone of mineralisation to the south of the Hyperion Resource.

Prospectivity analysis

Prodigy Gold utilized an integrated prospectivity analysis approach in collaboration with the Corporate Geoscience Group (CGSG) to assist targeting large-scale gold systems. Prospectivity analysis integrating empirical and conceptual data, and mineral systems mapping are commonly employed to assist targeting for exploration projects. The prospectivity analysis approach improves Prodigy Gold’s confidence to target these areas more effectively. Seven models were run with the following three methods deemed the best for predicting the known deposits in the Tanami Region using Prodigy Gold and public data:

- Continuous Fuzzy Gamma Prospectivity
- Geometric Average Prospectivity Model
- Data Driven Index Overlay Prospectivity Model

This analysis was incorporated into the Company’s prioritising of targets for the FY2021 field season. Figure 14 highlights the higher relative prospectivity of the Boco, Tregony, Hyperion, and West Bonanza areas.

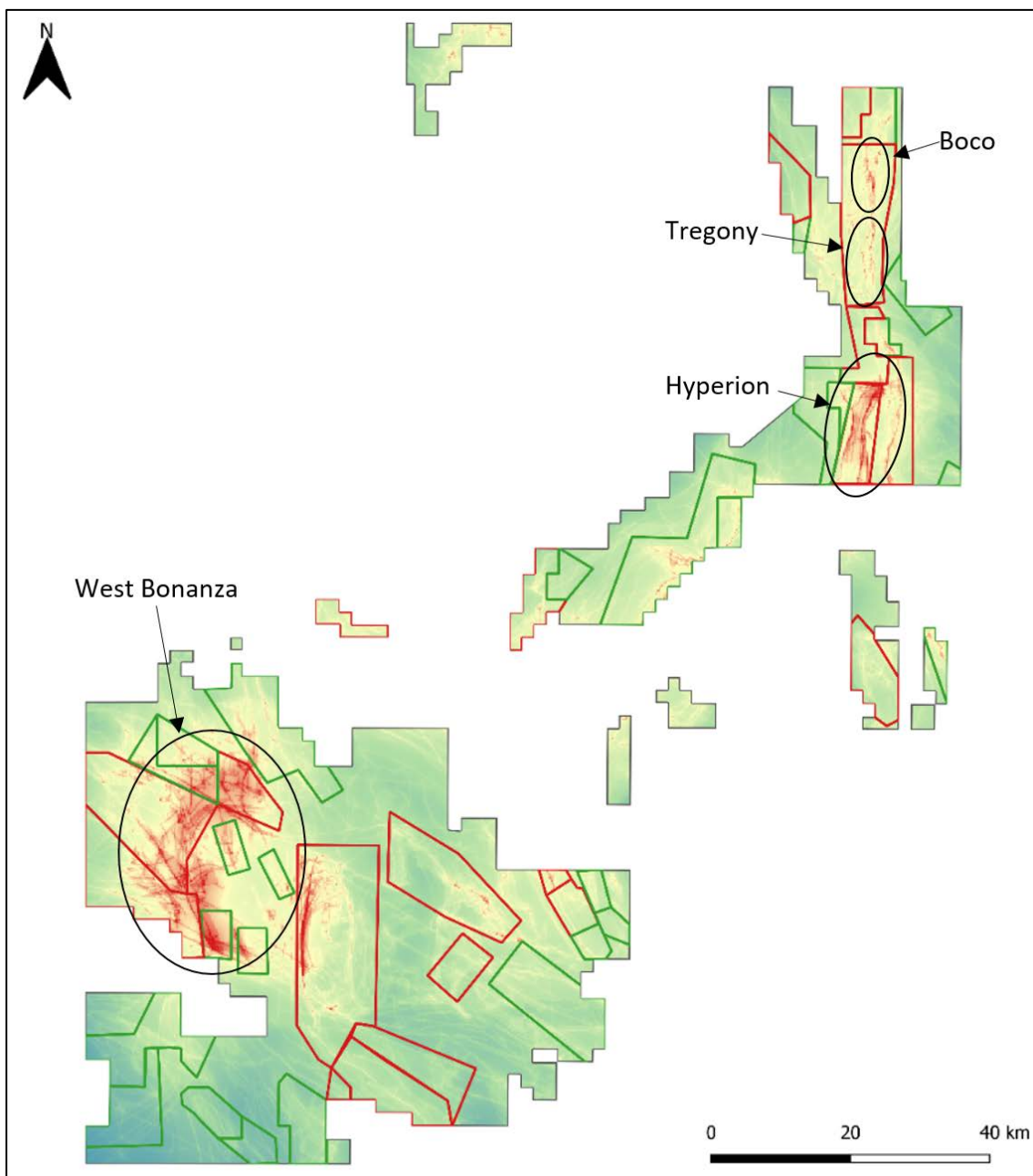


Figure 14 - Example of the output of the 2019 CGSG prospectivity analysis. Note that the Bonanza, Hyperion and Tregony-Boco areas are identified as the most prospective (hot colours).

JOINT VENTURE PROJECTS

Joint Venture Portfolio Overview

Project	JV Partner	JV Terms	Current Status
Lake Mackay (Cu-Au, Ni-Co and Orogenic Au potential)	IGO (IGO. AX)	IGO 70% / PRX 30%	RC drilling completed by IGO in late 2019 returned 12m @ 3.5g/t Au from 112m from the Arcee Gold Prospect. Soil sampling completed during the December quarter extended the gold in-soil anomaly at Arcee to 2.3km long. A number of conductors and Co-Ni-Mn projects remain to be tested. Further follow-up work is planned.
Euro Gold Project	Newcrest (NCM. AX)	NCM to spend \$12M on the Euro Project to ultimately earn a 75% interest	RC drilling at Dune Prospect identified significant gold in oxide and further extends the 1.4km gold and arsenic anomaly which remains open to the north.
Tobruk Gold Project	Newmont Exploration Pty Ltd, a wholly owned subsidiary of Newmont Corporation (NEM. NYSE)	\$12M in-ground earn-in to 70% / \$2.5M cash + financing option	The Tobruk Project is interpreted to have occurrences of similar prospective lithologies that host Newmont's Callie Gold deposit and several smaller deposits including Groundrush and Oberon. Laboratory analysis of 675 soil samples completed across the Tobruk Project area has been completed.
Old Pirate Gold Project	TRL Tanami (Private)	Operator agreement \$2.3M + 2.5% NSR	Agreement signed with TRL Tanami to develop and mine the Old Pirate Project under a strategic 10-year Operator Agreement.

Lake Mackay JV Project

IGO Limited ("IGO") commenced activity on the current Lake Mackay JV area in 2014. 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-bearing laterites. During 2018, IGO completed the \$6M earn-in and the JV Project is now funded 70/30. Subsequent work at the Grimlock Prospect has identified cobalt of up to 2% and test work has demonstrated leach extraction rates for Co of up to 98%.

Project Background

The Lake Mackay Project is 400km northwest of Alice Springs, adjacent to the Western Australian border, and comprises approximately 15,630km² of exploration licences and applications (14,730km² 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.

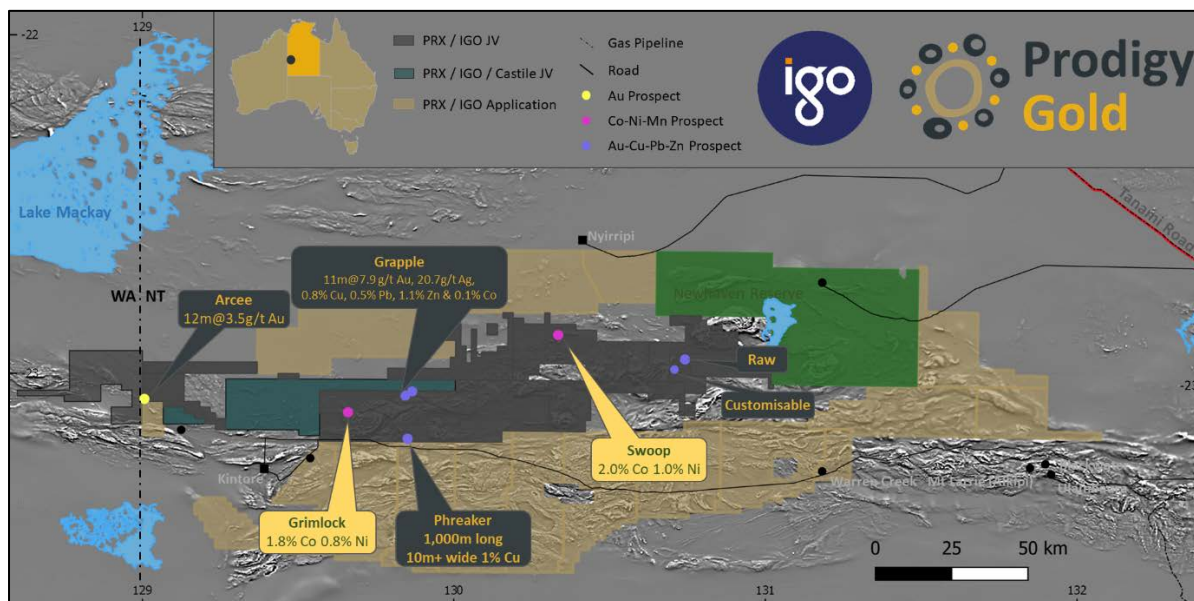


Figure 15 - Lake Mackay JV Project Location

Phreaker Cu-Au-Ag Prospect

Six holes for 1,596m of RC drilling were completed at the Phreaker Prospect. Results for RC holes drilled at Phreaker include (ASX: 17 July 2019):

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

The RC holes confirmed anomalous Cu, Au and Ag over a strike length of 750m, although DHEM results suggest that the more conductive parts of the target have not been adequately tested with the recently completed RC holes likely drilled up dip of the main mineralisation (Figure 15).

Additional RC drilling completed at the Phreaker Prospect in August 2019 confirmed that the mineralised system extends for over 750m of strike (ASX: 16 October 2019). Downhole EM completed in these drill holes demonstrated that the strongest parts of the ~1,000m long EM conductor have not been effectively tested. Two diamond drill holes are planned to test positions down dip of the existing RC drilling.

Grimlock Ni-Co-Mn Prospect

Stage 1 metallurgical test work was undertaken during the December quarter on approximately 100kg of lateritic duricrust (containing strong Mn, Ni and Co enrichment) from the Grimlock Co-Ni-Mn Prospect (Figure 15). The first bench-scale leach extraction results were released on 12 December 2020, on a bulk sample grade of 1.94% Co, 0.47% Ni and 51.91% Mn.

The preliminary leaching tests conducted at the Perth laboratories of Bureau Veritas used SO₂ (Sulphur Dioxide) to reduce the manganese dioxide present and with the addition of some H₂SO₄ (sulphuric acid) at 40°C and 70°C. These tests were performed at atmospheric pressure with a 3-hour residence time.

The best conditions from testing yielded extractions of 97.6% cobalt, 85% nickel, and 99% manganese into solution. The test work showed encouraging extraction results at a bench scale and further leach tests are planned as part of a series of future metallurgical studies.

Following on from successful leach test work, two PQ diamond holes are planned to acquire additional samples for metallurgical test work. A ground penetrating radar (GPR) survey is also planned to map the depth, thickness and continuity of the Ni-Co-Mn enriched duricrust from surface to approximately 25m depth. This will be used to target a 10-12 hole RC drill program to assess the size potential of the prospect.

Arcee Gold Prospect

The Arcee Prospect is a 2.3km long coherent gold-in-soil anomaly open to the west (Figure 17). Initial drilling intersected disseminated sulphide in amphibolite yielding a 12m interval of low-level gold. A hole completed 350m to the southeast, 19LMRC072, returned 12m @ 3.5g/t Au from 112m, including 8m @ 4.9g/t Au from 116m (ASX: 16 October 2019). This intersection included disseminated pyrite and minor quartz veining.

Results were returned for an additional six RC holes completed at the Arcee Prospect in December, following the completion of drilling on five sections testing ~600m of strike. The drilling confirmed the interpreted orientation of mineralisation.

The best results were returned from the original section drilled, 19LMRC073 4m @ 1.6g/t Au from 72m (Figure 16), and the section 120m to the west (19LMRC076); 4m @ 1.5g/t Au from 128m (ASX: 12 December 2019). On the most western line of drilling, 19LMRC078 intersected 4m @ 0.9g/t Au from 104m, demonstrating the mineralisation likely extends to the west as suggested by recent soil sampling (Figure 17).

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

Soil sampling is proposed to follow up soil anomalies identified at the end of 2019, including the Arcee Au anomaly. Positive results would allow for step out drilling from the RC result of 12m @ 3.5g/t Au (ASX: 16 October 2019)

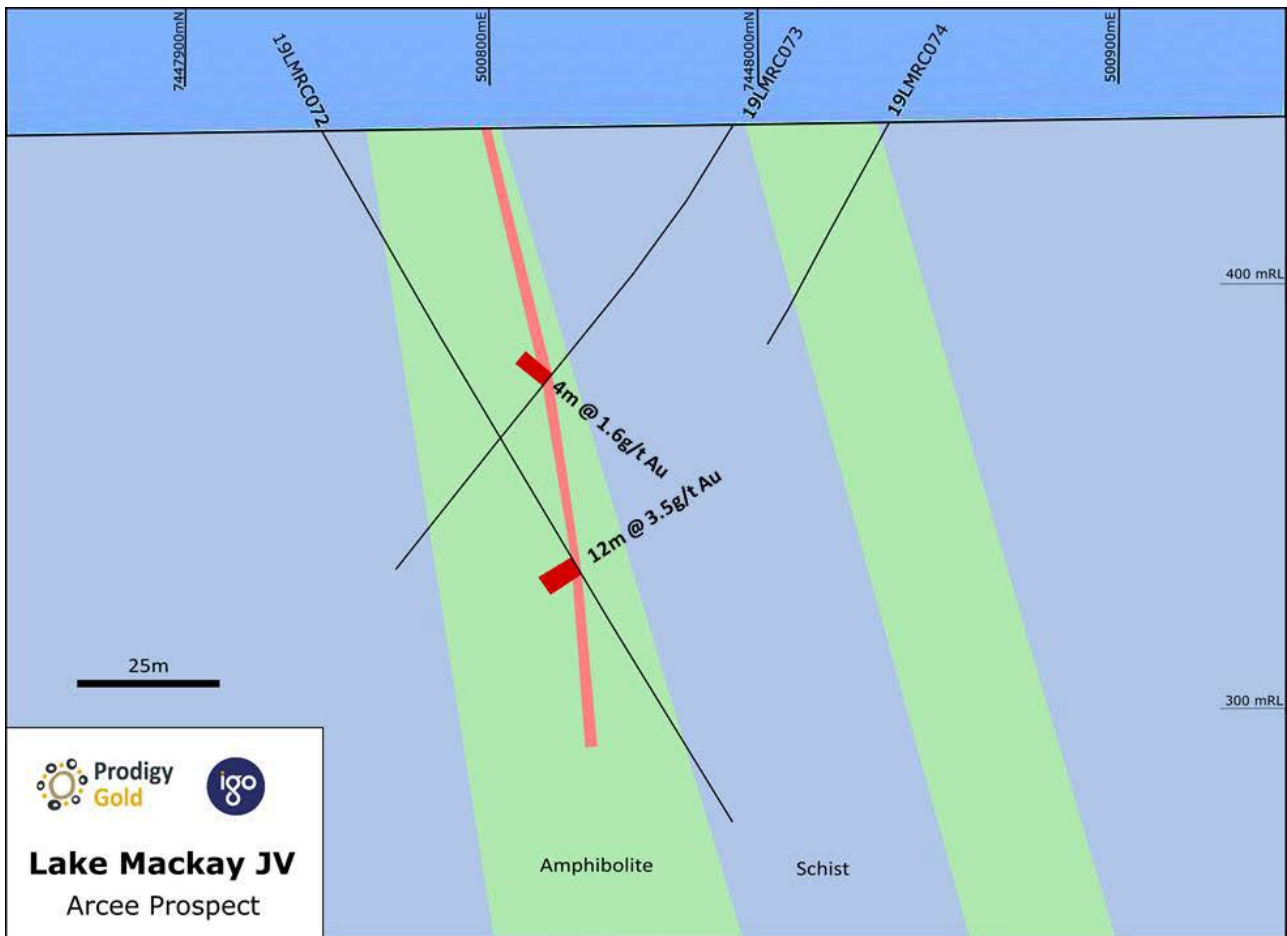


Figure 16 - Arcee Prospect Cross-section

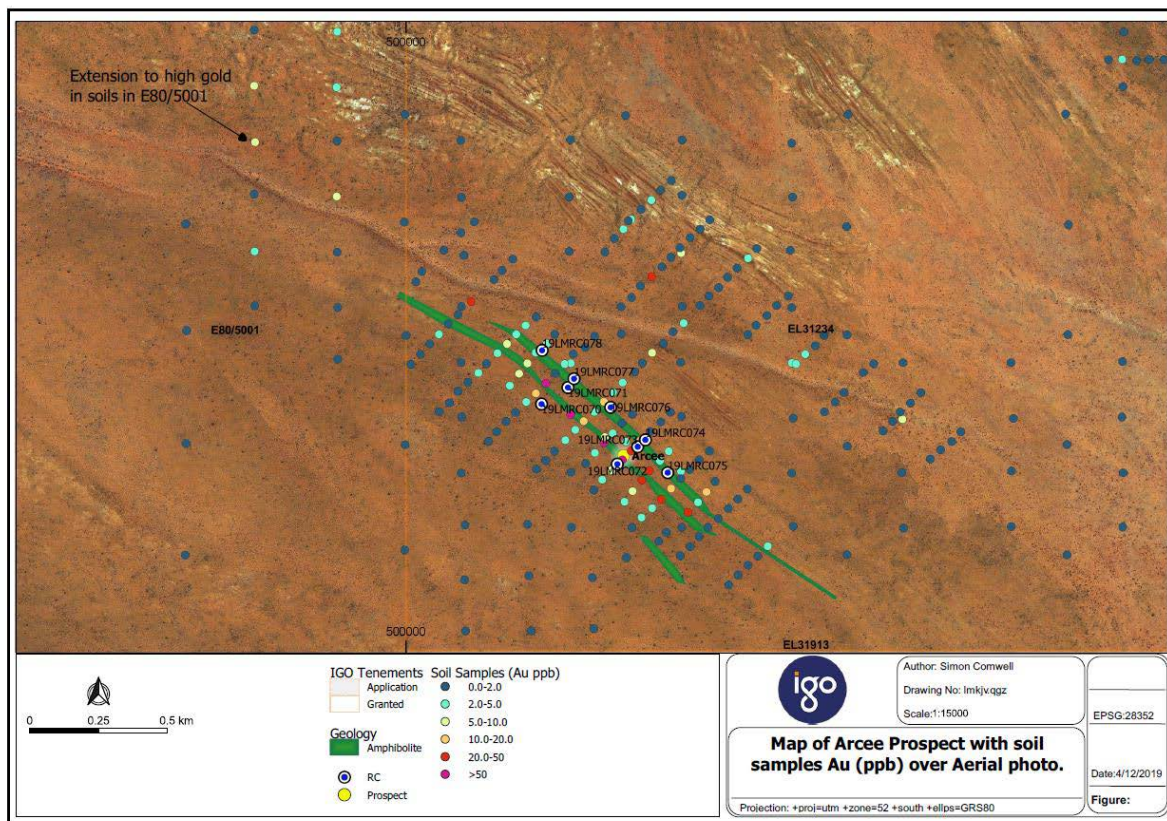


Figure 17 - Arcee Prospect Collar and Soil Sample Map

Raw Prospect

Results of soil sampling at the Raw Prospect defined a 1.1km long polymetallic soil anomaly. Moving loop EM of an AEM anomaly has defined a conductor modelled at >400m from surface adjacent to the soil anomalism.

A single 540m diamond drill hole is planned to intersect the EM conductor which was too deep to drill with conventional RC at the end of 2019. Additionally, ~400m of RC drilling is planned to test beneath the 1.1km long gold and multi-element soil anomaly adjacent to the conductor at Raw (ASX: 16 October 2019).

Blaze Prospect

Anomalous gold was detected from drilling of the Blaze Prospect soil anomaly, however drilling completed to date within the Blaze Prospect has failed to identify an economic accumulation of copper or gold.

Customisable Target

A 350m diamond drill hole is planned to test a modelled EM conductor.

Future Work

Planning was well underway for the 2020 field season, however the drilling program was postponed due to COVID-19 pandemic-related regional travel access restrictions, which were introduced to protect remote outback communities. IGO is in consultation with the Central Land Council and the Department of Primary Industry and Resources; and will recommence field activities at the earliest appropriate time. At this juncture, this timing remains uncertain.

Notwithstanding, drilling remains planned for at least 6 targets at Lake Mackay. Systematic fieldwork is planned across numerous targets at Lake Mackay in FY2021. Diamond drilling is to be undertaken at the Grimlock, Phreaker, Raw and Customisable targets. RC drilling is planned at Grimlock and Raw.

Euro Farm-in Agreement

In July 2018 a subsidiary of Newcrest Mining Ltd (“Newcrest”) and Prodigy Gold signed an earn-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

During the year 616.9m of diamond drilling and 512m of RC drilling were completed at Anomaly 16 and Dune respectively.

Dune Prospect

The Dune Prospect is located 1.5km to the south of the Newmont Exploration Oberon Deposit. Drilling has focused on gold anomalism defined by historic aircore in folded sediments.

Results of 2,730m of drilling completed at the Dune Prospect included broad intersection of 36m @ 0.65g/t Au including 20m @ 0.95g/t Au (ASX: 19 August 2019) along the same trend as the previously reported results of 2m @ 12g/t Au and 3m @ 1.5g/t Au (ASX: 22 January 2019).

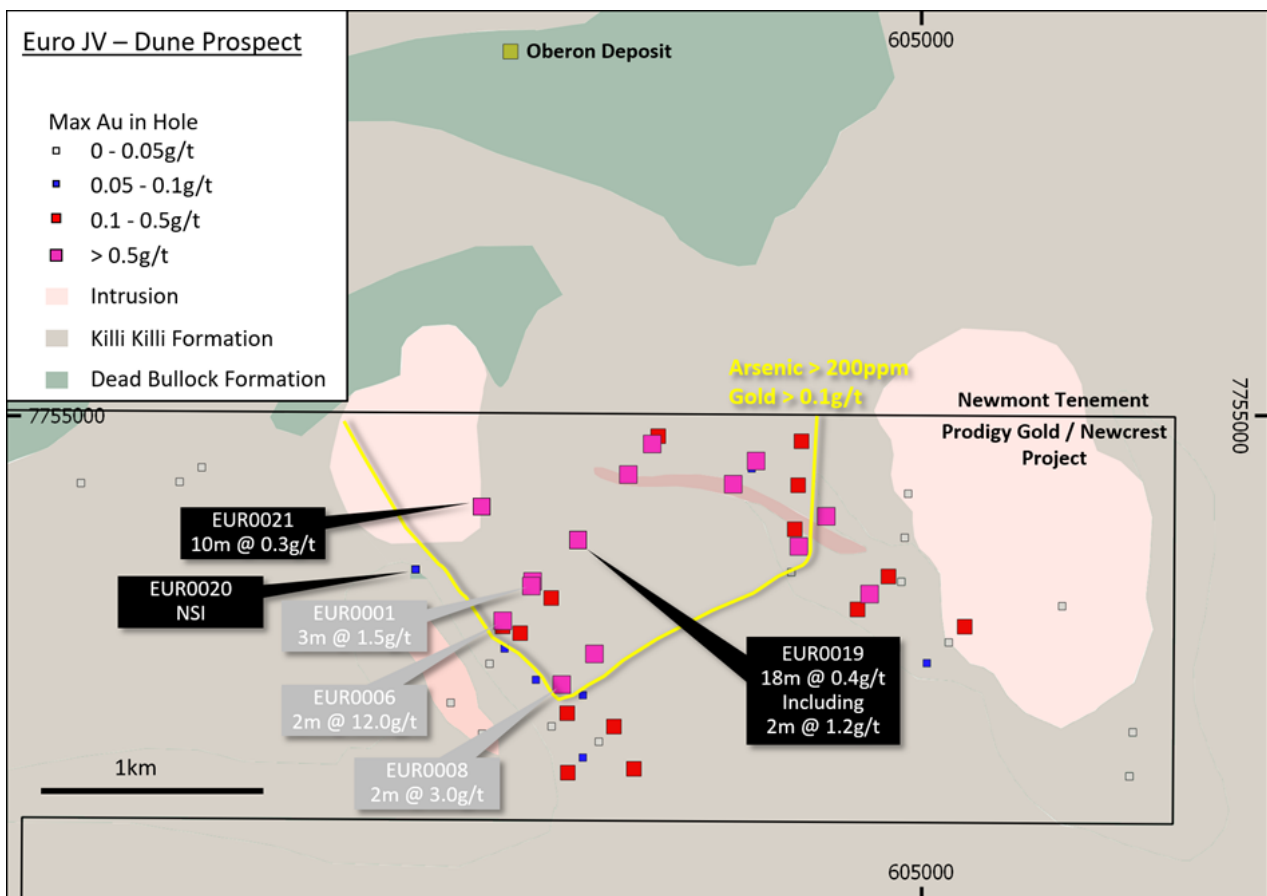


Figure 18 - Dune Prospect 2019 drilling program. FY2020 results highlighted in black

Results were returned for three RC drill holes drilled (Figure 18) for a total of 512m. The holes completed tested northern extensions of the Dune Target 2 anomaly and for an antiformal closure to the east of Target 1. Holes EUR0019 and EUR0021 infill and extend gold anomalism in oxide to the north to a strike length of 1.4km. The area, thickness and grade of gold in oxide is significant when compared to gold deposits in the district.

Best intercepts included (ASX: 28 November 2019):

- 18m at 0.4g/t Au from 126m, including 2m at 1.24g/t Au from 126m (EUR0019)
- 10m at 0.3g/t Au from 146m (EUR0021)

There is no previous drilling between the northern line of drilling and the Newmont tenement boundary. The ongoing intersection of water in RC drilling has made the drilling into fresh rock challenging. Future work, and success on this target requires an effective method of defining the bedrock source of the anomalism through transported cover.

Anomaly 16

The Anomaly 16 Prospect is located 50km north of the Granites Gold Mine and 40km northwest along strike of the main controlling structure to the Minotaur (Windy Hill) gold deposit. Anomaly 16 was initially generated through first pass reconnaissance vacuum drilling during 1990 by North Flinders Mines which identified a 2.5km NW-trending gold bulk cyanide leach anomaly. This target is interpreted to be folded Dead Bullock Formation with coincident gold and arsenic anomalism in lag sampling and RAB drilling. Previous drilling appears to have been ineffective in testing the denser magnetic rocks.

A single 616.9m diamond hole, co-funded by the Northern Territory Government as part of the Resourcing the Territory Initiative, was completed. Despite the encouraging veining and sulphides, no significant gold intercepts were returned. No additional work is currently planned for this target.

Tobruk Farm-in Agreement

In May 2019 Prodigy Gold signed a A\$14.5M Exploration Farm-in and Joint Venture Agreement (“Agreement”) with Newmont Exploration Pty Ltd (“Newmont Exploration”) (ASX: 16 May 2019). Under the Agreement, Newmont Exploration can earn up to a 70% interest in the Tobruk Project by sole funding A\$12M in exploration expenditure. The Agreement includes a total of A\$2.5M cash payments to Prodigy Gold (with A\$1M being contingent on Newmont Exploration electing to proceed to phase 2 of the earn-in).

The Agreement covers nine of the Company’s tenements and tenement applications, within the vicinity of Newmont’s >14Moz Callie Gold Mine.

Project Background

The Tobruk Project is interpreted to have occurrences of the similar prospective lithologies that host Newmont’s Callie Gold deposit and several smaller deposits including Groundrush and Oberon. The Tobruk 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 /Normandy Mining Limited in the late 1980s and 1990s and subsequently by Newmont and AngloGold Australia 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 Granites Plant recently constructed and the Federal Government’s commitment to upgrade the Tanami Track, which will improve the economics of any future discoveries.

Exploration

675 soil samples were collected across the northern half of the Tobruk Project during 2019. Results of the extensive geochemical survey (utilising Newmont's proprietary deep sensing geochemistry) and the passive seismic survey carried out during the December quarter of 2019 were received. Three target areas of interest were recognised in the results of this survey.

Future Work

On-ground work has been suspended pending the re-issue of entry and transit permits.

Operator Agreement – Old Pirate

In October 2019, the Company signed a strategic 10-year operator agreement with private company TRL Tanami over the Company's Old Pirate Project located in the Tanami Region of the Northern Territory (ASX: 3 October 2019). The Old Pirate agreement includes staged cash payments totaling approximately \$600,000, replacement of bonds totaling approximately \$1.7M and a 2.5% NSR.

The Old Pirate agreement also includes an option for TRL Tanami to acquire the Old Pirate plant and equipment for a cash consideration of \$500k, or both the Old Pirate Project and Old Pirate plant and equipment for \$3M.

The agreement is in line with Prodigy Gold's strategy to monetise Twin Bonanza and significantly reduce portfolio holding costs.

Some payments due under the agreement are delayed. The Buccaneer option included in the original agreement has now lapsed. Study work is advancing on Old Pirate.

North Arunta JV Project

Gladiator Resources returned all tenements that formed of the North Arunta JV project to Prodigy Gold. The termination of the Joint Venture Agreement is pending the lodgement of an environmental report by Gladiator Resources with the DPIR.

The North Arunta Project is now 100% owned by Prodigy Gold and exploration work has commenced post year-end on the Tulsa Target.

MINERAL RESOURCES

Prodigy Gold's Mineral Resources for 30 June 2020 are summarised below. See the 2020 Annual Mineral Resource Statement (ASX: 25 August 2020) 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 2 – Prodigy Gold Mineral Resource Summary as at 30 June 2020

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
Hyperion	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 3 – Old Pirate August 2020 Mineral Resource Estimate

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. The above Mineral Resource Estimate was first reported in 2016 (ASX: 19 August 2016).

Buccaneer Mineral Resource

Table 4 – Buccaneer August 2020 Mineral Resource Estimate

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. The above Mineral Resource Estimate was first reported in 2017 (ASX: 1 September 2017).

Hyperion Mineral Resource

Table 5 – Hyperion August 2020 Mineral Resource Estimate

Hyperion 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. The above Mineral Resource Estimate was first reported in 2018 (ASX: 31 July 2018).

The Hyperion Project was formerly known as the Suplejack Project however it was renamed at the request of the local community.

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 and shareholder 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 and shareholder 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 38,848km² (2019: 42,577km²) held under tenure by Prodigy Gold and its joint venture partners has decreased during the financial year. The area held under granted mineral tenements is 16,554km² with 22,294km² 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 five tenement applications and no additional tenements were applied for during the year. Joint venture interests in the Lake Mackay JV with IGO remained at 70% IGO and 30% Prodigy Gold during the year and in the Lake Mackay JV with IGO and Castile, Prodigy Gold increased its interest to 25.4%, with IGO increasing to 59.3% and Castile diluting to 15.3%.

A map showing the location of the Company's current tenement holding is presented in Figure 1 of the review of operations report and a complete list of tenements follows this report.

CORPORATE

Shares on Issue and Unlisted Options

Prodigy Gold placed 100,000,000 shares at an issue price of \$0.12 per share for total gross proceeds of \$12,000,000 during August 2019. The shares were issued following the completion of a fully underwritten institutional placement announced on 21 August 2019.

The Company issued 16,500,000 options to employees under the terms and conditions of the Company's Employee Share Option Plan during the financial year and 3,675,000 options expired.

As at 30 June 2020, Prodigy Gold has a total of 580,627,606 shares and 39,150,000 million unlisted options on issue.

Share Registry

The Company's share registry changed to Automic Pty Ltd during January 2020.

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

Summary of Mining Tenements as at 30 June 2020

Area of Interest	Tenement	Group's Interest	Tenement Status	Status Changes During the Year
<i>NORTHERN TERRITORY</i>				
<i>TANAMI</i>				
<i>Birrindudu</i>	EL5889	100	granted	
	EL23523	100	granted	
	EL28326	100	granted	
	EL31332	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	0	granted	✓ Relinquished during the year
	EL31289	100	granted	
	ML29822	100	granted	
EL30814	100	application		
<i>Hyperion</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	
	EL32055	100	granted	✓ Granted during the year
	EL26623	100	application	
EL32056	100	application		
<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	
<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⁾	EL26626	90	granted	
	EL26628	90	granted	
	EL29828	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	IGO Limited
	EL31723	0	granted	✓ Relinquished during the year
	E80/5001	30	granted	IGO Limited
	EL27947 ⁽⁵⁾	15.3	granted	Castile Resources Pty Ltd
	EL31974 ⁽⁵⁾	15.3	granted	Castile Resources Pty Ltd
	EL25147	30	application	
	EL31718	30	application	IGO Limited
	EL31719	30	application	IGO Limited
	EL31720	30	application	IGO Limited
EL31721	30	application	IGO Limited	
EL31722	30	application	IGO Limited	

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	IGO Limited
	EL31913	30	application	IGO Limited
	EL32095	30	application	IGO Limited
	EL32096	30	application	IGO Limited
	EL32097	30	application	IGO Limited
	EL32098	30	application	IGO Limited
	EL32099	30	application	IGO Limited
	EL32100	30	application	IGO Limited
	EL32101	30	application	IGO Limited
	EL32102	30	application	IGO Limited
EL32103	30	application	IGO Limited	
NORTH ARUNTA				
<i>Barrow Creek</i>	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	
	EL28727	0	granted	✓ Relinquished during the year
	EL29723	100	granted	
	EL29724	100	granted	
	EL29725	100	granted	
	EL29896	100	granted	
	EL30470	100	granted	
	EL30507	100	granted	
	EL30637	100	granted	
EL25030	0	application	✓ Withdrawn during the year	
EL25036	0	application	✓ Withdrawn during the year	
EL29819	0	application	✓ Withdrawn during the year	
EL29820	0	application	✓ Withdrawn during the year	
<i>Reynolds Range</i>	EL23655	80 ⁽⁶⁾	granted	
	EL23888	100	granted	
	EL28083	100	granted	
<i>Walkeley</i>	EL26903	0	application	✓ Withdrawn during the year

¹⁾ Farm-in and Joint Venture Agreement with Newmont 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 IGO Limited 70% / Prodigy Gold NL 30%.

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

⁶⁾ 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 2020.

Mr Thomas McKeith	Non-Executive Chairman
Mr Matthew Briggs	Managing Director
Mr Brett Smith	Non-Executive Director
Mr Michael Stirzaker	Non-Executive Director

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

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 \$5,620,204 (2019: loss of \$5,004,727).

Financial Position

The net assets of the Group have increased by \$5,883,159 from 30 June 2019 to \$20,955,691 in 2020. The increase is largely due to a capital raising undertaken during the year.

Significant Changes in the State of Affairs

In October 2019, the Company signed a strategic 10-year operator agreement with private company TRL Tanami over the Company's Old Pirate Project located in the Tanami Region of the Northern Territory. Other than as disclosed in this Report, no additional significant changes in the state of affairs of the Company occurred during the financial year.

Matters Subsequent to the End of the Financial Year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State, Territory and Commonwealth Governments as well as the Central Land Council. Such measures include, but are not limited to, social distancing and quarantine requirements, travel restriction, land access restrictions, ability to undertake land clearances and any economic stimulus that may be provided.

Subsequent to year-end 2,000,000 unlisted options vested and the Company issued 1,050,000 and cancelled 12,500,000 unlisted options. Additionally the Company agreed to issue 400,000 unlisted options to the Company's Managing Director, subject to shareholder approval at the next AGM (for details refer to Note 17).

Likely Developments

- Continued regional exploration;
- Further rationalisation of tenement holdings in the Northern Territory through divestment or joint venture; and
- Systematic evaluation of high potential early stage targets in Western Australia.

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 over 30 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), non-executive director of Arrow Minerals Limited (since August 2019) 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 Hong Kong listed Dragon Mining Limited (since February 2014), deputy executive Chairman of Hong Kong listed APAC Resources Limited (since May 2016), executive director of Metals X Limited (board member since December 2019), non-executive director of Tanami Gold NL (since November 2018) and non-executive director of Elementos Limited (since January 2020). Overall, Mr Smith has over 30 years' 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, HSBC Group, Kleinwort Benson Limited, RFC Group Limited, Tennant Metals and Finders Resources. From 2010 to 2019, Mr Stirzaker was a partner at the private equity mining fund manager, Pacific Road Capital. Mr Stirzaker is currently non-executive director of Base Resources Limited and Firestone Diamonds PLC.

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 30 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 2020, and the number of meetings attended by each Director were:

Directors	Board Meetings	
	Eligible to Attend	Attended
Mr T McKeith	7	7
Mr M Briggs	7	7
Mr B Smith	7	7
Mr M Stirzaker	7	7

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	14,500,000
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.

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 2020 the Company utilised \$94,310 (2019: \$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. A review of the Board's performance for the year was finalized during July 2020.

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 Boards discretion
- Long-term incentives at the Boards 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 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.

DIRECTORS' REPORT

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 high calibre 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.

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 and interest, 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.

	2016	2017	2018	2019	2020
Revenue and interest	36,149,624	180,138	141,739	168,037	205,300
Net loss	21,616,759	7,012,190	5,693,350	5,004,727	5,620,204
Share price at year-end	0.065	0.095	0.087	0.089	0.045
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 Stirzaker	Non-Executive Director	3 December 2018
Ms J Zimmermann	CFO / Company Secretary	1 June 2005

DIRECTORS' REPORT

Details of Remuneration

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

2020	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	-	53,660	-	113,660	47.2%
Mr M Briggs	315,000	-	9,903	25,000	5,073	151,517	-	506,493	29.9%
Mr B Smith ⁴⁾	15,849	-	-	1,306	-	16,921	-	34,076	49.7%
Mr M Stirzaker ⁴⁾	15,849	-	-	1,306	-	16,921	-	34,076	49.7%
Total Directors	401,493	-	9,903	32,817	5,073	239,019	-	688,305	
Other KMP									
Jutta Zimmermann	220,000	-	6,705	20,900	3,543	-	-	251,148	0%
Total Other	220,000	-	6,705	20,900	3,543	-	-	251,148	
Total	621,493	-	16,608	53,717	8,616	239,019	-	939,453	

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 required under accounting standards and have not actually been paid during the year, nor do they reflect the benefit (if any) that KMP may ultimately receive. The share-based payments are options expensed based on vesting conditions (refer to Note 15 in the consolidated financial statements).

⁴⁾ Cash Salary and Fees includes JobKeeper top-up payments.

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.

DIRECTORS' REPORT

Options and Shares Issued as Part of Remuneration

Options valued at \$239,019 (2019: \$13,236) were issued to KMP and prior year options continued to vest during the financial year. These amounts are accounting accruals required under accounting standards and have not actually been paid during the year, nor do they reflect the benefit (if any) that KMP may ultimately receive. 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 KMP 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. The base fee for shareholder nominee Directors was resolved to be \$30,000 per year commencing on 1 January 2020, with a zero base fee for the period to 31 December 2019. The Commonwealth Government introduced the JobKeeper payment of \$1,500 per employee per fortnight which led to an increased payment to the shareholder nominee Directors as required by JobKeeper legislation.

Mr M Briggs, Managing Director

- Term of agreement – 3 year contract commencing 3 October 2019;
- 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

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.

These amounts are accounting accruals required under accounting standards and have not actually been paid during the year, nor do they reflect the benefit (if any) that KMP may ultimately receive.

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

DIRECTORS' REPORT

Shareholding

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

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	2,158,586	-	-	-	2,158,586
Mr M Briggs	500,000	-	-	-	500,000
Mr B Smith ¹⁾	175,000	-	-	-	175,000
Mr M Stirzaker ²⁾	-	-	-	-	-
Ms J Zimmermann	2,001,145	-	-	-	2,001,145
	4,834,731	-	-	-	4,834,731

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

²⁾ Mr Stirzaker is a nominee of Pacific Road Capital Management who are a substantial shareholder of Prodigy Gold.

Option Holding

Directors and other KMP 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 ¹⁾	7,000,000	-	-	-	7,000,000
Mr M Briggs	11,000,000	15,000,000	-	-	26,000,000
Mr B Smith ¹⁾	1,500,000	-	-	-	1,500,000
Mr M Stirzaker ¹⁾	-	-	-	-	-
Ms J Zimmermann	1,550,000	-	-	-	1,550,000
	21,050,000	15,000,000	-	-	36,050,000

¹⁾ Non-Executive Director options (10 Million) were agreed during the financial year, however were not issued and are pending shareholder approval.

Loans to Directors and Other Key Management Personnel

No loans to Directors and other key management personnel of the Group were provided in 2020 (2019: 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 \$19,593 (2019: \$28,181) 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 42.

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 25th day of August 2020
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 has undergone a full review of its corporate governance policies during the financial year ending 30 June 2020 and amended its disclosures effective 1 July 2020.

The Group's Corporate Governance Statement for the year ended 30 June 2020 (which reports against these ASX Principles) may be accessed from the Company's website at www.prodigygold.com.au/about-prodigy-gold/corporate-governance.

The Group's ESG (Environmental Social Governance) Statement for the year ended 30 June 2020 may also be accessed from the Company's website at www.prodigygold.com.au/about-prodigy-gold/corporate-governance.

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF PRODIGY GOLD NL

As lead auditor of Prodigy Gold NL for the year ended 30 June 2020, 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.



Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, 25 August 2020

ANNUAL FINANCIAL REPORT

The financial statements of Prodigy Gold NL for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 25 August 2020 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 6 to 28 and in the Directors' Report on pages 32 to 40, 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 2020

	Notes	Consolidated	
		2020 \$	2019 \$
Interest		205,300	168,037
Other income	2	550,944	1,650,410
Administrative expenses			
Employee and Directors benefits expenses	3	(567,317)	(530,559)
Share-based payments	3	(239,176)	(13,256)
Depreciation expenses	3	-	-
Other expenses		(412,605)	(455,041)
Exploration expenses	3	(5,157,350)	(5,703,721)
Impairment of property, plant and equipment		-	(15,670)
Impairment of capitalised exploration and evaluation expenditure	7	-	(104,927)
Loss before income tax expense		(5,620,204)	(5,004,727)
Income tax expense	4(a)	-	-
Loss for the year		(5,620,204)	(5,004,727)
Loss attributable to members of Prodigy Gold NL		(5,620,204)	(5,004,727)
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive loss for the year		(5,620,204)	(5,004,727)
Total comprehensive loss for the year attributable to members of Prodigy Gold NL		(5,620,204)	(5,004,727)
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	(1.00)	(1.09)

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 2020

	Notes	Consolidated	
		2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	10,699,944	6,356,062
Other receivables	6	248,865	907,803
Inventories		45,980	143,525
Other current assets		166,673	110,010
TOTAL CURRENT ASSETS		11,161,462	7,517,400
NON-CURRENT ASSETS			
Term deposits	6	2,427,490	2,427,490
Property, plant and equipment		48,722	84,256
Exploration and evaluation expenditure	7	9,943,824	9,943,824
TOTAL NON-CURRENT ASSETS		12,420,036	12,455,570
TOTAL ASSETS		23,581,498	19,972,970
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	683,649	2,921,645
Employee benefits		197,543	234,178
TOTAL CURRENT LIABILITIES		881,192	3,155,823
NON-CURRENT LIABILITIES			
Employee benefits		58,385	58,385
Provisions	9	1,686,230	1,686,230
TOTAL NON-CURRENT LIABILITIES		1,744,615	1,744,615
TOTAL LIABILITIES		2,625,807	4,900,438
NET ASSETS		20,955,691	15,072,532
EQUITY			
Contributed equity	10	187,262,068	176,027,723
Reserves	11(a)	3,462,495	3,336,136
Accumulated losses		(169,768,872)	(164,291,327)
TOTAL EQUITY		20,955,691	15,072,532

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 2020

	Notes	Consolidated	
		2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contribution from joint venturers		250,000	1,500,000
Expense re-imbursements from JV Partners		2,215,044	1,944,348
Payments to suppliers and employees (excludes payments for exploration)		(1,158,060)	(810,160)
Interest received		192,993	177,270
Government Grants		218,117	-
Payments for exploration		(4,423,800)	(4,446,423)
Payments for JV Projects		(4,187,939)	(1,821,044)
Net cash (outflow) from operating activities	18	(6,893,645)	(3,456,009)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,182	-
Net cash inflow from investing activities		3,182	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		12,000,000	3,692,155
Placement / Refund of security deposits (cash-back)		-	51,087
Share issue costs		(765,655)	(67,823)
Net cash inflow from financing activities		11,234,345	3,675,419
Net increase in cash and cash equivalents		4,343,882	219,410
Cash and cash equivalents at beginning of year		6,356,062	6,136,652
Cash and cash equivalents at end of year	5	10,699,944	6,356,062

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 2020

	Notes	Contributed Equity \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 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 costs	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
Comprehensive income for the year					
Loss for the year		-	-	(5,620,204)	(5,620,204)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(5,620,204)	(5,620,204)
Transaction with owners in their capacity as owners:					
Shares issued	10(a)	12,000,000	-	-	12,000,000
Transaction cost	10(a)	(765,655)	-	-	(765,655)
Share-based payments reversal		-	(142,659)	142,659	-
Share-based payments	15	-	269,018	-	269,018
Total transactions with owners		11,234,345	126,359	142,659	11,503,363
Balance at 30 June 2020		187,262,068	3,462,495	(169,768,872)	20,955,691

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 2020

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

NOTE 2: OTHER INCOME

	Consolidated	
	2020 \$	2019 \$
Contribution from joint ventures	250,000	1,500,000
Expense re-imbursements from JV Partners	13,533	64,567
Sale of Fixed Assets	2,744	-
Government Grants	251,349	85,843
Other Income	33,318	-
	<u>550,944</u>	<u>1,650,410</u>

NOTE 3: EXPENSES

	Consolidated	
	2020 \$	2019 \$
Employee and Directors' benefits expense	1,913,756	2,028,851
Less: Amounts included in exploration expenses	(1,346,439)	(1,498,292)
	<u>567,317</u>	<u>530,559</u>
Share-based payment expense	269,018	25,796
Less: Amounts included in exploration expenses	(29,842)	(12,540)
	<u>239,176</u>	<u>13,256</u>
Depreciation expense	35,096	55,250
Less: Amounts included in exploration expenses	(35,096)	(55,250)
	<u>-</u>	<u>-</u>
Allowance for expected credit loss	404,802	-
Less: Amounts included in exploration expenses	(404,802)	-
	<u>-</u>	<u>-</u>
Exploration expenses:		
Employee benefit expense	1,346,439	1,498,292
Share-based payment expense	29,842	12,540
Depreciation expense	35,096	55,250
Allowance for expected credit loss	404,802	-
Other exploration expenses	3,341,171	4,137,639
	<u>5,157,350</u>	<u>5,703,721</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: INCOME TAX EXPENSE

	Consolidated	
	2020 \$	2019 \$
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	(5,620,204)	(5,004,727)
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	(1,545,556)	(1,376,300)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable income	(37,596)	(23,607)
Share-based payments	65,774	7,094
Other permanent differences	327	483
	(1,517,051)	(1,392,330)
Deferred tax assets not brought to account	1,517,051	1,392,330
Income tax expense	-	-
The applicable weighted average effective tax rates	0%	0%
c) Deferred tax liability		
Exploration and evaluation expenditure	2,444,000	2,683,542
Temporary difference	57,817	71,096
	2,501,817	2,754,638
Off-set of deferred tax assets	(2,501,817)	(2,754,638)
Net deferred tax liability recognised	-	-
d) Unrecognised deferred tax assets arising on timing		
Tax losses	37,151,988	40,439,731
Temporary differences	1,970,830	2,104,479
Expenses taken into equity	164,863	17,844
	39,287,681	42,562,054
Off-set of deferred tax liabilities	(2,501,817)	(2,754,638)
Net deferred tax assets not brought to account	36,785,864	39,807,416

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 2020

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	
	2020	2019
	\$	\$
Cash at bank and in hand	1,399,944	4,106,062
Short-term bank deposits	9,300,000	2,250,000
	<u>10,699,944</u>	<u>6,356,062</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 2020

NOTE 6: TERM DEPOSITS AND OTHER RECEIVABLES

	Consolidated	
	2020	2019
	\$	\$
CURRENT		
Other receivables (Note 6(a))	653,667	907,803
Provisions for Allowance for expected credit loss (Note 6(a))	(404,802)	-
	<u>248,865</u>	<u>907,803</u>
NON-CURRENT		
Bond term deposit and DPIR Cash Bonds	2,427,490	2,427,490
	<u>2,427,490</u>	<u>2,427,490</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.

Accounting Policy

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

Accounting estimates and judgements

The Group's other receivables and financial assets were subject an assessment under AASB 9 as at 30 June 2020. The assessment took into account the likelihood of an impairment event occurring in the future for Prodigy Gold's debtors and other debtor. This assumption includes the assessment of the ability of other debtors to pay. The amounts contain some past due assets that have been provided for and a total of \$404,802 (2019: \$0) of likely future credit losses have been recognised for the year ended 30 June 2020.

NOTE 7: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Consolidated	
	2020	2019
	\$	\$
Carrying amount at the beginning of reporting period	9,943,824	10,048,751
Less: Impairment expense	-	(104,927)
Carrying amount at the end of reporting period	<u>9,943,824</u>	<u>9,943,824</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE cont'd

Accounting estimates and judgements

The Group undertook an assessment for impairment triggers of its exploration assets. No tenements with an assigned value were surrendered and no impairment was recognised. The balances 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.

NOTE 8: TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	\$	\$
CURRENT LIABILITIES (Unsecured)		
Trade payables	526,661	1,846,559
Sundry payables and accrued expenses	156,988	1,075,086
	<u>683,649</u>	<u>2,921,645</u>

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

Accounting Policy

These amounts represent unpaid liabilities for goods and services provided to the Group prior to the end of financial year and liabilities to government departments offset by government grants for COVID-19 measures. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

NOTE 9: PROVISIONS

	Consolidated	
	2020	2019
	\$	\$
NON-CURRENT		
Exploration and mine restoration	1,686,230	1,686,230
	<u>1,686,230</u>	<u>1,686,230</u>

Movement in provisions

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

	Consolidated	
	2020	2019
	\$	\$
Opening balance	1,686,230	1,688,251
Additional provisions	-	46,900
Amounts reversed	-	(48,921)
Closing balance	<u>1,686,230</u>	<u>1,686,230</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: PROVISIONS cont'd

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.

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 2018	435,601,334		172,403,391
Share placement	14 December 2018	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>
Share placement	29 August 2019	100,000,000	0.12	12,000,000
Transaction costs relating to share issues				(765,655)
Closing balance	30 June 2020	<u>580,627,606</u>		<u>187,262,068</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 2020 is 39,150,000 (2019: 26,325,000). For further details refer to Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: CONTRIBUTED EQUITY cont'd

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 re-acquires 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.

NOTE 11: RESERVES

(a) Reserves

	Consolidated	
	2020	2019
	\$	\$
Share-based payment reserve	3,462,495	3,336,136
	<u>3,462,495</u>	<u>3,336,136</u>

Movements in reserves

	Share-based payment reserve \$
Balance at 1 July 2018	3,310,340
Share-based payments expense	25,796
Balance at 30 June 2019	<u>3,336,136</u>
Share-based payments expired and re-valued ¹⁾	(142,659)
Share-based payments expense (refer to Note 15)	269,018
Balance at 30 June 2020	<u>3,462,495</u>

1) On 28 June 2019, during the previous financial year, the Group had granted 2,325,000 Zepos as an equity incentive to employees of the Company, 1,675,000 of these Zepos expired during the financial year and a previously recognised amount of \$130 was recycled through retained earnings.

(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. These amounts are accounting accruals required under accounting standards and have not actually been paid during the year, nor do they reflect the benefit (if any) that may ultimately be received.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020 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 relates primarily to the Group's cash and cash equivalents as detailed in the table below. 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.

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:

	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 2020							
Financial Assets:							
Cash and bonds	1.44%	1,399,944	9,300,000	-	-	-	10,699,944
Receivables		-	-	-	-	248,865	248,865
Total financial assets		1,399,944	9,300,000	-	-	248,865	10,948,809
Financial Liabilities:							
Payables		-	-	-	-	683,649	683,649
Total financial liabilities		-	-	-	-	683,649	683,649
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

Based on the financial instruments held at 30 June 2020, 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 \$106,999 higher/\$106,999 lower (2019: \$63,561 higher/\$63,561 lower).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: FINANCIAL RISK MANAGEMENT cont'd

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. The Group has provided for a total of \$404,802 (2019: \$0) for past due receivables past due (see Note 6 for details).

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.

	Consolidated	
	2020 \$	2019 \$
Cash at bank	10,699,944	6,356,062
Bonds term deposit	2,427,490	2,427,490
Receivables	248,865	907,803
Bank guarantees	2,427,490	2,427,490

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

	< 6 months \$	6 - 12 months \$	1 - 2 years \$	2 - 5 years \$	> 5 years \$	Total Contractual Cash Flows \$	Carrying Amount \$
30 June 2020							
Non-derivatives							
Non-interest bearing	683,649	-	-	-	-	683,649	683,649
Interest bearing	-	-	-	-	-	-	-
Total non-derivatives	683,649	-	-	-	-	683,649	683,649
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: FINANCIAL RISK MANAGEMENT cont'd

The table above analyses 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.

NOTE 13: AUDITOR'S REMUNERATION

	Consolidated	
	2020	2019
	\$	\$
a) Audit services		
BDO	32,490	32,362
Total remuneration of audit services	32,490	32,362
b) Non-audit services		
BDO – Tax compliance services	19,593	28,181
Total remuneration of non-audit services	19,593	28,181

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 (2019: \$2,275,504) have been provided. Term deposits of \$2,275,504 (2019: \$2,275,504) and a cash deposit of \$46,900 (2019: 46,900) with the Department of Primary Industry and Resources secure these guarantees. Per Note 9 a restoration provision of \$1,686,230 (2019: \$1,686,230) has been recognised for all known required restoration costs.

NOTE 15: SHARE-BASED PAYMENTS

Zero exercise price options ("Zepos")

During the reporting period ended 30 June 2020, the Group granted 15,000,000 Zepos as an equity incentive to Matt Briggs, which were issued on 29 November 2019 following approval by shareholders at the AGM.

The final number of Zepos vesting is subject to KPI's and Company performance criteria.

The performance conditions attached to the Tranche 1 STI's, are all subject to non-market conditions. The STI's operate as follows:

- 1,250,000 Tranche 1A Zepos shall vest if Mr Briggs achieves a Board supported acquisition or project divestment between 1 July 2019 and 1 July 2020 (as assessed by the Board), as reduced by the EHS Multiplier; and
- 1,250,000 Tranche 1B Zepos shall vest if Mr Briggs delivers a budgeted work program between 1 July 2019 and 1 July 2020 (as assessed by the Board), as reduced by the EHS Multiplier.

The performance conditions attached to the Tranche 2 LTI's and Tranche 3 LTI's means the achievement of KPIs, comprising the discovery and definition of a substantial new deposit of >1Moz JORC Resource, category inferred or better, within an optimised design and having an average cost of production of <A\$1200/oz (Resource Target) and total shareholder return (TSR) on the 5 day VWAP for the trading days prior to 1 July 2019 (\$0.095) (Base Price), scored and weighted as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: SHARE-BASED PAYMENTS cont'd

KPI	Number of Zepos	100%	50%	0%
Resource Target Non-market condition	Tranche 2A: 3,125,000 Tranche 3A: 3,125,000	1Moz or more added	At least 500koz, but less than 1Moz, added	Less than 500koz added
TSR Market condition	Tranche 2B: 3,125,000 Tranche 3B: 3,125,000	At least two times the Base Price	At least 1.5 times the Base Price but less than two times the Base Price	Less than 1.5 times the Base Price

The number of Zepos that vest in accordance with the LTI will be reduced by the EHS Multiplier.

EHS Multiplier	Percentage of Zepos subject to EHS Multiplier that vest		
	100%	50%	0%
	No major injuries/incidents	Level 3 incident	Level 4 or 5 incident

The Group granted the Zepos on the terms and conditions of the Employee Share Option Plan as follows:

Matthew Briggs Zepos	Tranche 1A	Tranche 1B	Tranche 2A	Tranche 2B	Tranche 3A	Tranche 3B
Incentive Type	STI	STI	LTI	LTI	LTI	LTI
Number of Zepos granted	1,250,000	1,250,000	3,125,000	3,125,000	3,125,000	3,125,000
Fair value at grant date	\$0.0735	\$0.0735	\$0.0735	NIL	\$0.0735	NIL
Number of Zepos vested and exercisable at 30 June 2020	NIL	NIL	NIL	NIL	NIL	NIL
Exercise price	NIL	NIL	NIL	NIL	NIL	NIL
5-day VWAP at grant date	\$0.0735	\$0.0735	\$0.0735	\$0.0735	\$0.0735	\$0.0735
Grant date	29-Nov-2019	29-Nov-2019	29-Nov-2019	29-Nov-2019	29-Nov-2019	29-Nov-2019
Exercise period	127 months	127 months	127 months	127 months	127 months	127 months
Expected price volatility	75%	75%	75%	N/A	75%	N/A
Risk free interest rate	1.04%	1.04%	1.04%	N/A	1.04%	N/A
Vesting date (subject to performance conditions and service period)	1 July 2020	1 July 2020	1 July 2021	1 July 2021	1 July 2022	1 July 2022
Performance conditions	Non-market	Non-market	Non-market	Market	Non-market	Market
Likelihood of vesting by vesting date	100% ¹⁾	60% ¹⁾	0%	N/A	10%	N/A

1) During June 2020 the Board resolved that 100% of Tranche 1A Zepos and 60% of Tranche 1B Zepos will vest on 1 July 2020 in line with the terms and conditions of the Zepos. Subsequently on 1 July 2020 500,000 of Tranche 1B Zepos were cancelled.

The fair value of all Zepos subject to non-market conditions at grant date were determined using a Black-Scholes option pricing model that takes into account the exercise price, the anticipated vesting period, the impact of dilution, the share price at grant date and expected price volatility of the underlying Zepos, the expected dividend yield and the risk-free interest rate for the term of the Zepos. Due to past and possible future exploration delays during the COVID-19 pandemic, the likelihood of achieving non-market KPI's has been significantly diminishing. The Board determined a 0% probability of achieving these KPI's by 30 June 2021 and a 10% probability of achieving the performance conditions by 30 June 2022. As a consequence of the reduced likelihood of Zepos vesting, \$175 of the previously recognised amount for the remaining 650,000 Zepos issued on 28 June 2019 were recycled through retained earnings.

The fair value of the Zepos subject to market conditions requires for the share price to rise to 14.5cents per share for 50% of the Zepos subject to market condition to vest and a rise to 19cents per share for 100% to vest. For the purpose of measurement the board assigned no value to the Zepos subject to market conditions based on historical share price performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: SHARE-BASED PAYMENTS cont'd

During the period \$151,518 of expense was recorded relating to Zepos issued to Matt Briggs and \$157 relating to Zepos issued to employees on 28 June 2019. These amounts are accounting accruals required under accounting standards and have not actually been paid during the year, nor do they reflect the benefit (if any) that may ultimately be received.

Options Exercisable at 145% of 5-day VWAP's ("Option")

During the financial-year ended 30 June 2020, the Group granted 1.5 Million Options as an equity incentive to Mr Sam Ekins (Exploration Manager). The Options have 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 commencement of employment for Tranche 1 and
- the day immediately prior to the date the Options vest for Tranche 2 and Tranche 3.

Sam Ekins	Tranche 1	Tranche 2	Tranche 3
Number of Options granted	500,000	500,000	500,000
Number of Options vested	500,000	Nil	Nil
Fair value at measurement date ¹⁾	\$0.032	\$0.036	\$0.035
Exercise price	\$0.159	\$0.116	\$0.1305
Price at agreement date	\$0.11	\$0.11	\$0.11
Price at grant date	\$0.03	\$0.03	\$0.03
Grant date	24 March 2020	24 March 2020	24 March 2020
Exercise period	42.5 months	42.5 months	42.5 months
Vesting date	24 March 2020	7 October 2020	7 October 2021
Expected price volatility of Options	96.03%	96.03%	96.03%
Risk free interest rate	0.23%	0.23%	0.23%

1) The vesting of the above Tranche 2 and Tranche 3 Options is subject to continuing service conditions. The Options were issued on 24 March 2020. During the period \$29,841 of expense was recorded relating to Options issued to Sam Ekins. This amount is an accounting accruals required under accounting standards and has not actually been paid during the year, nor does it reflect the benefit (if any) that may ultimately be received.

During the financial year the Group agreed to grant 7 Million Option to Tommy McKeith (Non-Executive Chairman) and 1.5 Million options each to Michael Storzaker and Brett Smith (Non-Executive Directors) as an equity incentive under the Employee Share Option Plan. These Options will be subject to shareholder approval at the next general meeting. The exercise price of the Options is to be calculated at a premium of 45% to the 5 day VWAP of Prodigy Gold's share price on the date of board approval of the offer. The vesting of the Options is subject to shareholder approval and continuing service conditions.

Tommy McKeith	Tranche 1	Tranche 2	Tranche 3
Number of Options to be granted	3,000,000	2,000,000	2,000,000
Number of Options vested	Nil	Nil	Nil
Estimated Fair Value at measurement date ¹⁾	\$0.050	\$0.050	\$0.050
Exercise price	\$0.081	\$0.081	\$0.081
Price at agreement date	\$0.06	\$0.06	\$0.06
Grant date	AGM 2020	AGM 2020	AGM 2020
Exercise period (after grant)	60 months	60 months	60 months
Vesting date (subject to Option issue)	2 November 2021	2 November 2022	2 November 2023
Expected price volatility of Options	96.03%	96.03%	96.03%
Risk free interest rate	0.68%	0.68%	0.68%

1) During the period \$53,660 of expense was recorded relating to Options agreed but yet to be issued for Tommy McKeith. The valuation for Non-Executive Director Options will be re-valued at shareholder approval date. This amount is an accounting accruals required under accounting standards and has not actually been paid during the year, nor does it reflect the benefit (if any) that may ultimately be received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: SHARE-BASED PAYMENTS cont'd

Mike Stirzaker and Brett Smith (each)	Tranche 1	Tranche 2	Tranche 3
Number of Options to be granted	500,000	500,000	500,000
Number of Options vested	Nil	Nil	Nil
Estimated Fair Value at measurement date ¹⁾	\$0.05	\$0.05	\$0.05
Exercise price	\$0.081	\$0.081	\$0.081
Price at agreement date	\$0.054	\$0.054	\$0.054
Grant date	AGM 2020	AGM 2020	AGM 2020
Exercise period (after grant)	60 months	60 months	60 months
Vesting date (subject to Option issue)	14 February 2021	14 February 2022	14 February 2023
Expected price volatility of Options	96.03%	96.03%	96.03%
Risk free interest rate	0.79%	0.79%	0.79%

1) During the period \$33,842 of expense was recorded relating to Options agreed but yet to be issued for Mike Stirzaker and Brett Smith. The valuation for Non-Executive Director Options will be re-valued at shareholder approval date. This amount is an accounting accruals required under accounting standards and has not actually been paid during the year, nor does it reflect the benefit (if any) that may ultimately be received.

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	
	2020	2019
	\$	\$
Share-based payments expense (refer to Note 3):		
Options issued during the period to 30 June 2019	157	25,796
Options issued during the period to 30 June 2020	181,359	-
Options agreed but not yet issued during the period to 30 June 2020	87,502	-
	<u>269,018</u>	<u>25,796</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 39 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: SUBSEQUENT EVENTS

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State, Territory and Commonwealth Governments as well as the Central Land Council. Such measures include, but are not limited to, social distancing and quarantine requirements, travel restriction, land access restrictions, ability to undertake land clearances and any economic stimulus that may be provided.

Subsequent to year-end the Company

- issued 1,050,000 unlisted options with a zero exercise price under the Company's Employee Share Option Plan as an initiative to encourage long-term staff retention along with the alignment of interests of shareholders and employees;
- agreed to issue 400,000 unlisted options with a zero exercise price to the Company's Managing Director, subject to shareholder approval at the next AGM;
- confirmed the vesting of 2,000,000 unlisted options and cancellation of 500,000 unlisted options issued to the Managing Director on 29 November 2019 in accordance with their terms; and
- cancelled a total of 12,000,000 unlisted options expiring on 11 August 2020 and 23 August 2020.

NOTE 18: CASH FLOW INFORMATION

	Consolidated	
	2020	2019
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(5,620,204)	(5,004,727)
Non cash investing and financing activities		
Depreciation	35,096	55,250
Gain/(loss) on disposal of property, plant and equipment (net)	(2,744)	-
Impairment of property, plant and equipment	-	15,670
Impairment of capitalised exploration expenditures	-	104,927
Share-based payments	269,018	25,796
Allowance for expected credit loss	404,802	-
Environmental bonding JV Partners	-	(46,900)
Changes in assets and liabilities		
(Increase)/decrease in term deposits and other receivables	254,136	(796,807)
(increase)/decrease in inventories	97,545	(128,522)
(increase)/decrease in other assets	(56,663)	15,397
(Decrease)/increase in trade and other payables and accruals	(2,237,996)	2,250,452
(Decrease)/increase in employee entitlements	(36,635)	55,476
(Decrease)/increase in provisions	-	(2,021)
Cash flow/(outflow) from operations	(6,893,645)	(3,456,009)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19: LOSS PER SHARE

	Consolidated	
	2020 \$	2019 \$
a) Basic loss per share		
Basic loss per share attributable to the ordinary equity holders of the Company	(1.00)	(1.09)
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	(5,620,204)	(5,004,727)
	(5,620,204)	(5,004,727)
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	564,234,163	460,026,545

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.

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	
	2020 \$	2019 \$
Current assets	11,161,461	7,517,399
Non-current assets	12,420,037	12,455,571
Total assets	23,581,498	19,972,970
Current liabilities	881,192	3,155,823
Non-current liabilities	1,744,615	1,744,615
Total liabilities	2,625,807	4,900,438
Net assets	20,955,691	15,072,532
Contributed equity	187,262,068	176,027,723
Reserves	3,462,495	3,336,136
Accumulated losses	(169,768,872)	(164,291,327)
Total equity	20,955,691	15,072,532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: PARENT ENTITY INFORMATION cont'd

	Parent Entity	
	2020	2019
	\$	\$
Profit/(loss) for the year	(5,620,204)	(5,004,727)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive (loss)	(5,620,204)	(5,004,727)

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	
			2020	2019
			%	%
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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

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 and to enable investors to claim a JMEI credit. However, the Group will still have significant cash reserves at the end of the next financial year if an equity raising does not proceed.

Coronavirus (Covid-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to access to our exploration ground, joint venture partners, supply chain and staffing. COVID-19 has impacted the Company's ability to access its ground and undertake exploration activity significantly during the second half of the financial year with no on-ground exploration occurring during that period. The underlying asset values are considered to be unaffected by this pandemic, however KPI outcomes relating to sharebased payments are unlikely to be achieved due to past and possible future COVID-19 related exploration delays potentially affecting the Group's operations.

(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 2020 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 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 accounting standards and interpretations

The new or amended standard AASB 16 became applicable for the current reporting period and the Group has changed its accounting policies as a result of the adoption of *AASB 16 Leases*:

AASB 16 was adopted from 1 July 2019. It results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exception are short-term and low-value leases. The Group has considered its current leases and considers them as short-term and low value.

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 45 to 66 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 2020 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 25th day of August 2020



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 2020, 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 2020 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 (including Independence Standards) (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.

Share Based Payments

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 15, the Group recognised a share-based payment expense in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020 due to the issue of options to eligible directors, management and employees.</p> <p>Share-based payments are a complex accounting area and due to the judgemental estimates used in determining the fair value of the share-based payments in accordance with the Accounting Standards, we consider management’s calculation of the share based payment expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Examining market announcements and board minutes to determine whether all the new options and performance rights granted during the year were accounted for; • Reviewing the relevant agreements to obtain an understanding of the contractual nature of the share-based payment arrangements;

- Considering the appropriateness of the valuation methodology used by management to measure and value the share-based payments;
- Assessing the reasonableness of the valuation inputs using internal specialists where appropriate;
- Evaluating management's assessment of the timing and likelihood of meeting the performance conditions attached to the share-based payments; and
- Evaluating the adequacy of the disclosures in respect of the accounting treatment of share-based payments in the financial statements, including significant judgements involved (disclosed at Note 15).

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 2020, 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 35 to 39 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Prodigy Gold NL, for the year ended 30 June 2020, 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



Glyn O'Brien

Director

Perth, 25 August 2020

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 21 August 2020.

1. Shareholdings

(a) Distribution of shareholders

Size of holding category (number of shares held)	Number of Holders Ordinary Shares
1 – 1,000	677
1,001 – 5,000	1,106
5,001 – 10,000	823
10,001 – 100,000	1,770
100,001 and over	457
	<hr/>
	4,833

(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	16.51
APAC Resources Limited & Allied Properties Investments (1) Company Limited	63,234,581	10.89
IGO Limited	49,254,285	8.48

(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 CAPITAL MANAGEMENT PTY LTD	95,880,809	16.51
2. NATIONAL NOMINEES LIMITED	63,484,048	10.93
3. ZERO NOMINEES PTY LTD	49,254,285	8.48
4. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	44,693,726	7.70
5. CITICORP NOMINEES PTY LIMITED	41,235,788	7.10
6. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,839,200	2.56
7. DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	11,394,000	1.96
8. GREAT AUSTRALIA CORPORATION PTY LTD	6,000,000	1.03
9. CS FOURTH NOMINEES PTY LIMITED	5,084,411	0.88
10. WESTMINEX PTY LTD	4,500,000	0.78
11. SOUTHERN CROSS CAPITAL PTY LTD	4,000,000	0.69
12. BNP PARIBAS NOMINEES PTY LTD	3,251,219	0.56
13. ROBERT MACFADYEN PTY LTD	2,500,000	0.43
14. PERTH SELECT SEAFOODS PTY LTD	2,433,334	0.42
15. DEUTSCHE BALATON AKTIENGESELLSCHAFT	2,222,306	0.38
16. THOMAS DAVID MCKEITH	2,158,586	0.37
17. VINCENT ANDREW MAIOLO	2,150,000	0.37
18. CY CAPITAL PTY LTD	2,000,000	0.34
19. JEPS NOMINEES PTY LTD	2,000,000	0.34
20. FRESHWATER RESOURCES PTY LTD	2,000,000	0.34
	361,081,712	62.19

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:

Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000

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

As at 24 August 2020, the Company has 27,700,000 unlisted options, which were issued to a total of 9 holders under the terms and conditions of the Company's Employee Share Option Plan.

Option Holders > 5% of options on issue	Number of Unlisted Options	% Held of Unlisted Options
Matthew Briggs	14,500,000	52.35%
Thomas McKeith	7,000,000	25.27%
Samuel Ekins	1,700,000	6.14%
Pacific Road Capital Management	1,500,000	5.42%
Brett Smith	1,500,000	5.42%

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