



Prodigy Gold NL



ABN 58 009 127 020

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2020



Contents



ABN 58 009 127 020 ACN 009 127 020

Directors	Mr Thomas McKeith (Chairman) Mr Matthew Briggs (Managing Director) Mr Michael Stirzaker Mr Brett Smith
Secretary	Ms Jutta Zimmermann
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO WA 6008
Bankers	Australia and New Zealand Banking Group Limited Level 10, 77 St Georges Terrace PERTH WA 6000
Share Registry	Automic Pty Ltd (Automic Group) Level 2, 267 St Georges Terrace PERTH WA 6000 Telephone: 1300 288 664 or +61 2 9698 5414
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DIRECTORS' REPORT

The Directors of Prodigy Gold NL (Prodigy Gold) 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 half-year ended 31 December 2020.

Directors

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

The Directors have been appointed for the whole period unless otherwise disclosed.

Operating Results

The consolidated loss of the Group for the half-year ended 31 December 2020 after providing for income tax amounted to \$1,779,065 (2019: loss of \$3,418,861).

Review of Operations

Since the start of the 2021 financial year Prodigy Gold:

- Continued exploration on the Company's under-explored and highly prospective tenement holdings in the Tanami region
- Completed aircore drilling programs at targets within North Arunta and Tanami Projects:
 - Tulsa Target: 28 aircore holes for 1,551m
 - Bonanza West Prospect: 110 aircore holes for 9,288m testing three targets
 - Bluehart Prospect: 57 aircore holes for 1,869m testing three targets
- Exploration at the Reynolds Range Project identified a large, strong 2km EM conductor at Scimitar coincident with large scale 3km copper, lead, zinc, silver, gold and arsenic anomaly
- A 400m diamond drill hole - co-funded by the NT Government as part of the Resourcing the Territory Initiative - was completed at Scimitar (Reynolds Range)
- Lake Mackay (IGO 70% / PRX 30%):
 - Drilling program completed: 65 drill holes for 1,944m across six targets – including the Goldbug gold Prospect, Grimlock nickel-cobalt Prospect, Grapple Prospect and first drilling at the Swoop nickel-cobalt Target
- Assessed corporate and asset level opportunities, including joint ventures on early stage exploration projects, and divestments
- The Company regained 100% ownership of Euro as part of Newcrest's rationalisation of its JV partnerships
- Airborne gravity and heritage clearance completed on the Tobruk JV with Newmont
- Newmont conducted an airborne gravity survey on the Tobruk Project

Planned 2021 Activities

- Steady pipeline of exploration activity planned for coming months:
 - Preparations underway to commence work at the Hyperion, North Arunta, Tanami and Reynolds Range Projects
 - Preparation for drilling at Harrison, Eleanor, PHD and Lennon Targets
 - Drilling of Cu-Au targets and EM conductors planned at and Reynolds Range Projects in H1 2021
 - A diamond drill hole is planned to collect metallurgical samples from Buccaneer
 - Follow up work including diamond drilling at Phreaker, Raw and Customisable, and exploration to extend bedrock gold recently identified at Goldbug and Arcee are planned for H1 2021 over the Lake Mackay Project area

DIRECTORS' REPORT

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 6.

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'M. Briggs', with a stylized flourish extending from the end.

MATTHEW BRIGGS
Managing Director

Dated this 24th day of February 2021
Perth, Western Australia

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

As lead auditor for the review of Prodigy Gold NL for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 24 February 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Interest		58,003	111,412
Other income	3	613,708	383,914
Administrative expenses			
Employee and Directors benefit expenses		(309,552)	(278,644)
Share-based payment expenses	7	(48,931)	(41,227)
Other expenses		(185,571)	(275,807)
Exploration expenses		(1,906,722)	(3,318,509)
Loss before income tax expense		(1,779,065)	(3,418,861)
Income tax expense / (benefit)		-	-
Loss for the half-year		(1,779,065)	(3,418,861)
Loss attributable to members of Prodigy Gold NL		(1,779,065)	(3,418,861)
Other comprehensive income		-	-
Total other comprehensive income for the half-year		-	-
Total comprehensive loss for the half-year		(1,779,065)	(3,418,861)
Total comprehensive loss for the half-year attributable to members of Prodigy Gold NL		(1,779,065)	(3,418,861)
Basic loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share (cents per share)		(0.31)	(0.62)

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 31 DECEMBER 2020

	Notes	Consolidated	
		31 December 2020 \$	30 June 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		8,554,876	10,699,944
Other receivables	4	408,925	248,865
Inventories		4,416	45,980
Other current assets		63,970	166,673
TOTAL CURRENT ASSETS		9,032,187	11,161,462
NON-CURRENT ASSETS			
Term Deposits	4	2,484,954	2,427,490
Property, plant and equipment		133,192	48,722
Exploration and evaluation expenditure		9,943,824	9,943,824
TOTAL NON CURRENT ASSETS		12,561,970	12,420,036
TOTAL ASSETS		21,594,157	23,581,498
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		379,047	683,649
Employee benefits		211,804	197,543
TOTAL CURRENT LIABILITIES		590,851	881,192
NON-CURRENT LIABILITIES			
Employee benefits		70,833	58,385
Provisions		1,692,838	1,686,230
TOTAL NON-CURRENT LIABILITIES		1,763,671	1,744,615
TOTAL LIABILITIES		2,354,522	2,625,807
NET ASSETS		19,239,635	20,955,691
EQUITY			
Contributed equity	5	187,262,068	187,262,068
Reserves		2,359,792	3,462,495
Accumulated losses		(170,382,225)	(169,768,872)
TOTAL EQUITY		19,239,635	20,955,691

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Contributed Equity \$	Share-based Payment Reserve \$	Employee Options Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2019	176,027,723	3,336,136	-	(164,291,327)	15,072,531
Comprehensive income for the half-year					
Loss for the half-year	-	-	-	(3,418,861)	(3,418,861)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(3,418,861)	(3,418,861)
Transaction with owners in their capacity as owners:					
Shares issued	12,000,000	-	-	-	12,000,000
Share issue cost	(765,655)	-	-	-	(765,655)
Share-base payment reserve adjustment for option cancellation	-	(142,354)	-	142,354	-
Share-based payments	-	43,892	-	-	43,892
Total transactions with owners	11,234,345	(98,462)	-	142,354	11,278,237
Balance at 31 December 2019	187,262,068	3,237,674	-	(167,567,834)	22,931,907
Balance at 1 July 2020	187,262,068	3,462,495	-	(169,768,872)	20,955,691
Comprehensive income for the half-year					
Loss for the half-year	-	-	-	(1,779,065)	(1,779,065)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(1,779,065)	(1,779,065)
Transaction with owners in their capacity as owners:					
Share-base payment reserve adjustment for option cancellation ¹⁾	-	(1,165,712)	-	1,165,712	-
Share-based payments	-	63,009	-	-	63,009
Total transactions with owners	-	(1,102,703)	-	1,165,712	63,009
Balance at 31 December 2020	187,262,068	2,359,792	-	(170,382,225)	19,239,635

1) During the period \$1,165,712 of options previously issued to KMP's were recycled to retained earnings as they expired un-exercised due to not reaching the strike price. These amounts were accounting accruals required under accounting standards and have not actually been paid and no benefit has ultimately been received.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other Income	10,620	338,397
Payments to suppliers and employees	(495,276)	(704,545)
Interest received	53,410	89,067
R&D refund / Government Grants	284,430	172,552
Payments for exploration	(1,790,543)	(4,886,846)
Net cash outflow from operating activities	(1,937,359)	(4,991,375)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(103,345)	-
Proceeds from sale of property, plant and equipment	-	3,182
Net cash inflow from investing activities	(103,345)	3,182
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	12,000,000
Share issue cost	-	(765,655)
Placement of security deposits (cash-backed)	(104,364)	-
Net cash inflow from financing activities	(104,364)	11,234,345
Net increase / (decrease) in cash and cash equivalents	(2,145,068)	6,246,152
Cash and cash equivalents at beginning of reporting period	10,699,944	6,356,062
Cash and cash equivalents at end of reporting period	8,554,876	12,602,214

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Prodigy Gold NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) 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 sufficient cash reserves to fund an extensive exploration program and joint venture contributions during the foreseeable future.

(c) Estimates

The preparation of the half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

NOTE 2: SEGMENT INFORMATION

The full Board of Directors, who are the chief operating decision makers, identified the Exploration segment as the only reportable segment. Management assesses the performance of the operating segments based on a measure of exploration expenditure for each activity. The measure excludes items such as interest income and corporate expenses as these activities are centralised.

	Exploration \$	Total \$
Half-year ended 31 December 2020		
Segment revenue	8,908	8,908
Segment other income	473,112	473,112
Segment loss		
Total segment loss	(1,424,703)	(1,424,703)
Net segment loss	(1,424,703)	(1,424,703)
Segment loss includes the following significant items:		
Depreciation expenses	18,875	18,875
Other exploration expenses	1,887,848	1,887,848
Total segment assets		
31 December 2020	10,474,191	10,474,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2: SEGMENT INFORMATION cont'd

	Exploration \$	Total \$
Half-year ended 31 December 2019		
Segment revenue	-	-
Segment other income	383,914	383,914
Segment loss		
Total segment loss	(2,934,596)	(2,934,596)
Net segment loss	(2,934,596)	(2,934,596)
Segment loss includes the following significant items:		
Depreciation expenses	19,293	19,293
Impairment exploration and evaluation expenditure		
Other exploration expenses	3,299,217	3,299,217
Total segment assets		
31 December 2019	10,213,028	10,213,028

Reconciliation of segment result to Group net profit/(loss) before tax is provided as follows:

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
Net segment loss	(1,424,703)	(2,934,596)
Corporate items:		
Interest revenue	49,095	111,412
Other Income	140,596	-
Employee and Directors' benefit expenses	(309,552)	(278,644)
Share-based payments	(48,931)	(41,227)
Other expenses	(185,570)	(275,806)
Net loss before tax from continuing operations	(1,779,065)	(3,418,861)

NOTE 3: OTHER INCOME

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
Contribution from joint ventures	301,412	250,000
Expense re-imburements from JV Partners	10,619	11,142
Sale of Fixed Assets	-	2,744
Government Grants	301,677	86,710
Other Income	-	33,318
	613,708	383,914

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 4: TERM DEPOSITS AND OTHER RECEIVABLES

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
CURRENT		
Other receivables (Note 4(a))	408,925	653,667
Provision for Allowance for expected credit loss (Note 4(a))	-	(404,802)
	<u>408,925</u>	<u>248,865</u>
NON-CURRENT		
Bonds term deposit	2,484,954	2,427,490
	<u>2,484,954</u>	<u>2,427,490</u>

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group, and do not contain any past due assets that are not impaired.

The Group has applied the general approach as permitted by AASB 9 which requires expected lifetime losses to be recognised from initial recognition of the receivable. An allowance for expected credit loss was not recognised based on the Group's credit risk management processes, determining the resulting credit losses as insignificant.

NOTE 5: CONTRIBUTED EQUITY

Details	Date	Number of Shares	Issue Price \$	Value \$
Opening balance at the beginning of reporting period	1 July 2019	480,627,606		176,027,723
Share Placement	29 August 2019	100,000,000	0.12	12,000,000
Transaction cost relating to share issue				(765,655)
Closing balance	31 December 2019	<u>580,627,606</u>		<u>187,262,068</u>
Opening balance at the beginning of reporting period	1 July 2020	<u>580,627,606</u>		<u>187,262,068</u>
Closing balance	31 December 2020	<u>580,627,606</u>		<u>187,262,068</u>

NOTE 6: CONTINGENCIES

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.

Environmental guarantees totalling \$2,379,868 (2020: \$2,322,404) have been provided. Term deposits of \$2,275,504 (2020: \$2,275,504) and cash deposits of \$104,364 (2020: \$46,900) with the Department of Industry, Tourism and Trade – NT Government (DITT) secure these guarantees. Restoration provisions of \$1,692,838 (2020: \$1,686,230) have been recognised for all known required restoration cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 7: SHARE-BASED PAYMENTS

Zero exercise price options ("Zepos")

During the half-year reporting period ended 31 December 2020, the Group granted 1,050,000 Zepos as an equity incentive to employees which were issued on 1 July 2020 and 400,000 Zepos to Matt Briggs, which were issued on 2 November 2020 following approval by shareholders at the AGM. The final number of Zepo's vesting is subject to KPI's and Company performance criteria.

The performance conditions attached to the Zepos 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 2020 (\$0.047) (Base Price), scored and weighted as follows:

KPI	Number of Zepo's	100%	50%	0%
Resource Target Non-market condition	Tranche A: 725,000	1Moz or more added	At least 500koz, but less than 1Moz, added	Less than 500koz added
TSR Market condition	Tranche B: 725,000	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 options that vest in accordance with the LTI will be reduced by the EHS Multiplier in respect of the period 1 July 2022 to 1 July 2023.

EHS Multiplier	Percentage of options 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:

Zepos issued during the reporting period	Matt Briggs Tranche A	Matt Briggs Tranche B	Other KMP Tranche A	Other KMP Tranche B	Employees Tranche A	Employees Tranche B
Incentive Type	LTI	LTI	LTI	LTI	LTI	LTI
Number of Zepos granted	200,000	200,000	200,000	200,000	325,000	325,000
Fair value at grant date	\$0.045	\$0.031	\$0.05	\$0.037	\$0.05	\$0.037
Number of Zepos vested and exercisable at 31 December 2020	NIL	NIL	NIL	NIL	NIL	NIL
Exercise price	NIL	NIL	NIL	NIL	NIL	NIL
Underlying share price	\$0.045	\$0.045	\$0.05	\$0.05	\$0.05	\$0.05
Grant date	2-Nov-2020	2-Nov-2020	1-July 2020	1-July 2020	1-July 2020	1-July 2020
Expected price volatility	99%	100%	99%	100%	99%	100%
Risk free interest rate	0.27%	0.13%	0.27%	0.27%	0.27%	0.27%
Vesting date (subject to performance conditions and service period)	1 July 2023	1 July 2023	1 July 2023	1 July 2023	1 July 2023	1 July 2023
Performance conditions	Non-market	Market	Non-market	Market	Non-market	Market
Likelihood of vesting by vesting date	20%	N/A	20%	N/A	20%	N/A

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 20% probability of achieving these KPI's by 1 July 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 7: SHARE-BASED PAYMENTS cont'd

The fair value of the Zepos subject to market conditions requires for the share price to rise to 7.1cents per share for 50% of the Zepos subject to market condition to vest and a rise to 9.4cents per share for 100% to vest. The fair value of all Zepos subject to market conditions at grant date were determined using a Monte Carlo 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.

During the period \$6,493 of expense was recorded relating to Zepos issued to Matt Briggs and \$2,632 relating to Zepos issued to KMP's (other than Matt Briggs) and employees. 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 previous financial year the Group agreed to grant 7 Million Option to Tommy McKeith (Non-Executive Chairman) and 1.5 Million options each to Michael Stirzaker and Brett Smith (Non-Executive Directors) as an equity incentive under the Employee Share Option Plan. These Options have been shareholder approved on 2 November 2020. 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 continuing service conditions. Following shareholder approval the options were re-valued with any adjustment accounted for during the current reporting period.

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
Fair Value at grant date ¹⁾	\$0.045	\$0.045	\$0.045
Exercise price	\$0.081	\$0.081	\$0.081
Price at agreement date	\$0.06	\$0.06	\$0.06
Grant date	2 November 2020	2 November 2020	2 November 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 \$25,751 of expense was recorded relating to Options issued to Tommy McKeith. The valuation for Non-Executive Director Options has been 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.

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
Fair Value at grant date ¹⁾	\$0.045	\$0.045	\$0.045
Exercise price	\$0.081	\$0.081	\$0.081
Price at agreement date	\$0.054	\$0.054	\$0.054
Grant date	2 November 2020	2 November 2020	2 November 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 \$14,645 of expense was recorded relating to Options issued to Mike Stirzaker and Brett Smith. The valuation for Non-Executive Director Options has been 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

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8: 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 Note 7 – Share-based Payments.

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

NOTE 9: SUBSEQUENT EVENTS

Subsequent to the end of the reporting period the Company cancelled 200,000 unlisted options.

DIRECTORS' DECLARATION

The Directors of the Group declare that:

- (a) the financial statements and notes set out on pages 7 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Prodigy Gold NL will be able to pay its debts as and when they become due and payable, subject to the matters in Note 1(b).

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

Dated this 24th day of February 2021



MATTHEW BRIGGS
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Prodigy Gold NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Prodigy Gold NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 24 February 2021