

Corporate Governance Statement - 2021

This Corporate Governance Statement has been approved by the Board and is current as at 30 June 2021. The directors of Prodigy Gold NL, ABN 58 009 127 020 ("Prodigy Gold" or the "Company") understand that effective Corporate Governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles, and the Company assesses its governance practices on an ongoing basis. Changes and improvements are made in a substance over form manner, which appropriately reflects the changing circumstances of the Company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

The Board has undertaken a full review of its Corporate Governance documents during June 2021 which came into effect on 1 July 2021.

ASX Corporate Governance Principles and Recommendations

The Company has adopted and reports against the Australian Securities Exchange (ASX) Corporate Governance Council Corporate Governance Principles and Recommendations (4th edition) ("ASX Principles") commencing 1 July 2020. Prodigy Gold's Corporate Governance practices are outlined in this Corporate Governance Statement.

Recommendation	Complied ¹⁾	If not complied, why not ²⁾	Recommendation	Complied ¹⁾	If not complied, why not ²⁾
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 1.4	✓		Recommendation 5.2	✓	
Recommendation 1.5	✓		Recommendation 5.3	✓	
Recommendation 1.6	✓		Recommendation 6.1	✓	
Recommendation 1.7	✓		Recommendation 6.2	✓	
Recommendation 2.1	✓		Recommendation 6.3	✓	
Recommendation 2.2	✓		Recommendation 6.4	✓	
Recommendation 2.3	✓		Recommendation 6.5	✓	
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1	✓	
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 3.4	✓		Recommendation 8.3	✓	
Recommendation 4.1	✓				

¹⁾ Indicates where the Company has followed the ASX Principles and Recommendations.

²⁾ Indicates where the Company has provided "if not, why not" disclosure.

Where the Company has not followed a recommendation, reasons for non-compliance have been identified. All these practices, unless otherwise stated, were in place for the entire year. This disclosure is in accordance with ASX listing rule 4.10.3.

Preamble

The ASX Corporate Governance Principles and Recommendations recommend the establishment of an Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee to assist the Board in the execution of its duties and allow detailed consideration of complex issues. However, given the size of the Company and the current size and composition of the Company's Board, the full Board is responsible for the duties usually assigned to such Committees. Committees will be formed if the Company and the Board grows further in size and considers the establishment to be appropriate. Conflicts of interest are dealt with by excluding conflicted directors from discussions and relevant resolutions. Non-conflicted directors have the opportunity to discuss matters between themselves and question management and auditors independently from conflicted directors.

As at 30 June 2021 the Board consisted of four directors with one independent non-executive director, two non-executive shareholder representative directors and the managing director.

The length of service and role of each director on the Board during the 2020-2021 financial year was as follows:

Director	Non-executive chair	Non-executive director	Executive director
Thomas McKeith	1.7.20-30.6.21		
Matthew Briggs			1.7.20-30.6.21
Brett Smith		1.7.20-30.6.21	
Michael Stirzaker		1.7.20-30.6.21	

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Functions of the Board and Senior Executives

The Board operates in accordance with broad principles set out in its Charter. The full Board Charter and Company Policies are available in the Corporate Governance section on the Company's website (www.prodigygold.com.au/about-prodigy-gold/corporate-governance/).

The Board Charter sets out the specific responsibilities reserved for the Board and the Board's delegation of responsibility to allow the managing director and the executive management team to carry out the day-to-day operations and administration of the Company. The Board Charter supports all delegation of responsibilities by formally defining the specific functions reserved for the Board and those matters delegated to management.

Management is responsible for implementing the strategic objectives and instilling and reinforcing the Company values, while operating within the Code of Conduct, budget and risk appetite set by the Board. Management is also responsible for providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities. The managing director is accountable to the Board for the authority that is delegated by the Board.

Recommendation 1.2 - Appointment of New Directors

The Board Charter provides that the Board must undertake appropriate checks before a person is appointed to the Board, or put forward to shareholders as a candidate for election as a director. The Board is responsible for ensuring that all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director is provided to shareholders. This is done by making disclosures in the notice of meeting for general meetings at which directors are to be elected or re-elected.

Recommendation 1.3 - Written agreements with each Director and Senior Executive

All directors and senior executives of the Company have been given formal letters of appointment outlining key terms and conditions of their appointment.

Recommendation 1.4 - Company Secretary

The appointment and removal of a company secretary is a matter for decision by the Board. The company secretary is accountable directly to the Board (through the chairman), on all matters to do with the proper functioning of the Board.

Recommendation 1.5 - Diversity Policy

The Company and all its related bodies are committed to workplace diversity and have adopted a Diversity Policy which is available in the Corporate Governance section on the Company's website.

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of people. The Policy is to recruit and manage on the

basis of inclusion at all levels of the organisation, regardless of gender, marital or family status, age, disability, ethnicity, religious beliefs, cultural and socio-economic background, sexuality, or gender identity. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The chairman monitors the scope and currency of this Policy. The Board is responsible for developing the measurable objectives and strategies to meet the objectives of the Diversity Policy. The Company is responsible for implementing, monitoring and reporting on the objectives. These objectives include the achievement of:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- equal employment and career development opportunities;
- a work environment that values and utilises the contributions of all employees including those with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity unless discrimination is required by the law.

The Company's Privacy Policy aims to respect the privacy of its employees, and the Company does not collect personal data such as gender, marital or family status, age, disability, ethnicity, religious beliefs, cultural and socio-economic background except where required by the law. The data required to discriminate between employee categories for reporting is summarised in the following table showing the representation of women in the Company as at 30 June 2021.

Organisational Level	Female %
The Whole Organisation ¹⁾	22%
Technical Staff (excludes Senior Executives)	0%
Administration Staff (excludes Senior Executives)	100%
Senior Executives ²⁾	50%
Board Members (non-executive)	0%

¹⁾ Excludes non-executive directors and includes seasonal staff

²⁾ Senior executives are defined as executives that are key management personnel

Recommendation 1.6 - Process for Evaluating Performance of Board, Committees and Individual Directors

The Board, is tasked with conducting an annual performance review of the Board, its Charters, and with conducting a performance review of each individual director. This review has been completed for the 2020-2021 financial year.

Recommendation 1.7 - Process for Evaluating Performance of Senior Executives

The senior executive is subject to a formal annual performance evaluation which is undertaken by the managing director and/or the chairman. The salaried senior executive meets on an annual basis with the managing director and/or the chairman to review performance, including a review of key performance indicators and performance and accountability benchmarks. The review for the 2020-2021 financial year was undertaken.

The managing director is subject to a formal annual performance evaluation undertaken by the chairman and reviewed by the Board, which includes a review of key performance indicators and performance and accountability benchmarks. The review for the 2020-2021 financial year was undertaken.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Recommendation 2.1 - Nomination Committee

As at 30 June 2021 the Company did not have a Nomination Committee (refer to preamble) with the full Board responsible for the duties usually assigned to the Committee.

Shareholder agreements are in place that include a right to nominate a director to the Board of the Company. Mike Stirzaker is the nominee director for Pacific Road Capital Management and Brett Smith is the nominee director for APAC Resources Limited.

The terms and conditions of the appointment and retirement of directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice. Each director is excluded from matters of personal interest.

The Board, is responsible for an annual performance review of the Board and compares the performance of the Board with the requirements of its Charter and critically reviews the mix of skills on the Board. The Board Charter, which details the responsibilities in relation to nomination, appointment and succession of directors, and the Performance Evaluation Policy of the Board and its individual directors can be found in the Corporate Governance section of the Company's website.

Recommendation 2.2 - Prodigy Gold Board Skills Matrix

Set out below is the Company's Board skills matrix as at 30 June 2021, which sets out the mix of skills and diversity that the Company requires the Board to maintain.

Skill	Skill Level / Compliance
Director Independence	Not compliant with target of at least 50%
Number of non-executive directors	Compliance with target of at least 50%
Financial Reporting	High
Financial Market	High
Technical Exploration	Moderate
Technical Development	High
Technical Production	Moderate
Management	High
Occupational Health and Safety	Moderate
Corporate Governance	Moderate
External Liaisons / Relationship Management	High
Diversity	Not compliant

Recommendation 2.3 - Directors

Other than participation in an employee incentive scheme, none of the independent directors has a position, association or relationship of the type described in Box 2.3 of the ASX Principles. Options, under the same terms and conditions of the Company's employee incentive scheme, were issued and approved by shareholders. The independent director holding does not amount to a substantial holding and is hence not considered to compromise the independence of the relevant director.

The Prodigy Gold Board comprised on 30 June 2021 of four directors:

Name	Position	Independence	First Appointed
Mr Thomas McKeith	Non-Executive Chairman	Independent	27 June 2016
Mr Matthew Briggs	Managing Director	Not Independent	3 October 2016
Mr Brett Smith	Non-Executive Director	Not Independent	9 May 2016
Mr Michael Stirzaker	Non-Executive Director	Not Independent	3 December 2018

Recommendation 2.4 – Independence of Board

A majority of the directors are not independent. In determining the independence of directors, the Board has regard to the independence criteria as set out in the ASX Principles.

Mr Smith is an officer of APAC Resources Limited (a substantial shareholder of Prodigy Gold), Mr Stirzaker was an officer of Pacific Road Capital Management (a substantial shareholder of Prodigy Gold) and remains on the board as their nominee and Mr Briggs and is an executive of the Company and they are therefore not considered to be independent. Mr McKeith is considered to be independent.

Details of Board members, their experience, expertise, qualifications, term in office and independence status are set-out on the Company's website and in the table above under Recommendation 2.3.

Recommendation 2.5 - Independence and Non-Executive Role of Chairman

The chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives. The independent chair of the Board as at 30 June 2021 is Mr McKeith who is a non-executive director.

Recommendation 2.6 - Introduction and Professional Development of Directors

The Company has a program for the induction of new directors. This program is designed to ensure that new directors have the skills and knowledge to perform their role as directors. The Board and individual directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the chairman or the managing director. All directors have access to the company secretary.

The program includes but is not limited to the provision of historical Company information, introduction to the Corporate Governance Charters and Policies of the Company and field visits to deepen the understanding of directors of Company projects and the environment the Company operates in. The full board attended the last field visit during June 2021. Directors are encouraged to deepen their skills through further education where appropriate or desired.

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1 – Company Values

The Company's Corporate Code of Conduct lays out the guiding values to which directors, senior executives and employees should strive.

Recommendation 3.2 - Code of Conduct

The Board has adopted a formal Corporate Code of Conduct which applies to directors, senior executives, managers, supervisors, employees, consultants, agents and other representatives of the Company. A copy of the Code of Conduct is made available to those to whom it applies and can also be found in the Corporate Governance section on the Company's website.

The Corporate Code of Conduct provides a framework for decisions and actions in relation to lawful, ethical and responsible conduct. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, shareholders and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from directors, senior executives and employees.

Prodigy Gold encourages the reporting of matters that may cause financial and non-financial loss to the Company or damage to the Company's reputation. All employees are required to immediately report circumstances that may involve a breach of the Code of Conduct. All material breaches of the Code of Conduct are brought to the attention of the board. The full code is published on the Company's website.

Recommendation 3.3 – Whistleblower Policy

Prodigy Gold is committed to promoting a culture of corporate compliance and ethical, lawful and responsible behaviour including maintaining a high standard of integrity, and good corporate governance. The Company relies on people to speak up about potential misconduct concerns and the Whistleblower Policy, as published on the Company's website. The policy provides relevant information to assist disclosures and sets out how the Company protects whistleblowers from any form of retaliation, victimisation, including termination of employment, harassment and discrimination, when making a legitimate whistleblowing disclosure.

The board is informed of any material incidents reported under this Policy.

Recommendation 3.4 – Anti-Bribery and Corruption Policy

All Prodigy Gold personnel have a responsibility to help detect, prevent and report instances of bribery and corruption as well as any other suspicious activity or wrong doing in connection with the Company's business. Prodigy Gold is committed to ensuring that all employees have a safe, reliable and confidential way of reporting any suspicious activity. Prodigy Gold personnel are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage.

The board is informed of any material incidents of bribery or corruption under this Policy, which is published on the Company's website.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 - Audit Committee

As at 30 June 2021 the Company did not have an Audit Committee (refer to preamble) with the full Board responsible for the duties usually assigned to the Committee. The Board is responsible to oversee, independently verify and safeguard the integrity of the Company's accounting and corporate reporting systems, including external audit.

The Board Charter contains information on procedures to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- the quality and integrity of the Company's financial statements, accounting policies and financial reporting, disclosure and business ethics practices and policies;
- compliance with all applicable laws, regulations and Company Policy;
- the effectiveness and adequacy of internal control processes;
- the performance of the Company's external auditors and their appointment, rotation and removal; and
- the independence of the external auditor and the rotation of the lead engagement partner.

The Board Charter, disclosed in the Corporate Governance section on the Company's website, sets out the respective roles and responsibilities of the Board in this role.

Recommendation 4.2 - Declarations of the CEO and CFO

The CEO and the CFO are required to make a declaration in accordance with section 295A of the Corporations Act that, in their opinion, the financial records of the Company have been properly maintained and that the Company's financial reports comply with the appropriate accounting standards and present a true and fair view of the Company's financial position and performance. The CEO and the CFO gave the above declarations to the Board before it adopted the Company's 2021 Financial Statements.

The CEO and the CFO also stated in writing to the Board that their opinion is founded on a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 – Integrity of Periodic Corporate Reports

Where a periodic corporate report is not required to be audited or reviewed by an external auditor, management conducts the same internal verification process as followed for an external audit report. This process includes CEO and CFO declarations and board approval where appropriate to ensure the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 - Disclosure Policy

Prodigy Gold's Continuous Disclosure Policy focuses on continuous disclosure compliance and improving access to information for investors. This Policy is available in the Corporate Governance section on the Company's website.

The Board has ultimate authority and responsibility for market disclosure. This responsibility is delegated to the managing director and company secretary. Approval is sought from the chairman on all significant matters and the chairman seeks Board approval as required.

Recommendation 5.2 – Distribution of Announcements to Directors

Prodigy Gold distributes copies of all market announcements promptly after they have been made to its board.

Recommendation 5.3 – Investor Presentations

The Company ensures that new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 - Information on website

Prodigy Gold's Shareholder Communications Strategy and Anti-Bribery and Corruption Policies are available in the Corporate Governance section on the Company's website. These Policies facilitate the availability of information to investors regarding the Company and its governance.

Recommendation 6.2 - Investor Relations Program

The Company's Shareholder Communications Strategy aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs and to facilitate effective two-way communication. Shareholders queries are referred to the managing director or company secretary in the first instance. The Group endeavours to provide shareholders with important information on the Company in a timely and efficient manner.

In addition to direct mailing and emailing of information to shareholders, the Company releases up to date information on the Company's activities together with copies of all information released to the ASX.

Recommendation 6.3 - Shareholder Meetings

Shareholder meetings are an important forum for investors to meet with the Board and senior management and discuss matters concerning the Company.

The Company facilitates and encourages participation at meetings of shareholders by:

- providing a direct voting facility;
- deciding all resolutions of shareholders by a poll rather than by a show of hands;
- encouraging shareholders attending the meeting to ask questions about, or make comments on, the management of the Company. Where appropriate, these questions and comments will be addressed at the meeting; and
- encouraging shareholders who are not able to attend meetings to submit questions ahead of the meeting.

The Company's external auditor attends all annual general meetings of the Company and is available to answer shareholder questions regarding the conduct of the audit and the preparation and content of the auditor's report.

Recommendation 6.4 – Voting by Poll

All resolutions put before shareholders during shareholder meetings are decided by poll.

Recommendation 6.5 - Electronic Communication

Shareholders can register on the Company's website to receive email notifications of announcements made by the Company to the ASX. Shareholders can register with the Company's Registrar to receive annual reports and other shareholder communication by mail or email. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders may also contact the Company directly by email.

The Company is regularly reviewing its website to identify ways in which it can promote its greater use by shareholders and make it more informative.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 - Risk Committee

As at 30 June 2021 the Company did not have a Risk Committee (refer to preamble) with the full Board responsible for the duties usually assigned to the Committee.

The Board determines the Company's risk profile and is responsible for overseeing and approving the Company's risk management strategy and policies, internal compliance and internal control. Prodigy Gold's Risk Management, Internal Compliance and Control Policy is available in the Corporate Governance section of the Company's website.

The Company's process of risk management, internal compliance and control is detailed in the Company's Board Charter and includes but is not limited to:

- ensuring the Company has an appropriate, effective and sound risk management framework in place, for both, financial and non-financial risks and setting the risk appetite within which the Board expects management to operate;
- ensuring the Company has appropriate occupational health and safety policies, standards and significant issues are addressed; and
- recognising, managing and periodically reviewing the risk management framework, practices and procedures to ensure effective risk identification, management and compliance with internal guidelines and external requirements and to ensure it continues to be sound.

To this end, comprehensive practices are in place that are directed towards achieving the following objectives:

- compliance with applicable laws and regulations;
- preparation of reliable published financial information; and
- implementation of risk transfer strategies where appropriate e.g. insurance.

Reference is made to the discussion in relation to Principal 4 (Recommendation 4.1) in this Corporate Governance Statement.

Recommendation 7.2 - Annual Risk Review

The Board reviews assessments of the effectiveness of risk management and internal compliance and control on an annual basis to ensure that it continues to be sound. This process was undertaken for the year ended 30 June 2021.

Recommendation 7.3 - Internal Audit

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. The Company does not have an internal audit function as such, however, management is required to assess risk management and associated internal compliance and control procedures and report back at least bi-annually to the Board.

The CEO and the CFO have provided a declaration to the Board in accordance with Section 295A of the *Corporations Act 2001* and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4 – Exposure to Environmental and Social Risks

The Company is aware of its impact on the economy, environment and the community and risks to the Company if it does not deal with these matters appropriately.

The Board, is responsible for determining whether the Company has any material exposure to economic, environmental or social risks and, if it does, disclose how the Company manages or intends to manage those risks and, where appropriate, benchmark disclosures against those made by peers.

Management reports to the Board on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks and the Board assess the adequacy of such measures.

Prodigy Gold's Environment Social Governance Report has been published in the corporate governance section of the Company's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 - Remuneration Committee

As at 30 June 2021 the Company did not have a Remuneration Committee (refer preamble) with the full Board responsible for the duties usually assigned to the Committee.

The Company's considerations in setting remuneration for directors and senior executives is detailed the Company's Board Charter and includes but is not limited to:

- remunerating directors sufficiently to attract and retain high quality directors and design executive remuneration to attract, retain and motivate high quality senior executives to align their interests with the Company's purpose, values, strategic objectives, risk appetite and the creation of value for shareholders;
- preparing and periodically reviewing succession plans for the Board and ensuring that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively;
- ensuring incentives for executive directors and other senior executives encourage them to pursue the growth and success of Prodigy Gold without rewarding conduct that is contrary to the Code of Conduct or risk appetite; and
- reviewing and approving the executive remuneration policy, that demonstrates a clear relationship between senior executive performance and remuneration, to enable the Company to attract and retain senior executives and directors who will create value for shareholders.

The Board Charter is available in the Corporate Governance section of the Company's website.

Reference is made to the discussion in relation to Principal 2 (Recommendation 2.1) in this Corporate Governance Statement.

Recommendation 8.2 - Disclosure of Remuneration Policies and Practices

Fees for non-executive directors are not linked to the performance of the economic entity. However, to align non-executive directors' interests with shareholder interests, the non-executive directors are encouraged to hold shares or options in the economic entity purchased by that non-executive director on-market.

Generally, non-executive directors should not:

- receive options or cash bonuses from the Company. However, the Board has the discretion to determine in the appropriate circumstances, where shareholder approval is obtained, that non-executive directors may be granted incentive shares and/or options; and
- be provided with retirement benefits other than superannuation. However, the Board has the discretion to determine in the appropriate circumstances, where shareholder approval is obtained, that non-executive directors may be granted retirement benefits.

Executive directors' and senior executives' remuneration is subject to an annual performance evaluation. This evaluation is based on specific criteria, including the business performance of the Company, whether strategic objectives are being achieved and the development of management and personnel. The Board ensures that remuneration policies fairly and responsibly reward executives having regard to the objectives and performance of the Company, the performance of the executive, length of service and experience of the executive, and prevailing remuneration expectations in the market.

The Performance Evaluation Policy is available in the Corporate Governance section of the Company's website.

Recommendation 8.3 - Policy on equity-based remuneration scheme

The Company has a Securities Trading Policy that establishes a procedure for dealings by directors, senior executives, employees, and their related parties in the Company's securities, and in securities of other entities with whom the Company may have business dealings. A copy of the Securities Trading Policy is available in the Corporate Governance section of the Company's website.