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## PRODIGY GOLD NL – BOARD CHARTER

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### 1. PURPOSE

In carrying out the responsibilities and powers set out in this Charter, Prodigy Gold and its Board:

- recognises they are charged with the legal responsibility for managing the Company's business with due care and diligence;
- recognises its overriding responsibility to act honestly, fairly, ethically, diligently and in accordance with the law in serving the interests of its Shareholders;
- commits to implementing and maintaining high standards of corporate governance informed by the ASX Corporate Governance Council's Governance Principles and Recommendations 4<sup>th</sup> Edition (the ASX Principles and Recommendations); and
- recognises its duties and responsibilities to its employees, stakeholder and the community.

The conduct of the Board is governed by the Constitution of Prodigy Gold, the Corporations Act, the Listing Rules and common law. This Charter is only a summary of the matters reserved to the Board and should therefore only be used as a general guide.

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### 2. STRUCTURE AND COMPOSITION OF THE BOARD

The Directors of Prodigy Gold determine the size and composition of the Board, subject to the limits set out in the Constitution. The Constitution provides for a minimum of three and a maximum of nine Directors. Membership of the Board and whether a Director is independent or not independent shall be disclosed in the annual report.

The Board should be of an appropriate size and collectively have the skills, commitment and knowledge of the Company and the exploration industry, to enable it to discharge its duties effectively and to add value. The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction, assisting the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to Shareholders.

No member of the Board, except for the CEO, may serve for more than three years or past the third AGM following their appointment, whichever is the longer, without being re-elected by Shareholders.

Where practical, the majority of the Board is comprised of Non-Executive Directors and at least 50% of the Board will be independent.

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### 3. ROLE OF THE BOARD

The Board is responsible for promoting the success and protecting the interest of the Company in a way which ensures that the interests of Shareholders and all stakeholders are promoted and protected. The Directors will exercise all the powers of Prodigy Gold, except powers Constitution or the Corporation Act require Shareholders to exercise.

Directors are required to exercise their powers and discharge their duties in good faith, and in the best interests of Prodigy Gold and for a proper purpose. The interests of associates, individual Shareholders, other companies, or personal interests of the Director must not be allowed to prevail over those of Prodigy Gold's Shareholders generally. Directors must always be alert to the potential for conflict of interest and fulfil their fiduciary duties as Directors.

The Board may delegate some powers and functions to CEO for the day-to-day management of the Company. Powers and functions not delegated remain with the Board.

In addition to matters it is expressly required by law to approve or undertake, the Board has the following specific responsibilities:

**(a) Key responsibilities and functions of the Board**

- demonstrate leadership and define the Company's purpose;
- develop, review and monitor the Company's long-term business strategies, approve significant corporate strategic initiatives, review and monitor strategic risks and provide strategic direction to Management;
- oversee and monitor organisational performance and achievement of strategic goals and objectives and instilling of Company values;
- monitor developments in the Company's industry and general operating environment;
- demonstrate, endorse and promote a culture across the Company of acting lawfully, ethically and responsibly;
- consider and review the social and ethical impact of the Company's activities and where appropriate, set standards for social and ethical practices that will enhance and protect the Company's reputation, including approving the Company's values and code of conduct to underpin the desired culture;
- oversee the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Prodigy Gold's securities;
- ensure the Company has appropriate systems in place to comply with relevant legal and regulatory requirements that impact on its operations;
- ensure an appropriate framework exists for relevant information to be reported by Management to the Board and where required challenge Management and hold it to account;
- develop and promote a system of corporate governance which ensures the Company is properly managed and controlled and monitor the effectiveness of the Company's governance practices;
- ensure a processes is in place for evaluating and continually improving the effectiveness of the Company's governance, risk management and internal control processes; and
- approve significant changes to the organisational structure and consider, and if suitable, approve all mergers, acquisitions and disposals of projects and businesses.

**(b) Appointment, remuneration and performance review of Directors and Company Officers**

- appoint Non-Executive Directors and the Chair, in accordance with the Constitution, and identify persons to be put forward to Shareholders for election or re-election as Directors and the determination of their terms and conditions including remuneration and termination;
- in appointing new members to the Board, give consideration to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company;
- provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director, including bibliographical details, qualifications, experience, skills they bring to the Board, material other directorships, matters of concern arising from the directors background check, independence status and details of any interests, position or relationship that might influence the Director;
- appoint and replace the CEO in accordance with the Constitution, and appraise and determine the employment terms and conditions including remuneration and termination;
- approve the appointment and replacement of other Senior Executives including the Company Secretary;
- remunerate 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;

- establish induction and continuing professional development programs for Directors to ensure they can effectively discharge their responsibilities;
- regularly assess whether the Directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues. Consider professional development for Directors where gaps are identified;
- develop and implement a process for evaluating the performance of the Board, its committees and Directors;
- ensure plans are in place to manage the succession of the CEO and other Senior Executives;
- prepare and periodically review succession plans for the Board and ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively;
- monitor share dealings and declarations of interest by Directors;
- ensure appropriate checks' as to the person's character, experience, education, criminal record and bankruptcy history' are undertaken prior to the appointment of a Director or Senior Executive or putting a Director forward for election as a Director at a Shareholder meeting;
- ensure written agreements are in place with each Director and Senior Executive personally setting out the terms of their appointment;
- ensure agreements with Non-Executive Directors include the requirements:
  - to disclose the Director's interest and any matters potentially affecting independence;
  - to comply with key corporate policies including the Code , the anti-bribery and corruption policy and the share trading policy;
  - to notify or, where appropriate, seek approval before accepting a new role that impact upon the expected time commitment or gives rise to a conflict of interest;
  - indemnity and insurance arrangements;
  - ongoing rights of access to corporate information; and
  - ongoing confidentiality obligations.
- ensure 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 or risk appetite;
- ensure that the incentives for Non-Executive Directors do not conflict with their obligation to bring an independent judgement to matters before the Board and regularly review and provide feedback on the performance of the Board, individual Directors and, if established, any board committees;
- review and approve 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; and
- review and approve any equity based plans that may be introduced in the light of legislative, regulatory and market developments.

**(c) Risk Management**

Recognising and managing risk is a crucial part of the role of the Board and Management and ultimate responsibility for the Company's risk management framework rests with the full Board.

- ensure the Company has an appropriate, effective and sound risk management framework in place, for both, financial and non-financial risks and set the risk appetite within which the Board expects Management to operate;

- ensure the Company has appropriate occupational health and safety policies, standards and significant issues (including but not limited to the response to and management of significant safety incidents) are addressed;
- assess compliance with the exploration and mining risk and value strategy approved by the Board;
- recognise, manage and periodically (at least annually) review the risk management framework, practices and procedures to ensure effective risk identification, management and compliance with internal guidelines and external requirements and ensure it continues to be sound;
- monitor the adequacy of the Company's risk management framework and Management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;
- ensure Management reports to the Board any material diversions when operating outside of the current risk appetite set by the Board;
- review any material incident involving fraud or a break-down of the Company's risk controls and the "lessons learned";
- receive reports from Management 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 assess the adequacy of such measures;
- oversee the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business; and
- assess whether the Company has any material exposure to Environmental, Climate 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.

**(d) Financial Management**

- oversee, independently verify and safeguard the integrity of the Company's accounting and corporate reporting systems, including external audit;
- review and challenge the appropriateness of the accounting principles adopted by Management in the financial reports and safeguard the integrity of the Company's financial reporting;
- review, approve and challenge the appropriateness of the Company's annual directors' reports, quarterly activity reports, quarterly cash flow reports and, if prepared, any other integrated reports and sustainability reports, and satisfy itself that the relevant report is materially accurate, balanced and provides Shareholders with appropriate information to make informed investment decisions;
- approve and monitor the annual operating budget, any material variations to it, and the adequacy and integrity of financial and other reporting;
- approve and monitor the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- authorise expenditure approval limits for the CEO and authorise expenditure in excess of these discretionary limits;
- approve the issue of any securities, options, equity instruments or other securities in the Company (subject to compliance with the Listing Rules);
- approve the scope and adequacy of the external audit plan and fees proposed for audit and non-audit work to be performed;
- assess the independence of auditors taking into account other work that may be required of the auditor;
- assess the performance of the external auditors, review the rotation of the lead engagement partner and approve their appointment and removal;

- recommend to Shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Listing Rules);
- meet with the external auditors at least twice in each financial period without Management being present and at any other time the Committee considers appropriate; and
- periodically review the need for an internal audit function.

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#### 4. THE ROLE OF THE CHAIR

Where practical, the Chair should be an independent Director and, in particular, should not be the same person as the CEO of the Company. If a Chair ceases to be an independent Director then the Board will consider appointing a lead independent Director.

The Chair:

- must be able to commit the time to discharge the role effectively;
- is responsible for the leadership of the Board and ensuring it is effective,
- is responsible for approving board agendas and ensuring that adequate time is available for discussion of all agenda items, including strategic issues, conducting Board and Shareholder meetings;
- is responsible for facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and Management;
- should arrange annual performance evaluation of the Board, its committees, where appointed, and of individual Directors including the CEO;
- should ensure that issues relating to conflicts of interest between the Company, Directors and employees are properly dealt with in accordance with the Constitution and the Corporations Act;
- should have an understanding of Board and general meeting rules and procedures;
- should ensure that the external audit partner is present at the AGM's and is available to answer any questions raised by Shareholders;
- should ensure the Directors continually update their skills and experience and knowledge of the Company to an extent necessary to fulfil their role on the Board; and
- should monitor the scope and currency of the Company Policies.

In the event that the Chair is absent from a meeting of the Board then the Board shall appoint a Chair for that meeting.

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#### 5. ROLE OF THE NON-EXECUTIVE DIRECTORS

**Non-Executive Directors collectively should:**

- challenge Management and contribute to the development of strategy;
- critically review the performance of Management against agreed objectives and strategies;
- monitor the quality, quantity and efficiency of internal and external reporting of the Company's performance;
- review independently and challenge the proposals presented by Management, requesting additional information where they consider the information provided is not sufficiently detailed to support informed decision-making; and
- take reasonable and proper steps to satisfy themselves that financial information released to the markets and Shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management in place, that the controls are maintained and the systems robust.

**Non-Executive Directors individually should:**

- take the time to ensure they are properly informed about the subject matter of all decisions they are called upon to make as Directors of the Company;

- monitor their own performance, taking into account their other time commitments, state of health, potential conflicts of interest, and personal circumstances, to determine whether they can properly discharge their duties and responsibilities as a Director of the Company, and provide quality assistance to enable the Company to achieve its objectives;
- inform the Board at the earliest opportunity of any change in interests, positions or relationships that could bear upon their independence; and
- undertake ongoing education to maintain appropriate skill levels, and where applicable attend regular site visits to the Company to remain familiar with the Company's business activities.

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## 6. BOARD COMMITTEES

Separate board committees will not be established where the Company has three or less Non-Executive Directors as the full Board would be responsible for the committee functions. Where conflicts of interest occur or where it is appropriate to exclude an Executive or Non-Executive Director from attending certain discussions or partake in certain decisions this will be addressed by excluding the relevant Director from that part of the meeting.

The Board currently does not have a:

- nomination committee;
- remuneration committee;
- audit committee; and
- risk committee.

The Board does not consider that the Company will gain any benefit from establishing a particular separate committee. The full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

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## 7. BOARD MEETINGS

There must be a majority of Directors present at a meeting to constitute a quorum.

The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including, in accordance with the Constitution, by means of an instantaneous communication device (including phone, television, or any other audio or visual device) rather than in person, as may be required.

Non-Executive Directors may confer at scheduled times without Management being present, providing the Constitution is complied with.

The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to Directors after each meeting. Minutes of meetings must be approved at the next Board meeting.

The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.

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## 8. INDEMNITY AND INSURANCE

The Company will enter into an agreement with each Director, CEO or Company Secretary of the Company (Public Officer):

- where the Company, in accordance with the Constitution, will agree to indemnify each Public Officer against the liability arising out of the discharge of their duties as a Public Officer, provided cover can be obtained at reasonable rates and on reasonable terms, to insure each Public Officer against liability incurred in their capacity as a Public Officer; and
- the Company will agree to provide access to Company material as required for proper purposes.

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## 9. THE COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.

The Company Secretary is to:

- facilitate the flow of information of the Board, between the Board and its Committees and between Senior Executives and Non-Executive Directors when requested by the Board;
- provide advice to the Board and committees on corporate governance matters, the application of the Constitution, the Listing Rules and applicable other laws;
- monitor that board and committee policies and procedures are followed;
- coordinate the timely completion and despatch of board and committee papers;
- ensure that the business at board and committee meetings is accurately captured in minutes; and
- help to organise and facilitate the induction and professional development of Directors.

All Directors have access to the advice and services provided by the Company Secretary and vice versa.

The Board has the responsibility to resolve the appointment and removal of the Company Secretary.

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## 10. ACCESS TO ADVICE

All Directors and the Company Secretary have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests.

All Directors and the Company Secretary may consult Management and employees as required to enable them to discharge their duties as Directors or Company Secretary.

The Board, committees, individual Directors and the Company Secretary may seek independent external professional advice as considered necessary by them in order to allow them to discharge their responsibilities as Directors. This advice will be at the expense of the Company, subject to prior consultation with the CEO or Chair. A copy of any such advice received is made available to all members of the Board where appropriate.

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## 11. THE BOARD'S RELATIONSHIP WITH MANAGEMENT

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the CEO and Senior Executives of the Company. The Board is responsible to regularly review those delegations to ensure it continues to be appropriate to the needs of the Company.

Management is responsible for implementing the strategic objectives and instilling and reinforcing its values, all while operating within the Code, 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. This is not just limited to information about the financial performance of the Company, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the Code or any other policies of the Company. Management should make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board.

The CEO, together with the CFO, must, prior to the Board signing off the quarterly cashflow statement (Appendix 5B), the half year and full year financial accounts, provide the Board with a written statement that in their opinion the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and financial performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. This declaration must be given before Directors approve the relevant financial statements.

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## 12. BOARD APPROVAL

This Charter will be periodically updated and amended by the Board to ensure it is operating effectively and required changes are made.

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## PRODIGY GOLD NL –FACTORS RELEVANT TO ASSESSING THE INDEPENDENCE OF A DIRECTOR

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### 1. ASX CORPORATE GOVERNANCE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

An independent Director is one who is independent of management and free from any interest, position or relationship that might influence, or reasonably be perceived to, influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual Shareholder or other party. Factors relevant to assessing the independence of Directors are identified in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4<sup>th</sup>.

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### 2. EXAMPLES

Examples of interests, positions, and relationships that might raise issues about the independence of a Director of an entity include if the Director:

- is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an Employee Incentive Scheme of, the Company;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a Substantial Holder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a Director of the Company for such a period that their independence from management and Substantial Holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual Shareholder or other party.