



**predictive
discovery**
LIMITED

ABN 11 127 171 877

ANNUAL REPORT 2014

CORPORATE DIRECTORY

DIRECTORS

Mr Phillip Harman BSc (Hons), MAusIMM, MAICD (Chairman)

Mr Paul Roberts BSc, MSc, FAIG, MGSA

Mr Philip Henty BA Acc, Dip SIA, F Fin

Mr Timothy Markwell BSc (Hons), GradDipAppFin, MAusIMM (appointed 11 September 2013)

SECRETARY

Mr Ian Hobson BBus, FCA, ACIS, MAICD

REGISTERED OFFICE

Suite 5, 95 Hay Street

SUBIACO WA 6008

Postal Address:

PO Box 226

SUBIACO WA 6904

T: +61 8 9388 8290

E: info@predictivediscovery.com

W: www.predictivediscovery.com

AUDITORS

Nexia ASR

Level 18, 530 Collins Street

MELBOURNE VIC 3000

SHARE REGISTER

Link Market Services Limited

Level 4, 152 St Georges Terrace

PERTH WA 6000

T: +61 8 9211 6670

E: info@linkmarketservices.com.au

SOLICITORS

Corrs Chambers Westgarth

240 St George's Terrace

PERTH WA 6000

BANKERS

Australian and New Zealand Banking Group Limited

1275 Hay Street

WEST PERTH WA 6005

HOME EXCHANGE

Australian Securities Exchange, Perth

Level 40, 152 St Georges Terrace

PERTH WA 6000

ASX Code: PDI

PREDICTIVE DISCOVERY LIMITED

TABLE OF CONTENTS

CHAIRMAN'S LETTER	1
REVIEW OF OPERATIONS	2
DIRECTORS' REPORT	15
CORPORATE GOVERNANCE STATEMENT	22
AUDITOR'S INDEPENDENCE DECLARATION	26
FINANCIAL STATEMENTS	27
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	28
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	29
CONSOLIDATED STATEMENT OF CASH FLOWS	30
NOTES TO THE FINANCIAL STATEMENTS	31
DIRECTORS' DECLARATION	58
INDEPENDENT AUDITOR'S REPORT	59
ADDITIONAL SHAREHOLDER INFORMATION	61
INTERESTS IN MINING TENEMENTS	63

30 JUNE 2014

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

Once again Predictive Discovery Limited ('PDI') has had a very successful year. We followed up our exciting results at Bongou with a targeted drilling program and defined a simple, high grade gold deposit.

The shape and shallow depth of Bongou, along with the excellent preliminary metallurgical results give us some cause for optimism. Furthermore, the depth extension of the deposit remains to be tested. Importantly we have gained insight into the geological controls on the deposit which will help us focus our future exploration on the Bonsiega tenements.

Our follow-up exploration work has highlighted a number of lookalike targets within 2km of Bongou and our geological analysis also highlighted other targets within 20km, a number of which are in the Laterite Hill goldfield just 10km to the south.

The discovery of Bongou is the result of four years of hard and diligent work by our exploration team. It is testimony to the company's strategy from its inception, to generate targets with the use of advanced geological analysis in prospective terrains. Using this approach we have prioritised ground and developed a portfolio of prospective ground holdings in Burkina Faso and Cote d'Ivoire.

With the discovery of Bongou our focus is now on our key Bonsiega tenement package. As already announced, plans are in place to maximise the value of our other Burkina Faso and Cote D'Ivoire tenements in a way that we believe will provide value to shareholders.

This year we welcomed a major new shareholder, Aurora Minerals Limited. Aurora shares our optimism for the potential of Bongou and the Bonsiega project as a whole.

Thank you to our Managing Director, Paul Roberts, and our staff in Australia and Burkina Faso. This has been a particularly difficult year all around with the market conditions necessitating substantial reductions to our Burkina Faso staff. Nevertheless we have still managed to define a resource at Bongou that could form a cornerstone for future discoveries in the area. I thank everyone for their dedication to our company.

I would also like to thank my fellow directors for their support during a difficult year. I can reassure everyone that the decisions we take are all very carefully considered and to the best of our ability in the best interests of the company.

Finally, I thank all of our shareholders for your support during a time when junior companies are relatively unloved. I look forward to seeing our patience and efforts rewarded in the upcoming year.



Phillip Harman
CHAIRMAN

HIGHLIGHTS

Predictive Discovery Limited (**PDI**) carried out a successful exploration program in 2013-14. Significant achievements included:

- Excellent drill intercepts from the Bongou Prospect in Burkina Faso, building on the earlier drill results reported in 2011-12 including¹:
 - **68m (52m true width) at 3.2g/t Au** from 99m including **7.8m at 10.2g/t Au**
 - **55m (47m true width) at 3.2g/t Au** from 215m including **24.5m at 4.9g/t Au**
 - **49m (41m true width) at 2.8g/t Au** from 144m including **6m at 7.8g/t Au** and **8m at 4.5g/t Au**
 - **64m (58m true width) at 2.0g/t Au** from 14m including **5m at 7.3g/t Au**
 - **36.2m (33m true width) at 2.2 g/t Au** from 181.8m including **5m at 7.3g/t Au**
- Discovery of four other Bongou-like targets with evidence of gold mineralisation in altered granite within 2km of Bongou.
- Completion of a large exploration program in Burkina Faso, focused on Bongou and the surrounding area, including 4,134m of RC and diamond drilling, 7,572m of power auger drilling and 800m of trenching.
- Grant of two Côte D'Ivoire exploration permits, covering an area of 746km² bringing the total number of granted permits in Côte D'Ivoire to four, covering 1,533km².
 - Encouraging results from geochemical surveys on the Boundiali and Ferkessedougou exploration permits in Côte D'Ivoire and evidence of a large, strong gold geochemical anomaly on the Kokumbo permit in southern Côte D'Ivoire².

INTRODUCTION

PDI is exploring for large, high value gold deposits in West Africa. The Company's project focus is on 13 gold exploration permits in Burkina Faso, West Africa, covering a total area of 1,605km², especially the Bonsiega Project in the well mineralised Samira Hill greenstone belt (Figures 1 and 2). The Company also has a large ground position in Côte D'Ivoire, covering 1,533km².

BURKINA FASO GOLD PROJECTS

Background

PDI's Burkina Faso projects are all located within the Birimian gold belts in West Africa. These belts contain numerous gold ore deposits (Figure 1), many of which are in production.

¹ ASX releases dated 2/12/13 (which included a re-release of all earlier Bongou drill results), 16/12/13 and 20/3/14

² ASX release dated 10/06/14

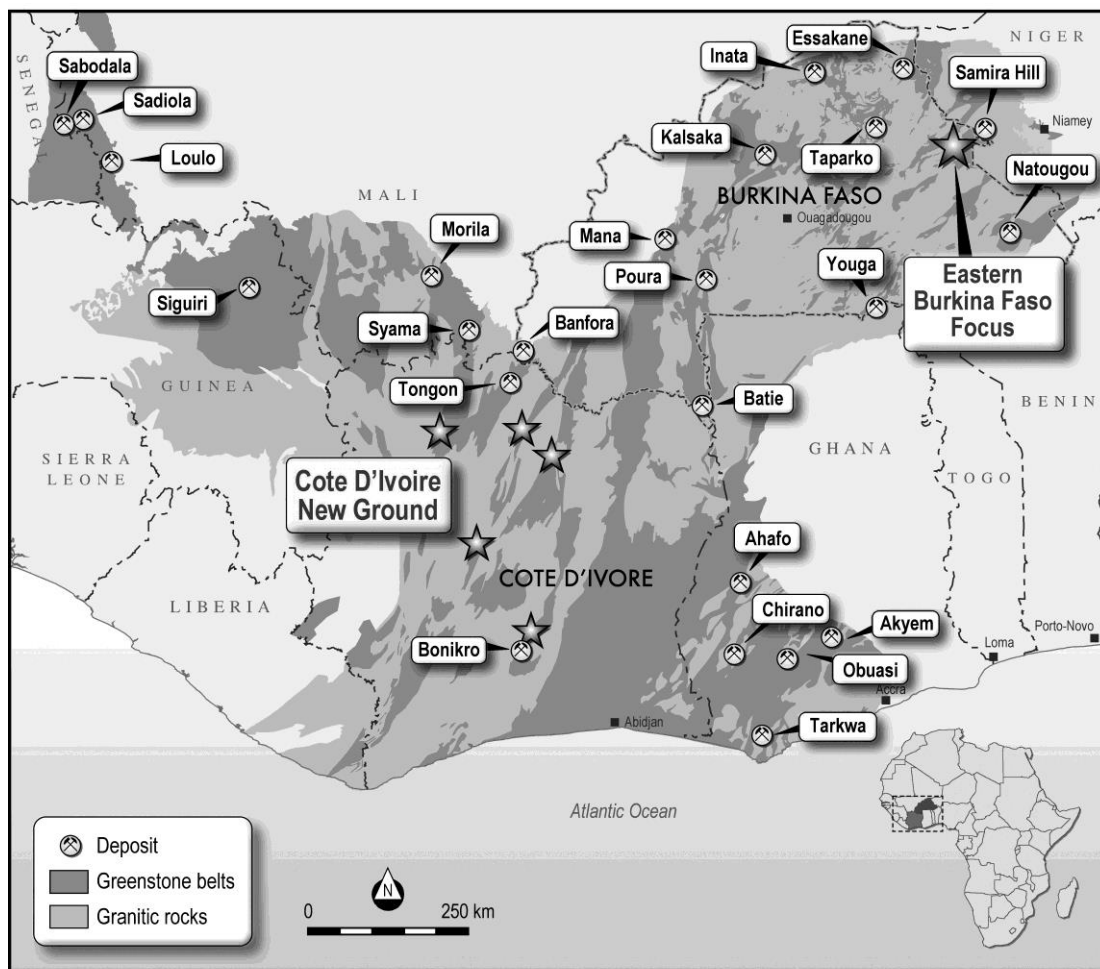


Figure 1: Map of the Birimian Gold Belt showing major mines and PDI project location areas.

Burkina Faso is a landlocked country, bounded to the south by Ghana, Cote D'Ivoire, Togo and Benin, to the west by Mali and to the east by Niger (Figure 1). Gold mining in the past was confined to artisanal mining and one substantial mining operation at Poursa in the west of the country which closed in 1999. In the past nine years, however, there has been a strong resurgence in exploration and mine development, stimulated especially by the release of new mining regulations in 2003. Seven gold mines are now in production. In addition, exploration results announced by Orbis Gold Limited (Natougou and Nabanga deposits), Ampella Mining Limited (Batie West), Gryphon Minerals Ltd (Banfora), Roxgold Resources (Yaramoko), B2Gold Corporation (Kiaka), True Gold Mining (Karma) and West African Resources (Mankarga) suggest that more gold mines will be developed in future years. Some of these prospects have gold grades well above the West African average, notably Yaramoko, Nabanga, Natougou and PDI's own Bongou deposit, indicating that Burkina Faso has significant potential for high grade, low cost ounces.

In common with other West African countries, the Government has the right to take a free carried interest of 10% in any ore deposit that is brought into production. Gold mining royalties range from 3% to 5% depending on the gold price. The rate of corporate tax for mining companies is 17.5%. Discussions between the Government and the mining industry about possible changes to the Mining Act and the taxation code have been ongoing for several years but no decisions have yet been made.

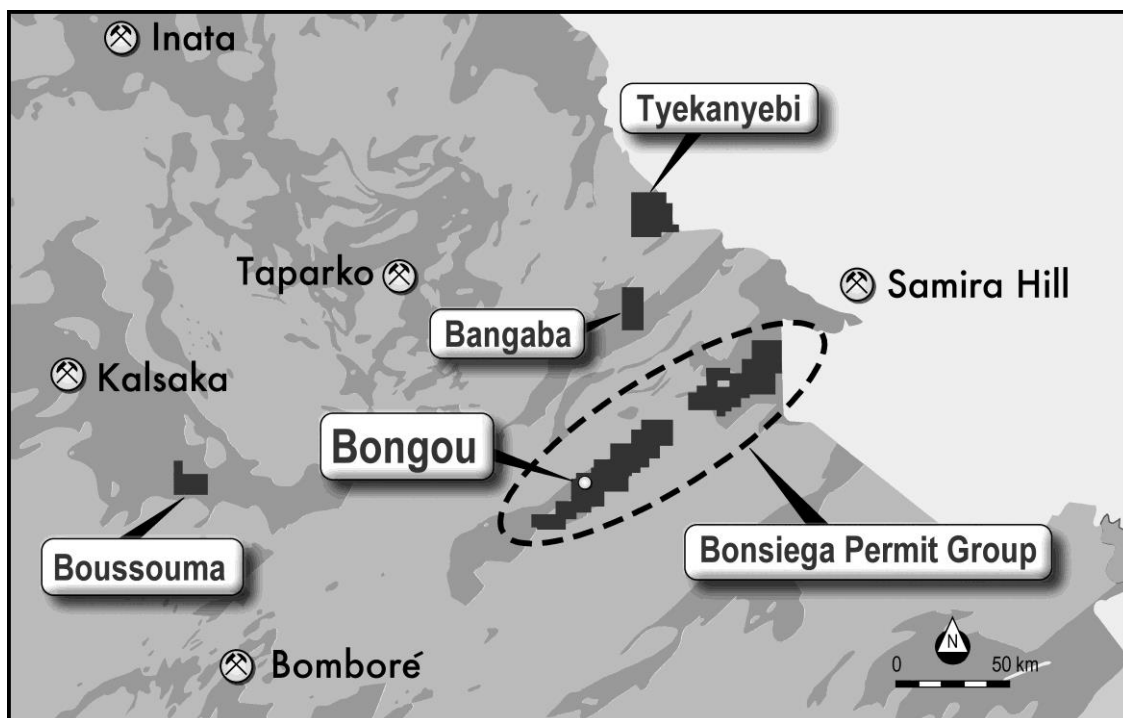


Figure 2: Location of PDI's Burkina Faso permits, highlighting the Bongou Prospect. Note that the nearby operating Samira Hill gold mine in Niger contains resources, reserves and past production of 2.5 million ounces (source: www.semafo.com).

In Burkina Faso, PDI holds rights to explore 13 granted exploration permits covering a total area of 1,605 km². One, Bassieri, covering 74km², was granted during 2013-14. The bulk of the tenement area is contained in 10 permits known as the Bonsiega permit group in the Samira Hill greenstone belt (Figure 2).

The Company's objective in Burkina Faso is to discover a large resource/reserve inventory with an average grade of 2 to 3 g/t Au capable of supporting a major gold mining operation.

High grade gold results have been obtained from drilling on a number of prospects throughout PDI's large Burkina Faso ground holdings, including Bongou (Figure 2). The Company's immediate focus is on Bongou and the surrounding area.

Bonsiega Permit Group

Background

The Bonsiega Permit Group consists of 10 exploration permits totalling 1,119 km² covering approximately 100km of strike length in the same greenstone belt which hosts the Samira Hill Mine in Niger (Figure 2). One new permit, Bassieri, which covers 74km², was granted in 2013-14. Most of the permits contain artisanal workings and/or significant gold geochemical anomalies.

The Bonsiega permits were acquired either by direct application in PDI's name or through agreements with third parties. PDI owns 100% of seven of the permits. The other three agreements are option deals

with local businessmen in which PDI is earning either a 95% or 100% equity through a series of option payments. Option payments were deferred in 2013-14 on all three permits in order to conserve cash.

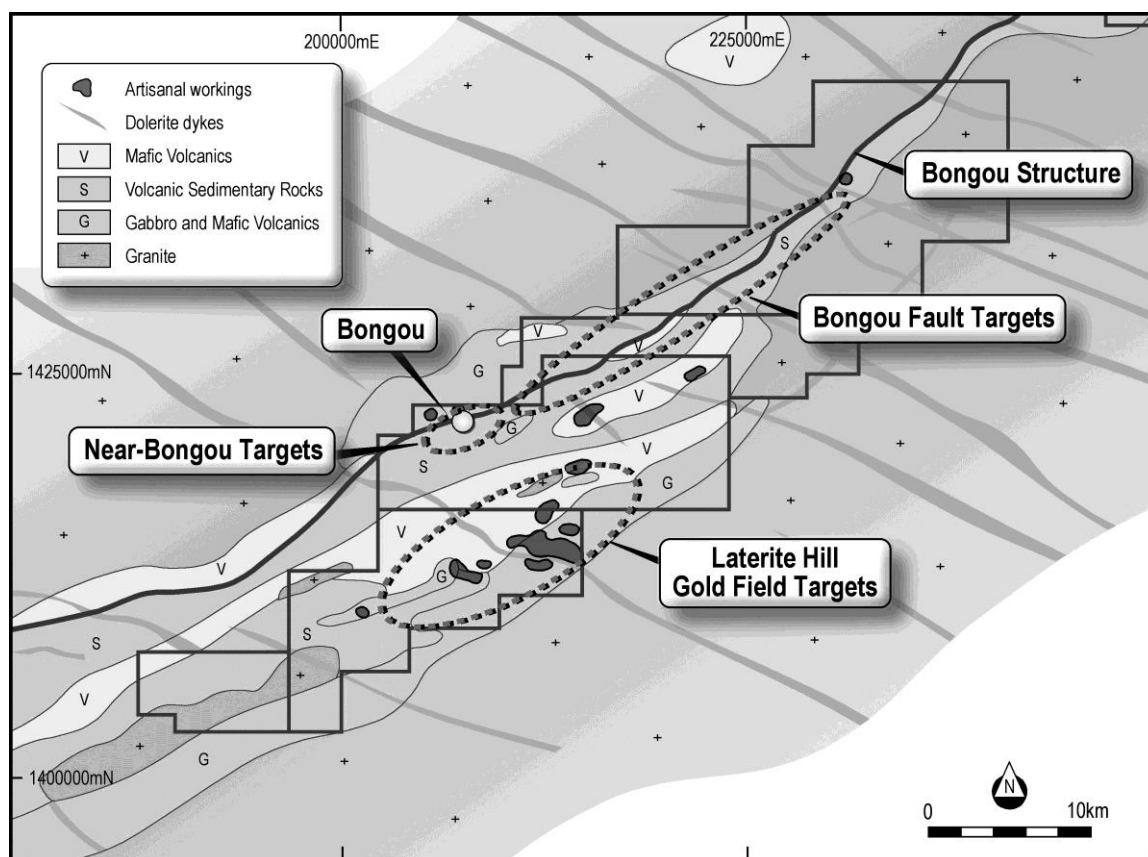


Figure 3: Geology of the SE Bonsiega Permit, including the Bongou Prospect and the Laterite Hill Gold Field

In earlier exploration, PDI discovered a series of very laterally extensive power auger gold geochemical anomalies, some of which were tested with large reverse circulation (RC) drilling programs. A series of prospects were discovered containing encouraging gold intercepts³. These included Bongou and the Dave, Laterite Hill and Prospect 71 prospects in the Laterite Hill Gold Field (Figure 3). Following the intersection of broad, high grade gold mineralisation in multiple holes at Bongou in 2012-13⁴, PDI focused most of its attention on Bongou and the surrounding area in 2013-14.

Bongou Prospect (PDI 100%)

The Bongou Prospect is located within PDI's Bonsiega Project in Eastern Burkina Faso (Figures 2 and 3). It covers artisanal workings in the form of an irregular open pit approximately 150m long and 50m wide. Past exploration by PDI has included RC and power auger drilling, trenching ground geophysical surveys (magnetics and induced polarisation), rock chip sampling and geological mapping.

³ Drill results reported to the ASX in Quarterly Reports of December 2010, March 2011, September 2011, March 2012, June 2012 and September 2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

⁴ ASX release dated 2/12/13 which included a re-release of all earlier Bongou drill results.

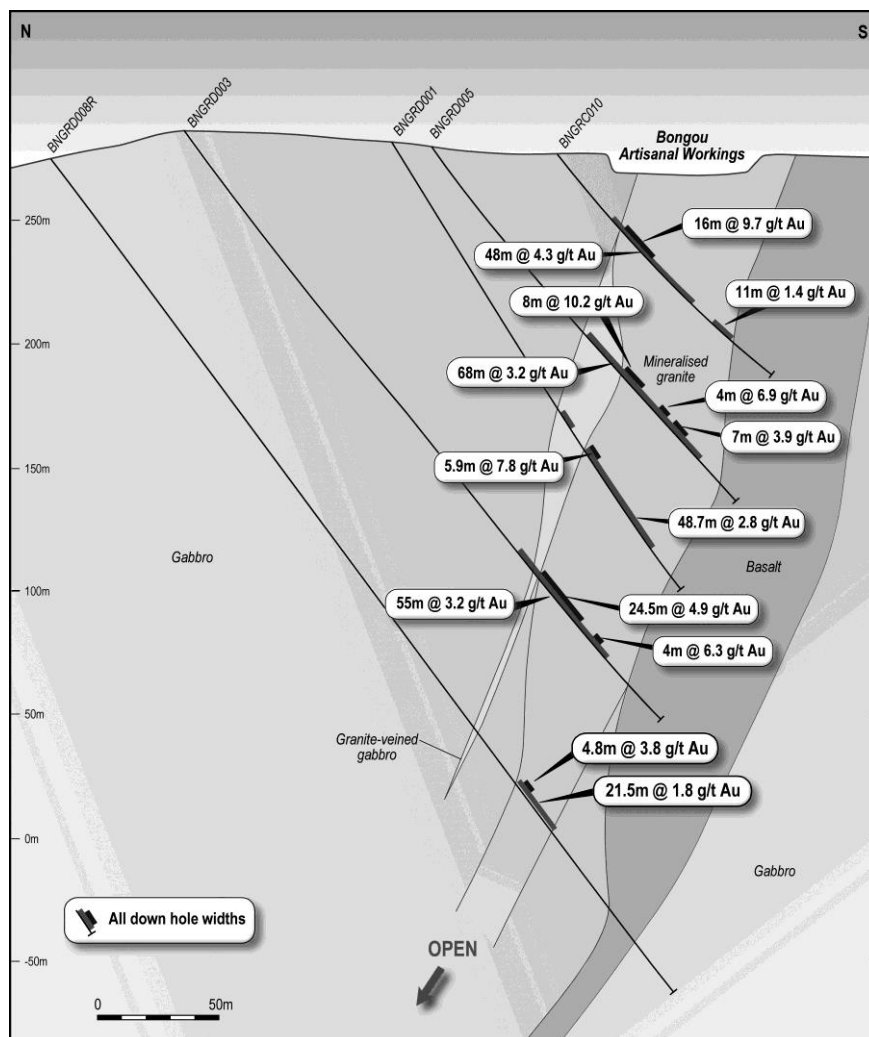


Figure 4: Cross Section through drill holes BNGRD010, BNGRD001, BNGRD003 and BNGRD005. Results reported to the ASX on 2/12/13, 16/12/13, 20/03/14 and 1/05/14.

Gold mineralisation at Bongou is contained within an intensely altered, quartz veined and pyrite-bearing microgranite intrusion. The mineralisation is up to 60m thick and continuity is good. Higher gold grades are mostly found close to the northern “hangingwall” contact (as seen in Figure 4).

Preliminary metallurgical testwork in 2012-13 obtained an excellent (94%) gold recovery in a 72 hour cyanidation test using a standard 75 micron grind⁵.

Bongou Drilling Program

Two combined RC and diamond drilling programs, totalling 4,134m, were carried out at and near Bongou in 2013-14. Drilling into the Bongou deposit produced a series of excellent gold intercepts, including⁶:

- **68m (52m true width) at 3.2g/t Au from 99m including 7.8m at 10.2g/t Au**
- **55m (47m true width) at 3.2g/t Au from 215m including 24.5m at 4.9g/t Au**

⁵ ASX release dated 14/05/14

⁶ ASX releases dated 2/12/13, 16/12/13 and 20/3/14

- **49m (41m true width) at 2.8g/t Au** from 144m including **6m at 7.8g/t Au** and **8m at 4.5g/t Au**
- **64m (58m true width) at 2.0g/t Au** from 14m including **5m at 7.3g/t Au**
- **36.2m (33m true width) at 2.2 g/t Au** from 181.8m including **5m at 7.3g/t Au**

These programs were supplemented by detailed geological mapping, trenching around the edges of the mineralisation and core re-logging to develop a detailed geological interpretation of the deposit. This work showed that:

- Gold mineralisation is arranged in an “en echelon” arrangement, possibly contained within a north-east oriented fault corridor (Figure 5). The south-western extension of that possible corridor is untested by drilling so far.

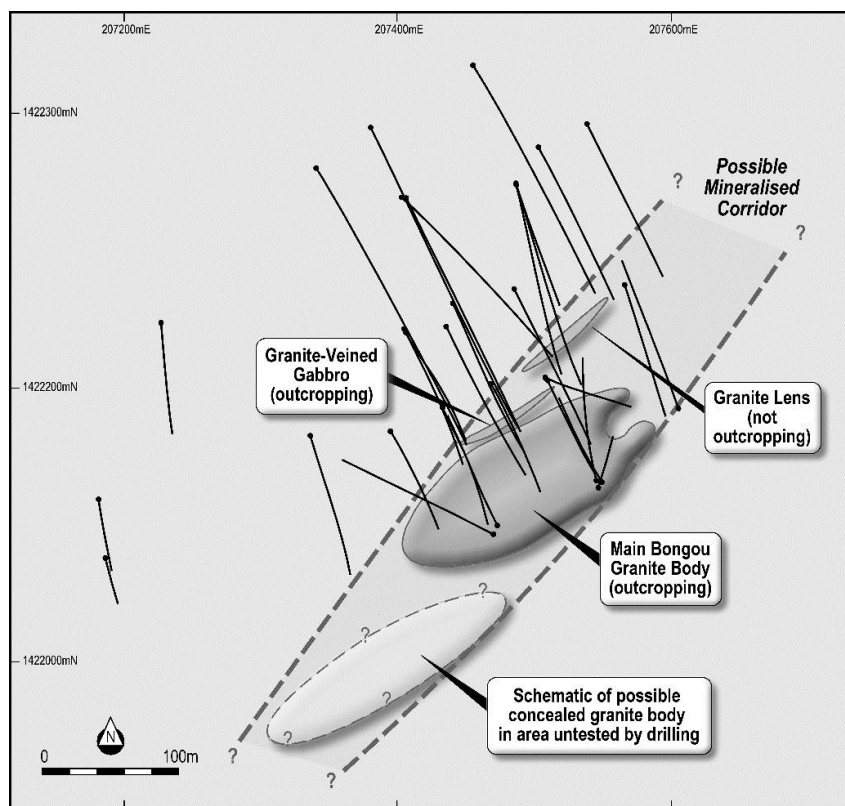


Figure 5: Plan view of Bongou deposit showing postulated mineralised corridor and possible new lens

- There is good hole to hole continuity in the ore deposit, the bulk of which is contained in a single outcropping lens (figure 5).
- The mineralisation is open at depth (Figure 4).
- The most north-easterly lens of mineralisation is concealed, suggesting potential for more concealed mineralised lenses along strike either to the north-east or south-west (Figure 5).

PDI engaged Golder Associates to undertake a maiden Mineral Resource Estimate on the Bongou Deposit in August 2014. The results of this work were reported to the ASX on 4th September 2014.

Bongou Area Exploration

The Company completed a large program of power auger drilling, totalling 7,572m, in a 3km radius of the Bongou deposit during the year (Figure 6).

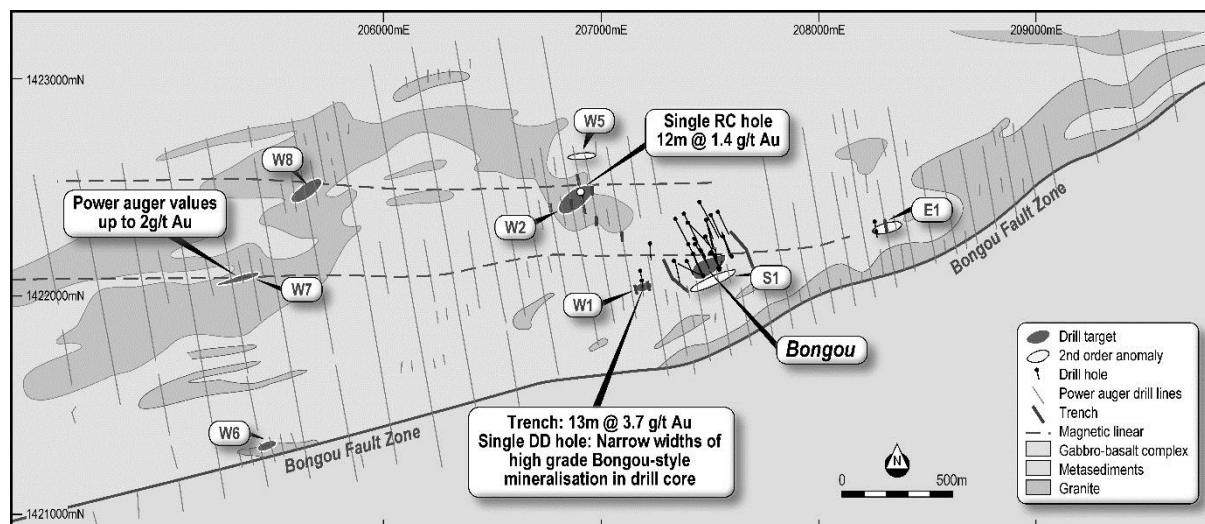


Figure 6: Map showing geology, prospect and RC and DD drill locations and power auger drill lines.

More than 20 gold anomalies were obtained⁷ and followed up with infill power auger drilling. Trenching was undertaken on the best anomalies where possible. Two prospects (W1 and W3) were tested with reconnaissance drilling. This work identified:

- Bongou-style mineralisation in drilling at:
 - Prospect W2, which included **12m at 1.44g/t Au** from **14m** including **2m at 4.3g/t Au**
 - Prospect W1, which included **5.3m at 1.45g/t Au** from 65.9m, including a peak value of **5.3g/t Au over 0.9m**. The latter was very similar to the high grade mineralisation at the Bongou deposit, 250m to the east, but unlike the geology at surface, suggesting the possibility of a concealed lens of Bongou-like mineralisation.
- Five Bongou-style drill targets within 2km of PDI's high grade Bongou gold prospect⁸:
 - Encouraging trench results at three prospects including values of up to:
 - **13.1g/t Au** (W1 prospect)
 - **7.7g/t Au** (W2 prospect)
 - **2.2g/t Au** (W8 prospect)

Results in the above trenches are within broader zones with average values between 0.3 and 3.7g/t Au.

Bulked gold values above 0.2g/t Au in trenching of Bongou-style mineralisation in granite are highly significant (e.g. in prospects W2 and W8). Depletion of gold values in surface

⁷ ASX release dated 8/05/14

⁸ Reported in PDI's March 2014 and June 2014 Quarterly Reports

samples taken above drill intercepts of high grade primary gold mineralisation is a feature of this type of mineralisation in this area.

- Two power auger gold anomalies which could not be tested with trenching because of cover thickness and access issues respectively - W6 and W7 (Figure 6).

Other areas

Limited work was undertaken in PDI's other exploration permits in Burkina Faso during 2013-14, consisting mainly of data assessments and low key field work. The Company carried out an exploration target review of the Bonsiega Project in August-September 2014. This work identified numerous targets in a 20km radius of Bongou with structural geological similarities to Bongou and hence potential for high grade mineralisation. These targets are located along strike from Bongou on the Bongou Structure and in the Laterite Hill Gold Field 10km south of Bongou, and will be followed up in the 2014-15 field season (Figure 3).

COTE D'IVOIRE

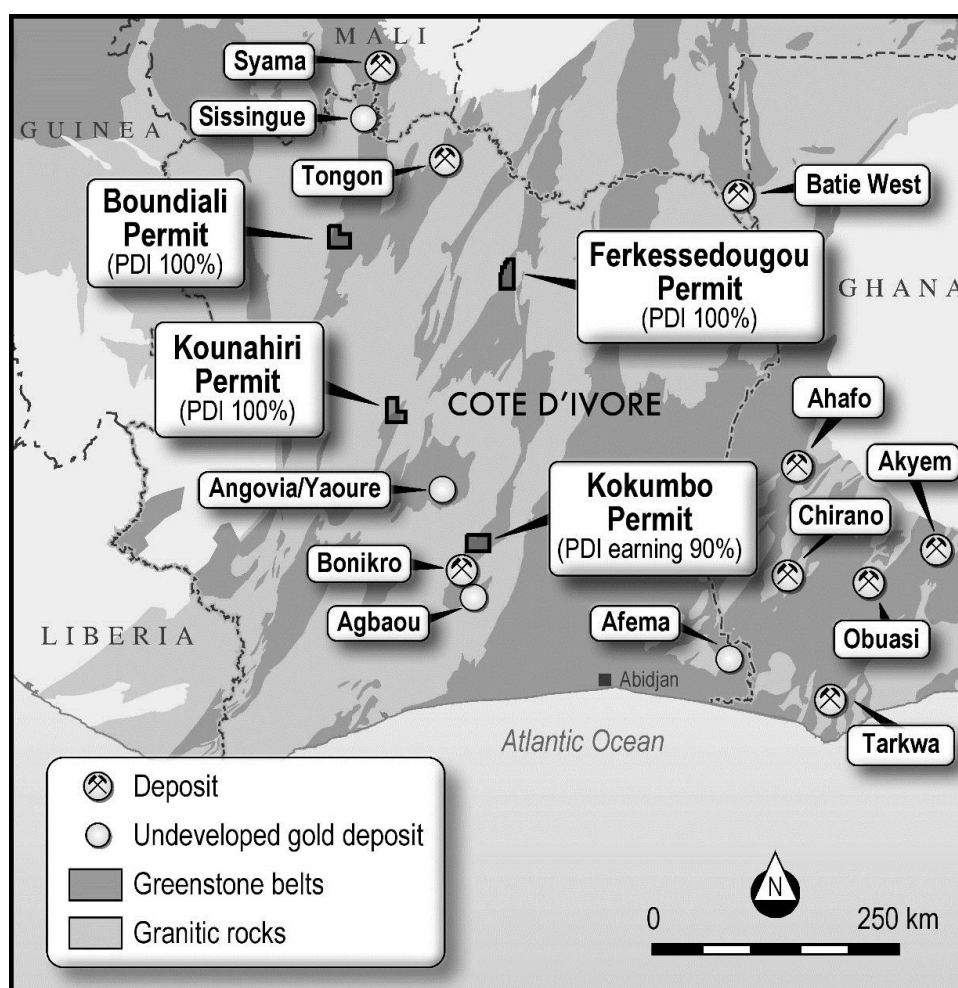


Figure 7: Geological Map of Cote D'Ivoire showing location of PDI permits and major gold deposits

Background

Systematic work on Côte D'Ivoire data sets since 2010 led PDI to identify a series of high priority prospects and targets in Côte D'Ivoire. As a result, the Company has now secured four exploration permits in the country, covering a total area of 1,533 km² (Figure 7). Two of these permits, Kounahiri and Boundiali, covering a total area of 746km², were granted to PDI in January 2014.

Kokumbo (PDI earning 90%)

Introduction

PDI is earning a 90% interest in the Kokumbo exploration permit in southern Côte D'Ivoire from an Ivorian company, Ivoir Negoce. This region of West Africa has yielded numerous multi-million ounce gold discoveries in recent years.

The Kokumbo permit covers an area of historic artisanal and French colonial era mining located in a highly prospective belt of rocks which also includes the Bonikro gold mine, currently in production by Newcrest, and Agbaou gold mine, where Endeavour Mining commenced commercial production in January 2014 (Figure 7).

Historical Data Compilation⁹

PDI obtained geochemical data from historical reports and maps prepared by the Côte D'Ivoire Government Geological Agency, SODEMI, and Skeena Resources Limited, a Canadian Company from 1985 to 1991. It consisted of:

- Soil sampling
- Geological mapping
- Pitting and trenching
- Ground magnetic survey
- VLF-EM geophysical survey
- Drilling.

Compilation of this data by PDI has revealed a large gold in soil geochemical anomaly 1.4km long and up to 800m wide, most of which is above 0.5 g/t Au (Figure 8). While some of the soil values may represent contamination from the nearby gold workings, the majority of the gold anomaly appears to predate the workings as pitting and trenching in the area of the anomaly has confirmed gold values to depths of 1 to 4m. The gold values in pitting and trenching therefore represent a colluvial gold deposit which may also be underlain, in part, by primary gold mineralisation.

⁹ Results of this data compilation were reported to the ASX on 10/06/14.

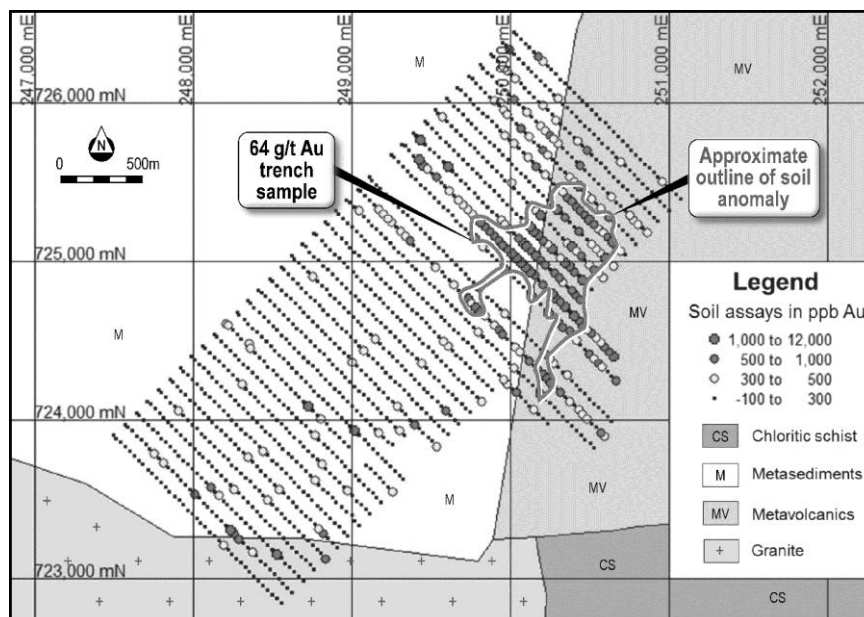


Figure 8: Gold in soil geochemical anomaly on geological background, Kokumbo permit, Côte D'Ivoire. Note the extent of plus 500ppb Au (>0.5g/t Au) values.

Some high grade values were obtained from the trench and pit excavations including 64g/t Au in trench sampling (Figure 8).

Compilation of historic drill results also revealed some encouraging drill results including **3m at 12.4g/t Au** from 87.7m.

Field Program

The Company carried out a program of geological mapping, ground magnetics, rock chip sampling and stream sediment sampling during 2013-14.

Boundiali, Kounahiri and Ferkessedougou Permits (PDI 100%)

These three permits cover an area 1,133km² of highly prospective areas in three separate gold mineralised greenstone belts (Figure 7).

Stream Sediment Sampling Programs

Background

The Company is using the bulk leach extractable gold (BLEG) method of stream sediment sampling for a first pass assessment of its ground in Côte D'Ivoire. This method has been employed very successfully for the discovery of large gold deposits throughout the world. A successful application of this technique was the discovery of the Perama Hill gold deposit in Greece in 1994 (now owned by Eldorado Gold). This is an outcropping 2 million ounce gold resource with an average grade of about 3g/t Au¹⁰. There were no

¹⁰ Source: www.eldoradogold.com/assets/europe/projects/perama-hill

historical workings on this deposit prior to discovery. It was discovered with a single BLEG sample of 9ppb Au in a 20km² catchment area. Follow-up stream sediment sampling in the small tributary directly draining the deposit obtained a value of 23ppb Au within 500m of the ore body (see index plan - Figure 9).

A total of 311 samples were collected over the three permits and assayed for gold and a suite of other elements at a Bureau Veritas laboratory in Perth.

Boundiali Stream Sediment Sampling¹¹

Nine samples exceeding 6ppb gold were recorded by the survey. Of these, four were obtained from a single catchment area covering 30 km² with a peak value of 24ppb Au. The furthest sample downstream, covering the whole catchment area, recorded a value of 7ppb Au. As Figure 9 demonstrates, this is a very similar result to the Perama Hill discovery in Greece.

The 24ppb Au value was collected from a large 15 km² catchment area downstream of a mapped NNE trending shear zone. A second 10ppb Au value was obtained from a 10 km² catchment area and draining the along strike projection of that same shear zone. It appears that the source of the gold could be several kilometres long presenting a high priority target for future exploration.

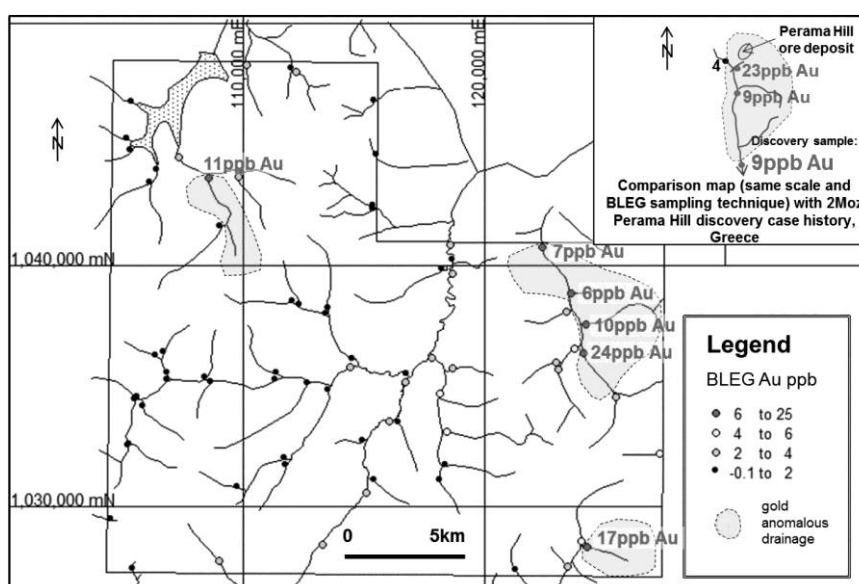


Figure 9: Map showing sample locations and gold values for the BLEG stream sediment survey at Boundiali with an index plan at the same scale illustrating the BLEG stream sediment sample results which led to the 2Moz Perama Hill gold discovery in Greece (owned by Eldorado Gold).

Ferkessedougou Stream Sediment Sampling¹²

Two programs were carried out – a reconnaissance program followed by infill sampling.

¹¹ Results reported to the ASX on 4/08/14

¹² Results reported to the ASX on 4/08/14

This work outlined two consistently gold anomalous catchment areas with anomalous values in the 5-10ppb Au range. One of these anomalies partly drains several historical artisanal gold mining sites.

VICTORIAN GOLD PROJECT

Cape Clear EL5434 (PDI diluting to 49%)

PDI has only one project remaining in Australia, the Cape Clear Project west of Ballarat in Victoria, west of Ballarat (Figure 10). The Company's objective there is to discover a large gold deposit on the margins of one of more concealed volcanic domes beneath basalt cover, similar to the 5 million ounce Stawell gold deposit in Western Victoria.

PDI announced the signature of a joint venture agreement on this project with Cape Clear Minerals Pty Ltd (CCM) on 22/09/14. Key terms of the agreement were:

- CCM may earn 51% equity with \$250,000 expenditure (Phase 1)
- At least 1,000m of RC or diamond drilling included within \$250,000 minimum expenditure in the first year
- At CCM's election, it may increase equity to 75% with an additional \$250,000 in expenditure (Phase 2)
- PDI may contribute to exploration expenditure or dilute after CCM reaches either 51% or 75%, depending on whether or not CCM chooses to sole fund Phase 2.
- PDI's interest converts to a 2% NSR (royalty) if its joint venture interest decreases to below 10%

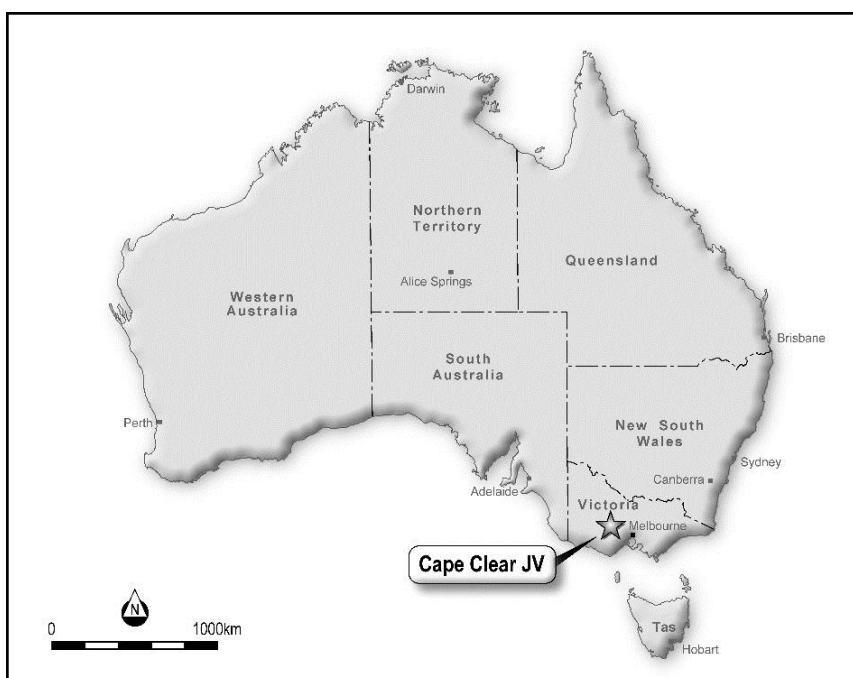


Figure 10: Cape Clear Project Victoria - locality plan

CORPORATE

Capital raisings during the year totalled \$2.6 million via a placement in September 2013 and a placement and share purchase plan in January-February 2014. Staff numbers were reduced to five in Burkina Faso and Australian office costs were lowered further, reflecting the ongoing difficult capital raising environment during the year.

OUTLOOK

The Company undertook a comprehensive review of its West African properties and exploration strategy in August-September 2014. A clear priority was established to focus on leveraging the economic potential of the Bongou gold deposit and the geological understanding gained from this discovery to:

- Identify extensions to the known deposit
- Discover granite-hosted Bongou-style mineralisation within 2km of the Bongou gold deposit,
- Target high grade gold mineralisation along the Bongou Fault and in the Laterite Hill Gold Field, within 20km of the Bongou deposit.
- Seek joint venture partners to advance exploration on areas outside of the immediate Bongou area in Burkina Faso. In this regard PDI has announced the farm-out of its remaining Australian exploration property, Cape Clear in Victoria, and is in advanced discussions regarding its Côte D'Ivoire properties.

The Company announced a placement and fully underwritten entitlement issue to raise up to \$1.85 million on 1st October 2014. In accordance with the strategic review, proceeds of that capital raising will be fund exploration for additional high grade gold mineralisation at and close to Bongou during 2014-15. Elements of the exploration program will include:

- Detailed geological mapping and ground geophysical surveys designed to help prioritise drill targets
- Staged power auger, RAB and RC drill programs on up to 10 targets on the Bongou Structure and the Laterite Hill Gold Field (Figure 3).
- Possible extensions to the Bongou deposit south-west of the known deposit will also be tested with RC drilling.

The Company will continue to seek joint venture partners on all other ground, and will minimise all non-essential expenditure to ensure that the maximum effort is applied to exploring the Bongou area.

Competent Persons Statement

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Paul Roberts (Fellow of the Australian Institute of Geoscientists). Mr Roberts is a full time employee of the company and has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Roberts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' REPORT

30 JUNE 2014

Your directors present their report for the financial year ended 30 June 2014.

The names of the directors in office at any during, or since the end of the year are:

NAMES	POSITION
Mr Phillip Harman	Non-Executive Chairman
Mr Paul Roberts	Managing Director
Mr Philip Henty	Non-Executive Director
Mr Timothy Markwell	Non-Executive Director (appointed 11 September 2013)

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

COMPANY SECRETARY

Mr Ian Hobson holds a bachelor of business degree and is a Chartered Accountant and Chartered Secretary. Mr Hobson provides company secretarial and corporate, management and accounting advice to a number of listed public companies involved in the resource, mining services and oil and gas industries. He was appointed on 17 September 2010.

PRINCIPAL ACTIVITIES

During the financial year, the principal activity of The Group was mineral exploration with the objective of identifying and developing economic reserves in West Africa and Australia.

OPERATING RESULTS FOR THE PERIOD

The consolidated loss of The Group for the financial year after providing for income tax amounted to \$2,589,882 (2013: \$1,057,479). This was largely from the costs of administering The Group to 30 June 2014, impairment of exploration and exploration costs.

REVIEW OF OPERATIONS

In the year to June 2014, Predictive Discovery Limited (PDI) undertook a substantial and successful work program. Capital raisings during the year totaled \$2.6 million via a placement in September 2013 and a placement and share purchase plan in January-February 2014. As in 2012-13, staff numbers were reduced in Burkina Faso and Australian office costs were lowered further, reflecting the ongoing difficult capital raising environment during the year. The Bassieri permit, near Bongou, covering 74 km² was granted in Burkina Faso and four permits covering a total of 1,534 km² were granted in Cote D'Ivoire. In addition, an application was made to extend Bassieri over vacant ground covering 12 km² immediately to the north of Bongou.

Exploration programs in Burkina Faso were focused especially on the Madyabari exploration permit within and around the Bongou Prospect. 11,703m of drilling was completed, consisting of 4,134m of combined reverse circulation and diamond and 7,572m of power auger drilling. Geological mapping and data compilation and interpretation were conducted elsewhere in Burkina Faso. Work in Cote D'Ivoire consisted of BLEG stream sediment geochemical surveys on all permits, supplemented by geological mapping, a ground magnetics survey and historical data compilation on the Kokumbo permit. BLEG gold anomalies were obtained on all four permits.

Excellent drill results were obtained at Bongou including 68m at 3.2g/t Au (1) and 55m at 3.2g/t Au (2). Exploration in a 3km radius of Bongou identified anomalous gold values in altered granite (like Bongou) in five other prospects, which will be tested with RC drilling in the 2014-15 financial year.

The Company was granted the Cape Clear Exploration Licence, covering 160 km², in Western Victoria and surrendered the 2 km² Woody Creek Exploration Licence in the same area.

(1) ASX announcement 16 December 2013; (2) ASX announcement 2 December 2013.

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' REPORT

30 JUNE 2014

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

FINANCIAL POSITION

The net assets of The Group have increased by \$298,135 from 30 June 2013 to 30 June 2014. This increase is largely due to the following factors:

- \$2.6m capital raising;
- Expenditure on exploring and evaluating the assets in Burkina Faso and Cote d'Ivoire; and
- \$59,994 share-based payments to acquire permits.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in The Group's state of affairs occurred during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances that have arisen since balance date that significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

FUTURE DEVELOPMENTS

Likely developments in the operations of The Group and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to The Group.

ENVIRONMENTAL ISSUES

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation. The Board believes that The Group has adequate systems in place for the management of its environmental regulations and is not aware of a breach of those environmental requirements as they apply to The Group.

INFORMATION ON DIRECTORS

Mr Phillip Harman

Non-Executive Chairman

Qualifications

BSc (Hons), MAusIMM, MAICD

Experience

Mr Harman is a professional geophysicist who spent more than 30 years working for BHP Billiton in minerals exploration in a broad number of roles both technical and managerial, both in Australia and overseas. Mr Harman was material in bringing BHP Billiton's proprietary FALCON® airborne gravity gradiometer technology to Gravity Capital Limited in 2001, which was the precursor to Gravity Diamonds Limited.

Interest in Shares and Options

Shareholding: 5,969,311 Optionholding: 2,095,469

Directorships held in other listed entities during the three years prior to the current year

Callabonna Resources Limited and Stellar Resources Limited.

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' REPORT

30 JUNE 2014

Mr Paul Roberts	Managing Director
Qualifications	BSc, MSc, FAIG, MGSA
Experience	Mr Roberts has a long and successful history in mineral exploration management and mine geology both in Australia and overseas. He was responsible for discovery of the Henty gold deposit and major extensions to the St Dizier tin deposit both in Tasmania, as well as resource evaluations of the Kuridala copper gold deposit in North Queensland, the Bongara zinc deposit in Peru and a number of gold deposits in the Cue and Meekatharra districts in Western Australia.
Interest in Shares and Options	Shareholding: 5,165,895 Optionholding: 4,825,000
Directorships held in other listed entities during the three years prior to the current year	None
Mr Philip Henty	Non-Executive Director
Qualifications	BA Acc, Dip SIA, F Fin
Experience	Mr Henty has extensive experience in the Australian securities markets. He has worked for nearly 30 years in stockbroking and investments markets. His experience covers the equities, derivatives and fixed interest markets and most aspects of the securities industry from dealing and advice through to management, capital raising, investment management and private investment.
Interest in Shares and Options	Shareholding: 17,212,583 Optionholding: 2,226,563
Directorships held in other listed entities during the three years prior to the current year	None
Mr Timothy Markwell	Non-Executive Director – (appointed 11 September 2013)
Qualifications	BSc (Hons), GradDipAppFin, MAusIMM
Experience	Mr Markwell is a geologist and has worked for 20 years in the resources and finance industries. He is currently African Lion 3 Limited's manager based in Melbourne. Previously Mr Markwell worked for LinQ Resources Fund as an investment manager and as a resource analyst for Perth broker DJ Carmichael. He has also worked as a geologist for BHP-Billiton, Golder Associates, Anaconda Nickel, Great Central Mines and Reynolds.
Interest in Shares and Options	Shareholding: Nil Optionholding: Nil
Directorships held in other listed entities during the three years prior to the current year	Aurora Minerals Ltd Celamin Holdings NL

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' REPORT

30 JUNE 2014

MEETINGS OF DIRECTORS

During the financial year, 10 meetings / circular resolutions of directors (including committees of directors) were held. Attendances by each director at meetings during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Phillip Harman	3	3
Mr Paul Roberts	3	3
Mr Philip Henty	3	3
Mr Timothy Markwell	3	3

INDEMNIFYING OFFICERS OR AUDITORS

The Group has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of The Group, other than conduct involving a wilful breach of duty in relation to The Group. The terms and conditions of the insurance are confidential and cannot be disclosed.

OPTIONS

At the date of this report, the unissued ordinary shares of Predictive Discovery Limited under option, including those options issued during the year and since 30 June 2014 to the date of this report are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
20 August 2010	20 August 2015	\$0.25	6,000,000
21 July 2011	21 July 2015	\$0.31	500,000
26 July 2012	30 June 2015	\$0.10 to \$0.20*	3,756,075
8 August 2012	30 June 2015	\$0.10 to \$0.20*	1,000,000
10 October 2012	30 June 2015	\$0.10 to \$0.20*	875,000
5 December 2012	30 October 2015	\$0.15	2,000,000
5 December 2012	11 July 2015	\$0.10 to \$0.20 *	3,500,000
27 March 2013	31 March 2017	\$0.022	8,000,000
TOTAL			25,631,025

* 3,500,000 unlisted options with an exercise price of 10 cents to 30 June 2013, 15 cents from 1 July 2013 to 30 June 2014 and 20 cents from 1 July 2014 to the expiry date on 30 June 2015.

During the year, the Company contracted to issue 12,000,000 unlisted options exercisable at \$0.02 per share expiring 3 years from date of issue at the annual general meeting which is expected to occur in November 2014. During the year ended 30 June 2014, no ordinary shares of Predictive Discovery Limited were issued on the exercise of options granted.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceeding on behalf of The Group or intervene in any proceedings to which The Group is a party for the purpose of taking responsibility on behalf of The Group for all or any part of those proceedings.

The Group was not a party to any such proceeding during the year.

NON AUDIT SERVICES

The Board of Directors in accordance with the advice from the audit committee is satisfied that no provision of non-audit services was provided by the auditors during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2014 has been received and can be found on page 14 of the financial report.

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

It is the policy of the Company that, except in special circumstances, non-executive directors normally be remunerated by way of fixed fees, should not receive a bonus or options and should not be provided with retirement benefits other than statutory superannuation.

The Board, within the limit pre-approved by shareholders, determines fees payable to individual non-executive directors. The remuneration level of any executive director or other senior executive is determined by the Board after taking into consideration levels that apply to similar positions in comparable companies in Australia and taking account of the individual's possible participation in any equity based remuneration scheme. The Board may use industry wide data gathered by independent remuneration experts annually as its point of reference. Options or shares issued to any director pursuant to any equity based remuneration scheme require approval by shareholders prior to their issue. Options or shares granted to senior executives who are not directors are issued by resolution of the Board.

It is the policy of the Company that persons to whom options have been issued should not enter into any transaction in any associated product which is designed to limit the economic risk of participating in unvested entitlements under an equity based remuneration scheme.

There are no schemes for retirement benefits, other than the payment of the statutory superannuation contribution for non-executive and executive directors.

All executives receive a base salary (which is based on factors such as qualifications, expertise, experience etc.), superannuation and fringe benefits and are eligible for the grant of options under the Employee Option Plan.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for the time, commitment and responsibilities.

The fees payable to individual non-executive directors must be determined by the Board within the aggregate sum of \$500,000 per annum provided for under clause 21.1 of the constitution. That aggregate sum can only be increased with the prior approval of the shareholders of the Company at a general meeting. A non-executive director is entitled to a refund of approved expenditure and may also receive payments for consultancy work contracted for and performed separately on the Company's behalf.

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company, Directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future.

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' REPORT

30 JUNE 2014

PERFORMANCE-BASED REMUNERATION

Performance based remuneration for key management personnel is limited to granting of options.

RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The issue of options in past years to the majority of directors and executives is to encourage the alignment of personal and shareholder interests. The company believes this policy will be effective in increasing shareholder wealth.

PERFORMANCE CONDITIONS LINKED TO REMUNERATION

The Group's remuneration of key management personnel does not include any performance conditions.

EMPLOYMENT DETAILS OF MEMBERS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES

The following table provides employment details of persons who were, during the financial year, members of key management personnel of The Group, and to the extent different, among the five Group executives or company executives receiving the highest remuneration. The table also illustrates the proportion of remuneration that was performance and non-performance-based and the proportion of remuneration received in the form of options.

Key Management Personnel	Position held during the year ended 30 June 2014	Non-salary cash-based incentives	Options/Rights	Fixed Salary/Fees	Total
		%	%	%	%
Mr Phillip Harman	Non-Executive Chairman	-	15	85	100
Mr Paul Roberts	Managing Director	-	13	87	100
Mr Philip Henty	Non-Executive Director	-	21	79	100
Mr Tim Markwell	Non-Executive Director	-	24	76	100
Mr Ian Hobson	Company Secretary	91	9	-	100

The employment terms and conditions of key management personnel and group executives are formalised upon each Director's appointment. All non-executive directors are remunerated on a monthly basis with no fixed term or termination benefits.

Paul Roberts, Managing Director, has entered into a contract of employment that requires 12 months' notice of voluntary termination of employment that entitles Mr Roberts to \$180,000 as a termination benefit.

REMUNERATION DETAILS FOR THE PERIOD ENDED 30 JUNE 2014

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of The Group and, to the extent different, the five Group executives and five company executives receiving the highest remuneration:

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' REPORT

30 JUNE 2014

Table of Benefits and Payments for the Period Ended 30 June 2014

Key Management Personnel		Salary, fees and leave	Other	Pension and super- annuation	Other	Shares/ Units	Options/ Rights	Total
		\$	\$	\$	\$	\$	\$	\$
Mr Phillip Harman	2014	46,825	-	3,175	-	-	9,044	59,044
	2013	22,936	-	2,064	-	-	-	25,000
Mr Paul Roberts	2014	164,759	-	15,240	-	-	27,123	207,132
	2013	169,742	-	15,642	-	-	-	185,384
Mr Philip Henty	2014	35,000	-	-	-	-	9,044	44,044
	2013	17,500	-	1,130	-	-	-	18,630
Mr Tim Markwell	2014	28,194	-	-	-	-	9,044	37,238
	2013	-	-	-	-	-	-	-
Mr Ian Hobson	2014	91,975	-	-	-	-	9,044	101,019
	2013	111,705	-	-	-	-	-	111,705
Total Key Management Personnel	2014	366,753	-	18,415	-	-	63,299	448,467
	2013	432,345	-	34,464	-	-	-	466,809

SECURITIES RECEIVED THAT ARE NOT PERFORMANCE-BASED

No members of key management personnel received securities during the period which were not dependent upon the performance of The Group's share price as part of their remuneration package.

CASH BONUSES, PERFORMANCE-RELATED BONUSES AND SHARE-BASED PAYMENTS

Options were granted as remuneration during the year to key management personnel and other executives as set out in notes 16 and 22.

END OF THE REMUNERATION REPORT

Signed in accordance with a resolution of the Board of Directors:



Paul Roberts

Managing Director
24 September 2014

PREDICTIVE DISCOVERY LIMITED

CORPORATE GOVERNANCE STATEMENT

30 JUNE 2014

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each director, and board committee member, who is in office at the date of the annual report and their term of office are detailed in the Director's report.

The independent directors of the Company are Phil Harman, Phil Henty and Tim Markwell. Tim Markwell was appointed on 11 September 2013. When determining the independent status of a Director, the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Recommendation	Current Practice
1.1 Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. The functions reserved for the Board and delegated to senior executives have been established. The Board Charter is available at www.predictivediscovery.com.au in the Corporate Governance policy.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Formal evaluation process has been adopted. The Performance Evaluation Policy is available at www.predictivediscovery.com.au in the Corporate Governance policy.
1.3 Companies should provide the information indicated in the Guide for reporting on Principle 1	Satisfied The Board Charter is available at www.predictivediscovery.com.au in the Corporate Governance policy. No formal appraisal of management was conducted.
2.1 A majority of the board should be independent directors.	Satisfied. Phil Harman, Phil Henty and Tim Markwell are Non-Executive independent directors as defined in ASX guidelines.
2.2 The chair should be an independent director.	Satisfied. Mr Phil Harman is an independent director.
2.3 The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Satisfied.
2.4 The board should establish a nomination committee.	Not Satisfied. Given the current size of the Board this function is undertaken by the Board.
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Satisfied. Board Performance Evaluation Policy is available at www.predictivediscovery.com.au in the Corporate Governance policy.

PREDICTIVE DISCOVERY LIMITED

CORPORATE GOVERNANCE STATEMENT

30 JUNE 2014

Recommendation	Current Practice
2.6 Companies should provide the information indicated in the guide to reporting on Principle 2	Satisfied Formal board appraisals were not conducted for the 2014 financial year.
3.1 Companies should disclose a code of conduct and disclose the code or a summary of the code as to: The practices necessary to maintain confidence in the company's integrity The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. The Code of Conduct is available at www.predictivediscovery.com.au in the Corporate Governance policy.
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Satisfied. The Diversity Policy is available at www.predictivediscovery.com.au in the Corporate Governance policy.
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.	Not Satisfied. The measurable objectives have yet to be established.
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Proportion of women employees in the whole organisation is 15%. There is one women (33%) in a senior executive position and none on the board.
3.5 Companies should provide the information indicated in the Guide to reporting on Principle 3	Satisfied
4.1 The board should establish an audit committee.	Not satisfied. The audit committee was disbanded during 2013 when the board was reduced from 5 to 3 directors.
4.2 The audit committee should be structured so that it: Consists only of non-executive directors Consists of a majority of independent directors Is chaired by an independent chair, who is not chair of the board Has at least three members	Not satisfied. The role of the committee is undertaken by the board.
4.3 The audit committee should have a formal charter.	Satisfied.
4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4	Satisfied. The audit committee charter is available at www.predictivediscovery.com.au in the Corporate Governance policy.
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available at www.predictivediscovery.com.au in the Corporate Governance policy.

PREDICTIVE DISCOVERY LIMITED

CORPORATE GOVERNANCE STATEMENT

30 JUNE 2014

Recommendation	Current Practice
5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5	Satisfied
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	Satisfied. Shareholders communication strategy is available at www.predictivediscovery.com.au in the Corporate Governance policy.
6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6	Satisfied
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. The company has established policies for the oversight and management of material business risks. Risk management program is available at www.predictivediscovery.com.au in the Corporate Governance policy.
7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Satisfied. Management consist of the managing director, who has designed and implemented a risk management and internal control system to manage material business risks. Management have reported to the Board that those risks are being managed effectively.
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 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 reporting risks.	Satisfied. The Board has received a section 295A declaration pursuant to the 2014 financial period.
7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7	Satisfied The board has received the reports and assurances in 7.2 and 7.3. The policies are available on the company's website.
8.1 The board should establish a remuneration committee.	Not Satisfied. The function of this committee is performed by the full board given the current size of the Board.
8.2 The remuneration committee should be structured so that is: Consists of a majority of independent directors Is chaired by an independent director Has at least three members	Not satisfied.
8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The structure of Directors' remuneration is disclosed in the remuneration report of the annual report.

PREDICTIVE DISCOVERY LIMITED

CORPORATE GOVERNANCE STATEMENT

30 JUNE 2014

Recommendation

Current Practice

-
- | | |
|---|---|
| 8.4 Companies should provide the information indicated in the Guide to reporting on Principle 8 | The remuneration committee charter is available at www.predictivediscovery.com.au in the Corporate Governance policy. |
|---|---|
-

Further information about the Company's corporate governance practices is set out on the Company's website at www.predictivediscovery.com.au.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PREDICTIVE DISCOVERY LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia

NEXIA MELBOURNE
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne

24 September 2014

Nexia Melbourne

Level 18, 530 Collins Street, Melbourne VIC 3000
p +61 3 9608 0100, f +61 3 9608 0192
info@nexiamelbourne.com.au, www.nexia.com.au

Independent member of Nexia International



Nexia Melbourne (ABN 16 847 721 257) is an independent Victorian firm of chartered accountants using the Nexia International trademark under licence. It is affiliated with, but independent from, Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

PREDICTIVE DISCOVERY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
for the year ended 30 June 2014				
		Consolidated		
		2014		2013
		\$		\$
	Note			
Finance income		25,106		38,533
Share based payments		(131,467)		(14,498)
Administrative expenses		(1,400,827)		(868,496)
Foreign exchange gain / (expense)		(31,326)		176,854
Impairment of exploration		(1,026,461)		(299,575)
Exploration expenditure pre-right to tenure		(24,907)		(90,297)
Profit (loss) before income taxes		(2,589,882)		(1,057,479)
Income tax expense	2	-		-
Profit (loss) from continuing operations		(2,589,882)		(1,057,479)
Other comprehensive income		158,737		1,383,801
Total comprehensive income for the year		(2,431,145)		326,322
Profit attributable to:				
Members of the parent entity		(2,431,145)		326,322
		(2,431,145)		326,322
Basic (loss) per share (cents per share)	12	(0.008)		0.002
Diluted (loss) per share (cents per share)	12	(0.008)		0.002
These financial statements should be read in conjunction with the accompanying notes				

PREDICTIVE DISCOVERY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
as at 30 June 2014				
		Consolidated		
		2014		2013
	Note	\$		\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3	950,825		1,352,410
Trade and other receivables	4	74,939		129,071
TOTAL CURRENT ASSETS		1,025,764		1,481,481
NON-CURRENT ASSETS				
Property, plant and equipment	5	303,885		364,969
Exploration expenditure	6	15,639,370		14,604,406
TOTAL NON-CURRENT ASSETS		15,943,255		14,969,375
TOTAL ASSETS		16,969,019		16,450,856
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	7	350,802		229,658
Provisions	9	19,509		20,626
TOTAL CURRENT LIABILITIES		370,311		250,284
NON-CURRENT LIABILITIES				
Trade and other payables	7	100,000		-
TOTAL NON-CURRENT LIABILITIES		100,000		-
TOTAL LIABILITIES		470,311		-
NET ASSETS		16,498,708		16,200,572
EQUITY				
Issued capital	10	22,539,830		19,942,017
Reserves	11	1,958,246		1,668,042
Accumulated losses		(7,999,368)		(5,409,486)
TOTAL EQUITY		16,498,708		16,200,573
These financial statements should be read in conjunction with the accompanying notes				

PREDICTIVE DISCOVERY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
for the year ended 30 June 2014					
2014				FOREIGN	
			SHARE BASED	CURRENCY	
	ORDINARY	ACCUMULATED	PAYMENT	TRANSLATION	
	SHARES	LOSSES	RESERVE	RESERVE	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2013	19,942,017	(5,409,486)	377,464	1,290,578	16,200,573
Profit/(loss) attributable to members of the parent entity		(2,589,882)			(2,589,882)
Other comprehensive income				158,737	158,737
Total comprehensive income for the year					
Shares issued during the year	2,658,461				2,658,461
Transaction costs	(60,647)				(60,647)
Share-based payments			131,467		131,467
Sub-total	2,597,814	(2,589,882)	131,467	158,737	298,136
Balance at 30 June 2014	22,539,830	(7,999,368)	508,931	1,449,315	16,498,708
2013				FOREIGN	
			SHARE BASED	CURRENCY	
	ORDINARY	ACCUMULATED	PAYMENT	TRANSLATION	
	SHARES	LOSSES	RESERVE	RESERVE	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2012	15,264,188	(4,352,007)	311,995	(93,223)	11,130,953
Profit/(loss) attributable to members of the parent entity		(1,057,479)			(1,057,479)
Other comprehensive income				1,383,801	1,383,801
Total comprehensive income for the year					
Shares issued during the year	4,979,967				4,979,967
Transaction costs	(302,138)				(302,138)
Share-based payments			65,469		65,469
Sub-total	4,677,828	(1,057,479)	65,469	1,383,801	5,069,620
Balance at 30 June 2013	19,942,017	(5,409,486)	377,464	1,290,578	16,200,573

PREDICTIVE DISCOVERY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS				
for the year ended 30 June 2014				
		2014		2013
	Note	\$		\$
CASH FROM OPERATING ACTIVITIES:				
GST receipts		2,754		20,110
Payments to suppliers and employees		(1,147,072)		(716,682)
Net cash provided by (used in) operating activities	21	(1,144,318)		(696,572)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received		21,631		38,533
Proceeds from sale of property, plant and equipment		54,776		-
Purchase of property, plant and equipment		-		(2,175)
Payments for exploration expenditure		(1,949,111)		(2,751,532)
Net cash provided by (used in) investing activities		(1,872,704)		(2,715,174)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issue of shares		2,658,461		4,177,969
Payment of share issue costs		(60,647)		(236,669)
Net cash from financing activities		2,597,814		3,941,299
OTHER ACTIVITIES:				
Foreign exchange differences		17,624		(240,616)
Net cash used by other activities		17,624		(240,616)
Net increase (decrease) in cash held		(419,209)		529,553
Cash and cash equivalents at beginning of period		1,352,410		1,063,472
Cash and cash equivalents at end of financial period	3	950,825		1,352,410
These financial statements should be read in conjunction with the accompanying notes				

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

This financial report includes the consolidated financial statements and notes of Predictive Discovery Limited and controlled entities (The Group).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Predictive Discovery Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

These financial statements are presented in Australian dollars, rounded to the nearest dollar.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Predictive Discovery Limited at the end of the reporting period. A controlled entity is any entity over which Predictive Discovery Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left The Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) The Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in The Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and consolidated statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Subsidiaries are accounted for in the parent entity at cost.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(A) PRINCIPLES OF CONSOLIDATION (continued)

Business Combinations

At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(B) REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method. The effective interest rate method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(C) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(D) INCOME TAX

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(D) INCOME TAX (continued)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(E) EMPLOYEE BENEFITS

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by The Group in respect of services provided by employees up to reporting date.

(F) PROVISIONS

Provisions are recognised when The Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(G) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The functional currency of each of The Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. All other companies within The Group have Australian dollars as their functional currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the consolidated statement of comprehensive income.

The financial results and position of foreign operations whose functional currency is different from The Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to The Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of comprehensive income in the period in which the operation is disposed.

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

(I) FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that The Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) FINANCIAL INSTRUMENTS (continued)

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is The Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period The Group sold or reclassified more than an insignificant amount of the held to maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available for sale.

(iv) *Available for sale financial assets*

Available for sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) FINANCIAL INSTRUMENTS (continued)

Available for sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(J) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to The Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Camp under construction	7 - 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of comprehensive income.

Property, plant and equipment is derecognised and removed from the consolidated statement of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(J) PROPERTY, PLANT AND EQUIPMENT (continued)

Subsequent costs are included in the property, plant and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss.

(K) EXPLORATION AND DEVELOPMENT EXPENDITURE

Costs Carried Forward

Costs arising from exploration and evaluation activities are carried forward where the rights to tenure for the area of interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Costs carried forward in respect of an area of interest that is abandoned are written off in the period in which the decision to abandon is made.

Contributions received from third parties in exchange for participating interests in exploration and evaluation tenements (e.g. as part of farm out arrangements) are netted off against the costs carried forward in respect of those tenements in which the third party acquires a participating interest.

(L) IMPAIRMENT OF ASSETS

At each reporting date, The Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information including, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Non-financial assets, other than inventories, deferred tax assets, assets from employee benefits, investment properties and deferred acquisition costs, are assessed for any indication of impairment at the end of each reporting period. Any indication of impairment requires formal testing of impairment by comparing the carrying amount of the asset to an estimate of the recoverable amount of the asset. An impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The asset's value in use is calculated as the estimated future cash flows discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. Assets that cannot be tested individually for impairment are grouped together into the smallest group of assets that generates cash inflows (the asset's cash generating unit).

Impairment losses are recognised in profit or loss. Impairment losses are allocated first, to reduce the carrying amount of any goodwill allocated to cash generating units, and then to other assets of the group on a pro rata basis.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) IMPAIRMENT OF ASSETS (continued)

Assets other than goodwill are assessed at the end of each reporting period to determine whether previously recognised impairment losses may no longer exist or may have decreased. Impairment losses recognised in prior periods for assets other than goodwill are reversed up to the carrying amounts that would have been determined had no impairment loss been recognised in prior periods.

(M) TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by The Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(N) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

(O) LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership that are transferred to entities in The Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(P) EARNINGS PER SHARE

Basic loss per share is calculated as net loss attributable to members of The Group divided by the weighted average number of ordinary shares. Diluted loss per share is calculated by adjusting the net loss attributable to members of The Group and the number of shares outstanding for the effects of all dilutive potential ordinary shares, which include shares options.

(Q) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

(R) SHARE-BASED PAYMENT TRANSACTIONS

Employees of The Group receive remuneration in the form of share based payment transactions, whereby employees render services in exchange for equity instruments ("equity settled transactions"). When the goods or services acquired in a share based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity settled transactions and the corresponding increase in equity is measured at the fair value of the goods or services acquired. Where the fair value of the goods or services received cannot be reliably estimated, the fair value is determined indirectly by the fair value of the equity instruments using the Black Scholes option valuation technique.

Equity-settled transactions that vest after employees complete a specified period of service are recognised as services are received during the vesting period with a corresponding increase in equity.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(S) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within The Group.

Key estimates – Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to The Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell or value-in-use calculations which incorporate various key assumptions.

Key judgements – Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. \$15,639,370 has been capitalised as at 30 June 2014 (see note 6). While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded and there are no facts or circumstances that suggest the carrying amounts of the exploration and evaluation assets recognised exceed their recoverable amount.

Key Judgements – Share-based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes method. The related assumptions are detailed in note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Key Judgements - Going Concern

The financial report has been prepared using the going concern basis. The Directors have determined that as with similar companies, future capital raisings will be required in order to continue the exploration and development of the company's mining tenements (some subject to an option payment) and meet operational expenditure at current levels to achieve a position where they can prove exploration reserves. The ability of the company to continue as a going concern is dependent upon the company raising additional capital sufficient to meet the company's exploration commitments and operational commitments. Should there be no funding available, exploration of the areas of interest may be put on hold. The recoverability of the exploration asset is dependent upon the continued exploration of each area of interest.

The Directors have prepared a cash flow forecast for the foreseeable future reflecting this expectation and their effect upon the company. The achievement of the forecast is dependent upon the future capital raising, the outcome of which is uncertain.

Key Judgements - Recoverability of Intercompany Loan

Within Non-current assets of the parent entity (see note 20) there is a loan due from the 100% subsidiaries of \$15,667,469 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Burkina Faso.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(T) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Predictive Discovery Limited.

Reference	Title	Nature of Change	Application date of standard	Impact on entity financial statements	Application date for entity
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: Amortised cost Fair value through profit or loss Fair value through other comprehensive income. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	1 January 2017	Adoption of AASB 9 is only mandatory for the year ending 30 June 2018. The entity has not yet made an assessment of the impact of these amendments.	1 July 2017

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(T) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

Reference	Title	Nature of Change	Application date of standard	Impact on entity financial statements	Application date for entity
AASB 2013-4 (issued July 2013)	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (AASB 139)	Clarifies treatment of novated hedging instruments and continuation of hedge accounting where entities are required to replace the original party with a central counterparty as a consequence of laws or regulations or the introduction of laws and regulation.	1 January 2014	There will be no impact on first-time adoption of this amendment as the entity does not account for proposed changes in taxation legislation until the relevant Bill has passed through both Houses of Parliament, which is consistent with the views expressed by the Australian Accounting Standards Board in their agenda decision of December 2012.	1 July 2014
AASB 2013-5 (issued August 2013)	Amendments to Australian Accounting Standards – Investment Entities	The amendment defines an 'investment entity' and requires a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. The amendment prescribes three criteria that must be met in order for an entity to be defined as an investment entity, as well as four 'typical characteristics' to consider in assessing the criteria. The amendment also introduces disclosure requirements for investment entities into AASB 12 <i>Disclosure of Interests in Other Entities</i> and amends AASB 127 <i>Separate Financial Statements</i>.	1 January 2014	As the entity does not meet the definition of an investment entity, it will continue to consolidate its investments in subsidiaries in accordance with AASB 10 <i>Consolidated Financial Statements</i> .	1 July 2014
AASB 2012-6 (issued September 2012)	Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures	Defers the effective date of AASB 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.	1 July 2015

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(T) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

Reference	Title	Nature of Change	Application date of standard	Impact on entity financial statements	Application date for entity
AASB 2014-2	Amendments to Australian Accounting Standards [Operative dates: Parts A-C – 1 Jul 2014; Part D – 1 Jan 2016; Part E – 1 Jan 2015]	Non-urgent but necessary changes to standards arising from Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle	1 July 2014, 1 January 2016, 1 January 2015	See below IFRS improvements	1 July 2014, 1 July 2015, 1 July 2016
Improvements to IFRSs (issued December 2013)	Annual Improvements 2010-2012 Cycle (IFRS 2, IFR 3, IFRS 8, IAS 16, IAS 24, IAS 39)	Non-urgent but necessary changes to standards	1 July 2014	There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively or are disclosure impacts only	1 July 2014
Improvements to IFRSs (issued December 2013)	Annual Improvements 2011-2013 Cycle (IFRS13 & IAS 40)	Non-urgent but necessary changes to standards	1 July 2014	There will be no impact on the financial statements when these amendments are first adopted.	1 July 2014
Interpretation 21 (issued June 2013)	Levies	Clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time.	1 January 2014	The entity is not liable to pay any government levies. There will therefore be no impact on the financial statements when this interpretation is first adopted.	1 July 2014

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(U) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards.

2 INCOME TAX EXPENSE

(A) THE COMPONENTS OF TAX EXPENSE COMPRISE:

	2014 \$	2013 \$
Current tax	-	-
Deferred tax	-	-
	-	-

(a) Income tax recognised in profit or loss

Tax expense / (revenue) comprises:

Current tax expense / (revenue)	(1,022,178)	(1,362,791)
Under / Over provision in prior year	(140,290)	
Deferred tax expense / (revenue) relating to the origination and reversal of temporary differences	190,342	912,584
Tax Losses Not Recognised	972,126	450,207
Total tax expense / (revenue)	-	-

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Profit / (loss) from operations	(2,431,145)	326,322
Income tax expense (revenue) calculated at 30% (2010: 30%)	(729,343)	97,897
Under / Over provision in prior year	(140,290)	
Tax Effect of Employee Options	23,763	4,349
Tax effect of FX Loss	(38,223)	(468,196)
Tax Effect of Capital Raising Costs Not Recognised	(88,033)	(84,393)
Non-deductable expenses	-	136
Tax Losses Not Recognised	972,126	450,207
	-	-

Income tax rate

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by the Australian corporate entities on taxable profits under the Australian tax law. There has been no change in the corporate tax rate when compared with the previous year.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3 CASH AND CASH EQUIVALENTS

	2014 \$	2014 \$
Cash at bank	950,825	1,352,410
	<u>950,825</u>	<u>1,352,410</u>

Of the cash at bank amount, \$10,000 is provided as security to the ANZ Bank for a bank guarantee.

4 TRADE AND OTHER RECEIVABLES

	2014 \$	2013 \$
Trade receivables	-	22,978
Other receivables	74,939	106,093
	<u>74,939</u>	<u>129,071</u>

5 PROPERTY, PLANT AND EQUIPMENT

	2014 \$	2013 \$
PLANT AND EQUIPMENT		
At cost	364,969	531,334
Accumulated depreciation	(61,084)	(166,365)
Total plant and equipment	<u>303,885</u>	<u>364,969</u>

MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Total \$
Balance at 30 June 2014		
Balance at the beginning of year	364,969	364,969
Additions	-	-
Disposals	(54,776)	(54,776)
Depreciation expense	(79,976)	(79,976)
Movement in exchange rates	73,668	73,668
Balance at 30 June 2014	<u>303,885</u>	<u>303,885</u>
Balance at 30 June 2013		
Balance at the beginning of year	426,044	426,044
Additions	2,175	2,175
Depreciation expense	(109,361)	(109,361)
Movement in exchange rates	46,111	46,111
Balance at 30 June 2013	<u>364,969</u>	<u>364,969</u>

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

6 EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

	2014	2013
	\$	\$
Exploration and evaluation expenditure	15,639,370	14,604,406
	<u>15,639,370</u>	<u>14,604,406</u>

Exploration and evaluation \$

2014

Balance at beginning of the year	14,604,406
Expenditure incurred	2,061,425
Impairment	(1,026,461)
Balance at end of the year	<u>15,639,370</u>

2013

Balance at beginning of the year	10,235,139
Expenditure incurred	4,668,842
Impairment	(299,575)
Balance at end of the year	<u>14,604,406</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The board has assessed the exploration and evaluation assets for impairment, using AASB 6 paragraph 20 as a guide. As a result of this process 2 tenements were impaired during the period.

The budget for future exploration and evaluation expenditure is split by geographical area and not by area of interest as the allocation of resources will depend upon findings. However, it is acknowledged that the budget allows for spending on all areas of interest without exclusion. It is anticipated that all expenditure required by agreement or permit will be met.

In assessing the recoverability of the carrying amounts, reference is made to Note 1 (S) - Key Judgements - Exploration and Evaluation Expenditure and Going Concern. The Directors have determined that as with similar companies, future capital raisings will be required in order to continue the exploration and development of the company's mining tenements (some subject to an option payment) to achieve a position where they can prove exploration reserves. Should there be no funding available, exploration of the areas of interest may be put on hold. The recoverability of the exploration asset is dependent upon the continued exploration of each area of interest.

7 TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
CURRENT		
Trade payables	350,802	229,658
	<u>350,802</u>	<u>229,658</u>
	2014	2013
	\$	\$
NON-CURRENT		
Trade payables	-	-
Other payables	100,000	-
	<u>100,000</u>	<u>-</u>

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8 TAX ASSETS AND LIABILITIES

	2014 \$	2013 \$
(a) Assets		
Current		
Income tax refundable	-	-
	-	-
Non-current		
Deferred tax asset comprises:		
Employee Entitlements	5,853	6,188
Accruals and payables	9,000	11,250
ASX Listing Costs	-	909
Cancellation of Licence	72,000	-
Tax Losses	5,119,999	4,097,821
Amount Not Recognised	(5,206,852)	(4,116,168)
	-	-
(b) Liabilities		
Current		
Income tax liabilities	-	-
Less: PAYG instalments paid	-	-
Income tax payable	-	-
Non-current		
Deferred tax liability comprises:		
Exploration Expenditure	(2,610,522)	(2,491,965)
Amount Not Recognised	2,610,522	2,491,965
Net DTA/DTL	-	-
(c) Reconciliations		
(i) Gross Movements		
The overall movement in the deferred tax balances is as follows:		
Opening balance	1,624,203	1,173,995
Underprovision in prior year	140,290	-
Credited / (charge) to the income statement	831,837	450,208
Amount Not Recognised	(2,596,330)	(1,624,203)
Closing balance	-	-
(ii) Deferred tax assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Employee Entitlements		
Opening balance	6,188	41,732
Credited / (charge) to the income statement	(335)	(35,544)
Amount Not Recognised	(5,853)	(6,188)
Closing balance	-	-
Provisions		
Opening balance	-	-
Credited / (charge) to the income statement	-	-
Amount Not Recognised	-	-
Closing balance	-	-

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8 TAX ASSETS AND LIABILITIES (continued)

	2014 \$	2013 \$
(c) Reconciliations (continued)		
(ii) Deferred tax assets (continued)		
Accruals and payables		
Opening balance	11,250	9,000
Credited / (charge) to the income statement	(2,250)	2,250
Amount Not Recognised	(9,000)	(11,250)
Closing balance	-	-
Tax Losses		
Opening balance	4,097,821	2,735,029
Credited / (charge) to the income statement	1,022,178	1,362,792
Amount Not Recognised	(5,119,999)	(4,097,821)
Closing balance	-	-
ASX Listing Costs		
Opening balance	909	1,819
Credited / (charge) to the income statement	(909)	(910)
Amount Not Recognised	-	(909)
Closing balance	-	-
Cancellation of Licence		
Opening balance	-	-
Credited / (charge) to the income statement	72,000	-
Amount Not Recognised	(72,000)	-
Closing balance	-	-
(iii) Deferred tax liability		
Exploration Expenditure		
Opening balance	(2,491,965)	(1,613,585)
Under / Over provision in prior year	140,290	
Credited / (charge) to the income statement	(258,847)	(878,380)
Amount Not Recognised	2,610,522	2,491,965
Closing balance	-	-

The DTL is not recognised as a liability as the future tax benefits are assumed to be available if and when the deferred tax liability crystallises.

9 PROVISIONS

	2014 \$	2013 \$
CURRENT		
Employee entitlements	19,509	20,626
	19,509	20,626

10 ISSUED CAPITAL

	2014 \$	2013 \$
387,865,214 (2013: 234,633,856) Ordinary shares	24,007,040	21,348,580
Share issue costs written off against issued capital	(1,467,210)	(1,406,563)
	22,539,830	19,942,017

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

10 ISSUED CAPITAL (continued)

ORDINARY SHARES

	2014 No.	2014 \$	2013 No.	2013 \$
At the beginning of the reporting period	234,633,856	21,348,580	125,555,405	16,386,368
Tenement Purchase	2,771,462	59,994	11,250,000	787,500
Employee share issue	327,000	6,866	329,500	14,498
Placements	129,757,896	2,265,600	86,236,843	3,277,000
Rights Issues	-	-	11,262,108	900,969
Share Placement Plan	20,375,000	326,000	-	-
	387,865,214	24,007,040	234,633,856	21,348,580

OPTIONS

- (i) For information relating to Predictive Discovery Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 22.

11 RESERVES

FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

OPTION RESERVE

The option reserve records items recognised as expenses on valuation of employee share options.

12 EARNINGS PER SHARE

	2014 \$	2013 \$
Earnings used to calculate basic EPS	(2,589,881)	(1,029,304)

Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS.

	2014 No.	2013 No.
Weighted average number of ordinary shares outstanding during the period - Number used in calculating basic EPS	316,503,790	193,090,138
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	316,503,790	193,090,138

Diluted earnings per share is the same as basic earnings per share as The Group incurred a loss for the period and therefore is not considered dilutive.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

13 CAPITAL AND LEASING COMMITMENTS

	2014 \$	2013 \$
(A) LEASE COMMITMENTS		
Payable - minimum lease payments:		
- not later than 12 months	20,607	245,232
- between 12 months and 5 years	245,802	-
	<u>266,409</u>	<u>245,232</u>
(B) OPTIONS FEE COMMITMENTS		
Payable – minimum lease payments:		
– not later than 12 months	322,820	500,000
– between 12 months and 5 years	558,834	-
- Later than 5 years	45,025	-
	<u>926,678</u>	<u>500,000</u>
(C) CAPITAL EXPENDITURE COMMITMENTS		
Payable:		
- not later than 12 months	2,966,064	50,087
- between 12 months and 5 years	7,529,914	146,454
more than 5 years	57,921	-
	<u>10,553,899</u>	<u>196,541</u>
(D) LICENCE FEE COMMITMENTS		
Payable:		
- not later than 12 months	-	300,000
- between 12 months and 5 years	-	1,200,000
	<u>-</u>	<u>1,500,000</u>

14 FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2014 \$	2013 \$
Financial Assets		
Cash and cash equivalents	3 950,825	1,352,410
Trade and other receivables	4 74,939	129,071
Total Financial Assets	<u>1,025,764</u>	<u>1,481,481</u>
Financial Liabilities		
Trade and other payables	7 470,311	250,284
Total Financial Liabilities	<u>470,311</u>	<u>250,284</u>

The carrying amounts of these financial instruments approximate their fair values.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

14 FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK MANAGEMENT POLICIES

Exposure to key financial risks is managed in accordance with the Group's risk management policy with the objective to ensure that the financial risks inherent in exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure.

Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raised in advance of shortages. Interest rate risk is managed by limiting the amount of interest bearing loans entered into by The Group. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit exposure to price risk.

Primary responsibility for identification and control of financial risks rests with the Company Secretary, under the authority of the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

(A) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to The Group.

The Group trades only with recognised, creditworthy third parties.

The Group has no customers and consequently no significant exposure to bad debts or other credit risks.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At balance date cash and deposits were held with National Australia Bank.

(B) LIQUIDITY RISK

Liquidity risk arises from the possibility that The Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Group's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Group monitors its ongoing exploration cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The Group has no undrawn financing facilities. Trade and other payables, the only financial liability of the Group, are due within 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

14 FINANCIAL RISK MANAGEMENT (continued)

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT (continued)

(B) LIQUIDITY RISK (continued)

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Total Contractual Cash Flow	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	450,802	250,284	-	-	450,802	250,284
Total contractual outflows	450,802	250,284	-	-	450,802	250,284
Financial assets - cash flows realisable						
Trade and other receivables	74,939	129,071	-	-	74,939	129,071
Total anticipated inflows	74,939	129,071	-	-	74,939	129,071

The financial assets and liabilities noted above are interest free.

(C) MARKET RISK

i. Interest rate risk

The Group's cash flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At balance date, the Group does not have any borrowings. The Group does not enter into hedges. An increase/ (decrease) in interest rates by 1% during the whole of the respective periods would have led to an increase/(decrease) in both equity and losses of less than \$10,000. 1% was thought to be appropriate because it represents four 0.25 basis point rate rises/falls, which is appropriate in the recent economic climate. The majority of cash held in a cash management account earns interest income at a rate of 0.1% p.a.

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which The Group holds foreign currency which are other than the AUD functional currency of The Group.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

15 OPERATING SEGMENTS

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The accounting policies applied for internal purposes are consistent with those applied in the preparation of these financial statements.

a) The following is an analysis of the Group's revenue and results from operations by reportable segment.

		Gold				
	Corporate	Gold	Uranium	Burkina	Cote	
2014	\$	Aust	Aust	Faso	d'Ivoire	Total
		\$	\$	\$	\$	\$
Revenue						
Interest income	25,106	-	-	-	-	25,106
Expenses						
Share based payments	(131,467)	-	-	-	-	(131,467)
Administration expenses	(873,425)	-	-	(408,463)	(118,939)	(1,400,827)
FX Expense	(29,456)	-	-	(1,870)	-	(31,326)
Exploration expenditure written off	-	(24,907)	-	-	-	(24,907)
Impairment of Exploration	-	-	-	(1,026,461)	-	(1,026,461)
Loss before tax	(1,009,242)	(24,907)	-	(1,436,794)	(118,939)	(2,589,881)
Current assets	825,302	-	-	160,168	40,294	1,025,764
Exploration expenditure	-	-	-	15,493,626	145,744	15,639,370
Plant and Equipment	-	-	-	276,588	27,297	303,885
Current liabilities	(199,059)	-	-	(132,251)	(39,001)	(370,311)
Non-Current liabilities	(100,000)	-	-	-	-	(100,000)
Net assets	526,243	-	-	15,798,131	174,334	16,498,708
		Gold				
	Corporate	Gold	Uranium	Burkina	Other	
2013	\$	Aust	Aust	Faso	West Africa	Total
		\$	\$	\$	\$	\$
Revenue						
Interest income	38,533	-	-	-	-	38,533
Expenses						
Share based payments	(14,498)	-	-	-	-	(14,498)
Administration expenses	(678,618)	-	-	(189,876)	-	(868,494)
FX Expense	251,095	-	-	(74,241)	-	176,854
Exploration expenditure written off	-	(299,575)	-	-	-	(299,575)
Impairment of Exploration	-	(62,122)	-	-	-	(62,122)
Loss before tax	(403,488)	(361,697)	-	(264,117)	-	(1,029,302)
Current assets	1,365,866	-	-	115,616	-	1,481,482
Exploration expenditure	-	-	-	14,632,581	-	14,632,581
Plant and Equipment	2,842	-	-	362,127	-	364,969
Current liabilities	(110,511)	-	-	(139,773)	-	(250,284)
Net assets	1,258,197	-	-	14,964,783	-	16,228,748

The Group operates in three principal geographical areas – Australia (country of domicile), Burkina Faso and other West African countries.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

16 INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of The Group's key management personnel for the year ended 30 June 2014.

The totals of remuneration paid to key management personnel of the company and The Group during the year are as follows:

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS

The number of options over ordinary shares held by each key management person of The Group during the financial year is as follows:

	Balance at beginning of period	Granted as remuneration during the period	Exercised during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercisable
30 June 2014								
Mr Phillip Harman	900,000	1,000,000	-	195,469	2,095,469	-	2,095,469	-
Mr Paul Roberts	1,700,000	3,000,000	-	125,000	4,825,000	-	4,825,000	-
Mr Philip Henty	600,000	1,000,000	-	626,563	2,226,563	-	2,226,563	-
Mr Tim Markwell	-	1,000,000	-	(1,000,000)*	-	-	-	-
Mr Ian Hobson	-	1,000,000	-	-	1,000,000	-	1,000,000	-
	3,200,000	7,000,000	-	(52,968)	10,147,032	-	10,147,032	-

- Options assigned to Lion Manager Pty Ltd in which Mr Markwell does not have a controlling interest

	Balance at beginning of period	Granted as remuneration during the period	Exercised during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercisable
30 June 2013								
Mr Phillip Harman	900,000	-	-	-	900,000	-	900,000	-
Mr Paul Roberts	1,700,000	-	-	-	1,700,000	-	1,700,000	-
Dr Thomas Whiting	600,000	-	-	-	600,000	-	600,000	-
Dr Robert Danchin	600,000	-	-	-	600,000	-	600,000	-
Mr Philip Henty	600,000	-	-	-	600,000	-	600,000	-
Mr Ian Hobson	-	-	-	-	-	-	-	-
David Pascoe	500,000	-	-	-	500,000	-	500,000	-
	4,900,000	-	-	-	4,900,000	-	4,900,000	-

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The number of ordinary shares in Predictive Discovery Limited held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Other changes during the period	Balance at end of period
30 June 2014					
Mr Phillip Harman	3,398,258	-	-	2,571,053	5,969,311
Mr Paul Roberts	3,702,079	-	-	1,463,816	5,165,895
Mr Philip Henty	10,929,688	-	-	6,282,895	17,212,583
Mr Tim Markwell	-	-	-	-	-
Mr Ian Hobson	60,000	-	-	-	60,000
	18,090,025	-	-	10,317,764	28,407,789

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

16 INTERESTS OF KEY MANAGEMENT PERSONNEL (continued)

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS (continued)

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2013					
Mr Phillip Harman	1,954,688	-	-	1,443,570	3,398,258
Mr Paul Roberts	3,320,500	-	-	381,579	3,702,079
Dr Thomas Whiting	1,054,688	-	-	737,254	1,791,942
Dr Robert Danchin	-	-	-	-	-
Mr Philip Henty	5,976,563	-	-	4,953,125	10,929,688
Mr Ian Hobson	50,000	-	-	10,000	60,000
Mr David Pascoe	-	-	-	-	-
	12,355,501	-	-	7,525,528	19,881,967

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 20: Related Party Transactions.

17 AUDITORS' REMUNERATION

	2014 \$	2013 \$
Remuneration of the auditor of the parent entity for:		
- Audit services	37,000	51,450
	37,000	51,450

18 CONTROLLED ENTITIES

Name	Country of Incorporation	Percentage Owned (%)* 2014	Percentage Owned (%)* 2013
Parent Entity:			
Predictive Discovery Limited	Australia		
Subsidiaries of legal parent entity:			
Predictive Discovery SARL	Burkina Faso	100	100
Predictive Discovery Niger SARL	Niger	100	100
Predictive Discovery Cote D'Ivoire SARL	Cote D'Ivoire	100	100
Birimian Pty Ltd	British Virgin Islands	100	100
Predictive Discovery Cote D'Ivoire Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

Acquisitions of controlled entities

There were no acquisitions during the year.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

19 CONTINGENT LIABILITIES

There are no material contingent liabilities or contingent assets of The Group at balance date.

20 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Intercompany Loans

Predictive Discovery Limited has made loans to its subsidiaries in the amount of \$15,667,469. The loan is interest free and payable on demand.

Directors' Remuneration

For information relating to related party transactions with key management personnel during the financial year, refer to Note 16.

Other Related Party Transactions

Churchill Services Pty Ltd, an entity associated with Ian Hobson, was paid \$101,019 for company secretarial services during the year.

21 CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	2014 \$	2013 \$
Profit (loss) for the year	(2,589,882)	(1,029,304)
Non-operating items in profit		
Exploration expenditure	24,907	62,122
Interest income	(25,106)	(38,533)
Non-cash flows in profit		
Non-cash based share issues		
Share based payments	131,467	14,498
Depreciation	2,405	2,802
Foreign exchange (gains)/losses		
Write off of exploration expenditure	1,026,461	299,575
Changes in assets and liabilities		
(Increase)/decrease in receivables	(54,132)	30,381
Increase/(decrease) in payables	221,144	(99,603)
Increase/(decrease) in provisions	(1,117)	(12,693)
Increase/(decrease) in FX Reserve	119,535	74,183
	<u>(1,144,318)</u>	<u>(696,572)</u>

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

22 SHARE BASED PAYMENTS

During the year, the group entered into the following share-based payments:

1. The issue of 2,771,462 ordinary shares in the Company in consideration for the option payments on mining permits for the value of \$59,994;
2. The issue of 327,000 ordinary shares in the company as employee incentives to Burkina Faso employees for the value of \$6,867; and
3. Entered into a contract to issue 12,000,000 unlisted options exercisable at \$0.02 per share expiring 3 years from date of issue for the value of \$59,123.

At 30 June 2014 the Group has the following share-based payment options on issue to employees:

								Vested and
2012				Granted	Exercised	Forfeited	Balance at	exercisable at
Grant Date	Expiry Date	Exercise price	Start of the year	during the year	during the year	during the year	the end of the year	the end of the year
20 Aug 2010	20 Aug 2015	\$0.250	6,000,000	-	-	-	6,000,000	6,000,000
27 Mar 2014	31 Mar 2017	\$0.022	-	8,000,000	-	-	8,000,000	8,000,000
			6,000,000	8,000,000	-	-	14,000,000	14,000,000

At 30 June 2014 the Group has the following share-based payment options on issue in lieu of capital raising fees:

2012		Exercise price	Start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Grant Date	Expiry Date							
5 Dec 2012	30 Oct 2015	\$0.15	2,000,000	-	-	-	2,000,000	2,000,000
		\$0.10 –						
5 Dec 2012	30 Oct 2015	\$0.20	3,500,000	-	-	-	3,500,000	3,500,000
			5,500,000	-	-	-	5,500,000	5,500,000

* 3,500,000 unlisted options with an exercise price of 10 cents to 30 June 2013, 15 cents from 1 July 2013 to 30 June 2014 and 20 cents from 1 July 2014 to the expiry date on 30 June 2015.

The weighted average exercise price of options as at 30 June 2014 was \$0.12 (30 June 2013: \$0.19). The weighted average remaining contractual life of options outstanding at year end was 1.78 years (30 June 2013: 2.13).

The fair value of the options granted to employees and brokers is deemed to represent the value of services received over the vesting period.

The fair value of the options granted during the year was \$72,344 (30 June 2013: \$ 65,469).

These values were calculated by using a Black-Scholes option pricing model applying the following inputs:

Dividend yield (%):	-
Exercise price (cents):	2.2 cents
Life of option (years):	3
Expected share price volatility (%):	100
Risk-free interest rate (%):	3.03

Historic volatility has been the basis of determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

PREDICTIVE DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

23 EVENTS AFTER THE END OF THE REPORTING PERIOD

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

24 PARENT ENTITY

The following information has been extracted from the books and records of the parent, Predictive Discovery Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Predictive Discovery Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

	2014 \$	2013 \$
Assets		
Current assets	825,302	1,365,866
Non-current assets	18,067,404	15,592,764
Total Assets	18,892,707	19,958,630
Liabilities		
Current liabilities	199,059	110,511
Non-current liabilities	100,000	-
Total Liabilities	299,059	110,511
Equity		
Issued capital	22,539,831	19,942,017
Accumulated losses	(5,905,102)	(4,762,648)
Reserves	1,958,919	1,668,750
Total Equity	18,593,648	16,848,119

CONTINGENT LIABILITIES

Nil

CONTRACTUAL COMMITMENTS

The parent entity has commitments as at 30 June 2014 that are disclosed in Note 13.

RECOVERABILITY OF INTERCOMPANY LOAN

Within Non-current assets is a loan due from the 100% subsidiaries of \$15,667,469 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Burkina Faso.

25 COMPANY DETAILS

The registered office of the company is:	Predictive Discovery Limited Suite 5, 95 Hay Street SUBIACO WA 6008
The principal place of business of the company is:	Predictive Discovery Limited Level 2, 33 Ord Street West Perth WA 6005

PREDICTIVE DISCOVERY LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 to 45, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated group;
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the company 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.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Paul Roberts

Managing Director
24 September 2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF PREDICTIVE DISCOVERY LIMITED & CONTROLLED ENTITIES**

Report on the Financial Report

We have audited the accompanying financial report of Predictive Discovery Limited & controlled entities, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Nexia Melbourne

Level 18, 530 Collins Street, Melbourne VIC 3000
p +61 3 9608 0100, f +61 3 9608 0192
info@nexiamelbourne.com.au, www.nexia.com.au

Independent member of Nexia International



Nexia Melbourne (ABN 16 847 721 257) is an independent Victorian firm of chartered accountants using the Nexia International trademark under licence. It is affiliated with, but independent from, Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

Auditor's Opinion

In our opinion:

- a. the financial report of Predictive Discovery Limited & controlled entities is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without modifying the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in the section entitled "Key Judgement – Going Concern" in Note 1 (S) to the financial statements for the period ended 30 June 2014, the ability of the Group to meet its day to day obligations is dependent upon future capital raising.

Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 9 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion the remuneration report of Predictive Discovery Limited & controlled entities for the year ended 30 June 2014 complies with s 300A of the *Corporations Act 2001*.



NEXIA MELBOURNE
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne

24 September 2014

PREDICTIVE DISCOVERY LIMITED

ADDITIONAL SHAREHOLDER INFORMATION IN COMPLIANCE WITH ASX REQUIREMENTS

The additional ASX information is current as at 15 October 2014.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as defined by Section 671B of Australian Corporations Law are:

Shareholder name	Number Held	Percentage
AURORA MINERALS LIMITED	79,691,417	19.60%
EQUITY TRUSTEES LIMITED	25,383,184	6.24%

PARTICULARS OF TWENTY LARGEST SHAREHOLDERS

Rank	Name	Holding	%IC
1	AURORA MINERALS LIMITED	79,691,417	19.60%
2	EQUITY TRUSTEES LIMITED	25,383,184	6.24%
3	MR NEIL CLIFFORD DUNCAN & MRS LUDMILLA DUNCAN	11,978,058	2.95%
4	KITARA INVESTMENTS PTY LTD	10,312,500	2.54%
5	FINANCE ASSOCIATES PTY LTD	10,000,000	2.46%
6	DYSPO PTY LIMITED	9,868,833	2.43%
7	BOND STREET CUSTODIANS LIMITED	6,165,895	1.52%
8	PAJAL PTY LTD	5,901,811	1.45%
9	MR WILLIAM HENRY HERNSTADT	5,828,557	1.43%
10	MR WILLIAM HENRY HERNSTADT	5,750,000	1.41%
11	MR ROBERT TONY SAMBUCCO	5,417,414	1.33%
12	CITICORP NOMINEES PTY LIMITED	5,389,379	1.33%
13	SISU INTERNATIONAL PTY LTD	5,263,158	1.29%
14	BUPRESTID PTY LIMITED	5,070,000	1.25%
15	MR MICHAEL ROBERT HODGETTS	5,000,000	1.23%
16	BLUE SKY HOLDINGS PTY LTD	4,491,203	1.10%
17	PRIVATE EQUITY CAPITAL PTY LTD	4,218,750	1.04%
18	MR RHETT ANTHONY JOHN MORSON	3,900,000	0.96%
19	HYDRONOMEES PTY LTD	3,851,562	0.95%
20	AGGREGATED CAPITAL PTY LTD	3,845,000	0.95%
	TOTAL	217,326,721	53.45%
	Balance of Register	189,288,493	46.55%
	Grand TOTAL	406,615,214	100.00%

DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

Range	Securities	No of Holders
100,001 and Over	391,581,479	303
10,001 to 100,000	14,568,706	314
5,001 to 10,000	349,866	40
1,001 to 5,000	111,849	30
1 to 1,000	3,314	23
Total	406,615,214	710
Unmarketable Parcels	8,681,118	334

PREDICTIVE DISCOVERY LIMITED

ADDITIONAL SHAREHOLDER INFORMATION IN COMPLIANCE WITH ASX REQUIREMENTS

DISTRIBUTION OF EQUITY SECURITIES (continued)

UNQUOTED EQUITY SECURITIES

There are 8 holders of 6,000,000 unlisted options expiring 20 August 2015 and exercisable at 25 cents.

Holder name

Holder name	Number	%
PAUL ROBERTS	1,700,000	28.3%

There is 1 holder of 500,000 unlisted options expiring 11 July 2015, exercisable at \$0.31

Holder name

Holder name	Number	%
DAVID PASCOE	500,000	100%

There are 181 holders of 9,131,075 unlisted options with an exercise price of 20 cents expiring on 30 June 2015.

Holder name

Holder name	Number	%
Kitara Investments Pty Ltd	3,000,000	32.8%

There is 1 holder of 2,000,000 unlisted options expiring 30 October 2015, with an exercise price of 15 cents.

Holder name

Holder name	Number	%
CHALMSBURY NOMINEES PTY LTD	2,000,000	100%

There are 6 holders of 8,000,000 unlisted options expiring 31 March 2017 and exercisable at 2.2 cents.

Holder name

Holder name	Number	%
PAUL ROBERTS	3,000,000	37.5%

USE OF FUNDS

The Company has used the cash and assets in a form readily convertible to cash at the time of re-admission in a way consistent with its business objectives.

VOTING RIGHTS

Each fully paid ordinary share carries voting rights of one vote per share.

PREDICTIVE DISCOVERY LIMITED

INTERESTS IN MINING TENEMENTS

Name	Number	Location	Area (sq. km)	PDI equity
Fouli	arrêté 2011- 11-351/MCE/SG/DGMGC	Burkina Faso	186.2	100%
Tantiabongou	arrêté 2007-019/MCE/SG/DGMGC	Burkina Faso	93.9	100%
Sirba	arrêté 2011-11 - 353 /MCE/SG/DGMGC	Burkina Faso	136.9	100%
Madyabari	arrêté 2011- 11 - 352/MCE/SG/DGMGC	Burkina Faso	171.9	100%
Tyekanyebi	Arrêté 2010-202/MCE/SG/DGMGC	Burkina Faso	242	100%
Tamfoagou	353 (arrêté 2005-061/MCE/SG/DGMGC)	Burkina Faso	238	100%
Tangagari	arrêté 2009-068/MCE/SG/DGMGC	Burkina Faso	127.5	Earning 95%; current equity 0% (until final cash payment is made)
Aoura	arrêté 2008-023/MCE/SG/DGMGC	Burkina Faso	25	Earning 95%; current equity 0% (until final cash payment is made)
Boussouma	Arrete 2011-059/MCE/SG/DGMGC	Burkina Faso	116	Earning 95%; current equity 0% (until final cash payment is made)
Bangaba	Arrete 2009-100/MCE/SG/DGMGC	Burkina Faso	128	Earning 95%; current equity 84%
Kogodou South	2011-299/MCE/SG/DGMGC	Burkina Faso	44.6	Earning 100%; current equity 0% (until final cash payment is made)
Bira	2013-33/MCE/SG/DGMGC	Burkina Faso	21	100%
Basieri	2013-16/MCE/SG/DGMGC	Burkina Faso	73.5	100%
Kokumbo	Mining exploration permit No. 307	Cote D'Ivoire	400	Earning 90%
Ferkessedougou	Mining exploration permit No. 310	Cote D'Ivoire	387	100%
Boundiali	Mining exploration permit No. 414	Cote D'Ivoire	399	100%
Kounahiri	Mining exploration permit No. 317	Cote D'Ivoire	347	100%
Cape Clear	EL 5423	Victoria, Australia	160	Cape Clear Minerals Pty Ltd earning 51%