



ABN 11 127 871 877

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2022

CORPORATE DIRECTORY

DIRECTORS

Mr Simon Jackson	Non-Executive Chairman
Mr Andrew Pardey	Managing Director
Mr Steven Michael	Non-Executive Director
Ms Sandra Bates	Non-Executive Director

Company Secretary

Mr Ian Hobson

AUDITOR

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DIRECTORS' REPORT

Your directors present their report, together with the financial statements of Predictive Discovery Limited (the Company) and controlled entities (the Group) for the half year ended 31 December 2022.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Simon Jackson	Non-Executive Chairman
Mr Andrew Pardey	Managing Director
Mr Steven Michael	Non-Executive Director
Ms Sandra Bates	Non-Executive Director (Appointed 7 June 2022)

RESULTS

The consolidated loss after income tax of the Group for the half year after providing for income tax amounted to \$8,538,377 (31 December 2021: \$2,409,862).

CORPORATE

Cash Position

Predictive remains well-funded with cash and term deposits of \$32.3 million as at 31 December 2022.

REVIEW OF OPERATIONS

During the half-year, the Company continued to focus on advancing its Bankan Project, a Tier-1 gold project located in Guinea, West Africa.

In August 2022, the Company announced an increased JORC-compliant Mineral Resource estimate for the Bankan Project of 72.3Mt @ 1.63g/t for 4.2Moz of gold, as shown in the table below.¹ The NE Bankan ("NEB") Mineral Resource increased by 569Koz to 3.9Moz and the Bankan Creek ("BC") Mineral Resource remained unchanged from the September 2021 estimate at 331Koz, with both deposits classified as Inferred.

Table 1: Bankan Project August 2022 Mineral Resource Estimate

Deposit	Classification	Tonnes (Mt)	Grade (g/t Au)	Contained ('000 ounces Au)
NE Bankan	Inferred	72.3	1.65	3,884
Bankan Creek	Inferred	7.2	1.43	331
Total Bankan Project	Inferred	79.5	1.63	4,215

Note: refer to ASX announcement "4.2Moz Bankan Gold Resource" dated 2 August 2022.

Extensive drilling programs were ongoing at NEB throughout the half-year. In total, the Company announced results for 23 diamond ("DD") holes for 10,819m and 192 reverse circulation ("RC") holes for 20,697m during the half-year.

Drilling included infill holes at NEB to allow future upgrading of the Mineral Resource classification from Inferred to Indicated, which is a crucial part of progressing the Scoping Study and therefore a key step in the Company's strategy to secure a mining permit for the Bankan Project. Deeper extension drilling was also completed at NEB, targeting increases to the initial Underground Mineral Resource of 44Koz @ 4.85g/t.¹

¹ ASX announcement – 4.2Moz Bankan Gold Resource (2 August 2022).

The Company also completed a dedicated 10m by 10m RC grade control program to assess the variability of the deposit, allowing the Company's resource modelling consultant, CSA Global, to determine that a 40m by 80m spacing is sufficient to achieve an Indicated classification.

Further drilling results and an updated Mineral Resource estimate were announced in early 2023 (refer to Events Subsequent to Balance Sheet Date section below).

As part of progressing the Bankan Project towards the development phase, environmental and social studies continued as part of the Environmental and Social Impact Assessment, which is a key input into the Scoping Study and permitting process. Scoping Study activities continued, and it is on track to be completed in late 2023.

From a near-resource exploration perspective, additional shallow auger ("AG") and aircore ("AC") drilling was completed within 3km of the NEB deposit. Results from 1,087 AG holes for 28,693m and 146 AC holes for 7,225m were announced during the half-year. Best results included 10m @ 10.53g/t from NEB Footwall, 24m @ 1.92g/t from 800W, 10m @ 4.34g/t from Main Contact Anomaly, 8m @ 5.14g/t from NEB North, 20m @ 1.34g/t from NEB South, 2m @ 10.30g/t from NEB East and 12m @ 1.53g/t from SE Bankan.^{2,3}

Comprehensive geophysics surveys and modelling were also completed at NEB, identifying a strong induced polarisation ("IP") signature of the deposit. Strong correlation between near-resource AC and AG drilling results and geophysical targeting, confirming seven priority target areas in the immediate NEB area for further drilling.³

The regional exploration team was strengthened, including the appointment of a head regional geologist, and planning for the next phase of exploration along the highly prospective 35km structural trend was progressed. Subsequent to the end of the half-year, IP surveys have commenced at the northern Argo targets.

Compliance Statement

Predictive confirms that it is not aware of any new information or data that materially affects the exploration results or mineral resource included in any original ASX announcement and all material assumptions and technical parameters underpinning the results and estimates continue to apply and have not materially changed.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Subsequent to the half-year, the Company announced drilling results in January 2023 for a further 81 DD and RC holes for 20,985m, which was followed by a Mineral Resource update for NEB in February 2023. The Mineral Resource estimate for the Bankan Project is now 76.8Mt @ 1.69g/t for 4.2Moz of gold as shown in the table below.⁴ In line with the Company's strategy, 50% of NEB's 3.5Moz Open Pit Mineral Resource was upgraded to the Indicated category. The NEB Underground Mineral Resource was increased to 335Koz @ 4.75g/t, and is still based on limited drilling with further upside potential up-dip, along strike to the south and at depth.

² ASX announcement – High Grade Gold 200m below NE Bankan 3.9Moz Resource (29 September 2022).

³ ASX announcement – Promising Near-Resource Drilling and Geophysics Results (30 November 2022).

⁴ ASX announcement – 50% of NEB's 3.5Moz Open Pit Resource Upgraded to Indicated (6 February 2023).

Table 2: Bankan Project February 2023 Mineral Resource Estimate

Deposit	Classification	Cut-off (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained (Koz Au)
NEB Open Pit	Indicated	0.5	42.7	1.27	1,747
	Inferred	0.5	24.7	2.23	1,768
	Total		67.4	1.62	3,515
NEB Underground	Inferred	2.0	2.2	4.75	335
NEB Total			69.6	1.72	3,850
BC Open Pit	Inferred	0.5	7.2	1.43	331
Total Bankan Project			76.8	1.69	4,181

Note: refer to ASX announcement "50% of NEB's 3.5Moz Open Pit Resource Upgraded to Indicated" dated 6 February 2023.

Additional DD results were announced during February 2023 for comprising 8 holes for 4,322m at NEB. Deep drilling intersected 12.85m @ 6.02g/t from 601.4m,⁵ which is outside the current Underground Mineral Resource and extends the defined high-grade mineralisation below the optimised resource pit shell. Excellent infill drilling results were also recorded from the bottom half of the resource pit shell where the Mineral Resource is currently classified as Inferred, including 32m @ 5.92g/t from 471m, 44m @ 3.64g/t from 451m and 48m @ 2.88g/t from 457m.⁵

Gradient array IP surveys commenced at the Argo targets, approximately 15-20km north of NEB, in line with the Company's increasing focus on regional exploration. RC drilling is planned to commence following receipt of results.

The following options converted to shares at the following exercise prices at the following dates:

- 1,000,000 options for \$0.0986 per share on the 3rd of January 2023
- 3,000,000 options for \$0.0986 per share on the 30th of January 2023
- 100,000 options for \$0.0986 per share on the 10th of March 2023

There are no other matters or circumstances which have arisen since the end of the half 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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is included within the Financial Report.

Signed in accordance with a resolution of Directors:

Andrew Pardey
Managing Director

14 March 2023

⁵ ASX announcement – High-grade Intercept Extends Underground Mineralisation (21 February 2023).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		Consolidated	
		31 December	31 December
	Note	2022	2021
		\$	\$
Finance income		360,739	2,656
Other income		156	10,000
Employee benefits expenses		(172,841)	(313,194)
Share based payments expense		(1,562,568)	(327,237)
Administrative expenses	2	(985,034)	(1,057,504)
Depreciation of fixed assets		(173,889)	(76,409)
Depreciation – Rights of Use assets		(70,195)	-
Foreign exchange gain/(loss)		(797,490)	1,453,435
Cost to dispose of subsidiaries	3	(265,322)	-
Exploration expenditure pre-right to tenure		(3,587,323)	(852,070)
VAT impairment expense	11	(1,284,610)	(346,935)
Movement in provisions	4	-	(902,604)
Loss before income tax		(8,538,377)	(2,409,862)
Income tax expense		-	-
Net loss for the year		(8,538,377)	(2,409,862)
Other comprehensive income			
<i>Item that may be reclassified subsequently to operating result</i>			
Foreign currency translation		(645,973)	(132,548)
Total comprehensive loss for the year		(9,184,350)	(2,542,410)
Loss attributable to:			
Members of the parent entity		(9,184,350)	(2,542,410)
Basic loss per share (cents per share)		(0.005)	(0.002)
Diluted loss per share (cents per share)		(0.005)	(0.002)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Consolidated	
	Note	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents		21,150,575	42,035,541
Other financial assets – term deposits		11,234,239	-
Trade and other receivables		340,335	404,150
Total current assets		<u>32,725,149</u>	<u>42,439,691</u>
Non-Current Assets			
Property, plant and equipment	5	786,705	811,526
Exploration and evaluation expenditure	6	61,882,692	37,376,965
Right of use assets		369,904	
Total non-current assets		<u>63,039,301</u>	<u>38,188,491</u>
Total assets		<u>95,764,450</u>	<u>80,628,182</u>
Current Liabilities			
Trade and other payables	8	7,635,085	6,548,463
Right of use liabilities		78,393	
Total current liabilities		<u>7,713,478</u>	<u>6,548,463</u>
Non-Current Liabilities			
Right of use liabilities		218,866	-
Total non-current liabilities		<u>218,866</u>	<u>-</u>
Total liabilities		<u>7,932,344</u>	<u>6,548,463</u>
Net Assets		<u>87,832,106</u>	<u>74,079,719</u>
Equity			
Issued capital	9	135,725,703	113,950,491
Reserves		6,926,947	6,411,395
Accumulated losses		(54,820,544)	(46,282,167)
Total Equity		<u>87,832,106</u>	<u>74,079,719</u>

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2021	71,376,018	(36,628,347)	2,084	1,541,627	36,291,381
Profit (loss) attributable to members	-	(2,409,862)	-	-	(2,409,862)
Other comprehensive income	-	-	(132,548)	-	(132,548)
Total comprehensive loss for the year	-	(2,409,862)	(132,548)	-	(2,542,410)
Transactions with owners in their capacity as owners:					
Transfer of lapsed options	-	33,882	-	(33,882)	-
Transfer from exercise of options	-	9,407	-	(9,407)	-
Issue of share capital	7,262,146	-	-	-	7,262,146
Share-based payments	(443,413)	-	-	770,650	327,237
Transaction costs	(463,544)	-	-	-	(463,544)
At 31 December 2021	77,731,207	(38,994,920)	(130,465)	2,268,988	40,874,810
At 1 July 2022	113,950,491	(46,282,167)	4,027,994	2,383,401	74,079,719
Profit (loss) attributable to members	-	(8,538,377)	-	-	(8,538,377)
Other comprehensive income	-	-	(645,973)	-	(645,973)
Total comprehensive loss for the year	-	(8,538,377)	(645,973)	-	(9,184,350)
Transactions with owners in their capacity as owners:					
Transfer of lapsed options	-	-	-	-	-
Transfer from exercise of options	401,043	-	-	(401,043)	-
Issue of share capital	22,385,981	-	-	-	22,385,981
Share-based payments	-	-	-	1,562,568	1,562,568
Transaction costs	(1,011,812)	-	-	-	(1,011,812)
At 31 December 2022	135,725,703	(54,820,544)	3,382,021	3,544,926	87,832,106

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		Consolidated	
	Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities			
Interest received		204,496	2,656
Receipts from customers		-	10,000
Payments to suppliers and employees		(1,459,196)	(1,659,114)
Payments for exploration expenditure		(30,983,066)	(10,010,815)
Net cash (used in) operating activities		(32,237,766)	(11,657,273)
Cash flows from investing activities			
Payment for other financial assets		(11,234,239)	-
Payments for purchase of plant and equipment		(149,068)	(394,101)
Payment of lease liabilities		(133,556)	-
Net cash (outflow) from investing activities		(11,516,863)	(394,101)
Cash flows from financing activities			
Proceeds from issue of shares		20,779,465	7,094,410
Proceeds from exercise of options		1,606,516	167,736
Payment for share issue costs		(957,750)	(463,544)
Net cash inflow from financing activities		21,428,231	6,798,602
Net (decrease) in cash and cash equivalents held		(22,326,398)	(5,252,772)
Effect of exchange rate on Cash and Cash Equivalents		1,441,432	-
Cash and cash equivalents at beginning of the half-year		42,035,541	22,729,169
Cash and cash equivalents at the end of the half-year		21,150,575	17,476,397

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This consolidated interim financial report for the half year ended 31 December 2022 are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting, as appropriate for a profit-oriented entity. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS134: Interim Financial Reporting.

The financial statements were authorised for issue, in accordance with the resolution of directors, on 14 March 2023.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Predictive Discovery Limited and controlled entities (the Group). This interim consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this interim financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2022, together with any public announcements made during the half year. The same accounting policies and methods of valuation have been followed in this interim financial report as were applied in the most recent annual financial report.

(b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a loss of \$8,538,377 (2021: \$2,409,862) and incurred cash outflows from operating activities of \$32,237,766 (2021: \$11,657,273) for the half year ended 31 December 2022. As at 31 December 2022 the Group had net assets of \$87,832,106 (30 June 2022: \$74,079,719) and continues to incur expenditure on its exploration tenements drawing on its cash balances.

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital and ultimately developing its mineral properties. The Directors believe that they will continue to be successful in securing additional funds through equity issues as and when the need to raise working capital arises. However, there is the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report has been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business. The financial report does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as going concern.

(c) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
NOTE 2: ADMINISTRATIVE EXPENSES		
Legal, professional and consultancy fees	135,001	475,342
Advertising and marketing	335,851	102,305
Compliance fees	25,656	64,019
Recruitment fees	113,068	60,602
IT & telecommunication expenses	79,129	50,694
Travel and accommodation fees	127,152	45,264
Insurance	4,543	41,699
Other expenses	164,634	217,579
	985,034	1,057,504

NOTE 3: COST TO DISPOSE OF SUBSIDIARIES

During the half year ended 31 December 2022, the Company decided to close all of its subsidiaries in Burkina Faso and to surrender active permits to the respective authorities in-country. The total cost to dispose the entities amounted to \$265,322. This includes legal cost, cost to compensate employees and other administration fees.

(a) Gayeri Resources SARL

On the 30 August 2022, Gayeri Resources SARL was dissolved. Gayeri Resources SARL was inactive and there was no profit or loss on disposal on 30 August 2022.

(b) Burkina Faso SARL, PD SARL and Progress Mineral SARL

- (c) The Company started the process of surrendering the Burkina Faso permits and closing all three subsidiaries during the half year ended December 2022. The dissolution of these subsidiaries is progressing and all assets within the subsidiaries are fully written off as at 31 December 2022.

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
NOTE 4: MOVEMENT IN PROVISIONS		
Provision for foreign indirect taxes	-	902,604
	-	902,604

The provision for foreign indirect taxes is in respect of the Company's tenements held in Guinea. At 30 June 2021, the value added tax (VAT) for prior periods up to December 2020 was disclosed as a contingent liability as the magnitude of this liability could not be reliably determined, pending formal assessment by the Guinea tax authorities. Subsequently, this liability was confirmed at \$243,385 and fully paid during the half-year period to 31 December 2021.

In addition, a VAT provision of \$1,439,510 for the period from 1 January to 30 November 2021 has been made based on a final assessment of the tax liability by independent tax advisors in Guinea. The total provision for foreign indirect taxes at 31 December 2022 amounts to \$1,734,308 (refer to note 7).

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Balance at the beginning of the period	811,526	321,176
Additions	149,068	712,097
Depreciation expense	(173,889)	(221,747)
	<u>786,705</u>	<u>811,526</u>

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

NOTE 6: EXPLORATION AND EVALUATION EXPENDITURE

Carrying amount at beginning of year	37,376,965	15,505,090
Expenditure incurred	24,505,727	23,883,238
Expenditure acquired	-	-
Impairment of capitalised exploration	-	(2,011,363)
	<u>61,882,692</u>	<u>37,376,965</u>

The Group has capitalised exploration expenditure of \$61,882,692 (30 June 2022: \$37,376,965). This amount includes costs directly associated with exploration and the purchase of exploration properties. These costs are capitalised as an exploration asset until assessment and / or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, permit rentals and payments to contractors. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements.

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

NOTE 7: TRADE AND OTHER PAYABLES

Trade and other payables	5,900,777	4,774,198
Foreign indirect tax provision ¹	1,734,308	1,774,265
	<u>7,635,085</u>	<u>6,548,463</u>

¹ Refer to note 4

	31 December 2022 \$	Consolidated 30 June 2022 \$
NOTE 8: ISSUED CAPITAL		
1,782,532,036 (30 June 2022: 1,582,048,031) Ordinary Shares	113,950,491	122,185,920
Share issue during the period	22,787,024	-
Share issue costs written off against issued capital	(1,011,812)	(8,235,429)
	<u>135,725,703</u>	<u>113,950,491</u>

Shares	Shares No.	Issue Price \$	Value \$
At 1 July 2022	1,582,048,031	-	122,185,920
Issue of shares - Capital raising	16,081,697	\$0.18	2,894,700
Issue of shares in Placement	99,359,878	\$0.18	17,884,765
Issue of shares from exercise of options	74,531,461	\$0.018	1,340,833
Issue of shares from exercise of options	2,500,000	\$0.011	27,500
Issue of shares from exercise of options	2,415,618	\$0.0986	238,180
Exercise of employee options to shares - cashless	5,595,351	-	-
Transfer from Reserves to share capital			401,046
Transaction costs	-	-	(9,247,241)
At 31 December 2022	<u>1,782,532,036</u>	<u>-</u>	<u>135,725,703</u>

Shares	Shares No.	Issue Price \$	Value
At 1 July 2021	1,268,491,755	-	76,838,685
Issue of shares in placement	81,580,127	\$0.08	6,526,410
Issue of shares in placement	8,000,000	\$0.071	568,000
Exercise of listed options to shares	8,774,601	\$0.018	157,943
Exercise of unlisted options to shares	6,904,259	\$0.0986	680,760
Exercise of employee options to shares - cashless	2,101,541	-	-
Issue of shares - Capital raising	206,195,748	\$0.18	37,115,235
Transfer from Reserves to share capital			298,887
At 30 June 2022	<u>1,582,048,031</u>		<u>122,185,920</u>

Options	Listed Options No.	Value \$	Unlisted Options No.	Value \$
At 1 July 2022	75,856,884	-	64,595,741	2,383,401
Options lapsed	(1,325,423)		-	-
Exercise of options to shares	(74,531,461)	-	-	-
Exercise of unlisted options to shares			(4,915,618)	(195,868)
Exercise of employee options to shares - cashless			(9,000,000)	(205,175)
Issue of options	-	-	56,000,000	1,358,915
Vesting from prior year	-	-	-	203,653
At 31 December 2022	<u>-</u>	<u>-</u>	<u>106,680,123</u>	<u>3,544,926</u>

NOTE 8: ISSUED CAPITAL (Continued)

Options	Listed Options No.	Value \$	Unlisted Options No.	Value \$
At 1 July 2021	84,631,485	-	69,000,000	1,541,626
Issue of options	-	-	13,500,000	948,943
Exercise of listed options to shares	(8,774,601)	-	-	-
Exercise of unlisted options to shares	-	-	(6,904,259)	(224,280)
Exercise of employee options to shares - cashless	-	-	(4,000,000)	(74,607)
Options cancelled/expired	-	-	(7,000,000)	(33,882)
Vested from prior year	-	-	-	225,601
At 30 June 2022	75,856,884	-	64,595,741	2,383,401

The options issued in the period from 1 July 2022 to 31 December 2022 were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model for the options:

- On 20 July 2022, 10,000,000 options at a price of \$0.30 expiring 30 June 2026 were issued as part of the long-term employee incentive plan. The vesting conditions are as follows:
 - 25% of the options vest 12 months from the date of issue of the options provided the offeree remains a director of the company at the vesting date;
 - 25% of the options vest 24 months from the date of issue of the options provided the offeree remains a director of the company at the vesting date;
 - 50% of the options vest 36 months from the date of issue of the options provided the offeree remains a director of the company at the vesting date.

Option holder	Directors
Date of Issue	20/07/2022
Number of options	10,000,000
Dividend yield (%)	Nil
Expected volatility (%)	100%
Risk free interest rate (%)	2.89%
Exercise price (\$)	\$0.30
Expected life of options (years)	4
Share price at grant date (\$)	\$0.18
Value per option (\$)	\$0.110

- On 20 July 2022, the following Zero Exercise Price Options were issued:
 - 4,000,000 options expiring 20 July 2025.
 - 1,250,000 of these options will vest upon announcement of an updated Mineral Resource estimate of at least 6 million ounces of gold at a minimum cut-off grade of 0.5g/t at the Bankan Gold Project;
 - 1,250,000 of these options will vest upon Board approval of a health, safety and environmental management plan prepared in consultation with suitably qualified and independent third party consultants;
 - 1,500,000 of these options will vest upon continuous service for 12 months.
 - 4,000,000 options expiring 20 July 2026
 - 937,500 of these options will vest upon announcement of an Ore Reserve for the Bankan Gold Project of at least 3 million ounces of gold at a minimum cut-off grade of 0.5g/t at the Bankan Gold Project;
 - 937,500 of these options will vest upon announcement of a positive PFS for the Bankan Gold Project;
 - 625,000 of these options will vest upon achievement of the specified health, safety and environmental milestones approved by the Board for the period between 1 January 2022 and 31 December 2022;
 - 1,500,000 of these options will vest upon continuous service for 24 months.

NOTE 8: ISSUED CAPITAL (Continued)

- 8,000,000 options expiring 20 July 2027
 - (a) 1,875,000 of these options will vest upon announcement of a Positive BFS for the Bankan Project;
 - (b) 1,875,000 of these options will vest upon announcement of the issue of an Exploitation Permit by the Guinea Ministry of Mines and Geology for the Bankan Gold Project;
 - (c) 1,250,000 of these options will vest upon achievement of the specified health, safety and environmental milestones for the period between 1 January 2023 and 31 December 2023;
 - (d) 3,000,000 of these options will vest upon continuous service for 36 months.

Option holder	Expiry 20/07/25	Expiry 20/07/26	Expiry 20/07/27
Date of Grant	18/07/2022	18/07/2022	18/07/2022
Number of options	4,000,000	4,000,000	8,000,000
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	90%	90%	90%
Risk free interest rate (%)	3.024%	3.024%	3.024%
Exercise price (\$)	\$0.00	\$0.00	\$0.00
Expected life of options (years)	3	4	5
Share price at grant date (\$)	\$0.18	\$0.18	\$0.18
Value per option (\$)	\$0.18	\$0.18	\$0.18

3. On 07 November 2022, 19,500,000 options at a price of \$0.30 expiring 30 June 2026 were issued as part of the long-term employee incentive plan. The vesting condition is for the employee to remain in employment with the Company for six months.

Option holder	Consultant
Date of Issue	07/11/2022
Number of options	19,500,000
Dividend yield (%)	Nil
Expected volatility (%)	100%
Risk free interest rate (%)	2.89%
Exercise price (\$)	\$0.30
Expected life of options (years)	4
Share price at grant date (\$)	\$0.18
Value per option (\$)	\$0.102

4. On 03 November 2022, the following Zero Exercise Price Options were issued:
 - 2,625,000 options expiring 20 July 2025
 - (a) 1,312,500 of these options will vest upon announcement of an updated Mineral Resource estimate of at least 6 million ounces of gold at a minimum cut-off grade of 0.5g/t at the Bankan Gold Project;
 - (b) 1,312,500 on board approval of a health, safety and environmental management plan prepared in consultation with suitably qualified and independent third party consultants..
 - 2,625,000 options expiring 20 July 2026
 - (a) 984,375 of these options will vest upon announcement of an Ore Reserve for the Bankan Gold Project of at least 3 million ounces of gold at a minimum cut-off grade of 0.5g/t at the Bankan Gold Project;
 - (b) 984,375 of these options will vest upon announcement of a positive PFS for the Bankan Gold Project;

NOTE 8: ISSUED CAPITAL (Continued)

(c) 656,250 of these options will vest upon achievement of the specified health, safety and environmental milestones approved by the Board for the period between 1 January 2022 and 31 December 2022.

• 5,250,000 options expiring 20 July 2027

- (a) 1,968,750 of these options will vest upon announcement of a Positive BFS for the Bankan Project;
- (b) 1,968,750 of these options will vest upon announcement of the issue of an Exploitation Permit by the Guinea Ministry of Mines and Geology for the Bankan Gold Project;
- (c) 1,312,500 of these options will vest upon achievement of the specified health, safety and environmental milestones for the period between 1 January 2023 and 31 December 2023.

Option holder	Expiry 20/07/25	Expiry 20/07/26	Expiry 20/07/27
Date of Grant	03/11/2022	03/11/2022	03/11/2022
Number of options	2,625,000	2,625,000	5,250,000
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	90%	90%	90%
Risk free interest rate (%)	3.397%	3.397%	3.397%
Exercise price (\$)	\$0.00	\$0.00	\$0.00
Expected life of options (years)	3	4	5
Share price at grant date (\$)	\$0.15	\$0.15	\$0.15
Value per option (\$)	\$0.15	\$0.15	\$0.15

NOTE 9: SEGMENT INFORMATION

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 Group operates as four segments, which are gold exploration and evaluation within Australia, Cote D'Ivoire, Guinea, Burkina Faso.

The Group is domiciled in Australia. Segment revenues are allocated based on the country in which the customer is located. Segment assets are allocated to countries based on where the assets are located.

	Corporate \$	Burkina Faso \$	Gold Cote D'Ivoire \$	Guinea \$	Consolidated \$
Half Year Ended 31 December 2022					
Other income	360,739	-	-	156	360,895
Expenses/FX differences	(5,682,416)	209,609	615,590	(4,042,055)	(8,899,272)
Loss for the period	(5,321,677)	209,609	615,590	(4,041,899)	(8,538,377)

At 31 December 2022

Current assets	32,310,927	-	-	414,222	32,725,149
Plant and equipment	2,487	-	-	784,218	786,705
Right of Use Asset	-	-	-	369,904	369,904
Exploration expenditure	-	-	-	61,882,692	61,882,692
Intercompany loans	64,637,790	-	-	(64,637,790)	-
Current liabilities	(570,442)	-	-	(7,064,643)	(7,635,085)
Right of Use Liability	-	-	-	(297,259)	(297,259)
Net Assets	96,380,762	-	-	(8,548,656)	87,832,106

Half Year Ended 31 December 2021

Other income	12,656	-	-	-	12,656
Expenses/FX differences	(773,285)	(147,512)	9,009	(1,510,729)	(2,431,527)
Loss for the period	(760,629)	(147,512)	9,009	(1,510,729)	(2,409,862)

At 30 June 2022

Current assets	41,151,709	36,657	46,013	1,205,312	42,439,691
Plant and equipment	4,215	-	-	807,311	811,526
Exploration expenditure	-	-	-	37,376,965	37,376,965
Intercompany loans	38,590,184	(673,285)	(165,630)	(37,751,269)	-
Current liabilities	(981,798)	(4,114)	(29,587)	(5,532,963)	(6,548,463)
Net Assets	78,764,310	(401,453)	(149,204)	(3,894,644)	74,079,719

NOTE 10: CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%) * 31 DEC 2022	PERCENTAGE OWNED (%) * 30 JUNE 2022
Subsidiaries:			
Predictive Discovery Cote D'Ivoire Pty Ltd	Australia	100%	100%
Ivoirian Resources Pty Ltd	Australia	20%	100%
Gayeri Resources Pty Ltd	Australia	100%	100%
Predictive Discovery Mali Resources Pty Ltd	Australia	100%	100%
Bougouni Resources Pty Ltd	Australia	100%	100%
Kenieba Resources Pty Ltd	Australia	100%	100%
Kita Resources Pty Ltd	Australia	100%	100%
Burkina Resources Pty Ltd	Australia	100%	100%
Tinkisso Pty Ltd	Australia	100%	100%
Predictive Discovery SARL	Cote D'Ivoire	100%	100%
Ivoirian Resources SARL	Cote D'Ivoire	20%	100%
Predictive Discovery Niger SARL	Niger	100%	100%
Gayeri Resources SARL	Burkina Faso	-	100%
Burkina Resources SARL	Burkina Faso	100%	100%
Birrimian BV SARL	Burkina Faso	100%	100%
Sebba Resources SARL	Burkina Faso	100%	100%
Progress Minerals SARL	Burkina Faso	100%	100%
Predictive Discovery Mali SARL	Mali	100%	100%
Kindia Resources SARLU	Guinea	100%	100%
Mamou Resources SARLU	Guinea	100%	100%
Tinkisso Resources SARLU	Guinea	100%	100%
Birrimian Pty Ltd	British Virgin Islands	100%	100%
PMI Burkina Faso (BVI) Inc	British Virgin Islands	100%	100%
BF Progress (BVI) Inc	British Virgin Islands	100%	100%

**Percentage of voting power is in proportion to ownership*

NOTE 11: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Assets

According to Guinean tax law, value added tax (VAT) paid in relation to the Company's Guinea tenements may be recovered from the Guinea tax authorities if these tenements progress to the development phase. No asset has been recognised in the Consolidated Statement of Financial Position as there is currently no certainty that these tenements will reach the development phase or that the total VAT will be fully recovered in this event. However, a contingent asset exists of \$2,366,251 at 31 Dec 2022 (June 2022: \$1,081,641) relating to total VAT paid to date. A total of \$1,284,610 VAT was paid to the Guinea tax authorities during the half-year period to 31 December 2022 which was expensed in the Statement of Comprehensive Income.

NOTE 12: 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.

Other than intercompany loans and remuneration of Key Management Personnel, there were no other related party transactions during the half year.

NOTE 13: EVENTS AFTER THE END OF THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The following options converted to shares at the following exercise prices at the following dates:

- 1,000,000 options for \$0.0986 per share on the 3rd of January 2023
- 3,000,000 options for \$0.0986 per share on the 30th of January 2023
- 100,000 options for \$0.0986 per share on the 10th of March 2023

There are no other matters or circumstances which have arisen since the end of the half 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.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standard 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half year ended on that date of the Group;
2. 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.



Andrew Pardey
Managing Director
14 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PREDICTIVE DISCOVERY LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Predictive Discovery Limited (the "Company") and controlled entities (the "consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company and the entities it controlled at 31 December 2022, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Predictive Discovery Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1(b) in the financial report which indicates that the consolidated entity incurred a loss of \$8,538,377 and cash outflows from operating activities of \$32,237,766 for the half-year ended 31 December 2022. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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



PKF PERTH



SHANE CROSS
PARTNER

14 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PREDICTIVE DISCOVERY LIMITED

In relation to our review of the financial report of Predictive Discovery Limited for the half year ended 31 December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SHANE CROSS
PARTNER

14 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA

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