predictive discovery

ABN 11 127 171 877

ANNUAL FINANCIAL REPORT

30 JUNE 2023

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
PKF Perth
Level 5, 35 Havelock Street
WEST PERTH WA 6005

REGISTERED OFFICE
Suite 8
110 Hay Street
SUBIACO WA 6000
Telephone: +61 8 9216 1000
Email: info@predictivediscovery.com
Website: www.predictivediscovery.com

SHARE REGISTRY
Computershare Pty Ltd
Level 17, 221 St Georges Terrace
PERTH WA 6000
Telephone: 1300 850 505
Website: www.computershare.com/au

POSTAL ADDRESS
PO Box 1710
WEST PERTH WA 6872

ASX CODE
PDI

CONTENTS

DIRECTORS' REPORT

Predictive Discovery Limited (the "Company" or "PDI") is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange.

The directors of the Company present their report on the Group, which comprises Predictive Discovery Limited and its controlled entities, for the year ended 30 June 2023.

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

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

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 – B. Bus FCA ACIS MAICD
Mr Hobson is a Fellow Chartered Accountant and Chartered Secretary with 15 years of experience as Company Secretary of ASX listed companies. Mr Hobson is also Company Secretary of VHM Ltd Province Resources Ltd, Sarytogan Graphite Ltd, Novatti Group Ltd and VRX Silica Ltd.

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.

OPERATING RESULTS FOR THE PERIOD

The consolidated loss of the Group for the financial year after providing for income tax amounted to $11,231,323 (2022: $9,687,702). This was largely from exploration costs, provision for indirect taxes in Guinea and the costs of administering the Group to 30 June 2023.

REVIEW OF OPERATIONS

PDI's strategy is to identify and develop gold deposits within the Siguiri Basin, Guinea. The Company's key asset is the Bankan Gold Project, which is the largest gold discovery in West Africa in a decade.

PDI is focused on sustainably developing Bankan into a Tier-1 gold mine, and significant progress was made advancing the Project towards this aim during the 2023 financial year.

Extensive drilling programs continued at Bankan throughout the financial year. A total of 83,000m of resource definition drilling was completed at the NEB and BC deposits, with the aim of growing the existing Mineral Resource and improving its classification. Two Mineral Resource updates were announced during the financial year, and another update was announced after the end of the financial year end in early August 2023.

The August 2023 update increased the Bankan Project Mineral Resource to 100.5Mt @ 1.66g/t for 5.38Moz, comprising 4.89Moz at NEB and 487Koz at BC as shown in Table 1 below. The updated estimate included 4.14Moz in the Indicated category, representing 77% of the total Mineral Resource.

TABLE 1: BANKAN PROJECT UPDATED MINERAL RESOURCE ESTIMATE[1]

Deposit	Classification	Cut-off (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained (Koz Au)
NEB Open Pit	Indicated	0.5	78.4	1.55	3,900
	Inferred	0.5	3.1	0.91	92
	Total		**81.4**	**1.53**	**3,993**
NEB Underground	Inferred	2.0	6.8	4.07	896
NEB Total			**88.3**	**1.72**	**4,888**
BC Open Pit	Indicated	0.4	5.3	1.42	244
	Inferred	0.4	6.9	1.09	243
BC Total			**12.2**	**1.24**	**487**
Total Bankan Project			**100.5**	**1.66**	**5,376**

Notes to Resource Table:
1. The Mineral Resource is estimated with all drilling data available as at 29 July 2023.
2. The Mineral Resource is reported in accordance with the JORC Code 2012 Edition. The NEB Open Pit Resource is reported at a 0.5g/t Au cut-off and the NEB Underground Mineral Resource is reported at a 2.0g/t cut-off. The BC Open Pit Resource is reported at a 0.4g/t Au cut-off.
3. The Competent Person is Phil Jankowski FAusIMM of CSA Global.
4. The Open Pit Mineral Resource is constrained by optimised pit shells using a metal price of USD1,800/oz Au and process recovery of 94%.
5. Rounding may lead to minor apparent discrepancies.

This Mineral Resource estimate will be utilised in a Scoping Study for the Bankan Project, which commenced during the 2023 financial year and is scheduled to be completed by the end of 2023.

Environmental and social workstreams continued during the financial year. A number of surveys and studies were completed, and environmental baseline monitoring commenced. These workstreams will form part of an Environmental & Social Impact Assessment (ESIA), which is on track for completion by the end of 2023. The ESIA and the Scoping Study are key documents in the permitting process for the Bankan Project.

The Bankan Project has significant exploration potential, and PDI increased its exploration focus during the financial year. Extensive geophysical surveys, auger and aircore drilling was completed and RC drilling commenced in the latter part of the financial year at a number of near-resource targets near NEB and at Argo located 15-20km north of NEB.

[1] ASX announcement – Bankan Mineral Resource Increases to 5.38Moz (7 August 2023).

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 $54,763,507 from 30 June 2022 to 30 June 2023. This net movement is largely due to the following factors:

- $44m net capital raising;
- Expenditure on exploring and evaluating the assets in Guinea.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS AFTER THE END OF REPORTING PERIOD

The following events have occurred subsequent to the year ended 30 June 2023:

(i) A General Meeting of shareholders was held on 27 July 2023 to (a) ratify the placement of 269.6m shares at an issue price of $0.15 per share (raising $40.4m before costs) completed in June 2023; and (b) approve the issue of up 1.0m shares to directors (and/or their nominees) at an issue price of $0.15 per share. All resolutions put the meeting were carried following a poll;
(ii) Additional resource definition drilling results for NEB and BC were announced on 7 August 2023;
(iii) A Mineral Resource update was announced on 7 August 2023, increasing the overall Bankan Project Mineral Resource estimate to 5.38Moz (including 4.14Moz Indicated)[2] and
(iv) Encouraging results from the initial RC drilling program at Argo were announced on 29 August 2023.

There has not been any other matter or circumstance arising after the balance date that has 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.

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 the Commonwealth and State legislation in Australia and under local legislative authorities in Guinea. 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.

Compliance Statement

The information in this report that relates to the mineral resource estimate is from the announcement titled "Bankan Mineral Resource increases to 5.38Moz" dated 7 August 2023.PDI advises that it is not aware of any new information or data that materially affects the mineral resource estimate contained in this report and all material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

[2] ASX announcement – Bankan Mineral Resource Increases to 5.38Moz (7 August 2023).

INFORMATION ON DIRECTORS

Mr Andrew Pardey	**Managing Director**
Qualifications	BSc
Experience	Mr Pardey is a geologist with more than 30 years' experience covering exploration, project development, construction and operation. From 2015 to 2019, Mr Pardey served as the CEO of the $2 billion LSE/TSX-listed Centamin plc, which owns the major (450,000oz pa) Sukari Gold Mine in Egypt. Prior to being CEO of Centamin, Mr Pardey was a major driving force in bringing Sukari into production, having joined during the transition of the operation from construction into production. Earlier in his career, Mr Pardey also held senior management roles at the Anglogold-Ashanti Siguiri Mine and Nordgold Lefa Mine, both of which are located within Guinea's Siguiri Basin, which also hosts PDI's Bankan Project.
Interest in Shares and Options (at the date of this report)	Shareholding: 333,333 Option holding: 15,000,000
Directorships held in other listed entities during the three years prior to the current year	Marvel Gold Limited (Resigned November 2022) Wia Gold Limited (Appointed October 2020)
Mr Simon Jackson	**Non-Executive Chairman**
Qualifications	B Com FCA
Experience	Mr Jackson is a Chartered Accountant with over 25 years' experience in the management of resource companies, particularly in Africa. Mr Jackson was a senior member of the management team of TSX listed Red Back Mining Inc., a company that financed, developed and operated two gold mines in West Africa culminating in a CAD$9.3 billion takeover by Kinross Gold Corp in 2010. He was then founding President & CEO and later Chairman of TSXV listed Orca Gold Inc, a company which discovered the Block 14 gold project in Sudan and was taken over by Perseus Mining. Mr Jackson is currently Non-executive Chairman of ASX/TSXV listed Sarama Resources Limited and ASX listed Leeuwin Metals Limited, and Non-executive Director of ASX/LSE listed Resolute Mining Limited. He has been a director of multiple ASX and TSX listed companies.
Interest in Shares and Options (at the date of this report)	Shareholding: 760,000 Option holding: 7,000,000
Directorships held in other listed entities during the three years prior to the current year	Leeuwin Metals Limited (Appointed June 2022) Cygnus Gold Limited (Resigned May 2022) CZR Resources Limited (Resigned Sept 2021) Kopore Metals Limited (Resigned Nov 2021) Resolute Mining Limited (Appointed Oct 2021) Sarama Resources Limited (Appointed Mar 2011)
Mr Steven Michael	**Non-Executive Director**
Qualifications	B. Com, CA, MAICD
Experience	Mr Michael has over 25 years' experience in the global resources sector specialising in corporate finance and equity capital markets. He is currently Managing Director at Red Hawk Mining Limited, an ASX listed iron ore development company, and is a Non-Executive Director of Wia Gold Limited, an ASX listed African gold exploration company. He has previously worked in the natural resources divisions of Macquarie Bank, Rothschild and Royal Bank of Canada, and was a Managing Director at FTI Consulting. Mr Michael was previously Executive Director of ASX listed Deep Yellow Limited, Managing Director of ASX listed Vimy Resources Limited and Managing Director of ASX-listed Arrow Minerals Limited. Mr Michael is a Member of the Institute of Chartered Accountants in Australia and is a member of the Australian Institute of Company Directors.
Interest in Shares and Options (at the date of this report)	Shareholding: 3,032,797 Option holding: 2,500,000
Directorships held in other listed entities during the three years prior to the current year	Red Hawk Mining Limited (Appointed March 2023) Arrow Minerals Limited (Resigned February 2020) Wia Gold Limited (Appointed September 2020) Vimy Resources Limited (Resigned August 2022) Deep Yellow Limited (Resigned December 2022)

Ms Sandra Bates	**Non-Executive Director**
Qualifications	BCom, LLB Admitted as a Solicitor of England and Wales and South Australia
Experience	Sandra Bates is an international lawyer and expert adviser with over 20 years' experience guiding management teams and boards through complex, cross-border, corporate transactions. Throughout her professional career, Ms Bates has been a trusted adviser to a range of listed and private companies in the natural resources and energy sectors and has broad experience encompassing Africa, Australia, Europe and the Americas. In addition to her legal and commercial expertise, Ms Bates advises on Environmental, Social and Governance (ESG) engagement, corporate governance and risk management. Ms Bates is General Counsel for TSXV listed Elemental Altus Royalties Corp and Legal Director and ESG adviser to ion Ventures. She is also Non-Executive Director of ASX and LSE listed Adriatic Metals Plc where she is Chair of the audit committee.
Interest in Shares and Options (at the date of this report)	Shareholding: 166,667 Option holding: 5,000,000
Directorships held in other listed entities during the three years prior to the current year	Adriatic Metals Plc (Appointed Nov 2019) Pensana Plc (Resigned September 2021)

MEETINGS OF DIRECTORS

During the financial year, 15 meetings / circular resolutions of directors (including committees of directors) were held. Attendances by each director at meetings during the year were as follows:

Director	Directors' Meetings		Circular Resolutions	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Simon Jackson	3	3	12	12
Mr Steven Michael	3	3	12	12
Ms Sandra Bates	3	3	12	12
Mr Andrew Pardey	3	3	12	12

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 PDI under option, including those options issued during the year and since 30 June 2023 to the date of this report are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
21 Dec 2020	21 Dec 2023	$0.1120	8,000,000
14 May 2021	26 May 2024	$0.0986	3,500,000
08 July 2021	28 Jul 2024	$0.1400	8,000,000
8 November 2021	05 Nov 2024	$0.2910	2,500,000
25 May 2022	03 Jan 2025	$0.3400	3,000,000
18 July 2022	30 June 2026	$0.3000	29,500,000
18 July 2022	18 July 2025	NIL	6,625,000
18 July 2022	18 July 2026	NIL	6,625,000
18 July 2022	18 July 2027	NIL	13,250,000
		TOTAL	81,000,000

During the year ended 30 June 2023 29,595,741 ordinary shares of PDI were issued on the exercise of options granted at $0.0986 per share, 2,500,000 ordinary shares of PDI were issued on exercise of options granted at $0.011 and 74,531,461 ordinary shares of PDI were issued on the exercise of options granted at $0.018 per share.

PROCEDINGS 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 is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Details of the amounts paid to the auditor of the Group for audit and non-audit services provided during the year are set out at note 20.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 57 of the financial report.

REMUNERATION REPORT (AUDITED)

1. LETTER FROM THE CHAIR OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholder,

On behalf of the Board, I am pleased to present the 2023 Remuneration Report.

FY23 performance and remuneration outcomes

Throughout the 2023 financial year, PDI made excellent progress with the Bankan Gold Project in line with our strategy of developing it into West Africa's next Tier-1 gold mine.

The key upcoming milestone for PDI is to secure a mining permit for Bankan, and a significant portion of Management's efforts during the financial year were directed towards workstreams to achieve this.

In ongoing engagement with the Government of Guinea, PDI has established a clear pathway and requirements for the permitting process, which includes the delivery of a Scoping Study and Environmental & Social Impact Assessment (ESIA) to the Government. Both the Scoping Study and ESIA were commenced during the financial year and are on track to be completed in late 2023.

Defining a robust Mineral Resource is crucial for the Scoping Study, and extensive resource definition drilling was completed at the NEB and BC deposits during the financial year, with the aim of growing and improving the classification of the existing Mineral Resource.

Pleasingly, in August 2023, the Company announced an updated Mineral Resource of 5.38Moz for the Bankan Project which includes 4.14Moz in the Indicated category. This is nearly a 30% increase compared to the 4.2Moz Mineral Resource announced a year earlier in August 2022 (which was entirely Inferred) and provides a solid platform for the Scoping Study. It was crucial to the Project that a significant portion of the Mineral Resource was converted to the Measured and/or Indicated category as only a limited amount of Inferred Mineral Resources can be included in the Scoping Study.

PDI successfully ramped up regional exploration during the financial year, which represents another potentially significant value catalyst for the Company. Argo is the current focus area, where extensive early-stage exploration defined numerous drill targets. The RC drilling program which commenced in June 2023 is starting to return highly encouraging results and there is a lot more follow-up drilling to be completed at Argo.

Response to 'first strike' at the 2022 AGM

Following a 'first strike' against our Remuneration Report at the 2022 Annual General Meeting (AGM), the Board, in conjunction with our Nomination and Remuneration Committee (NRC), have carefully reviewed and discussed the feedback received from shareholders and proxy advisors. In this light, we have summarised the primary concerns raised by stakeholders regarding the FY22 Remuneration Report, and how the Board has responded:

Concern	Board's response
Use and high quantum of irregular option awards is considered to be misaligned with shareholders best interests.	Considering the Company's exploration and development phase, business maturity and strategic objectives, the Board considered that offering bespoke option awards tied to milestone measures was the most suitable approach to incentivise executives. PDI is continuing to evolve rapidly, and the Board in conjunction with the NRC is conducting a comprehensive review of current remuneration practices in light of stakeholder feedback received at the 2022 AGM and the understanding that governance and disclosure practices need to mature with the Company. This review includes exploring the possibility of implementing a more structured and regular incentive program in the future. This process will involve careful deliberation regarding the potential structure and appropriate performance criteria to align with the Company's strategic goals. No incentive awards will be granted until this review is completed.
Absence of individual incentive limits.	

Grants of options to non-executive directors in addition to director fees.	PDI is currently in a crucial stage of exploration and development, presenting significant opportunities but also challenges in both the short and long-term. Recognising the importance of aligning the interests of non-executive directors with those of the Company and its shareholders, the Board decided to grant options. This approach allows PDI to attract and retain relevant experienced non-executive directors, while conserving cash reserves (particularly during a period when the Company is not generating revenue) and allow those non-executive directors to have some equity exposure as a component of their remuneration. The non-executive director options are subject to service-based vesting conditions only, ensuring that remuneration is not linked to performance and, therefore, protecting their independence. No options will be granted to non-executive directors until the remuneration review described above is completed.
Lack of disclosure of key long-term incentive (LTI) plan terms.	PDI has a bespoke LTI plan which was approved by shareholders on 14 May 2021, but understands there is scope to develop a more structured and regular LTI plan in the future. No LTI awards were granted to executives or non-executives during FY22. Therefore, no information on PDI's LTI plan or awards were included in the FY22 Remuneration Report. Details of PDI's LTI plan can be found in the Notice of General Meeting released on 13 April 2021. The LTI plan is being refreshed and the updated plan will be incorporated in the FY23 Notice of Annual General Meeting. Within the FY23 Remuneration Report, PDI has improved transparency, providing detailed disclosure of the LTI awards granted to executives and non-executive directors during FY23 following approval by shareholders at the General Meeting held on 18 July 2022 (see section 4).

Looking ahead, the Board is committed to continuing to develop our remuneration and governance framework and how we communicate with our shareholders, ensuring this remains appropriate for our Company's strategy and position as we grow and mature. As such, we look forward to engaging with shareholders and other stakeholders in the future to discuss our remuneration and governance practices.

We thank you for your support and welcome your feedback.

Yours faithfully,

Simon Jackson
Chair of the NRC

2. KEY MANAGEMENT PERSONNEL

Throughout this report, key management personnel (KMP) refers to those responsible for planning, directing and controlling the activities of the Company. Compared to FY22, Company Secretary Ian Hobson is no longer considered a KMP and Chris Boreham and Marlyatou Balde are considered KMP.

Name	Position held as at 30 June 2023	Term as KMP
Non-executive KMP		
Mr Simon Jackson	Non-Executive Chair	Full year
Mr Steven Michael	Non-Executive Director	Full year
Ms Sandra Bates	Non-Executive Director	Full year
Executive KMP		
Mr Andrew Pardey	Managing Director	Full year
Mr Pierre Louw	Chief Financial Officer	Full year
Ms Marlyatou Balde	Country Manager	Full year
Mr Chris Boreham	Project Feasibility Manager	Full year

3. REMUNERATION GOVERNANCE

Remuneration principles

The Board employs a range of principles to ensure that remuneration:

- Is fair and equitable as well as competitive in the market to ensure the attraction and retention of key talent;
- Is determined with reference to a number of factors, including tenure, calibre, skills and the overall performance of the Company;
- Creates a strong link between company performance and executive reward in the short and long term; and
- Allows flexibility in the remuneration structure to adjust for evolving strategic goals as the Company progresses through new developmental stages.

Nomination and remuneration committee

The Board formed the NRC in early FY23 after the appointment of Sandra Bates, which meant there were then sufficient independent directors to constitute the committee. The NRC is comprised of Simon Jackson (Chair), Steven Michael and Sandra Bates.

The NRC's responsibilities include the following:

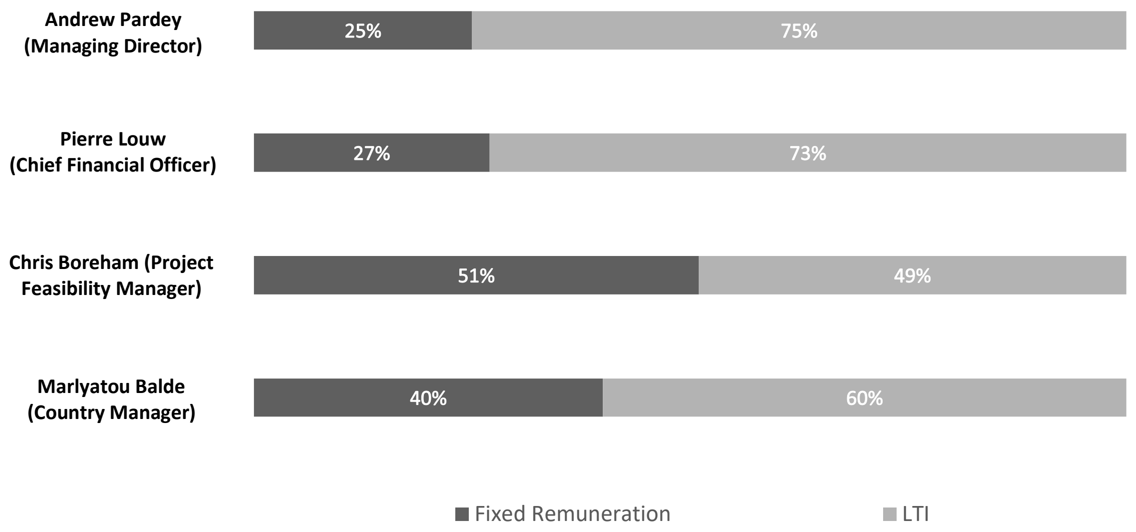
- Evaluating the remuneration policy for executives, including the terms and conditions of incentive plans, performance conditions, and approving any incentive payouts to executives.
- Evaluating the remuneration for non-executive directors,
- Reviewing, managing, and disclosing the policy (if any) under which participants in an equity-based remuneration scheme may be permitted to enter into transactions (whether through the use of depravities or otherwise) which limit the economic risk of participating in the scheme; and
- Determining the content of the Remuneration Report to be included in the Company's Annual Report.

4. EXECUTIVE REMUNERATION

In determining the nature and amount of executive remuneration, the NRC considers PDI's financial and operational performance together with prevailing market conditions and the remuneration practices of relevant industry peers.

PDI has an approved LTI plan, under which participants were provided bespoke grants of options tied to strategic milestones and service tenure, which the Board has considered to be appropriate given PDI's exploration and development phase, business maturity and strategic objectives. PDI considers that the future success of the Company depends largely on the skills and motivation of those engaged in and overseeing the management of the Company's operations. The ability for KMP to be a part of and experience this growth alongside PDI through the participation in incentive schemes drives this future success, while attracting and retaining executives of the highest calibre.

All executives receive fixed remuneration and are eligible for grants of options under the LTI plan, constituting their LTI opportunity. The following displays the mix between fixed remuneration and LTI at the maximum opportunity level[3] for FY23 for executive KMP:



A formal short-term incentive plan is not in place at this time to assist with cash conservation.

The Board in conjunction with the NRC is conducting an extensive review of PDI's current remuneration practices in light of stakeholder feedback received at the 2022 AGM. This review includes exploring the possibility of implementing a more structured and regular incentive framework. This process will involve careful deliberation regarding the potential structure and appropriate performance criteria to align with the Company's short and long-term strategic goals.

Fixed remuneration

Fixed remuneration is comprised of base salary, superannuation and fringe benefits. PDI's policy prescribes that fixed remuneration should be fair and reasonable and should consider the expectations of the role, the surrounding labour market, as well as the individual's calibre, tenure and experience. The NRC regularly reviews the fixed remuneration for executive KMP, however no changes to fixed remuneration were applied during FY23.

[3] The LTI maximum opportunity has been derived from the annualised value of ZEPOs and Options granted to the executive KMP, approved by shareholders at the General Meeting held on 18 July 2022. The value is as at the grant date as set out in the tables blow and differs from the valuation used in the statutory accounts.

Long-term incentives

At the General Meeting held on 18 July 2022, shareholders approved the grant of zero exercise price options (ZEPOs) and Options to the Directors (including the Managing Director). On 3 November 2022, the Directors awarded ZEPOs and Options to senior management in accordance with PDI's LTI plan. The following table outlines the terms of the grant to the executive KMP:

<table>
<tr><td>Purpose</td><td>To align the interests of executive KMP and other senior management with those of the Company and its shareholders.</td></tr>
<tr><td>Eligibility</td><td>The Managing Director, executive KMP and other senior management were eligible to participate.</td></tr>
<tr><td>Instrument/s</td><td>ZEPOs and Options.</td></tr>
<tr><td>Number of Instruments</td><td>The number of ZEPOs and Options granted are as follows:
<table>
<tr><th>KMP</th><th>Number of ZEPOs</th><th>Number of Options</th></tr>
<tr><td>Andrew Pardey (MD)</td><td>10,000,000</td><td>1,500,000</td></tr>
<tr><td>Pierre Louw</td><td>7,500,000</td><td>4,000,000</td></tr>
<tr><td>Chris Boreham</td><td>1,500,000</td><td>3,000,000</td></tr>
<tr><td>Marlyatou Balde</td><td>1,500,000</td><td>3,000,000</td></tr>
</table></td></tr>
<tr><td>Valuation</td><td>For the purposes of LTI calculation, the value of each ZEPO has been determined using a face value methodology, being the share price on the day the ZEPOs were granted. The ZEPOs were valued at $0.18 (grant date: 18 July 2022) and $0.15 (grant date: 3 November 2022). The Options were valued at $0.110 (grant date: 18 July 2022) and $0.102 (grant date: 3 November 2022) using a Black Scholes valuation model.</td></tr>
<tr><td>Vesting conditions</td><td>ZEPOs have the following vesting conditions:
<table>
<tr><th>Tranche</th><th>% of total ZEPOs</th><th>Service condition</th><th>Performance-based milestone</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">25%</td><td rowspan="2">12 months</td><td>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 (50% weighting).</td></tr>
<tr><td>Board approval of a health, safety and environmental management plan prepared in consultation with suitably qualified and independent third-party consultants (50% weighting).</td></tr>
<tr><td rowspan="3">2</td><td rowspan="3">25%</td><td rowspan="3">24 months</td><td>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 (37.5% weighting).</td></tr>
<tr><td>Announcement of a positive pre-feasibility study for the Bankan Gold Project (37.5% weighting).</td></tr>
<tr><td>Achievement of the following specified health, safety and environmental milestones for the period between 1 January 2022 and 31 December 2022:
- Total recordable Injuries Frequency Rate (TRIFR) for Company staff of <2.94.
- Zero reportable environmental incidents (including spills, loss of containment, etc.)
- Zero community or landowner incidents resulting in the permanent loss of land access on a material private property or the immediate halting of all operations on any site:
o 100% allocation if no breach
o 67% allocation if one breach
o 33% allocation if two breaches
o 0% allocation if more than two breaches</td></tr>
</table></td></tr>
</table>

			(25% weighting).
3	50%	36 months	Announcement of a positive feasibility study for the Bankan Gold Project. (37.5% weighting). Announcement of the issue of an Exploitation Permit by the Guinea Ministry of Mines and Geology for the Bankan Gold Project. (37.5% weighting). Achievement of the following specified health, safety and environmental milestones for the period between 1 January 2023 and 31 December 2023: - An improvement of at least 10% in the Total Recordable Injuries Frequency Rate (TRIFR) for the 2023 calendar year (in comparison to the 2022 calendar year) - Zero reportable environmental incidents (including spills, loss of containment, etc.) - Zero community or landowner incidents resulting in the permanent loss of land access on a material private property or the immediate halting of all operations on any site: ○ 100% allocation if no breach ○ 67% allocation if one breach ○ 33% allocation if two breaches ○ 0% allocation if more than two breaches (25% weighting).

These strategic milestone measures have been selected as they provide direct alignment with PDI's long term strategy of developing the Company's key asset, the Bankan Gold Project, into a Tier-1 mine, which will ultimately lead to increased shareholder value. Strategic milestone measures have been paired with health, safety and environmental measures to ensure that this development is achieved in a sustainable manner.

Options have the following service-based vesting conditions only:

Tranche	% of total options	Service condition
1	25%	12 months
2	25%	24 months
3	50%	36 months

Exercise price	ZEPOs have a $nil exercise price by design. Options have an exercise price of $0.30.
Expiry date	ZEPOs have the following expiry dates: • Tranche 1: 20 July 2025; • Tranche 2: 20 July 2026; • Tranche 3: 20 July 2027. Options expire on 30 June 2026.
Cessation of employment	Upon a cessation of employment before the relevant service condition has been met, all unvested options will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the options to vest.
Malus	If the award is viewed as inappropriate given the circumstances that prevail over the performance period, such as in the case of harm to PDI's stakeholders for which the Participant is accountable, the Board may in its discretion deem all unvested performance rights to have been forfeited.
Corporate actions	Upon a change of control event, ZEPOs and Options will vest in full, to the satisfaction of the Board in its absolute discretion.

5. NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive directors are remunerated by way of fixed fees and ZEPOs and Options in accordance with the LTI plan and as approved by shareholders. The ZEPOs and Options issued in FY23 have time-based vesting conditions (no performance-based vesting conditions). Non-executive directors are not 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 non-executive directors is determined by the Board after considering levels that apply to similar positions in comparable companies in Australia, 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 a point of reference.

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 shareholders 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 annual fee for the Chair of the Board is currently set at $85,000 and the annual fee for board members is $60,000, both inclusive of superannuation. The Board does not intend to review director fees during FY24.

Non-executive directors can participate in the Company's Employee Option Plan and may be granted options from time to time to enhance alignment with shareholder interests and support their ongoing commitment to the Company. Options or shares issued to any director pursuant to any equity-based remuneration scheme require approval by shareholders prior to their issue.

At the General Meeting held on 18 July 2022, shareholders approved a grant of options to directors, with a mix of ZEPOs and options. Options are not linked to any performance-based vesting conditions, to protect the independence of non-executive directors. The key terms of the grant are outlined below (refer to Notice of Meeting for additional details):

<table>
<tr><td>Instrument/s</td><td>ZEPOs and Options</td></tr>
<tr><td>Number of instruments</td><td><table><tr><th>Non-executive director</th><th>Number of ZEPOs</th><th>Number of Options</th></tr><tr><td>Simon Jackson</td><td>2,000,000</td><td>5,000,000</td></tr><tr><td>Steven Michael</td><td>2,000,000</td><td>500,000</td></tr><tr><td>Sandra Bates</td><td>2,000,000</td><td>3,000,000</td></tr></table></td></tr>
<tr><td>Valuation</td><td>For the purposes of LTI calculation, the value of each ZEPO has been determined using a face value methodology, being the share price on the day the ZEPOs were granted of $0.18 (grant date: 18 July 2022). The Options were valued at $0.110 (grant date: 18 July 2022) using a Black Scholes valuation model.</td></tr>
<tr><td>Vesting conditions</td><td>Service condition only, with 25% subject to a 1-year service condition, 25% subject to a 2-year service condition, and 50% subject to a 3-year service condition. Once the service conditions are met, the relevant tranche of options will vest. Once vested, the options may be exercised thereafter and any time prior to their expiry date.</td></tr>
<tr><td>Exercise price</td><td>ZEPOs have a $nil exercise price by design. Options have an exercise price of $0.30.</td></tr>
<tr><td>Expiry date</td><td>ZEPOs have the following expiry dates:
Tranche 1: 20 July 2025;
Tranche 2: 20 July 2026;
Tranche 3: 20 July 2027.
Options expire on 30 June 2026.</td></tr>
<tr><td>Cessation of employment</td><td>Upon a cessation as a Director before the relevant service condition has been met, all unvested options will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the options to vest.</td></tr>
<tr><td>Malus</td><td>If the award is viewed as inappropriate given the circumstances that prevail over the performance period, such as in the case of harm to PDI's stakeholders for which the Participant is accountable, the Board may in its discretion deem all unvested performance rights to have been forfeited.</td></tr>
<tr><td>Corporate actions</td><td>Upon a change of control event, ZEPOs and Options will vest in full, to the satisfaction of the Board in its absolute discretion.</td></tr>
</table>

6. LINK BETWEEN COMPANY PERFORMANCE AND REWARD

Company performance

The following table outlines PDI's financial and operational performance in FY23 and the previous four financial years, intended to assist in demonstrating the link between performance and reward. Due to the Company's current exploration and development phase, it is not currently appropriate to evaluate the Company's financial performance using EBITDA and other profitability metrics and, therefore, a summary of the operating losses, cash flows, share price, market capitalisation and Mineral Resource for the Bankan Gold Project has been provided.

PDI has achieved significant growth in its share price and market capitalisation over the 5-year period, owing to the discovery of the NEB and BC deposits during FY20 and ongoing exploration success at these deposits, which has resulted in the Bankan Project emerging as the largest gold discovery in West Africa in the latest decade and as a potential future Tier-1 gold mine.

During FY22, PDI announced a maiden Mineral Resource for the Bankan Gold Project of 3.65Moz (Inferred) and experienced a significant increase in its share price to $0.20 and market capitalisation to $316M.

During FY23, PDI continued resource definition drilling at Bankan, increasing the Mineral Resource to 4.18Moz, which included 1.75Moz in the Indicated category. A Scoping Study and Environmental & Social Impact Assessment (ESIA) were commenced in FY23, which are key documents for Bankan's permitting process.

Subsequent to the end of FY23, PDI increased the Bankan Mineral Resource to 5.38Moz, which includes 4.14Moz in the Indicated category. This latest Mineral Resource estimate will form the basis of the Scoping Study which is scheduled to be completed in late 2023.

PDI's operating losses and negative cash flows reflect the Company's exploration and development phase, and the increasing level of drilling and study activity over the 5-year period.

	FY19	FY20	FY21	FY22	FY23
Operating loss after income tax ($)	1,459,332	2,352,700	6,622,404	9,687,702	11,231,323
Cash flows from operating activities ($)	(1,526,448)	(3,956,625)	(14,287,908)	(23,042,362)	(56,936,056)
Share price ($)[1]	0.015	0.088	0.077	0.200	0.165
Market capitalisation ($M)[1]	4	73	98	316	341
Bankan Project Mineral Resource[1]	-	-	-	3.65Moz (Nil Indicated)	4.18Moz (1.75Moz Indicated)

(1) As at 30 June on the relevant financial year

Performance-based incentive outcomes

No performance-based incentives vested during FY23.

7. STATUTORY REMUNERATION TABLES

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:

Table of Benefits and Payments for the Period Ended 30 June 2023

Key Management Personnel	Salary, fees and leave	Other	Pension and super-annuation	Shares/ Units	Options/ Rights	Total
	$	$	$	$	$	$
Mr Andrew Pardey	356,781	-	-	-	806,931	1,163,712
Mr Steven Michael	65,000	-	-	-	170,450	235,450
Mr Simon Jackson	85,000	-			374,375	459,375
Ms Sandra Bates	60,000	-	-	-	283,741	343,741
Mr Pierre Louw	312,242	-	-	-	647,166	959,408
Mr Chris Boreham	295,928	-	-	-	309,178	605,106
Ms Marlyatou Balde	194,565	-	-	-	309,178	503,743
Total Key Management Personnel	**1,369,516**	**-**	**-**	**-**	**2,901,019**	**4,270,535**

Table of Benefits and Payments for the Period Ended 30 June 2022

Key Management Personnel	Salary, fees and leave	Other	Pension and super-annuation	Shares/ Units	Options/ Rights	Total
	$	$	$	$	$	$
Mr Francis Harper (1)	18,182	-	1,818	-	-	20,000
Mr Paul Roberts (2)	293,881	-	29,388	-	-	323,269
Mr Andrew Pardey	203,417	-	-	-	118,946	322,363
Mr Steven Michael	63,400	-	-	-	-	63,400
Mr Simon Jackson (3)	55,255	-				55,255
Ms Sandra Bates (4)	-	-	-	-	-	-
Mr Ian Hobson	103,300	-	-	134,272	18,652	256,224
Mr Pierre Louw (5)	17,405	-	-	-	-	17,405
Total Key Management Personnel	**754,840**	**-**	**31,206**	**134,272**	**137,598**	**1,057,916**

(1) Resigned 19 October 2021
(2) Resigned on 30 June 2022
(3) Appointed on 19 October 2021
(4) Appointed on 7 June 2022. Ms Bates was not paid any remuneration during FY22.
(5) Appointed on 25 May 2022

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:

30 June 2023	Balance at beginning of period	Granted as remunerat-ion during the period	Expired during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercis-able
Mr Andrew Pardey	3,500,000	11,500,000	-	-	15,000,000	-	3,500,000	-
Mr Steven Michael	2,500,000	2,500,000	-	(2,500,000)	2,500,000	-		-
Mr Simon Jackson	-	7,000,000	-	-	7,000,000	-	-	-
Ms Sandra Bates	-	5,000,000	-	-	5,000,000	-	-	-
Mr Pierre Louw	-	11,500,000	-	-	11,500,000	-	-	-
Mr Chris Boreham	-	4,500,000	-		4,500,000			
Ms Marlyatou Balde	-	4,500,000	-		4,500,000			
	6,000,000	46,500,000	-	(2,500,000)	50,000,000	-	3,500,000	-

30 June 2022	Balance at beginning of period	Granted as remunerat-ion during the period	Expired during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercis-able
Mr Francis Harper(1)	7,000,000	-	-	(7,000,000)	-	-	-	-
Mr Paul Roberts(2)	12,500,000	-	-	(12,500,000)	-	-	-	-
Mr Andrew Pardey	3,500,000	-	-	-	3,500,000	-	3,500,000	-
Mr Steven Michael	2,500,000	-	-	-	2,500,000	-	2,500,000	-
Mr Simon Jackson (3)	-	-	-	-	-	-	-	-
Ms Sandra Bates(4)	-	-	-	-	-	-	-	-
Mr Ian Hobson	3,000,000	-	-	(1,000,000)	2,000,000	-	2,000,000	-
Mr Pierre Louw(5)	-	-	-	-	-	-	-	-
	28,500,000	-	-	(20,500,000)	8,000,000	-	8,000,000	-

(1) Resigned 19 October 2021
(2) Resigned on 30 June 2022
(3) Appointed on 19 October 2021
(4) Appointed on 7 June 2022. Ms Bates was not paid any remuneration during FY22
(5) Appointed on 25 May 2022

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

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

30 June 2023	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Purchased during the period	Other changes during the period	Balance at end of period
Mr Andrew Pardey	-	-	-	-	-	-
Mr Steven Michael	366,080	-	2,500,000	-	-	2,866,080
Mr Simon Jackson	260,000	-	-	166,667	-	426,667
Ms Sandra Bates	-	-	-	-	-	-
Mr Pierre Louw	-	-	-	-	-	-
Mr Chris Boreham	-	-	-	-	-	-
Ms Marlyatou Balde	-	-	-	-	-	-
	626,080	-	2,500,000	166,667		3,292,747

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS (Continued)

	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Purchased during the period	Other changes during the period	Balance at end of period
30 June 2022						
Mr Francis Harper (1)	-	-	-	4,000,000	(4,000,000)	-
Mr Paul Roberts (2)	5,974,171	-	6,100,000	375,000	(12,449,171)	-
Mr Andrew Pardey	-	-	-	-	-	-
Mr Steven Michael	178,580	-	-	187,500	-	366,080
Mr Simon Jackson(3)	-	-	-	260,000	-	260,000
Ms Sandra Bates(4)	-	-	-	-	-	-
Mr Ian Hobson	50,880	-	-	-	-	50,880
Mr Pierre Louw(5)	-	-	-	-	-	-
	6,203,631	-	6,100,000	4,822,580	(16,449,171)	676,960

(1) Resigned 19 October 2021
(2) Resigned on 30 June 2022
(3) Appointed on 19 October 2021
(4) Appointed on 7 June 2022
(5) Appointed on 25 May 2022

8. SERVICE AGREEMENTS

All non-executive directors are remunerated on a monthly basis with no fixed term or termination benefits.

Each Executive KMP has entered an employment contract with the Group. Details of the relevant contracts are set out below:

Executive KMP	Duration of service agreement	Notice period	Termination entitlements (without cause)	Termination entitlements (with cause)
Andrew Pardey (MD)	Ongoing	6 months	6 months	balance due at termination date
Pierre Louw (CFO)	Ongoing	6 months	6 months	balance due at termination date
Mr Chris Boreham (Project Feasibility Engineer)	2 year renewable contract	3 months	3 months	balance due at termination date
Ms Marlyatou Balde (Country Manager)	Ongoing	3 months	3 months	balance due at termination date

9. OTHER TRANSACTIONS WITH KMP

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.

END OF THE REMUNERATION REPORT

Simon Jackson
Chair of the NRC
18 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2023 $	2022 $
Finance income		632,838	3,113
Other income		-	-
Share based payments	14	(3,880,848)	(731,130)
Administrative expenses	2	(1,785,873)	(1,544,165)
Depreciation of fixed assets		(379,971)	(221,747)
Depreciation – Rights of Use Assets		(144,085)	-
Loss on disposal of fixed asset		(6,528)	-
Foreign exchange gain/(loss)		(506,264)	313,645
Employee benefits expense		(352,262)	(309,962)
VAT Expense	17	(2,521,633)	(918,837)
Indirect Foreign taxes	4	950,527	(1,682,894)
Cost to dispose of subsidiaries	3	(285,406)	-
Impairment of exploration expenditure	9	-	(2,011,363)
Exploration expenditure pre-right to tenure		(2,951,818)	(2,584,362)
Loss before income tax		(11,231,323)	(9,687,702)
Income tax expense	5	-	-
Loss from continuing operations		(11,231,323)	(9,687,702)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		1,001,760	4,025,911
Total comprehensive loss for the year		(10,229,563)	(5,661,791)
Loss attributable to:			
Members of the parent entity		(10,229,563)	(5,661,791)
		(10,229,563)	(5,661,791)
Basic loss per share (cents per share)	13	(0.6)	(0.7)
Diluted loss per share (cents per share)	13	(0.6)	(0.7)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Consolidated 2023 $	2022 $
Current Assets			
Cash and cash equivalents	6(a)	44,894,558	42,035,541
Trade and other receivables	7	500,985	404,150
Total current assets		45,395,543	42,439,691
Non-Current Assets			
Property, plant and equipment	8	878,692	811,526
Exploration expenditure	9	87,201,892	37,376,965
Right of use assets		312,188	-
Total non-current assets		88,392,772	38,188,491
Total assets		133,788,315	80,628,182
Current Liabilities			
Trade and other payables	10	4,631,848	6,548,463
Right of use liabilities		313,241	-
Total current liabilities		4,945,089	6,548,463
Total liabilities		4,945,089	6,548,463
Net Assets		128,843,226	74,079,719
Equity			
Issued capital	11	175,912,716	113,950,491
Reserves		10,205,298	6,411,395
Accumulated losses		(57,274,788)	(46,282,167)
Total Equity		128,843,226	74,079,719

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
CONSOLIDATED	**$**	**$**	**$**	**$**	**$**
At 1 July 2021	71,376,018	(36,628,347)	2,083	1,541,627	36,291,381
Loss for the year	-	(9,687,702)	-	-	(9,687,702)
Other comprehensive income	-	-	4,025,911	-	4,025,911
Total comprehensive loss for the year	-	(9,687,702)	4,025,911	-	(5,661,791)
Transactions with owners in their capacity as owners:					
Transfer of expired/lapsed options	-	33,882	-	(33,882)	-
Transfer options exercised from reserve to share capital	298,887			(298,887)	-
Issue of share capital	45,048,347	-	-	-	45,048,347
Share-based payments	-	-	-	731,130	731,130
Options issued to brokers	(443,413)	-	-	443,413	-
Transaction costs	(2,329,348)	-	-	-	(2,329,348)
At 30 June 2022	113,950,491	(46,282,167)	4,027,994	2,383,401	74,079,719
At 1 July 2022	113,950,491	(46,282,167)	4,027,994	2,383,401	74,079,719
Loss for the year	-	(11,231,323)	-	-	(11,231,323)
Other comprehensive income	-	-	1,001,760	-	1,001,760
Total comprehensive loss for the year	-	(11,231,323)	1,001,760	-	(10,229,563)
Transactions with owners in their capacity as owners:					
Transfer of expired/lapsed options	-	238,702	-	(238,702)	-
Transfer options exercised from reserve to share capital	850,003			(850,003)	-
Issue of share capital	64,231,405	-	-	-	64,231,405
Share-based payments	-	-	-	3,880,848	3,880,848
Options issued to brokers	-	-	-	-	-
Transaction costs	(3,119,183)	-	-	-	(3,119,183)
At 30 June 2023	175,912,716	(57,274,788)	5,029,754	5,175,544	128,843,226

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Interest received		632,838	3,113
Government grant received		-	-
Payments to suppliers and employees		(4,925,324)	(1,665,208)
Payments for exploration expenditure		(52,643,570)	(21,380,268)
Net cash provided by (used in) operating activities	6(b)	(56,936,056)	(23,042,362)
Cash flows from investing activities			
Purchase of property, plant and equipment		(493,844)	(712,097)
Disposal of property, plant and equipment		40,178	-
Net cash provided by (used in) investing activities		(453,666)	(712,097)
Cash flows from financing activities			
Proceeds from issue of shares		60,727,646	44,043,679
Proceeds from advance share subscription		-	498,391
Proceeds on exercise of options		3,005,858	848,108
Payment for share issue costs		(3,065,119)	(2,329,347)
Net cash inflow from financing activities		60,668,385	43,060,831
Net increase (decrease) in cash held		3,278,663	19,306,372
Foreign exchange differences		(419,646)	-
Cash and cash equivalents at beginning of financial period		42,035,541	22,729,169
Cash and cash equivalents at end of the financial period	6(a)	44,894,558	42,035,541

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PDI Discovery Limited is a for-profit company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

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.

The financial statements were authorised for issue, in accordance with a resolution of the directors, on 18 September 2023. The directors have the power to amend and re-issue the financial statements.

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 PDI Discovery Limited at the end of the reporting period. A controlled entity is any entity over which PDI 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 24 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Principles of consolidation *(continued)*

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.

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.

Interests in joint arrangements

IFRS defines a joint arrangement as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

(i) Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Principles of consolidation *(continued)*

(ii) Joint ventures
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Group's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income (OCI) reflects the Group's share of the results of operations of the joint venture. Any change in OCI of that investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss and other comprehensive income. On loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

(iii) Reimbursement of the costs of the operator of the joint arrangement
When the Group, acting as an operator or manager of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint arrangement and therefore have no effect on profit or loss. When the Group charges a management fee (based on a fixed percentage of total costs incurred for the year) to cover other general costs incurred in carrying out the activities on behalf of the joint arrangement, it is not acting as an agent. Therefore, the general overhead expenses and the management fee are recognised in the statement of profit or loss and other comprehensive income as an expense and income, respectively.

(b) Revenue recognition

The Group recognises revenue as follows:
Interest
Interest revenue is recognised using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Income Tax

The income tax expense (income) 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.

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.

(d) 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 corporate 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) 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.

(f) 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.

(g) 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.

(h) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Investments and other financial assets *(continued)*

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(i) 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
Plant and Equipment	2 - 10 years

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Property, Plant and Equipment (*continued*)

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.

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.

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(j) 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.

(k) 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Impairment of Assets *(continued)*

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.

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.

(l) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(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 Australian 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) 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.

(p) 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.

(q) 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.

(r) 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.

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. $87,201,892 has been capitalised as at 30 June 2023 (see note 9). 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 of circumstances that suggest the carrying amounts of the exploration and evaluation assets recognised exceed their recoverable amount.

In assessing the recoverability of the carrying amounts, 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.

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 14. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Critical Accounting Estimates and Judgements *(continued)*

Key Judgements - Recoverability of Intercompany Loan
Within non-current assets of the parent entity (see note 24) there is a loan due from the 100% subsidiaries of $90,717,226 is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Guinea.

Key Judgements - Joint arrangements
Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as: the approval the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
- The legal form of the separate vehicle
- The terms of the contractual arrangement
- Other facts and circumstances (when relevant)

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a JO or a JV, may materially impact the accounting. The Group has a joint arrangement which is structured through a separate vehicle, being a company structure. This structure, and the terms of the contractual arrangement indicate that the Group has rights to the net assets of the arrangement. Given this, the Group then had to assess the other facts and circumstances relating to this arrangement. After undertaking this assessment, there were a number of indicators for both a joint venture classification and a joint operation classification. Significant judgement was therefore required to determine how these factors would be analysed. The final conclusion was that the arrangement was a joint venture.

(s) Adoption of New and Revised Accounting Standards
The Group has adopted all of 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 consolidated entity.

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
NOTE 2: ADMINISTRATIVE EXPENSES		
Legal, professional and consultancy fees	325,357	406,020
Advertising and marketing	576,546	301,520
Compliance fees	135,519	155,618
Recruitment fees	129,318	104,945
IT & telecommunication expenses	196,432	97,728
Travel and accommodation fees	157,076	28,156
Insurance	105,154	82,605
Other expenses	160,471	367,574
	1,785,873	1,544,165

NOTE 3: COST TO DISPOSE OF SUBSIDIARIES

During the financial year ended 30 June 2023, the Company decided to close all of its subsidiaries in Burkina Faso and to surrender active permits to the respective authorities in-country. The main reason being safety concerns in country and to allow the team to concentrate on the Guinea activities. The total cost to dispose the entities amounted to $285,406. This includes legal cost, cost to compensate employees and other administration fees.

(a) <u>Gayeri Resources SARL</u>
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) <u>Burkina Faso SARL, PD SARL and Progress Mineral SARL</u>
On the 31 January 2023, Burkina Faso SARL, PD SARL and Progress Mineral SARL were dissolved. The cost to maintain tenements and pay employees amounted to $143,072 for the period July to October 2022. These costs were expensed as administrative expenses in the Profit and Loss.

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
NOTE 4: INDIRECT FOREIGN TAXES		
Indirect foreign taxes - Guinea	950,527	(1,682,894)
	950,527	(1,682,894)

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 $243,384 and fully paid during the year ended 30 June 2022.

In addition, a VAT provision of $1,439,510 for the period from 1 January to 30 November 2021 had 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 30 June 2022 amounted to $1,774,265. Following a formal assessment by the Guinea tax authorities on Mamou Resources SARL, the tax liability was $353,905 and this has been paid on the 15 June 2023. The tax liability of Mamou Resources SARL was overprovided for an amount of $950,527 and this has been written off as at 30 June 2023. The tax liability provided for Kindia Resources SARL was $135,077. This amount is still due and will be paid for once a formal assessment by the Guinea tax authorities is performed on Kindia Resources.

NOTE 5: INCOME TAX

	Consolidated 2023 $	2022 $
(a) Income tax expense/benefit		
The components of income tax expense/benefit comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-

	2023	2022
(b) Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss)		
Operating (loss) before income tax	(11,231,323)	(9,687,702)
Prima facie tax benefit at Australian rate of 25% (2022: 25%)	2,807,831	2,421,926
Adjusted for tax effect of the following amounts:		
Taxable/non-deductible items	(2,356,421)	(2,306,857)
Non-taxable/deductible items	405,183	266,707
Deferred tax expense relating to change in tax rate	-	-
Deferred tax benefit relating to under-provision in prior year	-	-
Income tax benefit not brought to account	(856,593)	(381,776)
Income tax benefit	-	-

(c) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at the Australian corporate tax rate of 25% (2020: 27.5%) are made up as follows:

	2023	2022
On income tax account		
Carry forward tax losses	8,476,560	7,662,198
Deductible temporary differences	14,196	8,163
Taxable temporary differences	(21,904)	(58,101)
	8,468,852	7,612,260

These benefits will only be obtained if:

(i) the group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised,
(ii) the group continues to comply with the conditions for deductibility imposed by tax legislation, and
(iii) no changes in tax legislation adversely affect the group in realising the benefit from the deduction for the losses.

NOTE 6(a): CASH AND CASH EQUIVALENTS

	Consolidated 2023 $	2022 $
Cash at bank	44,894,558	42,035,541
	44,894,558	42,035,541

NOTE 6: CASH AND CASH EQUIVALENTS (*continued*)

NOTE 6(b): Reconciliation of loss after income tax to net cash flow from operating activities	**2023 $**	**2022 $**
Operating loss after income tax	(11,231,323)	(9,687,702)
Non-operating items in loss:		
Non-cash flows in loss:		
Loss on deregistered entity	285,406	-
Movement in provision	(950,527)	-
Depreciation	524,058	221,747
Exchange difference on translation of foreign operations	(633,249)	1,252,285
Provision for doubtful debts	2,521,633	918,837
Impairment of exploration expenditure	-	2,011,363
Loss on disposal of plant	6,528	-
Share based Payment	3,880,846	731,130
Movement in assets and liabilities:		
(Increase)/decrease in assets	(50,233,952)	(22,043,204)
Increase/(decrease) in liabilities	(1,105,476)	3,553,182
Net cash outflow from operating activities	(56,936,056)	(23,042,362)

NOTE 7: TRADE AND OTHER RECEIVABLES

Other receivables	500,985	404,150
	500,985	404,150

NOTE 8: PLANT AND EQUIPMENT

Plant and Equipment	1,565,213	1,111,491
Accumulated depreciation	(686,521)	(299,965)
	878,692	811,526

A reconciliation of the carrying amounts of each class of plant and equipment between the beginning of the current financial year is set out below:

	Plant and Equipment $	**Total $**
2023		
Balance at the beginning of year	811,526	811,526
Additions	493,844	493,844
Disposal	(46,707)	(46,707)
Depreciation expense	(379,971)	(379,971)
Balance at the end of the year	878,692	878,692
2022		
Balance at the beginning of year	321,176	321,176
Additions	712,097	712,097
Depreciation expense	(221,747)	(221,747)
Balance at the end of the year	811,526	811,526

NOTE 9: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

	2023 $	2022 $
Exploration and evaluation expenditure	87,201,892	37,376,965
	87,201,892	37,376,965

	Exploration and Evaluation
2023	**$**
Balance at beginning of the year	37,376,965
Expenditure incurred	49,824,927
Expenditure acquired	-
Impairment of capitalised exploration	-
Balance at the end of the year	87,201,892
2022	**$**
Balance at beginning of the year	15,505,090
Expenditure incurred	23,883,238
Expenditure acquired	-
Impairment of capitalised exploration	(2,011,363)
Balance at the end of the year	37,376,965

The Group has capitalised exploration expenditure of $87,201,892 (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 either 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.

Rights of tenue in Guinea are issued by the Ministry of Mines. Permit status for Mamou Resources SARLU and Kindia Resources SARLU as at 30 June 2023 are as follows:

- Kaninko, the permit holding the Mineral Resource was renewed and confirmed in a letter from the Ministry on 29 October 2022
- Bokoro permit is current
- Nonta and Saman permits are being processed by the Ministry of Mines

The status of the Joint Venture permits are as follows:

- Argo and Koundian 1,2,3 and 4 are all being processed by the Ministry of Mines.

Environmental authorisation was received on 10 March 2023. This authorisation allows PDI to continue its exploration activities on the Bankan site.

In the event of delays in permitting, PDI relies on article 78 of the Mining Code that allows for permits to be extended automatically until the date of renewal. The risk of non-renewal of a permit will result in the impairment of expenditure on the specific permit.

The Company has no reason to believe that the current permits under renewal will not be issued. Subsequently, the Directors are of the opinion that the exploration expenditure is recoverable for the amount stated in the financial report.

NOTE 10: CURRENT TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade and other payables	4,340,164	4,774,198
Foreign indirect tax provision (refer to note 4)	291,684	1,774,265
	4,631,898	6,548,463

NOTE 11: ISSUED CAPITAL

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	2023 $	2022 $
2,067,244,088 (30 June 2022: 1,582,048,031) Ordinary Shares	187,267,327	122,185,920
Share issue costs written off against issued capital	(11,354,611)	(8,235,429)
	175,912,716	113,950,491

	Shares No.	Issue Price $	Total
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 – Capital raising	269,640,533	$0.15	40,446,080
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	16,607,741	$0.0986	1,637,523
Exercise of employee options to shares - cashless	6,474,747	-	-
Transfer from Reserves to share capital	-	-	850,006
At 30 June 2023	2,067,244,088		187,267,327
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	1,582,048,031		122,185,920

	Listed Options No.	Unlisted Options No.
At 1 July 2022	75,856,884	64,595,741
Issue of Options	-	56,000,000
Exercise of listed options to shares	(74,531,461)	-
Exercise of unlisted options to shares	-	(19,107,741)
Exercise of employee options to shares - cashless	-	(12,988,000)
Options cancelled/expired	(1,325,423)	(7,500,000)
At 30 June 2023	-	81,000,000

NOTE 11: ISSUED CAPITAL (Continued)

	Listed Options No.	Unlisted Options No.
At 1 July 2021	84,631,485	69,000,000
Issue of Options	-	13,500,000
Exercise of listed options to shares	(8,774,601)	-
Exercise of unlisted options to shares	-	(6,904,259)
Exercise of employee options to shares - cashless	-	(4,000,000)
Options cancelled/expired	-	(7,000,000)
At 30 June 2022	75,856,884	64,595,741

OPTIONS

For information relating to the PDI 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 14.

NOTE 12: 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, refer to Note 14.

NOTE 13: EARNINGS PER SHARE

	2023 $	2022 $
Reconciliation of loss		
Loss used in calculating earnings per share – basic and diluted	(11,231,323)	(9,687,702)
Net loss for the reporting period	(11,231,323)	(9,687,702)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	1,764,613,613	1,373,148,452

NOTE 14: SHARE BASED PAYMENTS

During the year ended 30 June 2023, the Group granted the following options as share-based payment:

- 29,500,000 unlisted options exercisable at $0.30 expiring in 3 years as part of the long-term employee incentive plan[1,2]
- 26,500,000 Zero Exercise Price Options as part of the long-term employee incentive plan[3,4]

The options issued during the financial year 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:

[1.] 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:

(i) 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;
(ii) 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;
(iii) 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.

NOTE 14: SHARE BASED PAYMENTS (continued)

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
Expensed during the financial year	$453,167

2. 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
Expensed during the financial year	$1,593,197

3. On 20 July 2022, the following Zero Exercise Price Options were issued:

- <u>4,000,000 options expiring 20 July 2025.</u>
  (a) 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;
  (b) 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;
  (c) 1,500,000 of these options will vest upon continuous service for 12 months.

- <u>4,000,000 options expiring 20 July 2026</u>
  (a) 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;
  (b) 937,500 of these options will vest upon announcement of a positive PFS for the Bankan Gold Project;
  (c) 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;
  (d) 1,500,000 of these options will vest upon continuous service for 24 months.

- <u>8,000,000 options expiring 20 July 2027</u>
  (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 if 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.

NOTE 14: SHARE BASED PAYMENTS (continued)

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
Expensed during the financial year	$546,016	$272,635	$363,679

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;
(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
Expensed during the financial year	$207,123	$103,420	$137,956

NOTE 14: SHARE BASED PAYMENTS (continued)

During the year ended 30 June 2022, the Group granted the following options as share-based payment:

- 8,000,000 unlisted options exercisable at $0.14 expiring in 3 years to the brokers
- 2,500,000 unlisted options exercisable at $0.2910 expiring in 3 years as part of the long-term employee incentive plan
- 3,000,000 unlisted options exercisable at $0.34 expiring in 3 years as part of the long-term employee incentive plan

For the options granted, the valuation model inputs used in the Black-Scholes Model were as follows:

2022:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value	Expensed during the Financial year 2023
09 July 2021	28 July 2024	$0.100	$0.140	100%	-	0.40%	$0.055	-
05 Nov 2021	08 Nov 2024	$0.220	$0.291	100%	-	0.40%	$0.123	-
10 May 2022	03 Jan 2025	$0.243	$0.340	100%	-	1.15%	$0.134	203,655

The total share-based payment expensed during the year is $3,880,848.

At 30 June 2023, the Group has the following share-based payment options on issue:

Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Vested and exercisable at the end of the year
24 Dec 2019	24 Dec 2022	$0.0180	75,856,884	-	(74,531,461)	(1,325,423)	-	-
30 Jun 2020	30 Jun 2023	$0.1800	7,500,000	-		(7,500,000)	-	-
09 Nov 2020	05 May 2023	$0.0986	9,400,000	-	(9,400,000)	-	-	-
09 Nov 2020	19 Dec 2022	$0.011	2,500,000	-	(2,500,000)	-	-	-
11 Dec 2020	21 Dec 2023	$0.112	8,000,000	-		-	8,000,000	8,000,000
05 Feb 2021	05 May 2023	$0.0986	20,195,741	-	(20,195,741)	-	-	-
14 May 2021	26 May 2024	$0.0986	3,500,000	-	-	-	3,500,000	3,500,000
28 Jul 2021	28 Jul 2024	$0.1400	8,000,000	-	-	-	8,000,000	8,000,000
05 Nov 2021	05 Nov 2024	$0.2910	2,500,000	-	-	-	2,500,000	2,500,000
26 May 2022	03 Jan 2025	$0.3400	3,000,000	-	-	-	3,000,000	3,000,000
07 Jul 2022	30 Jun 2026	$0.3000	-	10,000,000	-	-	10,000,000	-
07 Jul 2022	20 Jul 2025	-	-	4,000,000	-	-	4,000,000	-
07 Jul 2022	20 July 2026	-	-	4,000,000	-	-	4,000,000	-
07 Jul 2022	20 July 2027	-	-	8,000,000	-	-	8,000,000	-
07 Nov 2022	20 Nov 2025	-	-	2,625,000	-	-	2,625,000	-
07 Nov 2022	20 Nov 2026	-	-	2,625,000	-	-	2,625,000	-
07 Nov 2022	20 Nov 2027	-	-	5,250,000	-	-	5,250,000	-
07 Nov 2022	30 Jun 2026	$0.3000	-	19,500,000	-	-	19,500,000	19,500,000
			140,452,625	56,000,000	(106,627,202)	(8,825,423)	81,000,000	44,500,000

NOTE 14: SHARE BASED PAYMENTS (continued)

At 30 June 2022, the Group has the following share-based payment options on issue:

Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Vested and exercisable at the end of the year
24 Dec 2019	24 Dec 2022	$0.0180	84,431,485	-	(8,774,601)	-	75,856,884	75,856,884
30 Jun 2020	30 Jun 2023	$0.1800	7,500,000	-	-	-	7,500,000	7,500,000
09 Nov 2020	05 May 2023	$0.0986	15,500,000	-	(6,100,000)	-	9,400,000	9,400,000
09 Nov 2020	19 Dec 2022	$0.011	2,500,000	-	-	-	2,500,000	2,500,000
11 Dec 2020	21 Dec 2023	$0.112	8,000,000	-	-	-	8,000,000	8,000,000
05 Feb 2021	05 May 2023	$0.0986	25,000,000	-	(4,804,259)	-	20,195,741	20,195,741
14 May 2021	26 May 2024	$0.0986	10,500,000	-	-	(7,000,000)	3,500,000	3,500,000
28 Jul 2021	28 Jul 2024	$0.1400	-	8,000,000	-	-	8,000,000	8,000,000
05 Nov 2021	05 Nov 2024	$0.2910	-	2,500,000	-	-	2,500,000	2,500,000
26 May 2022	03 Jan 2025	$0.3400	-	3,000,000	-	-	3,000,000	-
			153,631,485	13,500,000	(19,678,860)	(7,000,000)	140,452,625	137,452,625

The weighted average exercise price of options as at 30 June 2023 was $0.1229 (30 June 2022: $0.1498). The weighted average remaining contractual life of options outstanding at year end was 1.01 years (30 June 2022: 0.79 years).

NOTE 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.

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

2023	Corporate	Gold Burk. Faso	Gold Cote D'Ivoire	Gold Guinea	Total
	$	$	$	$	$
Revenue					
Interest income	632,838	-	-	-	632,838
Expenses					
Administration expenses	(1,642,800)	-	(143,073)	-	(1,785,873)
Employee benefits expense	(352,262)	-	-	-	(352,262)
Depreciation of fixed asset	(3,005)			(376,966)	(379,971)
Share based expense	(3,880,848)	-	-	-	(3,880,848)
FX gain / (loss)	(440,772)	-	-	(65,492)	(506,264)
Exploration expenditure expensed	(2,241,468)	-	-	(710,351)	(2,951,819)
Depreciation – Rights of Use Asset	-	-	-	(144,085)	(144,085)
Provision for doubtful debts	-	-	-	(2,521,633)	(2,521,633)
Movement in provision	-	-	-	950,527	950,527
Cost to dispose of subsidiaries	(285,406)	-	-	-	(285,406)
Loss on disposal of fixed asset	-	-	-	(6,528)	(6,528)
Loss before tax	(8,213,723)	-	(143,073)	(2,874,527)	(11,231,323)
Current assets	44,351,625	-	-	1,043,918	45,395,543
Exploration expenditure	-	-	-	87,201,892	87,201,892
Plant and Equipment	1,210	-	-	877,482	878,692
Right of Use Asset	-	-	-	312,188	312,188
Intercompany loans	90,717,226	-	-	(90,717,226)	-
Current liabilities	(493,288)	-	-	(4,451,801)	(4,945,089)
Net assets/(liabilities)	134,576,773	-	-	(5,733,547)	128,843,226

NOTE 15: OPERATING SEGMENTS (Continued)

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

2022	Corporate	Gold Burk. Faso	Gold Cote D'Ivoire	Gold Guinea	Total
	$	$	$	$	$
Revenue					
Interest income	3,113	-	-	-	3,113
Expenses					
Administration expenses	(979,536)	(269,057)	9,009	(304,581)	(1,544,165)
Employee benefits expense	(309,962)	-	-	-	(309,962)
Depreciation of fixed asset	(4,993)			(216,754)	(221,747)
Share based expense	(731,130)	-	-	-	(731,130)
FX gain / (loss)	695,644	-	-	(381,999)	313,645
Exploration expenditure expensed	-	-	-	(2,584,362)	(2,584,362)
Impairment of Exploration	-	(239,289)	-	(1,772,074)	(2,011,363)
Provision for doubtful debts	-	-	-	(918,837)	(918,837)
Movement in provision	-	-	-	(1,682,894)	(1,682,894)
Loss before tax	(1,326,864)	(508,346)	9,009	(7,861,501)	(9,687,702)
Current assets	41,151,709	36,657	46,013	1,205,312	42,439,691
Exploration expenditure	-	-	-	37,376,965	37,376,965
Plant and Equipment	4,215	-	-	807,311	811,526
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/(liabilities)	78,764,310	(401,453)	(149,204)	(3,894,644)	74,079,719

NOTE 16: CAPITAL AND LEASING COMMITMENTS

	2023 $	2022 $
(A) CAPITAL EXPENDITURE COMMITMENTS[(i)]		
Payable:		
-not later than 12 months	3,074,965	3,709,456
-not later than 12 months and 5 years	12,299,861	14,837,823
-more than 5 years	-	-
	15,374,827	18,547,279

(i) Capital expenditure commitments are expenditure commitments on exploration permits in Guinea.

NOTE 17: CONTINGENT ASSETS/LIABILITIES

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 $3,643,956 at 30 June 2023 (2022: $1,081,641) relating to total VAT paid to date. A total of $2,521,633 of VAT was paid to the Guinea tax authorities during the year which was expensed in the Statement of Comprehensive Income and foreign exchange of $40,682 relating to the VAT was expensed in the Statement of Comprehensive Income.

NOTE 17: CONTINGENT ASSETS/LIABILITIES (Continued)

Contingent Liabilities

There is no contingent liabilities as at 30 June 2023.

NOTE 18: 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 2023.

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

	Consolidated	
	2023	**2022**
	$	**$**
Short-term benefits	1,369,516	754,840
Share based payments	2,901,020	271,870
Post-employments benefits	-	31,206
	4,270,536	1,057,916

NOTE 19: 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 comprised the following:

Intercompany Loans

PDI Discovery Limited has made loans to its subsidiaries in the amount of $90,717,226 (2022: $38,590,184). The loan is interest free and payable on demand.

Directors' Remuneration
Refer to Note 18.

Other Related Party Transactions
There was no related party transactions during the year ended 30 June 2023.

NOTE 20: REMUNERATION OF AUDITORS

		Consolidated	
		2023	**2022**
		$	**$**
Remuneration of the auditor of the parent entity for:			
PKF Perth	-Audit services	68,585	58,525
		68,585	58,525

NOTE 21: 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 9 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
	Note	2023 $	2022 $
Financial Assets			
Cash and cash equivalents	6(a)	44,894,558	42,035,541
Trade and other receivables	7	500,985	404,150
Total Financial Assets		45,395,543	42,439,691
Financial Liabilities			
Trade and other payables	10	4,631,848	6,548,463
Right of use liabilities		313,241	-
Total Financial Liabilities		4,945,089	6,548,463

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 raise 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 expose to price risk.

Primary responsibility for identification and control of financial risks rests with the Chief Financial Officer, 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.

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

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 Australia and New Zealand Banking Group Limited.

(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 6 months.

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

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**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment						
Trade and other payables	4,631,848	6,548,463	-	-	4,631,848	6,548,463
Rights of use liabilities	313,241	-			313,241	-
Total contractual outflows	4,945,089	6,548,463	-	-	4,945,089	6,548,463
Financial assets - cash flows realisable						
Trade and other receivables	500,985	404,150	-	-	500,985	404,150
Total anticipated inflows	500,985	404,150	-	-	500,985	404,150

The financial assets and liabilities noted above are interest free.

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

(C) MARKET RISK

i. 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.

ii. 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. The weighted average rate of interest earned by the Group on its cash assets during the year was 1.82% (2022: 0.02%). The table below summarises the sensitivity of the Group's cash assets to interest rate risk.

Financial Assets	**Effect of decrease or increase of interest rate on profit and equity**			
	-1%		**+1%**	
	Profit $	**Equity $**	**Profit $**	**Equity $**
30 June 2023				
Total increase/(decrease)	(276,948)	(276,948)	592,045	592,045
30 June 2022				
Total increase/(decrease)	(193,187)	(193,187)	193,187	197,187

NOTE 22: EVENTS AFTER THE END OF THE REPORTING PERIOD

The following events have occurred subsequent to the year ended 30 June 2023:

(i) A General Meeting of shareholders was held on 27 July 2023 to (a) ratify the placement of 269.6m shares at an issue price of $0.15 per share (raising $40.4m before costs) completed in June 2023; and (b) approve the issue of up 1.0m shares to directors (and/or their nominees) at an issue price of $0.15 per share. All resolutions put the meeting were carried following a poll;
(ii) Additional resource definition drilling results for NEB and BC were announced on 7 August 2023;
(iii) A Mineral Resource update was announced on 7 August 2023, increasing the overall Bankan Project Mineral Resource estimate to 5.38Moz (including 4.14Moz Indicated)[4] and
(iv) Encouraging results from the initial RC drilling program at Argo were announced on 29 August 2023.

There has not been any other matter or circumstance arising after the balance date that has 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.

[4] ASX announcement – Bankan Mineral Resource Increases to 5.38Moz (7 August 2023).

NOTE 23: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned[i]	
		2023	**2022**
Parent Entity:			
Predictive Discovery Limited	Australia	-	-
Subsidiaries of legal parent entity:			
Predictive Discovery Cote D'Ivoire Pty Ltd	Australia	100%	100%
Ivoirian Resources Pty Ltd	Australia	20%	100%
Gayeri Resources Pty Ltd	Australia	-	100%
Predictive Discovery Mali Resources Pty Ltd	Australia	-	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[ii]	Australia	-	100%
Tinkisso Pty Ltd	Australia	100%	100%
Manoko Resources Pty Ltd	Australia	100%	100%
Predictive Discovery SARL [ii]	Cote D'Ivoire	100%	100%
Ivoirian Resources SARL	Cote D'Ivoire	20%	100%
Predictive Discovery Niger SARL	Niger	-	100%
Gayeri Resources SARL	Burkina Faso	-	100%
Burkina Resources SARL[ii]	Burkina Faso	-	100%
Birrimian BV SARL[ii]	Burkina Faso	-	100%
Sebba Resources SARL[ii]	Burkina Faso	-	100%
Progress Minerals SARL[ii]	Burkina Faso	-	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[ii]	British Virgin Islands	-	100%
PMI Burkina Faso (BVI) Inc[ii]	British Virgin Islands	-	100%
BF Progress (BVI) Inc[ii]	British Virgin Islands	-	100%

(i) Percentage of voting power is in proportion to ownership

(ii) Disposed – Refer to note 3

NOTE 24: PARENT ENTITY DISCLOSURES

	2023 $	2022 $
Assets		
Current assets	44,351,625	41,151,709
Non-current assets	90,718,436	38,595,794
Total assets	135,070,061	79,747,503
Liabilities		
Current liabilities	(493,289)	(981,799)
Total liabilities	(493,289)	(981,799)
Equity		
Issued capital	175,912,717	114,396,488
Reserves	5,175,541	2,383,400
Prior year accumulated losses	(37,329,485)	(34,791,872)
Current year losses	(9,182,000)	(3,222,312)
Total equity	134,576,773	78,765,704

CONTINGENT LIABILITIES

Nil

CONTRACTUAL COMMITMENTS

The parent entity has commitments as at 30 June 2023 that are disclosed in Note 16.

RECOVERABILITY OF INTERCOMPANY LOAN

Within Non-current assets is a loan due from the 100% subsidiaries of $90,717,226 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Guinea.

NOTE 25: COMPANY DETAILS

The registered office of the company is:

Suite 8, 110 Hay Street,
SUBIACO WA 6000

The principal place of business of the company is:

Suite 8, 110 Hay Street,
SUBIACO WA 6000

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 20 to 50, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 June 2023 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.

Andrew Pardey

Managing Director
18 September 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PREDICTIVE DISCOVERY LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Predictive Discovery Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and 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.

In our opinion the accompanying financial report of Predictive Discovery Limited 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 2023 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the consolidated entity 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate audit opinion on these matters. For the matters below, our description of how our audit addressed these matters are provided in that context.

1. Valuation of capitalised exploration expenditure

Why significant

As at 30 June 2023 the carrying value of exploration and evaluation assets was $87,201,892 (2022: $37,376,965), as disclosed in Note 9. This represents 65.2% of total assets of the consolidated entity..

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1(j) with the nature of critical estimates and judgements relating to this balance outlined in Note 1(r). Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and

- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:

    - whether the particular areas of interest meet the recognition conditions for an asset; and

    - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:

    - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;

    - obtaining specific representations with the directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and

    - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes.

- considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;

- testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and

- reviewing the impairment calculations provided and related assumptions and disclosures in Notes 1(j), 1(r) and 9 for accuracy and completeness.

2. Share Based Payments

Why significant	How our audit addressed the key audit matter

For the year ended 30 June 2023, the value of share based payments issued totalled $3,880,848 as disclosed in Note 14. This has been recognised as a share-based payment expense of $3,880,848 in the Statement of Profit or Loss and Other Comprehensive Income.
 	
The consolidated entity's accounting judgement and estimates in respect of share-based payments is outlined in Note 1(q) and (r). Significant judgement is required in relation to:
 	
• The valuation method used in the model; and
• The assumptions and inputs used within the model.
	Our work included, but was not limited to, the following procedures:
	
	• Reviewed the company's valuations of the equity instruments issued, including:
	  o assessing the appropriateness of the valuation method used; and
	  o assessing the reasonableness of the assumptions and inputs used within the valuation model.
	
	• Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share-based payments had been recognised;
	
	• Assessed the allocation and recognition to ensure these are reasonable; and
	
	• Assessed the appropriateness of the related disclosures in Notes 1(q), 1(r) and 14.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 consolidated entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

  Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Predictive Discovery Limited for the year ended 30 June 2023 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

PKF PERTH

SHANE CROSS
AUDIT PARTNER

18 SEPTEMBER 2023
WEST PERTH
WESTERN AUSTRALIA

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF PREDICTIVE DISCOVERY LIMITED

In relation to our audit of the financial report of Predictive Discovery Limited for the year ended 30 June 2023, 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
AUDIT PARTNER

18 SEPTEMBER 2023
WEST PERTH
WESTERN AUSTRALIA

PREDICTIVE DISCOVERY LIMITED

ABN 11 127 871 877

Suite 8
110 Hay Street
WEST PERTH WA 6005

Telephone: +61 8 9216 1000

www.predictivediscovery.com.au