



ABN 11 127 171 877

ANNUAL FINANCIAL REPORT

30 JUNE 2020

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CORPORATE DIRECTORY

DIRECTORS

Mr Phillip Jackson Non-executive Chairman
Mr Paul Roberts Managing Director
Mr Steven Michael Non-executive Director

Company Secretary

Mr Ian Hobson

REGISTERED OFFICE

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AUDITOR

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PDI

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DIRECTORS' REPORT

Predictive Discovery Limited ("the Company" or "Predictive") 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 2020.

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

NAMES	POSITION	
Mr Phillip Jackson	Non-Executive Chairman	
Mr Paul Roberts	Managing Director	
Mr David Kelly	Non-Executive Director	Resigned 18 December 2019
Mr Steven Michael	Non-Executive Director	Appointed 18 December 2019

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

COMPANY SECRETARIES

Ian Hobson – (Appointed 04th June 2020)

Ian was appointed as Company Secretary on 4th June 2020. He is a Chartered Accountant and Chartered Secretary with 15 years of experience as Company Secretary of ASX listed companies. Ian is also Company Secretary of PainChek Ltd, Castle Minerals Ltd, Novatti Group Ltd, Dubber Corporation Ltd, Walkabout Resources.

Eric Moore – (Resigned 4 June 2020)

Eric (Ric) Moore was appointed as Company Secretary on 7 April 2015. He has held senior managerial positions in a number of resource companies during the past 20 years and was Company Secretary of a publicly listed company between 1996 and 2005. Ric is also Company Secretary of Aurora Minerals Limited and Peninsula Mines Limited.

Bruce Waddell - (Resigned 4 June 2020)

Bruce Waddell was appointed as additional Company Secretary on 21 August 2017. A member of CPA Australia, he has over 25 years accounting and administration experience in the resources industry. Bruce is also Company Secretary of Aurora Minerals Limited and Peninsula Mines Limited.

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS FOR THE PERIOD

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$2,352,700 (2019: \$1,459,332). This was largely from exploration costs, share of losses of associates and the costs of administering the Group to 30 June 2020.

REVIEW OF OPERATIONS

In Financial Year 2019-2020 Predictive made significant progress in realising value from its 100%-owned portfolio of projects located in Guinea. The Company made a number of significant discoveries at the Bankan project with 17,000m of auger drilling, 2,200 of air-core drilling, 5,500m of reverse circulation drilling and 3,700m of diamond drilling completed to date, delivering the Bankan and Bankan Creek discoveries and confirming a large gold mineralised system which remains open at depth and along strike.

Post reporting period, the exploration results have continued to impress with auger drilling increasing the Bankan footprint to 1.6km-long and the Company uncovering a range of new regional targets including Bankan Creek, SE Bankan and Bankan West.

Follow-up reverse circulation and diamond drilling has extended the mineralisation at depth and the Company has confirmed the presence of a large mineralised system across both adjacent Kaninko and Saman permits.

The impact of COVID-19 on Predictive's operations has been limited. The Company has continued operations throughout the pandemic with appropriate hygiene protocols in place both in Guinea and Australia. The closure of the Guinea border for some months prevented staff from coming to or going from Guinea, however samples (for analysis) and drilling supplies continued to flow across the border with Mali meaning that the Bankan drilling programs continued largely unaffected.

JOINT VENTURE AND INTERESTS

Resolute Joint Venture (ASX: RSG) - Cote D'Ivoire.

Equity: RSG 76.5% - PDI 23.5% (PDI contributing).

Land package encompassing 2,009 km².

Permits: Boundiali, Boundiali North, Ferkessedougou North, Kounahiri, Kokoumbo, Beriaboukro plus Odienne North and South permit applications.

Montage Joint Venture - Burkina Faso.

Equity: Montage Gold 51% - PDI 49%.

Land package encompassing 602 km².

Permits : Kalinga, Tantiabongou, Tambifwanou, Tamfoagou, Tambiri, Bira, Bongou, Basieri.

Glomin Joint-Venture - Cote D'Ivoire

Glomin Mining (recently acquired by Tanga Resources (ASX: TRL)) has the right to earn up to 80%, and PDI may convert to a 2% NSR after grant of a mining lease if PDI chooses not to contribute at 20% to mine developmental work.

Land package encompassing 1,135 km².

Permits: Tieningboue, Bocanda, Issia.

Bobosso Project - Cote D'Ivoire (PDI 0% but with rights to mine development payments).

Minimum payment of US\$2.15M to PDI on first mine development, US\$4.30/ore reserve Oz Au as defined in the Bankable Feasibility Study and due upon first production.

Permit: Wendene

FINANCIAL YEAR 2019-2020 EXPLORATION ACTIVITY

Project Highlights

Bankan Project (Kaninko and Saman Permits, Guinea) - Power Auger (Auger) and subsequent Air Core (AC) drilling on the NE Bankan and Bankan Creek prospects discovered significant gold mineralisation in both areas. The AC drill results demonstrated the presence of a broad zone of gold mineralisation at NE Bankan and included best intercepts of **46m at 6.6g/t gold** and **42m at 2.9g/t gold**, both of which ended in gold mineralisation. AC/Reverse Circulation (RC) drilling at Bankan Creek also intersected 42m at 2.1g/t gold, which also ended in gold mineralisation. Subsequent power auger drilling extended the length of the NE Bankan shallow plus-0.25g/t gold footprint from 500m long to 1.3km long. A major combined program of Auger, RC and Diamond Drilling (DD) was initiated during the June Quarter and continued on for most of the 2020-21 September Quarter.

Ferkessedougou North Project (Cote D'Ivoire) – Follow-up DD at the Ouarigue South prospect obtained additional excellent drill results and demonstrated that gold mineralisation extends to a depth of approximately 180m. The best new gold intercepts were **14.0m at 10.7g/t gold**, **51m at 1.3 g/t gold** and **40.4m at 1.9g/t gold**.

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 \$8,961,651 from 30 June 2019 to 30 June 2020. This net movement is largely due to the following factors:

- \$11.4m net capital raising;
- Expenditure on exploring and evaluating the assets in Burkina Faso and Cote D'Ivoire; and
- Administration expenses.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Group's state of affairs occurred during the financial year, with the exception of a capital raising net of \$11.4 million.

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The Company recognises the current global COVID-19 pandemic may impact on its operations. Specifically, Government restrictions may:

- (i) prevent Company staff or contractors from carrying out their exploration activities; or
- (ii) impede the supply of equipment or other exploration consumables required to do the exploration work.

The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID-19 on the Company's share price may also impede the ability to raise capital, or require the Company to issue capital at a discount, which may in turn cause dilution to shareholders.

On 6 August 2020, the Company signed an earn-in and Joint Venture (JV) agreement with Glomin Services Limited to explore the Company's Bocanda permit and Issia and Tieningboue applications, all located within Cote d'Ivoire. The Company will be free carried at 20% until a Mining Lease is granted, after which the Company will have the option to contribute to future expenses or dilute to a 2% Net Smelter Return (NSR) royalty on future gold production. Under the agreement, Glomin may, at any time, repurchase from the Company half of the royalty for a purchase price of US\$10,000,000 reducing the royalty to a 1% NSR. If Glomin elects to discontinue work on the three permits in the first four years of this agreement, the permit in question will be returned to Predictive at no cost. While Glomin is operating, it will be responsible for ensuring that the permits and applications are kept in good standing with the Cote d'Ivoire Mines Ministry.

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

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Mr Phillip Jackson

Qualification

Experience

Non-Executive Chairman

BJuris, LLB, MBA, FAICD

Phillip Jackson, the Chairman and a Director of the Company, is a barrister and solicitor with over 25 years legal and international corporate experience, especially in the areas of commercial and contract law, mining law and corporate structuring. He has worked extensively in the Middle East, Asia and the United States of America. In Australia, he was formerly a managing legal counsel for a major international mining company, and in private practice specialised in small to medium resource companies. Phillip was managing region legal counsel: Asia-Pacific for a leading oil services company for 13 years. He was General Counsel for a major international oil and gas company. Phillip has been Chairman of Predictive since December 2014. Phillip is also non-executive Chairman of Peninsula Mines Limited ("Peninsula"), and Aurora Minerals Limited and is a non-executive director of Scotgold Resources Limited.

Interest in Shares and Options
 (at the date of this report)

Shareholding: 533,324 Option holding: 275,000 (unlisted)

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

Aurora Minerals Limited
 Peninsula Mines Limited
 Scotgold Resources Limited

Mr Paul Roberts

Qualifications

Experience

Managing Director

BSc, MSc, FAIG, MGSA

Mr Roberts has a long and successful history in mineral exploration management and mine geology both in Australia and overseas. He was responsible for discovery of the Henty gold deposit and major extensions to the St Dizier tin deposit both in Tasmania, as well as resource evaluations of the Kuridala copper gold deposit in North Queensland, the Bongara zinc deposit in Peru and a number of gold deposits in the Cue and Meekatharra districts in Western Australia.

Interest in Shares and Options
 (at the date of this report)

Shareholding: 5,259,671 Option holding: 1,100,000 (unlisted)

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

None

Mr David Kelly

Qualifications

Experience

Non-Executive Director (resigned 18 December 2019)

B.Sc. (Hons.) - Major in Geology

Mr Kelly is a highly experienced executive and director with almost 30 year's involvement in the resources sector. Mr Kelly brings a wealth of experience to the Company in the areas of geology and also in the areas of strategic analysis, project evaluation and corporate advice.

Interest in Shares and Options
 (at resignation date)

Shareholding: 225,000 Option holding: 275,000 (unlisted)

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

Renaissance Minerals Limited
 Manas Resources Limited

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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 a Managing Director at FTI Consulting, an independent global business advisory firm. He has previously worked in the natural resources divisions of Macquarie Bank, Rothschild and Royal Bank of Canada. Mr Michael is also a Non-Executive Director of Tanga Resource Limited (ASX: TRL), and was previously Managing Director of ASX-listed Arrow Minerals Limited (ASX: AMD) which held several gold projects in Burkina Faso. 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: Nil Option holding: Nil

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

Arrow Minerals Limited
 Tanga Resources Limited

MEETINGS OF DIRECTORS

During the financial year, 12 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 Phillip Jackson	3	3	12	12
Mr Paul Roberts	3	3	12	12
Mr David Kelly	0	0	3	3
Steven Michael	3	3	9	9

INDEMNIFYING OFFICERS OR AUDITORS

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

OPTIONS

At the date of this report, the unissued ordinary shares of Predictive Discovery Limited under option, including those options issued during the year and since 30 June 2019 to the date of this report are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
29 November 2016	29 November 2020	\$0.3867	1,952,500
24 December 2019	24 December 2022	\$0.018	86,431,485
30 June 2020	30 June 2023	\$0.18	7,500,000
		TOTAL	95,883,985

During the year ended 30 June 2020 30,993,519 ordinary shares of Predictive Discovery Limited were issued on the exercise of options granted at \$0.018 per share.

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DIRECTORS' REPORT
PROCEEDINGS ON BEHALF OF THE COMPANY



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

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

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services the by the auditor during the year by the auditor 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 16.

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2020 has been received and can be found on page 52 of the financial report.

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REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

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

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

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

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

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

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

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

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

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

PERFORMANCE-BASED REMUNERATION

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

RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

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

PERFORMANCE CONDITIONS LINKED TO REMUNERATION

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

EMPLOYMENT DETAILS OF MEMBERS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES

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

Key Management Personnel	Position held during the year ended 30 June 2020	Non-salary cash-based incentives	Options/Rights	Fixed Salary/Fees	Total
		%	%	%	%
Mr Phillip Jackson	Non-Executive Chairman	-	-	100	100
Mr Paul Roberts	Managing Director	-	-	100	100
Mr David Kelly ⁽⁴⁾	Non-Executive Director	-	-	100	100
Mr Steven Michael ⁽³⁾	Non-Executive Director	-	-	100	100
Mr Ian Hobson ⁽¹⁾	Company Secretary	-	-	100	100
Mr Eric Moore ⁽²⁾	Company Secretary	-	-	100	100
Mr Bruce Waddell ⁽²⁾	Company Secretary	-	-	100	100

⁽¹⁾ Ian Hobson was appointed company secretary on 4 June 2020.

⁽²⁾ Eric Moore and Bruce Waddell resigned as joint company secretaries on 4 June 2020.

⁽³⁾ Mr Steven Michael was appointed on 18 December 2019.

⁽⁴⁾ Mr David Kelly resigned on 18 December 2019.

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

Paul Roberts, Managing Director, was engaged pursuant to a consulting agreement that requires 6 months' notice of voluntary termination of employment that entitles Mr Roberts to \$102,500 as a termination benefit. The agreement was terminated by mutual agreement on 1 July 2020 and replaced with an employment agreement directly with Mr Roberts with an annual salary of \$275,000 plus superannuation and termination by either party without cause on 6 months' notice or payment of 6 months' total remuneration.

Ian Hobson, who was appointed company secretary on 4 June 2020, was engaged pursuant to a consultancy agreement at \$200/hr with no notice period.

Mr Waddell, who resigned as joint company secretary on 4 June 2020, was engaged pursuant to a consulting agreement that at a rate of \$90,000 per annum which required 2 months' notice of voluntary termination of employment that entitles Mr Waddell to \$15,000 as a termination benefit. Mr Moore, who resigned as joint company secretary on 4 June 2020, was charged to the Company at a rate of \$100 per hour for any services rendered under an Administration Services Agreement with Aurora, with those charges amounting to \$12,948 for the period.

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REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2020

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 2020

Key Management Personnel		Salary, fees and leave	Other	Pension and super-annuation	Shares/Units	Options/Rights	Total
		\$	\$	\$	\$	\$	\$
Mr Philip Jackson	2020	50,000	-	-	-	-	50,000
	2019	50,000	-	-	-	-	50,000
Mr Paul Roberts	2020	205,000	-	-	-	-	205,000
	2019	205,000	-	-	-	-	205,000
Mr David Kelly ⁽¹⁾	2020	14,865	-	1,412	-	-	16,277
	2019	31,963	-	3,037	-	-	35,000
Mr Steven Michael ⁽²⁾	2020	22,955	-	-	-	-	22,955
	2019	-	-	-	-	-	-
Mr Bruce Waddell ⁽²⁾	2020	117,190	-	-	-	-	117,190
	2019	52,500	-	-	-	-	52,500
Mr Ian Hobson ⁽³⁾	2020	12,600	-	-	-	-	12,600
	2019	-	-	-	-	-	-
Total Key Management Personnel	2020	422,610	-	1,412	-	-	424,022
	2019	339,463	-	3,037	-	-	342,500

(1) Resigned 18 December 2019, (2) Appointed 18 December 2019, (3) Resigned 4 June 2020, (4) Appointed 4 June 2020

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS

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

	Balance at beginning of period	Granted as remuneration during the period	Expired during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercisable
30 June 2020								
Mr Philip Jackson	550,000	-	(275,000)	-	275,000	-	275,000	-
Mr Paul Roberts	3,415,021	-	(2,315,021)	-	1,100,000	-	1,100,000	-
Mr David Kelly ⁽¹⁾	550,000	-	(275,000)	(275,000)	-	-	-	-
Mr Steven Michael ⁽²⁾	-	-	-	-	-	-	-	-
Mr Ian Hobson ⁽³⁾	-	-	-	-	-	-	-	-
Mr Eric Moore ⁽⁴⁾	220,000	-	-	(220,000)	-	-	-	-
Mr Bruce Waddell ⁽⁴⁾	165,500	-	-	(165,500)	-	-	-	-
	4,900,021	-	(2,865,021)	(660,500)	1,375,000	-	1,375,000	-

(1) Resigned 18 December 2019, (2) Appointed 18 December 2019, (3) Appointed 4 June 2020, (4) Resigned 4 June 2020

REMUNERATION REPORT (AUDITED) (continued)

	Balance at beginning of period	Granted as remuneration 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 unexercisable
30 June 2019								
Mr Philip Jackson	825,000	-	(275,000)	-	550,000	-	550,000	-
Mr Paul Roberts	4,515,021	-	(1,100,000)	-	3,415,021	-	3,415,021	-
Mr David Kelly	825,000	-	(275,000)	-	550,000	-	550,000	-
Mr Eric Moore	330,000	-	(110,000)	-	220,000	-	220,000	-
Mr Bruce Waddell	247,500	-	(82,500)	-	165,000	-	165,500	-
	6,742,521	-	(1,842,500)	-	4,900,021	-	4,900,021	-

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

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

	Balance at beginning of period	Granted as remuneration during the period	Issued on exercise of options during the period	Purchased during the period	Other changes during the period	Balance at end of period
30 June 2020						
Mr Phillip Jackson	500,000	-	-	33,324	-	533,324
Mr Paul Roberts	3,430,941	-	500,000	1,328,730	-	5,259,671
Mr David Kelly (1)	225,000	-	-	-	(225,000)	-
Steven Michael (2)	-	-	-	-	-	-
Ian Hobson (3)	-	-	-	41,280	9,600	50,880
Mr Eric Moore (4)	-	-	-	-	-	-
Mr Bruce Waddell (4)	350,000	-	-	-	(350,000)	-
	4,505,941	-	500,000	1,403,334	(565,400)	5,843,875

(1) Resigned 18 December 2019, (2) Appointed 18 December 2019, (3) Appointed 4 June 2020, (4) Resigned 4 June 2020

	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 ⁽¹⁾	Balance at end of period
30 June 2019						
Mr Phillip Jackson	-	-	-	500,000	-	500,000
Mr Paul Roberts	2,708,260	-	-	722,681	-	3,430,941
Mr David Kelly	-	-	-	225,000	-	225,000
Mr Eric Moore	-	-	-	-	-	-
Mr Bruce Waddell	-	-	-	350,000	-	350,000
	2,708,260	-	-	1,797,681	-	4,505,941

SECURITIES RECEIVED THAT ARE NOT PERFORMANCE-BASED

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

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

Options were granted as remuneration during the year to key management personnel and other executives as set out in notes 15 and 21.

END OF THE REMUNERATION REPORT

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



Paul Roberts
Managing Director
25 September 2020

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**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Finance income		7,019	18,284
Other income		-	37,470
Gain on Sale of JV Interest		-	223,139
Administrative payments		(903,015)	(712,765)
Foreign exchange gain/(expenses)		(78,381)	(14,671)
Gain on deconsolidation of subsidiary	24	10,506	-
Share of loss in Associates	7	(704,942)	(129,435)
Impairment of exploration expenditure	6	-	(474,091)
Exploration expenditure pre-right to tenure		(683,887)	(407,263)
Loss before income tax		(2,352,700)	(1,459,332)
Income tax expense	2	-	-
Loss from continuing operations		(2,352,700)	(1,459,332)
Other comprehensive income			
<i>Items that may be not reclassified subsequently to operating result</i>			
Exchange difference on translation of foreign operations	10	461	45,395
Total comprehensive loss for the year		(2,352,239)	(1,413,937)
Profit attributable to:			
Members of the parent entity		(2,352,239)	(1,413,937)
		(2,352,239)	(1,413,937)
Basic loss per share (cents per share)	11	(0.005)	(0.592)
Diluted loss per share (cents per share)	11	(0.005)	(0.592)

The accompanying notes form part of these financial statements

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	3	8,639,015	1,173,049
Trade and other receivables	4	125,538	104,690
Total current assets		8,764,553	1,277,739
Non-Current Assets			
Property, plant and equipment	5	34,524	21,500
Exploration expenditure	6	5,048,178	1,923,318
Investments in associates	7	-	747,568
Total non-current assets		5,082,702	2,692,386
Total assets		13,847,255	3,970,125
Current Liabilities			
Trade and other payables	8	992,721	88,829
Provisions		-	-
Total current liabilities		992,721	88,829
Total liabilities		992,721	88,829
Net Assets		12,854,534	3,881,296
Equity			
Issued capital	9	42,859,342	31,491,240
Reserves		131,465	298,632
Accumulated losses		(30,136,273)	(27,908,576)
Total Equity		12,854,534	3,881,296

The accompanying notes form part of these financial statements

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2018	30,973,763	(27,073,416)	(2,096)	879,505	4,777,756
Loss for the year	-	(1,459,332)	-	-	(1,459,332)
Other comprehensive income	-	-	45,395	-	45,395
Total comprehensive loss for the year	-	(1,459,332)	45,395	-	(1,413,937)
Transactions with owners in their capacity as owners:					
Transfer of expired options	-	624,172	-	(624,172)	-
Issue of share capital	531,000	-	-	-	531,000
Transaction costs	(13,523)	-	-	-	(13,523)
At 30 June 2019	31,491,240	(27,908,576)	43,299	255,333	3,881,296
At 1 July 2019	31,491,240	(27,908,576)	43,299	255,333	3,881,296
Loss for the year	-	(2,352,700)	-	-	(2,352,700)
Other comprehensive income	-	-	461	-	461
Total comprehensive loss for the year	-	(2,352,700)	461	-	(2,352,239)
Transactions with owners in their capacity as owners:					
Transfer of expired options	-	125,003	-	(125,003)	-
Issue of share capital	12,138,970	-	-	-	12,138,970
Elimination of share in associate	-	-	(42,625)	-	(42,625)
Transaction costs	(770,868)	-	-	-	(770,868)
At 30 June 2020	42,859,342	(30,136,273)	1,135	130,330	12,854,534

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Cash flows from operating activities			
Interest received		5,786	17,262
Payments to suppliers and employees		(866,843)	(653,443)
Payments for exploration expenditure		(3,095,568)	(890,267)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	20	(3,956,625)	(636,181)
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,534)	(18,208)
Cash movement on deconsolidation of subsidiary		(603)	-
Proceeds from conversion of remaining JV interest		-	514,925
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(16,137)	(393,550)
Cash flows from financing activities			
Proceeds from issue of shares		11,581,124	531,000
Proceeds on exercise of options		557,846	-
Payment for share issue costs		(700,704)	(13,523)
		<hr/>	<hr/>
Net cash inflow from financing activities		11,438,266	517,477
		<hr/>	<hr/>
Net increase (decrease) in cash held		7,465,504	(512,254)
Foreign exchange differences		462	1,250
Cash and cash equivalents at beginning of financial period		<hr/>	<hr/>
		1,173,049	1,684,053
		<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	3	<hr/>	<hr/>
		8,639,015	1,173,049

The accompanying notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Predictive 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 25 September 2020. 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 Predictive Discovery Limited at the end of the reporting period. A controlled entity is any entity over which Predictive Discovery Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 17 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:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Principles of consolidation (continued)

- 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

(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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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).

(c) Income Tax

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

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income Tax (continued)

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.

(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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Foreign Currency Transactions and Balances (continued)

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

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

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

(h) Cash and Cash Equivalents

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

(i) 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Investments and other financial assets (continued)

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.

(j) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis.

Depreciation

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

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

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

Class of Fixed Asset	Useful Life
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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, Plant and Equipment (continued)

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

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

(k) Exploration and Development Expenditure

Costs Carried Forward

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

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

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

(l) Impairment of Assets

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of Assets (continued)

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.

(m) 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.

(n) 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.

(o) Goods and Services Tax (GST)

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

(p) Earnings Per Share

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Contributed Equity

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

(r) Share-based Payment Transactions

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

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

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

(s) Critical Accounting Estimates and Judgements

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

Key estimates – Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell.

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. \$5,048,178 has been capitalised as at 30 June 2020 (see note 6). While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded and there are no facts 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 21. 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)

(t) Critical Accounting Estimates and Judgements (continued)

Key Judgements - Recoverability of Intercompany Loan

Within non-current assets of the parent entity (see note 23) there is a loan due from the 100% subsidiaries of \$340,363 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Burkina Faso and Cote D'Ivoire.

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.

Key judgements - Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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.

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

There was no impact on recognition in the statement of financial position as a result of the adoptions.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

NOTE 2: INCOME TAX

(a) Income tax expense/benefit

The components of income tax expense/benefit comprise:

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss)

Operating (loss) before income tax	(2,352,700)	(1,459,332)
Prima facie tax payable at Australian rate of 30% (2019: 27.5%)	705,810	401,316
Adjusted for tax effect of the following amounts:		
Taxable/non-deductible items	(464,778)	(298,690)
Non-taxable/deductible items	90,702	121,445
Deferred tax expense relating to change in tax rate	-	-
Deferred tax benefit relating to over-provision in prior year	(27,646)	150,409
Income tax expense/(benefit) not brought to account	<u>(304,089)</u>	<u>(374,480)</u>
Income tax expense	<u>-</u>	<u>-</u>

(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 27.5% (2019: 27.5%) are made up as follows:

On income tax account		
Carry forward tax losses	7,539,708	7,238,683
Deductible temporary differences	7,263	4,538
Taxable temporary differences	-	(339)
	<u>7,546,971</u>	<u>7,242,882</u>

These benefits will only be obtained if:

- 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,
- the group continues to comply with the conditions for deductibility imposed by tax legislation, and
- no changes in tax legislation adversely affect the group in realising the benefit from the deduction for the losses.

Consolidated

2020	2019
\$	\$

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank	<u>8,639,015</u>	<u>1,173,049</u>
	<u>8,639,015</u>	<u>1,173,049</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

Other receivables	<u>125,538</u>	<u>104,690</u>
	<u>125,538</u>	<u>104,690</u>

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	Note	Consolidated	
		2020 \$	2019 \$
NOTE 5: PLANT AND EQUIPMENT			
Plant and Equipment		52,215	36,681
Accumulated depreciation		(17,691)	(15,181)
		<u>34,524</u>	<u>21,500</u>

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 \$
Balance at 30 June 2020		
Balance at the beginning of year	21,500	21,500
Additions	15,534	15,534
Depreciation expense	(2,510)	(2,510)
Balance at 30 June 2020	<u>34,524</u>	<u>34,524</u>
Balance at 30 June 2019		
Balance at the beginning of year	5,696	5,696
Additions	18,209	18,209
Depreciation expense	(2,405)	(2,405)
Balance at 30 June 2019	<u>21,500</u>	<u>21,500</u>

	2020 \$	2019 \$
NOTE 6: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS		
Exploration and evaluation expenditure	<u>5,048,178</u>	<u>1,923,318</u>
	<u>5,048,178</u>	<u>1,923,318</u>

	Exploration and Evaluation \$
2020	
Balance at beginning of the year	1,923,318
Expenditure incurred	3,124,860
Capitalised exploration written off against sale of joint venture	-
Impairment of capitalised exploration	-
Balance at the end of the year	<u>5,048,178</u>

	\$
2019	
Balance at beginning of the year	2,189,364
Expenditure incurred	499,832
Capitalised exploration written off against sale of joint venture	(291,787)
Impairment of capitalised exploration	(474,091)
Balance at the end of the year	<u>1,923,318</u>

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NOTE 6: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS (continued)

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The board has assessed the exploration and evaluation assets for impairment, using AASB 6 paragraph 20 as a guide. As a result of this process no tenements were impaired during the period.

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

In assessing the recoverability of the carrying amounts, reference is made to Note 1 (t) - Key Judgements - Exploration and Evaluation Expenditure. 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.

NOTE 7: INVESTMENTS IN ASSOCIATES

Information relating to interest in associates that are material to the Group are set out below:

Name	Country of Incorporation	Ownership Interest	
		2020	2019
Predictive Discovery SARL	Burkina Faso	49%	49%

Summarised Financial Information – Predictive Discovery SARL

	Note	Consolidated	
		2020 \$	2019 \$
<i>Summarised statement of financial position</i>			
Current assets		1,567,165	2,188,796
Non-current assets		-	3,230,404
Total assets		1,567,165	5,419,200
Current liabilities		(613,255)	(3,893,554)
Non-current liabilities		(3,508,577)	-
Total liabilities		(4,121,832)	(3,893,554)
Net (Liabilities)/Assets		(2,554,641)	1,525,647
PDI Share of Net (Liabilities)/Assets		(1,251,774)	747,567

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NOTE 7: INVESTMENTS IN ASSOCIATES (Continued)

	Note	Consolidated	
		2020 \$	2019 \$
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue		-	-
Expenses		(4,080,288)	(228,025)
Loss before income tax		(4,080,288)	(228,025)
Income tax expense		-	-
Loss after income tax		(4,080,288)	(228,025)
Other comprehensive income		-	-
Total comprehensive loss		(4,080,288)	(228,025)
<i>Reconciliation of the Group's carrying amount</i>			
Opening carrying amount		747,567	824,985
Share of loss after income tax		(704,942)	(113,776)
Share of movement in foreign exchange translation reserve		(42,625)	36,358
Closing carrying amount		-	747,567

The Group maintained its interest in Burkina Resources Pty Ltd, Burkina Resources SARL and Progress Minerals SARL for the financial year ended 30 June 2020. With the Group having significant influence over this associate the Group's portion of the investment is equity accounted for the purposes of the consolidated financial statements, although was written down to a value of \$nil in the period ended 30 June 2019. The balance remains \$nil at 30 June 2020.

The Group maintains its 49% interest in Predictive Discovery SARL. With the Group having significant influence over this associate the Group's portion of the investment is equity accounted for the purposes of the consolidated financial statements of which it recognised only a portion of its share of losses for the year in Predictive Discovery SARL of \$704,942. As the investment balance was \$nil, the remaining portion of its share of losses of \$1,294,399 have not been recognised.

Immaterial Associates

Information relating to interest in associates that are immaterial to the Group are set out below:

Name	Country of Incorporation	Ownership Interest	
		2020	2019
Burkina Resources Pty Ltd	Australia	49%	49%
Burkina Resources SARL	Burkina Faso	49%	49%
Predictive Discovery Cote D'Ivoire SARL	Cote D'Ivoire	30%	30%
Birrimian Pty Ltd	British Virgin Islands	49%	49%
Birrimian BV SARL	Burkina Faso	49%	49%
Sebba Resources SARL	Burkina Faso	49%	49%
Progress Minerals SARL	Burkina Faso	49%	49%

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NOTE 7: INVESTMENTS IN ASSOCIATES (Continued)

The following is summarised financial information for the Group's interest in immaterial associates

	Consolidated	
	2020	2019
	\$	\$
Carrying amount of interests in immaterial associates	-	15,659
Group's share of loss after income tax	(1,318,435)	(252,852)
Group's share of loss not booked	1,318,435	237,193
Closing carrying amount	-	-

NOTE 8: CURRENT TRADE AND OTHER PAYABLES

Accruals and other creditors	992,721	88,829
	<u>992,721</u>	<u>88,829</u>

NOTE 9: ISSUED CAPITAL

823,886,255 (30 June 2019: 295,142,065) Ordinary Shares	46,002,695	33,863,725
Share issue costs written off against issued capital	(3,143,353)	(2,372,485)
	<u>42,859,342</u>	<u>31,491,240</u>

	Shares	Issue Price	Listed Options	Unlisted Options
	No.	\$	No.	No.
At 1 July 2019	295,142,065		73,030,518	3,905,000
Issue of Options – Free attaching	-		117,425,004	-
Issue of shares in placement/rights issue	497,750,671	\$0.01	-	-
Exercise of options to shares	30,993,519	\$0.01	(30,993,519)	
Options cancelled/expired	-		(73,030,518)	(1,952,500)
At 30 June 2020	<u>823,886,255</u>		<u>86,431,485</u>	<u>1,952,500</u>

	Shares	Issue Price	Listed Options	Unlisted Options
	No.	\$	No.	No.
At 1 July 2018	236,142,065		73,030,518	5,875,500
Issue of shares in placement	59,000,000	\$0.009	-	-
Options cancelled/expired	-		-	(1,952,500)
At 30 June 2019	<u>295,142,065</u>		<u>73,030,518</u>	<u>3,905,000</u>

OPTIONS

For information relating to the Predictive Discovery Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 21.

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NOTE 10: 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 21.

	Consolidated	
	2020	2019
	\$	\$
NOTE 11: EARNINGS PER SHARE		
Reconciliation of loss		
Loss used in calculating earnings per share – basic and diluted	(2,352,700)	(1,459,332)
Net loss for the reporting period	(2,352,700)	(1,459,332)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	453,203,432	246,677,779

NOTE 12: CAPITAL AND LEASING COMMITMENTS

(A) OPTIONS FEE COMMITMENTS

Payable – minimum lease payments:

	Consolidated	
	2020	2019
	\$	\$
-not later than 12 months	-	-
-between 12 months and 5 years	127,001	126,812
-more than 5 years	-	-
	127,001	126,812

(B) CAPITAL EXPENDITURE COMMITMENTS⁽ⁱ⁾

Payable:

-not later than 12 months	3,339,445	2,903,146
-not later than 12 months and 5 years	10,152,000	7,558,693
-more than 5 years	-	-
	13,484,178	10,461,849

- (i) Capital expenditure commitments are Predictive Discovery Limited's share of expenditure commitment on exploration permits in Burkina Faso, Cote D'Ivoire and Guinea. Some permits are the subject of Joint Ventures in which Predictive recognises its investment as Investments in Associates (refer Note 7). Predictive can choose to dilute its interest in these Joint Ventures by not contributing to expenditure.

NOTE 13: 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:

	Note	Consolidated	
		2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	3	8,639,015	1,173,049
Trade and other receivables	4	125,538	104,690
Total Financial Assets		<u>8,764,553</u>	<u>1,277,739</u>
Financial Liabilities			
Trade and other payables	8	992,721	88,829
Total Financial Liabilities		<u>992,721</u>	<u>88,829</u>

FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

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

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

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

(A) CREDIT RISK

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

The Group trades only with recognised, creditworthy third parties.

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

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NOTE 13: FINANCIAL RISK MANAGEMENT (continued)

(A) CREDIT RISK (Continued)

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	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Financial liabilities due for payment						
Trade and other payables	992,721	88,829	-	-	992,721	88,829
Total contractual outflows	992,721	88,829	-	-	992,721	88,829
Financial assets - cash flows realisable						
Trade and other receivables	125,538	104,690	-	-	125,538	104,690
Total anticipated inflows	125,538	104,690	-	-	125,538	104,690

The financial assets and liabilities noted above are interest free.

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NOTE 13: 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 0.42% (2019: 1.23%). 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 2020				
Total increase/(decrease)	<u>(16,654)</u>	<u>(16,654)</u>	<u>16,654</u>	<u>16,654</u>
30 June 2019				
Total increase/(decrease)	<u>(14,853)</u>	<u>(14,853)</u>	<u>14,853</u>	<u>14,853</u>

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NOTE 14: 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.

	Corporate	Gold Aust	Gold Burk. Faso	Gold Cote D'Ivoire	Gold Mali	Gold Guinea	Total
	\$	\$	\$	\$	\$	\$	\$
2020							
Revenue							
Interest income	7,019	-	-	-	-	-	7,019
Gain on subsidiary deregistration	-	-	10,506	-	-	-	10,506
Other income	-	-	-	-	-	-	-
Expenses							
Administration expenses	(838,831)	-	(38,950)	(25,234)	-	-	(903,015)
Share based expense	-	-	-	-	-	-	-
FX Expense	(78,381)	-	-	-	-	-	(78,381)
Exploration expenditure expensed	-	-	(19,564)	-	(3,063)	(661,260)	(683,887)
Share of loss in associates	(704,942)	-	-	-	-	-	(704,942)
Loss before tax	(1,615,135)	-	(48,008)	(25,234)	(3,063)	(661,260)	(2,352,700)
Current assets	8,515,327	-	10,872	27,560	6,286	204,508	8,764,553
Exploration expenditure	-	-	-	2,541,607	-	2,506,571	5,048,178
Plant and Equipment	3,746	-	-	-	-	30,778	34,524
Investments in Associates	-	-	-	-	-	-	-
Current liabilities	(573,849)	-	(4,054)	(301,495)	-	(113,327)	(992,724)
Net assets	7,945,225	-	6,818	2,267,673	6,286	2,628,530	12,854,532
2019							
Revenue							
Interest income	18,284	-	-	-	-	-	18,284
Gain on sale of joint venture	223,139	-	-	-	-	-	223,139
Other income	37,470	-	-	-	-	-	37,470
Expenses							
Administration expenses	(615,446)	-	(19,021)	(5,710)	(41,348)	(31,240)	(712,765)
Share based expense	-	-	-	-	-	-	-
FX Expense	(14,671)	-	-	-	-	-	(14,671)
Exploration expenditure expensed	(36,631)	-	(45,011)	(19,128)	(209,520)	(96,973)	(407,263)
Impairment of Exploration	-	(14,051)	(108,867)	(141,096)	(59,497)	(150,580)	(474,091)
Share of loss in associates	(129,435)	-	-	-	-	-	(129,435)
Loss before tax	(517,290)	(14,051)	(172,899)	(165,934)	(310,365)	(278,793)	(1,459,332)
Current assets	1,139,727	-	23,776	52,118	19,462	42,656	1,277,739
Exploration expenditure	-	-	-	1,737,897	-	185,421	1,923,318
Plant and Equipment	3,292	-	-	-	-	18,208	21,500
Investments in Associates	747,568	-	-	-	-	-	747,568
Current liabilities	(69,196)	-	(13,455)	(6,178)	-	-	(88,829)
Net assets	1,821,391	-	10,321	1,783,837	19,462	246,285	3,881,296

NOTE 15: 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 2020.

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

	Consolidated	
	2020 \$	2019 \$
Short-term benefits	422,610	339,463
Post-employments benefits	1,412	3,037
	424,022	342,500

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 19: Related Party Transactions.

NOTE 16: REMUNERATION OF AUDITORS

	Consolidated	
	2020 \$	2019 \$
Remuneration of the auditor of the parent entity for:		
Moore Stephens Victoria -Audit services ^(a)	-	21,070
Moore Stephens Victoria -Other services	8,000	13,950
PKF Perth -Audit services ^(b)	62,505	49,905
PKF Perth -Other services	-	-
	70,505	84,925

(a) Additional costs relating to audit of year ending 30 June 2018.

(b) Additional costs due to audit of foreign Associates being conducted in Australia rather than in-country and costs incurred in changing auditors.

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NOTE 17: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned ⁽ⁱ⁾	
		2020	2019
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	100%	100%
Gayeri Resources Pty Ltd	Australia	100%	100%
Predictive Discovery Mali Resources Pty Ltd	Australia	100%	100%
Bougouni Resources Pty Ltd	Australia	100%	100%
Kenieba Resources Pty Ltd	Australia	100%	100%
Kita Resources Pty Ltd	Australia	100%	100%
Ivoirian Resources SARL	Cote D'Ivoire	100%	100%
Predictive Discovery Niger SARL	Niger	100%	100%
Gayeri Resources SARL	Burkina Faso	100%	100%
Solna Resources SARL ⁽ⁱⁱ⁾	Burkina Faso	-	100%
Predictive Discovery Mali SARL	Mali	100%	100%
Kindia Resources SARLU	Guinea	100%	100%
Mamou Resources SARLU	Guinea	100%	100%

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

(ii) Solna was deregistered on the 5th May 2020

NOTE 18: CONTINGENT LIABILITIES / ASSETS

There are no contingent assets and liabilities at reporting date (2019: Nil).

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:

Intercompany Loans

Predictive Discovery Limited has made loans to its subsidiaries in the amount of \$340,363 (2019: \$300,415). The loan is interest free and payable on demand.

Directors' Remuneration

For information relating to related party transactions with key management personnel during the financial year, refer to Note 15.

Other Related Party Transactions

Aurora Minerals Limited, an entity of which Mr Phillip Jackson is a director, was paid \$31,615 (2019: \$45,075) for administration services, including company secretarial and accounting services.

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NOTE 20: STATEMENT OF CASH FLOWS

	Consolidated	
	2020	2019
	\$	\$
Reconciliation of loss after income tax to net cash flow from operating activities		
Operating loss after income tax	(2,352,700)	(1,459,332)
Non-operating items in loss:		
Exploration expenditure	683,887	407,263
Non-cash flows in loss:		
Gain on deregistered entity	(10,506)	-
Gain on sale joint venture	-	(223,139)
Depreciation	2,510	2,405
Foreign exchange (gains)/losses	78,381	(9,038)
Share of loss in associates	704,942	129,435
Write off of exploration expenditure	-	474,091
Capitalised exploration expenditure	(3,887,128)	(890,267)
Movement in assets and liabilities:		
(Increase)/decrease in receivables	(16,306)	194
Increase/(decrease) in payables	840,295	41,940
Net cash outflow from operating activities	<u>(3,956,625)</u>	<u>(1,526,448)</u>

NOTE 21: SHARE BASED PAYMENTS

During the period ended 30 June 2020, the Group granted 7,500,000 unlisted options exercisable at \$0.18 expiring in 3 years in lieu of corporate advisory services.

During the period ended 30 June 2019, the Group did not enter into any share-based payments.

At 30 June 2020, 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
29 Nov 2016	29 Nov 2019	\$0.2578	1,952,500	-	-	(1,952,500)	-	-
29 Nov 2016	29 Nov 2020	\$0.3867	1,952,500	-	-	-	1,952,500	1,952,500
24 Dec 2019	24 Dec 2022	\$0.1800	-	117,425,004	(30,993,519)	-	86,431,485	86,431,485
			<u>3,905,000</u>	<u>117,425,004</u>	<u>(30,993,519)</u>	<u>(1,952,500)</u>	<u>88,383,985</u>	<u>88,383,985</u>

At 30 June 2019 the Group has the following share-based payment options on issue to employees:

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
29 Nov 2016	29 Nov 2019	\$0.2578	1,952,500	-	-	-	1,952,500	1,952,500
29 Nov 2016	29 Nov 2020	\$0.3867	1,952,500	-	-	-	1,952,500	1,952,500
			<u>3,905,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,905,000</u>	<u>3,905,000</u>

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NOTE 21: SHARE BASED PAYMENTS (Continued)

The three tranches of options granted on 29 November 2016 were originally issued with exercise prices of \$0.01805, \$0.02578 and \$0.03867 respectively and in quantities of 19,525,000 options in each tranche. A 1 for 10 capital consolidation effective 19 May 2017 resulted in the quantities and conditions shown in the above table.

The weighted average exercise price of options as at 30 June 2020 was \$0.1842 (30 June 2019: \$0.3225). The weighted average remaining contractual life of options outstanding at year end was 2.48 years (30 June 2019: 0.92 years).

For the options granted during the 2020 financial year, the valuation model inputs used in the Black-Scholes Model were as follows:

2020:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate
30 June 2020	30 June 2023	\$0.088	\$0.18	83.14%	-	0.25%

The options granted during the 2020 financial year were not exercisable at reporting date, as these vest at the earlier of the following:

- 31 December 2020 and;
- Announcement of a proposed change of control transaction

As there was no announcement of a proposed change of control up to the signature date of the annual report, the fair value of the options granted during the year was \$nil (2019: nil).

NOTE 22: EVENTS AFTER THE END OF THE REPORTING PERIOD

The Company recognises the current global COVID-19 pandemic may impact on its operations. Specifically, Government restrictions may:

- prevent Company staff or contractors from carrying out their exploration activities; or
- impede the supply of equipment or other exploration consumables required to do the exploration work.

The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID-19 on the Company's Share price may also impede the Company's ability to raise capital or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

On 6 August 2020, the Company signed an earn-in and Joint Venture (JV) agreement with Glomin Services Limited to explore the Company's Bocanda permit and Issia and Tieningboue applications, all located within Cote d'Ivoire. The Company will be free carried at 20% until a Mining Lease is granted, after which the Company will have the option to contribute to future expenses or dilute to a 2% Net Smelter Return (NSR) royalty on future gold production. Under the agreement, Glomin may, at any time, repurchase from the Company half of the royalty for a purchase price of US\$10,000,000 reducing the royalty to a 1% NSR. If Glomin elects to discontinue work on the three permits in the first four years of this agreement, the permit in question will be returned to Predictive at no cost. While Glomin is operating, it will be responsible for ensuring that the permits and applications are kept in good standing with the Cote d'Ivoire Mines Ministry.

There are no other matters or circumstances arising for the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 23: PARENT ENTITY DISCLOSURES

	2020 \$	2019 \$
Assets		
Current assets	8,726,122	1,201,849
Non-current assets	5,406,049	3,118,730
Total assets	<u>14,132,171</u>	<u>4,320,579</u>
Liabilities		
Current liabilities	(983,426)	69,196
Total liabilities	<u>(983,426)</u>	<u>69,196</u>
Equity		
Issued capital	42,859,342	31,491,240
Reserves	130,330	922,132
Accumulated losses	(29,840,925)	(28,161,989)
Total equity	<u>13,148,747</u>	<u>4,257,383</u>

CONTINGENT LIABILITIES

Nil

CONTRACTUAL COMMITMENTS

The parent entity has commitments as at 30 June 2020 that are disclosed in Note 12.

RECOVERABILITY OF INTERCOMPANY LOAN

Within Non-current assets is a loan due from the 100% subsidiaries of \$340,363 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Burkina Faso and Cote D'Ivoire.

NOTE 24: COMPANY DETAILS

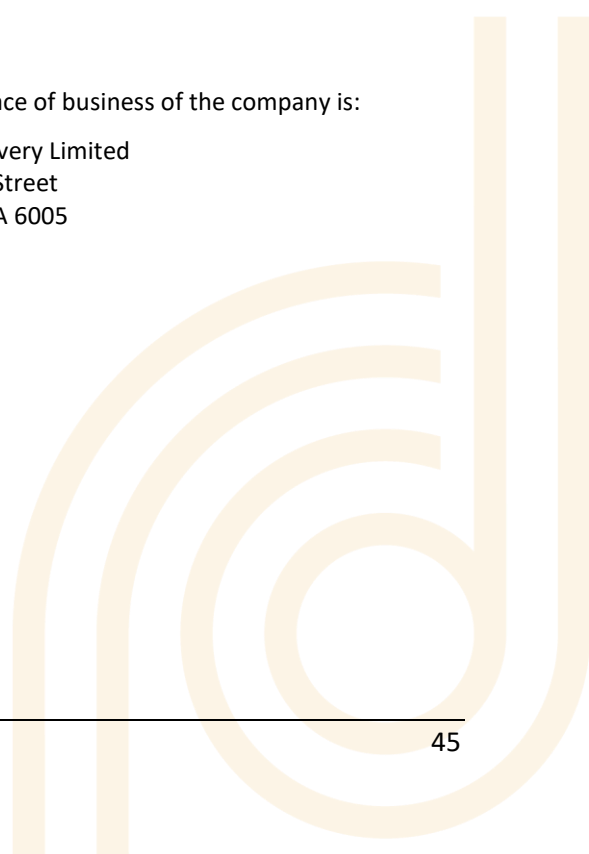
The registered office of the company is:

Predictive Discovery Limited
 Suite 8
 110 Hay Street
 SUBIACO WA 6008

The principal place of business of the company is:

Predictive Discovery Limited
 Level 2, 33 Ord Street
 WEST PERTH WA 6005

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 to 45, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards (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 2020 and of the performance for the year ended on that date of the consolidated group;
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Paul Roberts

Managing Director
25 September 2020

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 2020, 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 2020 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were 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 each matter 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 2020 the carrying value of exploration and evaluation assets was \$5,048,178 (2019: \$1,923,318), as disclosed in Note 6. This represents 36.5% 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(k) with the nature of critical estimates and judgements relating to this balance outlined in Note 1(s). 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
- assessing the appropriateness of the related disclosures in Notes 1(k), 1(s) and 6.

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2. Valuation of Investment in Associate

Why significant

The consolidated entity has various Interests in Associates that have a total value as at 30 June 2020 of \$nil (2019: \$747,568). This balance solely related to the 49% interest in Predictive Discovery SARL (PD SARL) in Burkina Faso, as the other interests have been impaired to \$nil as detailed in note 7.

The consolidated entity's accounting policy in respect of Associates is outlined in Note 1(m).

At 30 June 2020, a share of the loss of PD SARL was recognised in the statement of profit or loss of \$704,942 after eliminating the associated foreign exchange reserve balance of \$42,625. There was also an unrecognised share of the loss of \$1,251,774 for PD SARL. An additional share of loss amount of \$1,318,435 has not been recognised in the consolidated statement of profit or loss relating to the other Associates as these are carried at \$nil value, this is disclosed within note 7 to the financial report.

As disclosed in note 7, these Associates are equity accounted in accordance with the requirements of AASB 128 Investments in Associates and Joint Ventures and disclosures set out in AASB 12 Disclosures of Interest in Other Entities.

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 2020, 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.

How our audit addressed the key audit matter

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

- considering the control relationship to confirm that equity accounting is appropriate in accordance with AASB 128 Investments in Associates and Joint Ventures;
- performing the relevant audit procedures in accordance with the Australian Auditing Standards on the material assets, liabilities and expenditure within each of the material Associates management accounts provided, in particular:
 - existence and valuation of capitalisation expenditure pursuant to AASB 6;
 - recoverability of receivables;
 - completeness and valuation of loans; and
 - occurrence and existence of expenditure.
- reviewing the foreign exchange translation of the movements within the investment during the year, to confirm that it is reasonable and in accordance with AASB 121 The Effect of Changes in Foreign Exchange Rates;
- assessing the appropriateness of the related disclosures in Notes 1(m), 1(s) and 7 to ensure they are in accordance with AASB 12 Disclosures of Interest in Other Entities.

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 2020.

In our opinion, the Remuneration Report of Predictive Discovery Limited for the year ended 30 June 2020 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

25 SEPTEMBER 2020
WEST PERTH
WESTERN AUSTRALIA

**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 2020, 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

25 SEPTEMBER 2020
WEST PERTH
WESTERN AUSTRALIA

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