



ABN 11 127 871 877

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

Mr Simon Jackson Non-Executive Chairman
Mr Paul Roberts Executive Director
Mr Steven Michael Non-Executive Director
Mr Andrew Pardey Managing Director

Company Secretary

Mr Ian Hobson

AUDITOR

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DIRECTORS' REPORT

Your directors present their report, together with the financial statements of Predictive Discovery Limited (the Company) and controlled entities (the Group) for the half year ended 31 December 2021.

DIRECTORS

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

Mr Simon Jackson	Non-Executive Chairman	Appointed 19 October 2021
Mr Paul Roberts	Executive Director	
Mr Steven Michael	Non-Executive Director	
Mr Andrew Pardey	Managing Director	
Mr Francis Harper	Non-Executive Chairman	Resigned 19 October 2021

RESULTS

The consolidated loss after income tax of the Group for the half year after providing for income tax amounted to \$2,409,862 (31 December 2020: \$1,720,063).

CORPORATE

Cash Position

Predictive remains well-funded with cash of \$17.5 million as at 31 December 2021.

Annual General Meeting

All resolutions put to shareholders at the Company's Annual General Meeting of Shareholders on 22 November 2021 were carried.

REVIEW OF OPERATIONS

Guinea

The Company's flagship Bankan Project advanced very substantially in the December half of 2021. On July 1 2021, the Company reported its best intercept to date of 44m at 8.0g/t Au, leading to recognition of a deep high grade core mineralised zone at depth in the NE Bankan gold deposit.

The Company announced excellent metallurgical testwork results indicating free milling gold on 14 September 2021. Release of the maiden, JORC-compliant Mineral Resource Estimate on the NE Bankan and Bankan Creek gold deposits followed soon thereafter; an Inferred Resource totalling 72.8 million tonnes at 1.56g/t Au, containing 3.65 million ounces of gold was announced on 30 September 2021.

Extensive drilling programs continued on the Bankan project throughout the December half year with a total of 34,337m completed in 920 drill holes, including 9,646m of diamond, 12,233m of air core and 12,458m of power auger drilling.

The deeper diamond drilling has shown that the high-grade core gold mineralised zone continues to at least 500m below surface and remains open at depth. The shallow auger and aircore holes have identified a series of gold prospects across the 356km² Bankan project area with excellent shallow gold intercepts including 28m at 12.8g/t Au from the SW Bankan prospect and 31m at 1.9 g/t Au (to end of hole) from the 800W prospect. Both prospects are located within 2 km of the NE Bankan deposit.

The Company also undertook baseline environmental and social studies on the Bankan project area.

Compliance Statement

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

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SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

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

- 196,988 options for \$0.018 per share on the 7th of January 2022
- 1,240,000 options for \$0.018 per share on the 24th of January 2022
- 6,440,000 options for \$0.0986 per share on 10th of February 2022
- 250,000 options for \$0.018 per share on 17th of February 2022
- 2,000,000 options for 1,167,582 shares at \$0.0986 per share on 17th of February 2022

On the 9th of March 2022, the Company announced that Executive Director Paul Roberts will be retiring from the board in June 2022.

There are no matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of Directors:



Andrew Pardey
Managing Director

14 March 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated	
		31 December 2021 \$	31 December 2020 \$
Finance income		2,656	2,155
Other income		10,000	20,000
Employee benefits expenses		(313,194)	(305,054)
Share based payments		(327,237)	(682,584)
Administrative payments	2	(1,057,504)	(485,321)
Depreciation of fixed asset		(76,409)	-
Foreign exchange gain/(loss)		1,453,435	(143,485)
Exploration expenditure impaired		-	(25,260)
Exploration expenditure pre-right to tenure		(852,070)	(101,197)
VAT expense	10	(346,935)	-
Movement in provisions	3	(902,604)	-
Gain on acquisition of exploration asset		-	683
Loss before income tax		(2,409,862)	(1,720,063)
Income tax expense		-	-
Net loss for the year		(2,409,862)	(1,720,063)
Other comprehensive income			
<i>Item that may be reclassified subsequently to operating result</i>			
Foreign currency translation		(132,548)	(223,374)
Total comprehensive loss for the year		(2,542,410)	(1,943,437)
Loss attributable to:			
Members of the parent entity		(2,542,410)	(1,943,437)
Basic loss per share (cents per share)		(0.002)	(0.002)
Diluted loss per share (cents per share)		(0.002)	(0.002)

The accompanying notes form part of these financial statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Consolidated	
	Note	31 December 2021 \$	30 June 2021 \$
Current Assets			
Cash and cash equivalents		17,476,397	22,729,169
Trade and other receivables		199,632	232,836
Total current assets		<u>17,676,029</u>	<u>22,962,005</u>
Non-Current Assets			
Property, plant and equipment	4	638,868	321,176
Exploration and evaluation expenditure	5	24,530,274	15,505,090
Total non-current assets		<u>25,169,142</u>	<u>15,826,266</u>
Total assets		<u>42,845,171</u>	<u>38,788,271</u>
Current Liabilities			
Trade and other payables	6	1,970,361	2,496,890
Total current liabilities		<u>1,970,361</u>	<u>2,496,890</u>
Total liabilities		<u>1,970,361</u>	<u>2,496,890</u>
Net Assets		<u>40,874,810</u>	<u>36,291,381</u>
Equity			
Issued capital	7	77,731,207	71,376,018
Reserves		2,138,523	1,543,710
Accumulated losses		(38,994,920)	(36,628,347)
Total Equity		<u>40,874,810</u>	<u>36,291,381</u>

The accompanying notes form part of these financial statements

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
CONSOLIDATED					
At 1 July 2020	42,859,342	(30,136,273)	1,135	130,330	12,854,535
Profit (loss) attributable to members	-	(1,720,063)	-	-	(1,720,063)
Other comprehensive income	-	-	(223,374)	-	(223,374)
Total comprehensive loss for the year	-	(1,720,063)	(223,374)	-	(1,943,437)
Transactions with owners in their capacity as owners:					
Transfer of expired options	-	130,330	-	(130,330)	-
Issue of share capital	10,830,900	-	-	-	10,830,900
Share-based payments	-	-	-	1,131,153	1,131,153
Transaction costs	(1,075,606)	-	-	-	(1,075,606)
At 31 December 2020	52,614,636	(31,726,006)	(222,238)	1,131,153	21,797,545
At 1 July 2021	71,376,018	(36,628,347)	2,084	1,541,627	36,291,381
Profit (loss) attributable to members	-	(2,409,862)	-	-	(2,409,862)
Other comprehensive income	-	-	(132,548)	-	(132,548)
Total comprehensive loss for the year	-	(2,409,862)	(132,548)	-	(2,542,410)
Transactions with owners in their capacity as owners:					
Transfer of lapsed options	-	33,882	-	(33,882)	-
Transfer from exercise of options	-	9,407	-	(9,407)	-
Issue of share capital	7,262,146	-	-	-	7,262,146
Share-based payments	(443,413)	-	-	770,650	327,237
Transaction costs	(463,544)	-	-	-	(463,544)
At 31 December 2021	77,731,207	(38,994,920)	(130,465)	2,268,988	40,874,810

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated	
		31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Interest received		2,656	2,155
Receipts from customers		10,000	20,000
Payments to suppliers and employees		(1,659,114)	(789,058)
Payments for exploration expenditure		(10,010,815)	(3,975,454)
Net cash (used in) operating activities		<u>(11,657,273)</u>	<u>(4,742,377)</u>
Cash flows from investing activities			
Payments for purchase of plant and equipment		<u>(394,101)</u>	<u>(100,745)</u>
Net cash outflow from investing activities		<u>(394,101)</u>	<u>(100,745)</u>
Cash flows from financing activities			
Proceeds from issue of shares		7,094,410	10,590,900
Proceeds from exercise of options		167,736	-
Payment for share issue costs		<u>(463,544)</u>	<u>(627,035)</u>
Net cash inflow from financing activities		<u>6,798,602</u>	<u>9,963,865</u>
Foreign exchange differences		-	-
Net cash provided by other activities		-	-
Net (decrease) /increase in cash and cash equivalents held		(5,252,772)	5,120,743
Cash and cash equivalents at beginning of the half-year		<u>22,729,169</u>	<u>8,639,015</u>
Cash and cash equivalents at the end of the half-year		<u>17,476,397</u>	<u>13,759,758</u>

The accompanying notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This consolidated interim financial report for the half year ended 31 December 2021 are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting, as appropriate for a profit-oriented entity. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS134: Interim Financial Reporting.

The financial statements were authorised for issue, in accordance with the resolution of directors, on 14 March 2022.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Predictive Discovery Limited and controlled entities (the Group). This interim consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this interim financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2021, together with any public announcements made during the half year. The same accounting policies and methods of valuation have been followed in this interim financial report as were applied in the most recent annual financial report.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
NOTE 2: ADMINISTRATIVE EXPENSES		
Legal, professional and consultancy fees	475,342	162,239
Advertising and marketing	102,305	99,436
Compliance fees	64,019	59,858
Recruitment fees	60,602	-
IT & telecommunication expenses	50,694	8,674
Travel and accommodation fees	45,264	3,233
Insurance	41,699	14,181
Other expenses	217,579	137,700
	1,057,504	485,321

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$

NOTE 3: MOVEMENT IN PROVISIONS

Provision for foreign indirect taxes	902,604	-
	<u>902,604</u>	<u>-</u>

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

In addition, a VAT provision of \$659,219 for the period from 1 January to 30 November 2021 has been made based on an initial assessment of the tax liability by independent tax advisors in Guinea. The total provision for foreign indirect taxes at 31 December 2021 amounts to \$966,378 (note 6).

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Balance at the beginning of the period	321,176	34,524
Additions	394,101	347,181
Disposals	-	-
Depreciation expense	(76,409)	(60,529)
	<u>638,868</u>	<u>321,176</u>

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE

Carrying amount at beginning of year	15,505,090	5,048,178
Expenditure incurred	8,155,825	12,709,855
Expenditure acquired	-	239,289
Impairment of capitalised exploration	-	(2,492,232)
Foreign exchange differences	869,359	-
	<u>24,530,274</u>	<u>15,505,090</u>

The Group has capitalised exploration expenditure of \$24,530,274 (30 June 2021: \$15,505,090). This amount includes costs directly associated with exploration and the purchase of exploration properties. These costs are capitalised as an exploration asset until assessment and / or drilling of the permit is complete and the results have been evaluated. These direct costs include employee remuneration, materials, permit rentals and payments to contractors. The expenditure is carried forward until such a time as the area moves into the development phase, is abandoned or sold. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements.

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	Consolidated	
	31 December 2021 \$	30 June 2021 \$
NOTE 6: TRADE AND OTHER PAYABLES		
Trade and other payables	1,003,983	1,883,427
Foreign indirect tax provision ¹	966,378	613,463
	1,970,361	2,496,890

¹ Refer to note 3

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
NOTE 7: ISSUED CAPITAL		
1,365,132,612 (30 June 2021: 1,268,491,755) Ordinary Shares	76,838,685	46,002,695
Share issue during the period	7,262,146	30,835,990
Share issue costs written off against issued capital	(906,962)	(5,462,667)
	77,731,207	71,376,018

Shares	Shares No.	Issue Price \$	Value \$
At 1 July 2021	1,268,491,755	-	71,376,018
Issue of shares in Placement 1	81,580,127	\$0.08	6,526,410
Issue of shares in Placement 2	8,000,000	\$0.071	568,000
Issue of shares from exercise of options	6,556,471	\$0.018	118,016
Issue of shares from exercise of options	504,259	\$0.0986	49,720
Transaction costs	-	-	(906,963)
At 31 December 2021	1,365,132,612	-	77,731,207

Shares	Shares No.	Issue Price \$	Value \$
At 1 July 2020	823,886,255		46,002,695
Issue of shares in placement - Tranche 1	176,785,281	\$0.056	9,899,976
Issue of shares to acquire 51% PM SARL	4,028,477	\$0.060	240,000
Issue of shares in placement - Tranche 2	12,321,869	\$0.056	690,025
Exercise of options to shares	1,800,000	\$0.018	32,400
Issue of shares – Capital raising	249,669,873	\$0.080	19,973,589
Transaction costs	-	-	(5,462,667)
At 30 June 2021	1,268,491,755	-	71,376,018

Options	Listed Options		Unlisted Options	
	No.	Value \$	No.	Value \$
At 1 July 2021	95,131,485	-	58,500,000	1,541,627
Reclassification of prior year options	(10,500,000)	-	10,500,000	-
Options lapsed			(7,000,000)	(33,882)
Exercise of options to shares	(6,556,471)	-	(504,259)	(9,405)
Issue of options	-	-	10,500,000	597,671
Vesting from prior year	-	-	-	172,976
At 31 December 2021	78,275,014	-	63,995,740	2,268,988

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NOTE 7: ISSUED CAPITAL (Continued)

Options	Listed Options	Value	Unlisted Options	Value
	No.	\$	No.	\$
At 1 July 2020	86,631,485	-	9,452,500	130,330
Issue of options	10,500,000	-	51,000,000	1,541,627
Exercise of options to shares	(1,800,000)	-	-	-
Options cancelled/expired	-	-	(1,952,500)	(130,330)
At 30 June 2021	95,131,485	-	58,500,000	1,541,627

The options issued in the period from 1 July 2021 to 31 December 2021 were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model for the options:

- On 28 July 2021, 8,000,000 options at a price of \$0.14 expiring 28 July 2024 were issued as part of the long-term employee incentive plan. There are no further vesting conditions.

Option holder	Consultant
Date of Issue	09/07/2021
Number of options	8,000,000
Dividend yield (%)	Nil
Expected volatility (%)	100%
Risk free interest rate (%)	0.40%
Exercise price (\$)	\$0.14
Expected life of options (years)	3
Share price at grant date (\$)	\$0.10
Value per option (\$)	\$0.055

- On 8 November 2021, 2,500,000 options at a price of \$0.2910 expiring 8 November 2024 were issued as part of the long-term employee incentive plan. The vesting condition is for the employee to remain in employment with the Company up to 1 April 2022.

Option holder	Consultant
Date of Issue	08/11/2021
Number of options	2,500,000
Dividend yield (%)	Nil
Expected volatility (%)	100%
Risk free interest rate (%)	0.40%
Exercise price (\$)	\$0.2910
Expected life of options (years)	3
Share price at grant date (\$)	\$0.22
Value per option (\$)	\$0.123

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NOTE 8: SEGMENT INFORMATION

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

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

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

	Corporate \$	Burkina Faso \$	Gold Cote D'Ivoire \$	Guinea \$	Consolidated \$
Half Year Ended 31 December 2021					
Other income	12,656	-	-	-	12,656
Expenses/FX differences	(773,285)	(147,512)	9,009	(1,510,729)	(2,431,527)
Loss for the period	(760,629)	(147,512)	9,009	(1,510,729)	(2,409,862)
At 31 December 2021					
Current assets	17,312,193	49,733	46,013	268,090	17,676,029
Plant and equipment	6,764	-	-	632,105	638,869
Exploration expenditure	-	239,289	-	24,290,985	24,530,274
Intercompany loans	27,160,303	(538,491)	(164,323)	(26,457,489)	-
Current liabilities	(262,844)	(25,056)	(29,587)	(1,652,876)	(1,970,363)
Net Assets	44,216,416	(274,525)	(147,897)	(2,919,184)	40,874,810
Half Year Ended 31 December 2020					
Other income	22,155	-	-	-	22,155
Expenses/FX differences	(1,474,306)	(70,965)	(14,982)	(181,966)	(1,742,218)
Loss for the period	(1,452,151)	(70,965)	(14,982)	(181,966)	(1,720,063)
At 30 June 2021					
Current assets	21,026,381	27,892	16,672	1,891,060	22,962,005
Plant and equipment	6,675	-	-	314,502	321,177
Exploration expenditure	-	239,289	-	15,265,801	15,505,090
Intercompany loans	16,860,670	(200,681)	(160,423)	(16,499,566)	-
Current liabilities	(212,617)	(25,056)	(9,009)	(2,250,209)	(2,496,891)
Net Assets	37,681,109	(41,444)	(152,760)	(1,278,412)	36,291,381

NOTE 9: CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%) * 31 DEC 2021	PERCENTAGE OWNED (%) * 30 JUNE 2021
Subsidiaries:			
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%
Burkina Resources Pty Ltd ⁽ⁱⁱ⁾	Australia	100%	100%
Tinkisso Pty Ltd	Australia	100%	100%
Predictive Discovery SARL ⁽ⁱⁱⁱ⁾	Cote D'Ivoire	100%	100%
Ivoirian Resources SARL	Cote D'Ivoire	100%	100%
Predictive Discovery Niger SARL	Niger	100%	100%
Gayeri Resources SARL	Burkina Faso	100%	100%
Burkina Resources SARL ⁽ⁱⁱⁱ⁾	Burkina Faso	100%	100%
Birimian BV SARL ⁽ⁱⁱⁱ⁾	Burkina Faso	100%	100%
Sebba Resources SARL ⁽ⁱⁱⁱ⁾	Burkina Faso	100%	100%
Progress Minerals SARL ⁽ⁱⁱⁱ⁾	Burkina Faso	100%	100%
Predictive Discovery Mali SARL	Mali	100%	100%
Kindia Resources SARLU	Guinea	100%	100%
Mamou Resources SARLU	Guinea	100%	100%
Tinkisso Resources SARLU	Guinea	100%	100%
Birimian Pty Ltd ⁽ⁱⁱⁱ⁾	British Virgin Islands	100%	100%
PMI Burkina Faso (BVI) Inc ⁽ⁱⁱⁱ⁾	British Virgin Islands	100%	100%
BF Progress (BVI) Inc ⁽ⁱⁱ⁾	British Virgin Islands	100%	100%

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

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Assets

On 20 May 2021, the Company swapped its 23.5% contributing equity in Cote D'Ivoire for an 11% free carried equity and deferred consideration of 10 million performance shares in Turaco Gold Limited. These performance shares convert to ordinary shares upon certain milestones:

- 3,500,000 performance shares to convert to ordinary shares upon the announcement of a 500,000oz reported Mineral Resource above 1.5g/t of gold being defined on any of the Tenements which is prepared and reported in accordance with the JORC Code before the applicable Expiry date.
- 6,500,000 performance shares to convert to ordinary shares upon the announcement of a 1,000,000oz reported Mineral Resource above 1.5g/t of gold being defined on any of the Tenements which is prepared and reported in accordance with the JORC Code before the applicable Expiry date.

As the timing of these milestones cannot be reliably estimated, the value of the deferred consideration is \$nil as at 31 December 2021.

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Assets (continued)

According to Guinean tax law, value added tax (VAT) paid in relation to the Company's Guinea tenements may be recovered from the Guinea tax authorities if these tenements progress to the development phase. No asset has been recognised in the Consolidated Statement of Financial Position as there is currently no certainty that these tenements will reach the development phase or that the total VAT will be fully recovered in this event. However, a contingent asset exists of \$773,515 at 31 Dec 2021 (June 2021: \$426,580) relating to total VAT paid to date. A total of \$346,935 VAT was paid to the Guinea tax authorities during the half-year period to 31 December 2021 which was expensed in the Statement of Comprehensive Income.

Contingent Liabilities

On acquisition of a 100% interest of PMI BF Holdings Inc, the company entered into an Amended and Restated Net Smelter Return (NSR) royalty agreements dated 3 November 2020 in which the company has obligations for payments and obligations for a 2% NSR over the Burkina Faso properties.

NOTE 11: RELATED PARTY TRANSACTIONS

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

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

NOTE 12: EVENTS AFTER THE END OF THE REPORTING PERIOD

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

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

- 196,988 options for \$0.018 per share on the 7th of January 2022
- 1,240,000 options for \$0.018 per share on the 24th of January 2022
- 6,440,000 options for \$0.0986 per share on 10th of February 2022
- 250,000 options for \$0.018 per share on 17th of February 2022
- 2,000,000 options for 1,167,582 shares at \$0.0986 per share on 17th of February 2022

On the 9th of March 2022, the Company announced that Executive Director Paul Roberts will be retiring from the board in June 2022.

There are no other matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 5 to 16, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standard 134 and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the half year ended on that date of the Group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Andrew Pardey
Managing Director
14 March 2022

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF PREDICTIVE DISCOVERY LIMITED

In relation to our review of the financial report of Predictive Discovery Limited for the half year ended 31 December 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH

SHANE CROSS
PARTNER



14 MARCH 2022
WEST PERTH,
WESTERN AUSTRALIA

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Predictive Discovery Limited (the "Company") and controlled entities (the "consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company and the entities it controlled at 31 December 2021, or during the half year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

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

Independence

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

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Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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



PKF PERTH



SHANE CROSS
PARTNER

14 MARCH 2022
WEST PERTH,
WESTERN AUSTRALIA

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