predictive discovery

LIMITED

ABN 11 127 171 877

ANNUAL REPORT 2017

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CHAIRMAN'S REPORT

Dear Shareholder

Predictive Discovery Limited ('PDI') made good progress in the past year through ongoing implementation of our project generator strategy.

Our Cote D'Ivoire joint venture with Toro Gold Limited, to which we are currently contributing, continues to generate very encouraging exploration results. These include high grade gold values and visible gold from the Nyangboue Prospect at Boundiali and discovery of a new 17km long gold-in-soil geochemical anomaly on the Ferkessedougou North permit. We are now looking forward to trenching followed by drilling of both that anomaly and the large geochemical anomaly discovered last year on the Ferkessedougou South permit.

Elsewhere in Cote D'Ivoire, with the signature of a funding agreement with Progress Minerals Inc in March 2017, a successful diamond drilling program was completed on the Bobosso project. This generated a series of encouraging results and demonstrated gold mineralisation continuity consistent with the Company's new geological model of the Bobosso mineralisation. RC drilling in the coming months will give us an additional insight into the potential of this large gold mineralised system.

We also have controlling interests in six recent permit applications in Cote D'Ivoire on which we will conduct early stage exploration in our own right once the permits are granted.

In Burkina Faso, Predictive has recently entered into a joint venture agreement with Progress Minerals Inc under which Progress can earn a 70% interest in the current tenement package by spending US$5 million. We believe that an investment at this level will be sufficient to advance the project towards a feasibility study. Geochemical drilling is expected to commence in Burkina Faso in November 2017 with RC drilling underway by January 2018.

I thank all PDI's shareholders for your strong support during the past year. We successfully raised $3.05 million via a Placement and Share Purchase Plan in September-October 2016 during which we were very pleased to attract a $1 million investment from Sprott, the widely respected North American investment fund, along with the ongoing support of our largest shareholders, Aurora Minerals and the Lowell Resources Fund.

Thank you also to our Managing Director, Paul Roberts, my fellow Director, David Kelly, and our staff in Australia and Burkina Faso for all their efforts.

I thank everyone for their dedication to Predictive.

Phillip Jackson
Chairman

REVIEW OF OPERATIONS

HIGHLIGHTS

In 2016-17, Predictive Discovery Limited (**PDI**) continued to advance in West Africa, principally through ongoing implementation of its project generator model. Highlights of the year included:

- Toro Joint Venture:
    - Completion of large gold exploration programs on multiple permits in Cote D'Ivoire, including RC and diamond drilling and ongoing soil sampling and geological mapping.
    - Highly encouraging drill results from the Nyangboue Prospect in the Boundiali permit in Cote D'Ivoire, including:
        - Reverse circulation drill results *(Quarterly Report to 30 September 2016)*:
            - 20m at 10.5 g/t Au from 38m, including 1m at 144.5g/t Au,
            - 9m at 7.9g/t Au from 99m, including 1m at 44.7g/t Au,
            - 10m at 3.3g/t Au from 1m, including 1m at 27.4g/t Au,
            - 7m at 3.8g/t Au from 33m, including 1m at 11.3g/t Au,
            - 4m at 5.4g/t Au from 4m, including 1m at 15.2g/t Au.
        - Diamond drill results *(Quarterly Report to 30 June 2017)*:
            - 30m at 8.3g/t Au from 39m, within a broader mineralised interval of 90m at 3.2g/t Au.
            - 4.5m at 6.6g/t Au from 75m within a broader mineralised interval of 21m at 1.7g/t Au,
            - 3.0m at 4.1g/t Au from 176m,
            - 6m at 2.4g/t Au from 33m.
    - Discovery of a 17km long zone of gold-in-soil geochemical anomalies on the Ferkessedougou North permit *(Quarterly Reports to 31 December 2016 and 31 March 2017)*.
- Bobosso Project:
    - Signature of a funding agreement with Progress Minerals Inc of Canada.
    - Encouraging diamond drill results from drilling small portions of the very large Bobosso gold mineralised system (*Quarterly Report to 30 June 2017):*
        - 8.7m at 3.30g/t Au from 39.6m including 1.2m at 14.3g/t Au,
        - 17m at 1.47g/t Au from 41m including 2m at 6.95g/t Au,
        - 28m at 1.00 g/t Au from 0m including 16m at 1.32g/t Au,
        - 13.5m at 1.36g/t Au from 77m,
        - 9.3m at 1.72g/t Au from 0m,
        - 2m at 4.64g/t Au from 54m, including 1m at 7.63g/t Au.
- New Cote D'Ivoire permit applications:
    - Three applications, covering approximately 1,160km^2, made by a wholly owned local subsidiary of PDI.
    - An option agreement with a local company on three additional permit applications, also covering approximately 1,160km^2.
- Burkina Faso Projects:
    - Execution of a joint venture agreement with Progress Minerals Inc of Canada by which Progress can earn a 70% interest in the current Burkina Faso ground holdings by expenditure of US$5 million (*ASX release dated 15/9/17*).

INTRODUCTION

PDI's principal focus is in the countries of Cote D'Ivoire and Burkina Faso in West Africa (Figure 1).

In Cote D'Ivoire (Figure 2), the Company has interests in six granted exploration permits and two permit applications, totalling 2,749km^2, which are being actively explored under the terms of a joint venture with Toro Gold Limited (Toro). PDI is also conducting exploration under an agreement with Progress Minerals Inc (Progress) and an Ivoirian company, West African Venture Investments SARL (WAVI), on the Bobosso Project, which covers 1,200km^2. A further six permit applications covering 2,320km^2 were announced on 6 February 2017.

In Burkina Faso, the Company has an effective Ouagadougou-based team and a large regional tenement package in the north-east of the country covering 949km^2 (Figure 18). PDI's exploration focus is on the high-grade Bongou gold discovery and the surrounding area. A formal Mineral Resource Estimate on Bongou resulted in 184,000oz of gold in the Inferred and Indicated Mineral Resource categories with an average grade of 2.6g/t Au, including 136,000oz at 3.8g/t Au (ASX release dated 4/9/14).

PDI also holds an Exploration Licence in Victoria (Figure 20) which was drilled in 2016 by joint venture partner, Cape Clear Minerals Pty Ltd (Cape Clear).

Predictive's current strategy is to maintain a high level of exploration activity on all of its projects through project-level funding, either via joint ventures or direct cash investments into private companies which hold the Company's ground. The Toro, Progress and Cape Clear Joint Ventures are operating well and generating significant newsflow. At the same time, the Company contunues to seek new ground in West Africa on which it can undertake early stage exploration in its own right.

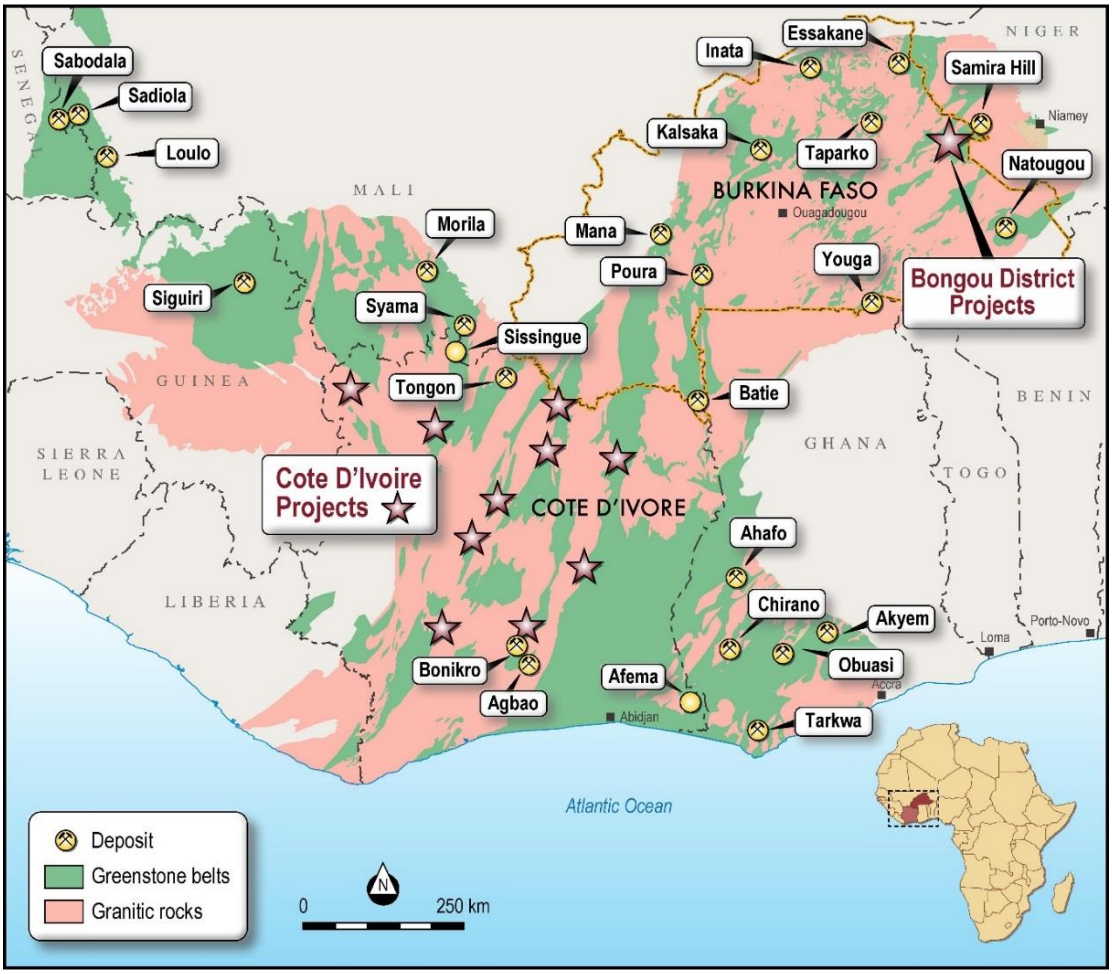

***Figure 1:** Map of the Birimian Gold Belt showing major mines/gold deposits and PDI project areas (stars).*

COTE D'IVOIRE

Background

Predictive has been increasingly focused on Cote D'Ivoire in recent years. The country covers over a third of the highly prospective Birimian gold belt, more than any other country in West Africa. Cote D'Ivoire is highly underexplored for gold because the exploration investment boom in the last decade largely bypassed the country because of political instability. Since the accession of President Alassane Ouattara in 2011 and his comfortable re-election in 2015, and with investment certainty provided by an updated Mining Act and a forward-looking Mines Administration, Cote D'Ivoire has become a highly attractive exploration investment destination.

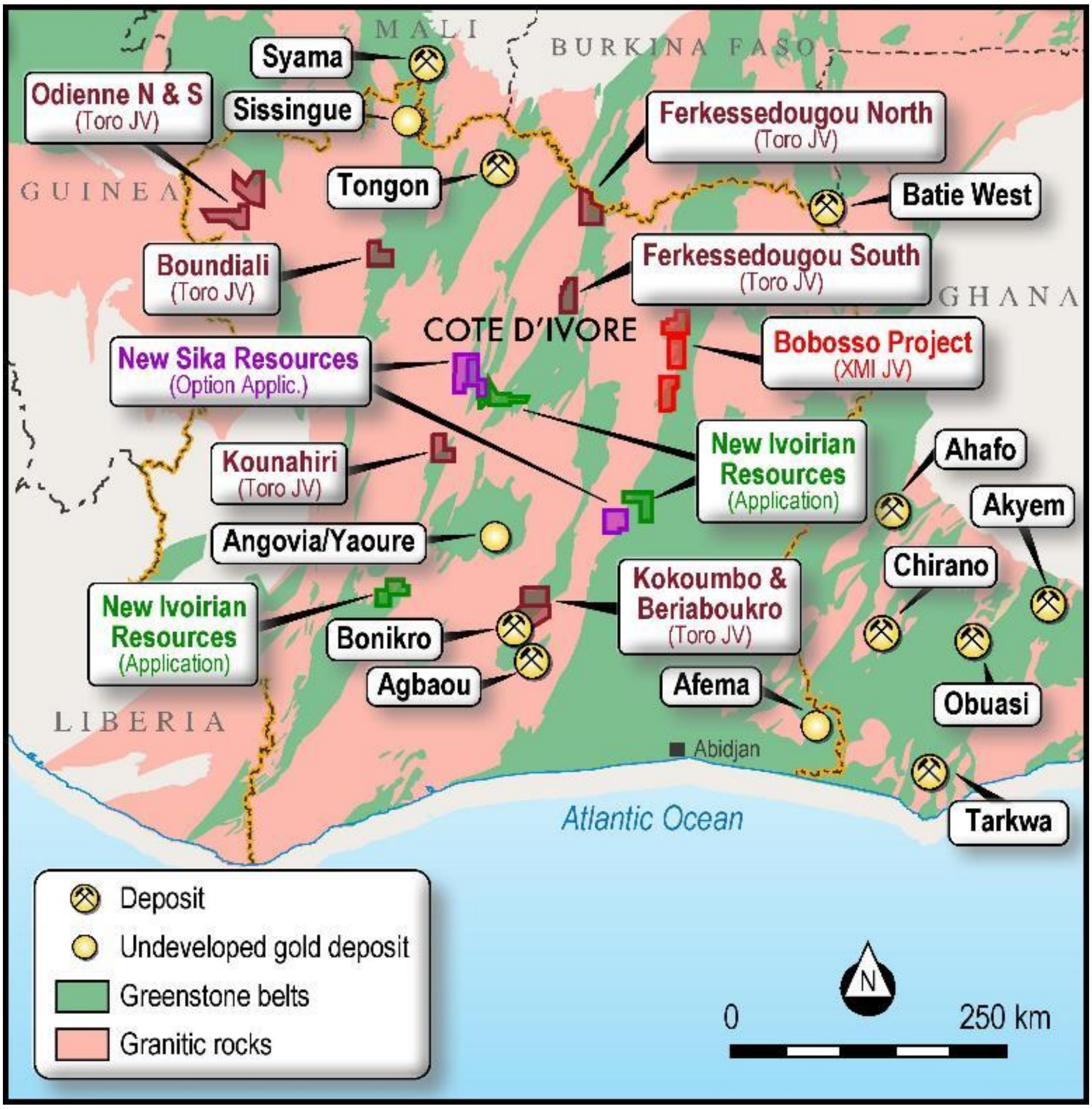

Figure 2: *Locality map showing the Toro JV permits/applications (in brown), permits/applications covered by PDI's agreement with WAVI and Progress Minerals Inc (the XMI JV) over the Bobosso Project (red), the wholly owned Ivoirian Resources SARL permit applications (in green) and the optioned Sika Resources permit applications (in magenta).*

In Cote D'Ivoire, Predictive holds joint ventures with (1) Toro Gold Limited, a UK-based company and (2) WAVI and Progress Minerals Inc of Canada (the XMI JV). It has also entered into an option agreement with Sika Resources Pty Ltd on three permit applications held by Sika's subsidiary, Moaye Resources SARL.

Toro Gold Joint Venture (Predictive 35%)

Background

Predictive is in joint venture with Toro Gold Limited, a UK-based company, on six granted permits and two permit applications in Cote D'Ivoire (Figure 2). The Toro Joint Venture operates through Predictive Discovery Limited's former subsidiary, Predictive Cote D'Ivoire SARL (Predictive CI) of which Predictive now holds 35%. Predictive is currently contributing 35% of ongoing expenditure by Predictive CI.

Boundiali Permit

The Boundiali permit is located within a very well mineralised greenstone belt which contains the large operating Tongon and Syama gold mines in Cote D'Ivoire and Mali respectively (Figure 2). The southern part of this belt has had little exploration to date and represents a first-class opportunity to make new large gold discoveries.

Predictive was granted the Boundiali permit in January 2014. The Company's first exploration program on the permit was a BLEG stream sediment survey (*ASX release dated 4/8/14*) which discovered a series of strong stream sediment anomalies, the best of which, a 24ppb Au anomaly, lies downstream of the new Nyangboue gold mineralised zone intersected in the 2016 RC drilling program.

<u>Nyangboue Prospect Drilling</u>

A first pass widely spaced RC drilling program, consisting of 92 RC holes totalling 5,496m, was conducted on the Nyangboue Prospect commencing in the 2015-2016 year. It obtained a series of highly encouraging intercepts most of which were released to the ASX in the 2016-17 financial year (*ASX releases dated 23/6/16, 25/7/16, 8/8/16, 12/9/16 and 13/10/16*) including:

- BRC003 - **28m at 4.04g/t Au** from 3m, including **1m at 49.7g/t Au,**
- BRC004 - **20m at 1.97g/t Au** from 0m,
- BRC004 - **14m at 5.51g/t Au** from 32m, including **1m at 31.6g/t Au,**
- BRC004BIS (twin hole) – **20m at 10.45g/t Au** from 38m including **1m at 145.5g/t Au,**
- BRC006 – **9m at 7.9 g/t Au** from 99m including **1m at 44.7g/t Au,**
- BRC023 – **7m at 3.8g/t Au** from 33m including **1m at 11.3g/t Au,**
- BRC048 – **28m at 1.55g/t Au** from 1m including **1m at 27.4g/t Au.**

A follow-up 1,658m diamond drilling program was completed during the March Quarter of 2017 (*Quarterly Report to 30 June 2017*). Ten holes were drilled, most of which were designed to test the central section of the gold mineralised zone encountered in the 2016 RC drill program (Figure 3). The objectives of the program were to:

- obtain orientated core within the mineralised zone to understand the geological controls on gold mineralisation encountered in the earlier RC drill program, and
- test several geophysical and geochemical targets.

Cross sections (1 and 2) through some of the holes drilled in this program are provided as Figures 4 and 5.

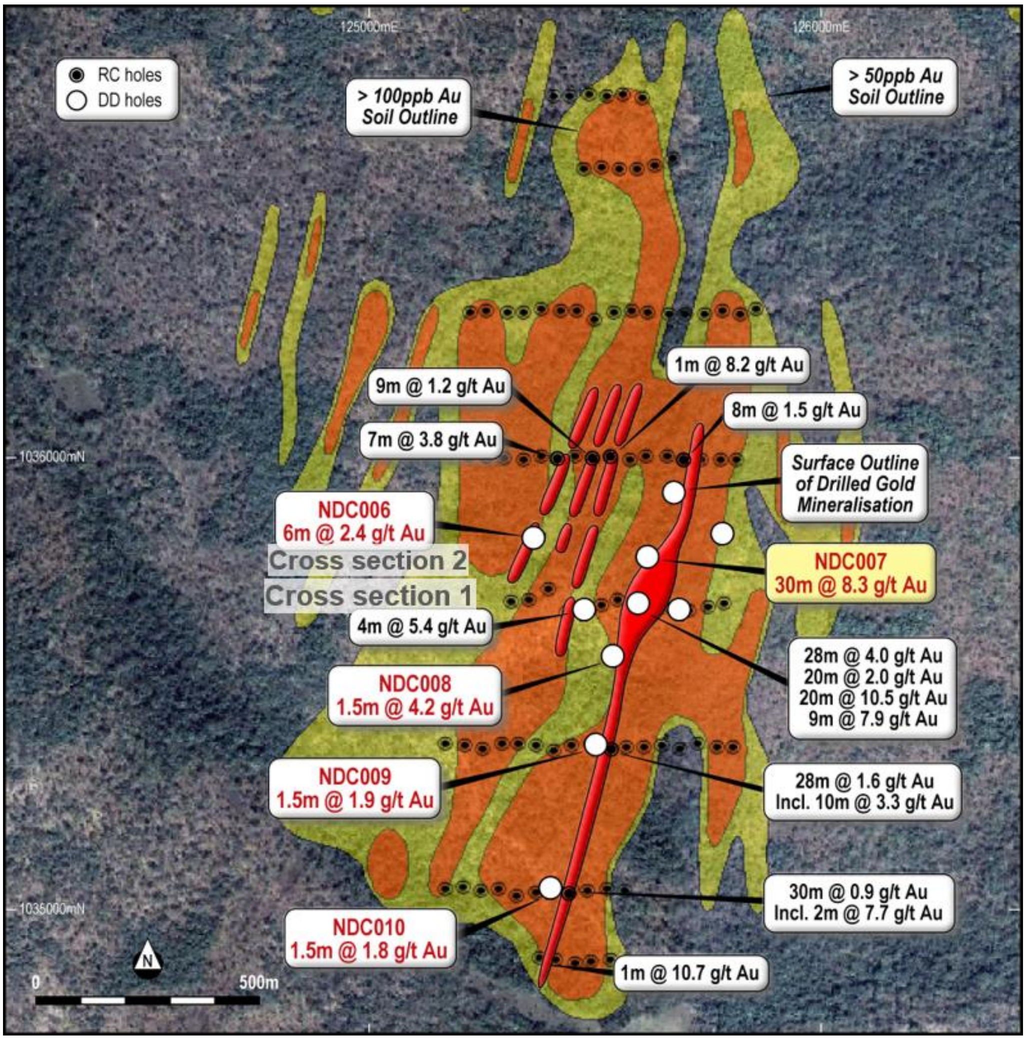

Figure 3: *RC and diamond drill hole collar locations on a gold-in-soil geochemical contour plan, highlighting key drill results, in the southern 2km portion of the Nyangboue Prospect (announced to the ASX on 23/6/16, 25/7/16, 8/8/16, 12/9/16, 13/10/16, 17/5/17 and 29/5/17). Gold geochemical contours are superimposed on satellite imagery.*

Holes NDC007-010 were drilled in an east-south-east direction and designed to cross cut north-west dipping gold mineralised veins observed in the first core holes at approximately right angles. In so doing, they also tested the (steeply east dipping) mineralised shear zone at an acute angle (see Figures 4 and 5). There is visible gold in the mineralised quartz veins (Figure 6) and drilling in this direction may have exacerbated the grade variability ("nugget effect" – see below) that results from having relatively coarse gold. Thus, in the case of hole NDC007, an exceptional result was obtained. The three diamond drill holes to the south, however, produced results lower in grade than the earlier nearby RC holes, which may reflect the same "nugget effect" grade variability but on the down-side.

Other geological observations made in the diamond drilling program were as follows:

- The gold mineralisation appears to be concentrated on or near a regional contact between a more massive conglomerate to the west and interbedded shales, siltstones and sandstones to the east.
- Oriented core shows that the mineralised rocks are sheared with the foliation (or shear) orientation being NNE (strike) with a steep dip to the east. The gold in soil geochemical anomaly is also orientated NNE which suggests that the primary control on gold mineralisation is the shearing, especially in the area near the regional sheared contact between coarser and finer grained sediments.

- Visible gold (Figure 6) is present within or on the contact of thin quartz veins, a few of which are folded, and which generally dip moderately to the west i.e. cross cutting the shear orientation. The veins in which gold is observed are typically quite thin, up to a few centimetres wide.
- As with most mineralised systems containing visible gold, standard fire assay gold methods have generated quite variable results, a phenomenon known as the "nugget effect". Check analyses with different methods (e.g. screen fire assays) are required and planned.
- The mineralised zones also contain disseminated sulphides (pyrite, pyrrhotite and arsenopyrite) oriented parallel to the shear orientation and some of the gold may be associated with them.

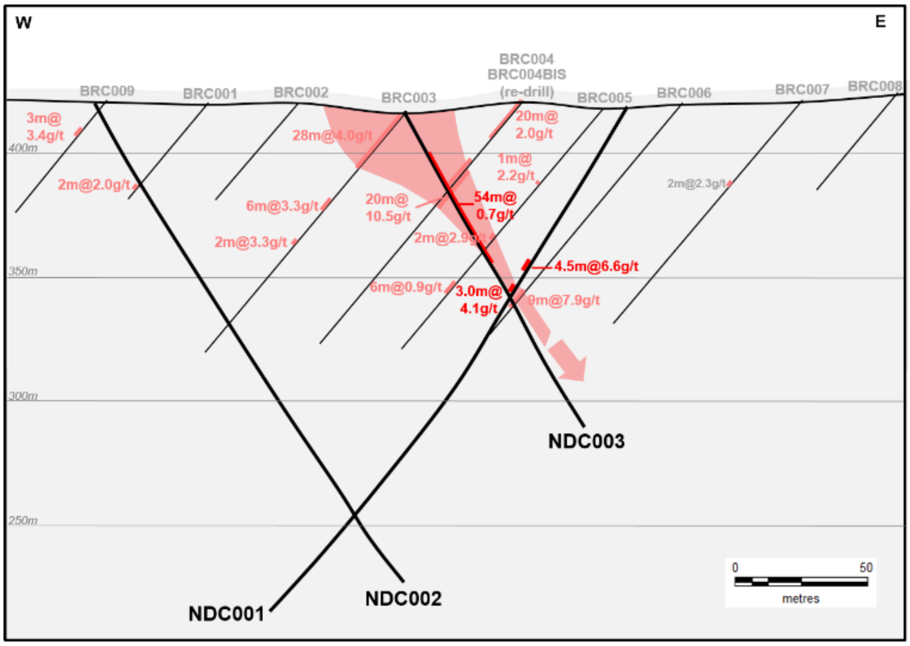

***Figure 4:** Cross-section 1 including intercepts from both the RC and diamond drilling programs (with pink and red labels, respectively). An interpretation of the principal mineralised zone is shown in pink shading. Drill results were reported to the ASX on 23/6/16, 15/8/16 and 17/5/17.*

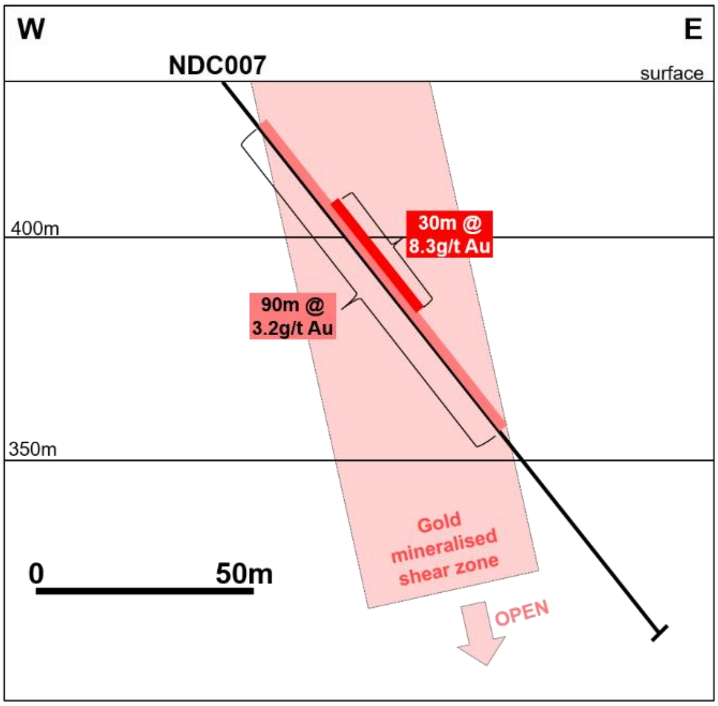

***Figure 5:** Cross-section 2 through drill hole NDC007, showing inferred dip of gold mineralised zone based on drill core and nearest cross section to the south (see ASX release dated17/5/17).*

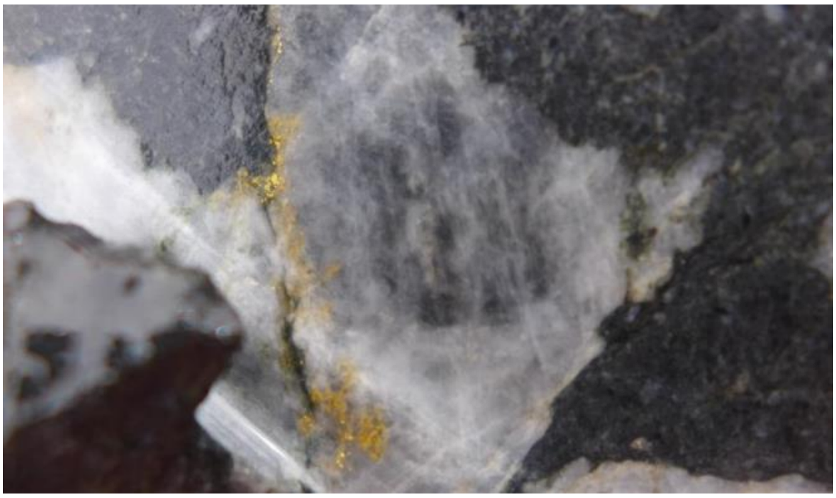

Figure 6: *Visible gold in quartz vein in diamond drill core from Nyangboue Prospect.*

Gbemou and Nyangboue South Prospects - RC Drilling *(ASX release dated 5/9/17)*

These two prospects were defined by soil geochemical sampling in 2015 and 2016 (Figure 7).

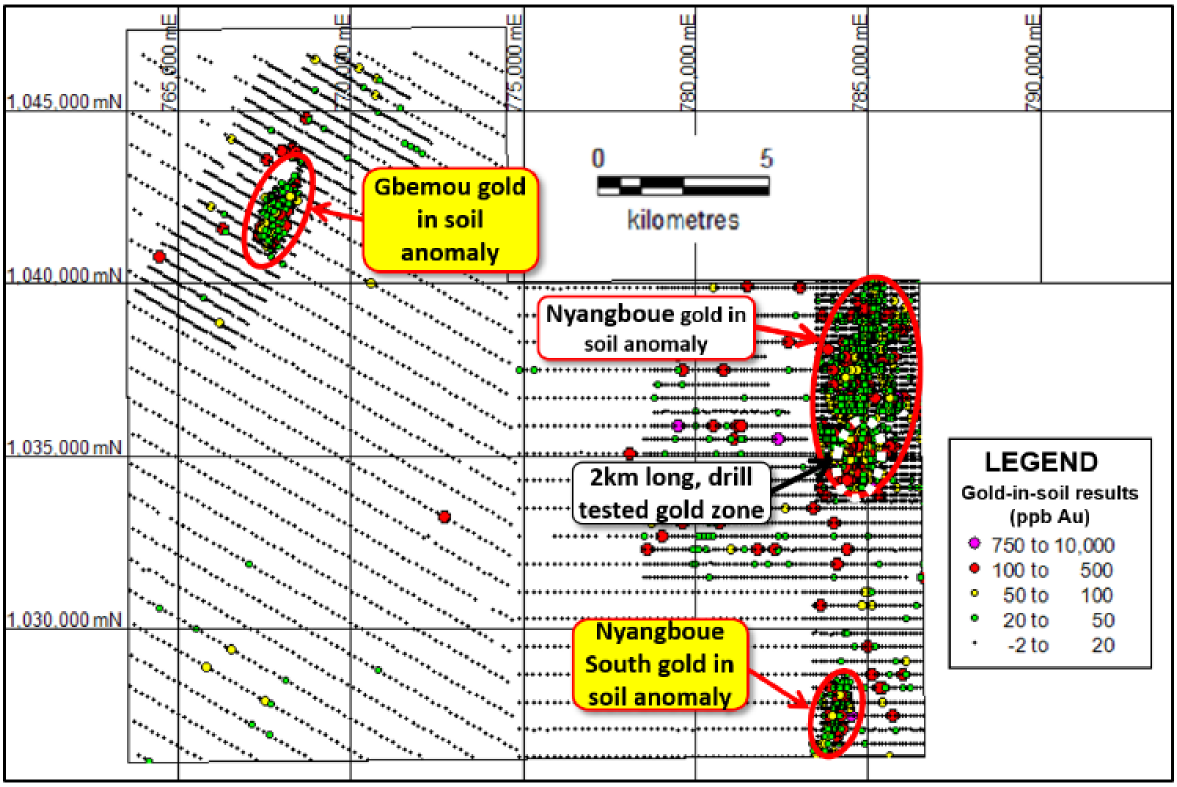

Figure 7: *Toro Gold soil sampling grid covering the entire Boundiali exploration permit (results reported to the ASX on 20/10/15, 23/3/16 and 2/2/17). The two RC drilled areas are highlighted in yellow.*

A reconnaissance RC drilling program was designed to test portions of both soil anomalies on 200m spaced lines. 78 holes were drilled, 35 on Nyangboue South and 43 on Gbemou, for a total of 4,274m. Holes were drilled towards the west at an angle of -50 degrees typically to a downhole depth of about 50m.

The Gbemou RC drilling covered about 1,200m of strike length (Figure 8) and the Nyangboue South program tested approximately 1,000m of strike length in two sections separated by an 800m long gap.

At Nyangboue South, the drilling encountered a package of metasedimentary rocks like those intersected at the Nyangboue Prospect i.e. sandstones, siltstones/shales and possible conglomerates. At Gbemou, the drilling intersected similar metasediments as well as granitic intrusives. In both areas, gold values were encountered at multiple locations with a few, narrow, higher grade intercepts e.g.:

- 1m at 22.2g/t Au from 51m (Gbemou),
- 1m at 7.59g/t Au from 16m (Gbemou),
- 1m at 9.48g/t Au from 5m (Nyangboue South).

Multiple thin zones of low-moderate grade gold mineralisation were intersected at the southern end of the Gbemou drill grid (Figure 8).

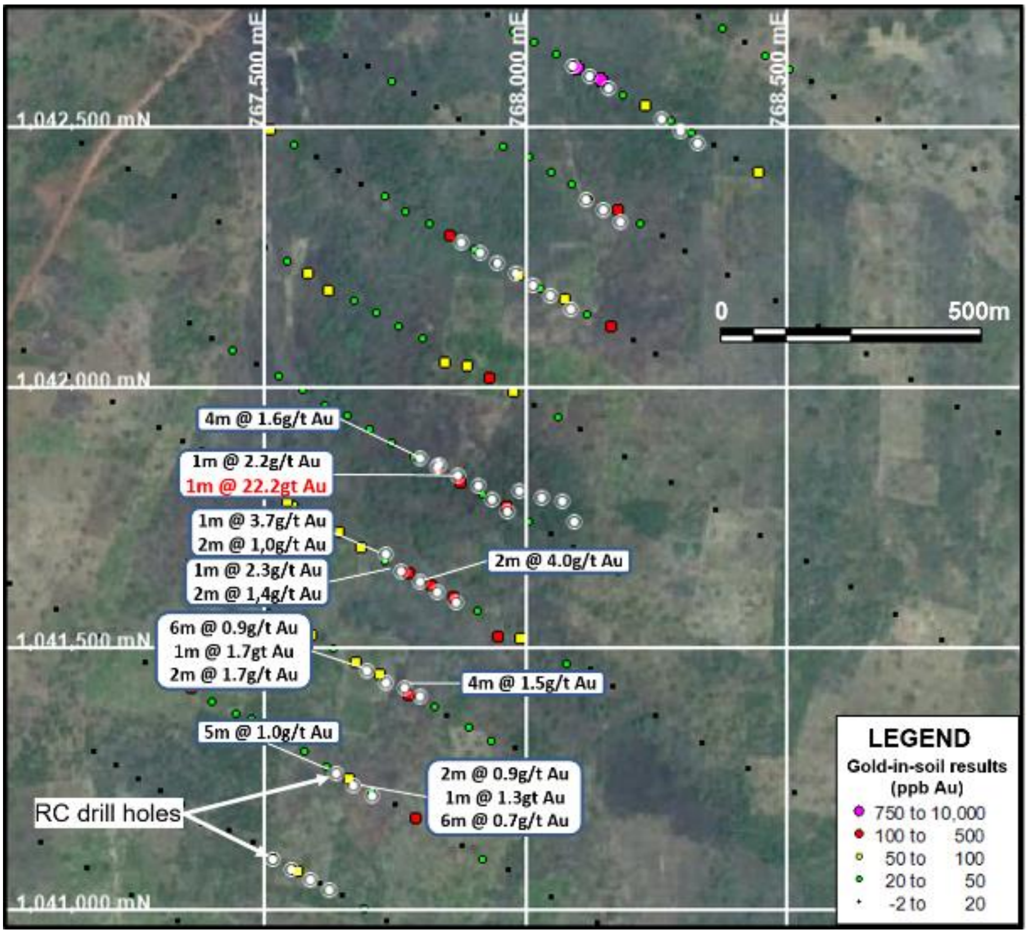

Figure 8: *Gbemou RC drill hole locality plan plotted on satellite imagery with soil geochemical results and selected RC gold drill assay results.*

Ferkessedougou North Permit

Ferkessedougou North is located directly in northern Cote D'Ivoire directly adjacent to Burkina Faso's southern border (Figure 2). It is the subject of an agreement between Predictive Discovery CI and local Ivoirian company, Gold Ivoire Minerals SARL. A 17km long gold-in-soil anomaly (Figure 9) was identified on the permit in the 2016-17 year (*ASX releases dated 14/12/16, 2/2/17 and 28/4/17*).

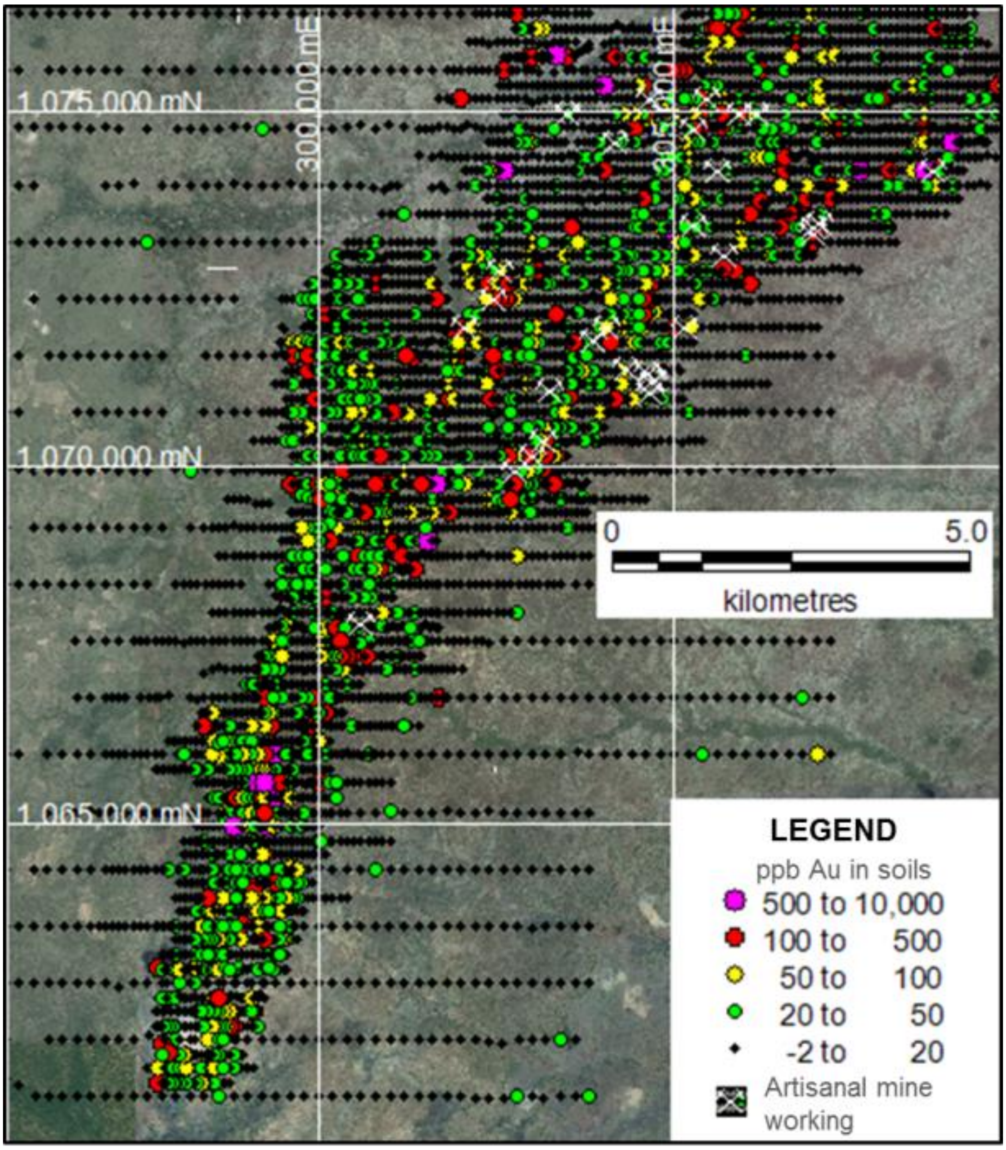

Figure 9: *Location of soil samples and gold-in-soil anomalous values on satellite imagery background, Ferkessedougou North permit (reported to the ASX on 14/12/16, 2/2/17 and 28/4/17).*

Kokoumbo and Beriaboukro Permits

Predictive CI is earning a 90% interest in the Kokoumbo exploration permit in southern Cote D'Ivoire (Figure 2) from an Ivoirian company, Ivoir Negoce SARL. The Kokoumbo permit covers an area of historic artisanal and French colonial era mining located in a highly prospective belt of rocks which also includes the Bonikro gold mine, currently in production by Newcrest, and Agbaou gold mine, where Endeavour Mining commenced commercial production in January 2014. Diamond drilling at Kokoumbo in 2016 obtained a best intercept of 7.5m at 16g/t Au (*ASX release dated 13/5/16*).

The Beriaboukro permit is located directly south of Kokoumbo, and is the subject of an agreement between Predictive CI and local Ivoirian company, Gold Ivoire Minerals SARL. Beriaboukro includes some impressive artisanal workings including the Takalaso site (Figure 11).

<u>Soil Sampling Programs *(Quarterly Reports to 30 September 2016 and 31 March 2017)*</u>

Two soil sampling programs were carried out on the Beriaboukro permit, the first an 800m x 200m reconnaissance survey and the second selective infill sampling on three areas. Anomalous gold values (>20ppb Au) were found in numerous locations throughout the grid. Three clusters of anomalous gold-in-soil results are highlighted on Figure 10, the highest value being 1375ppb Au.

Rock chip sampling at the Takalaso artisanal gold mining site (Figure 11) obtained a cluster of encouraging values including an exceptionally high 726g/t gold assay. Other high-grade rock chip values from the same location included 13.15g/t Au and 6.40g/t Au.

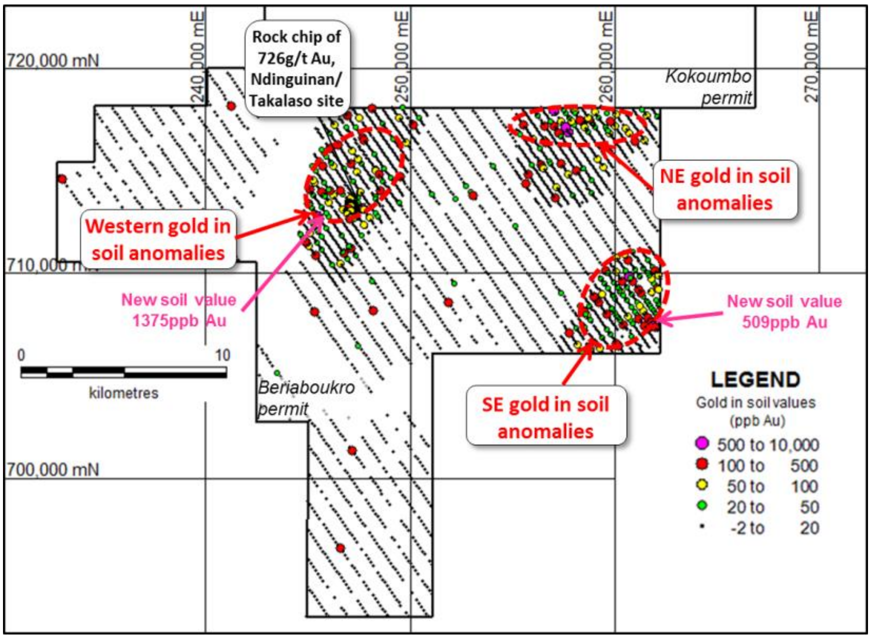

Figure 10: *Location of soil samples and gold-in-soil anomalous values, Beriaboukro permit including the three priority areas highlighted in both phases of soil sampling. Note location of high grade rock chip sample at Takalaso site.*

Figure 11: *Takalaso gold artisanal mine site.*

Bobosso Joint Venture (Predictive 37%)

The Bobosso Project consists of two granted exploration permits, Bassawa and Wendene in northern Cote D'Ivoire (Figure 2), which are held by an Ivoirian company, XMI SARl (**XMI**). Bassawa and Wendene are located within the southern extension of the well mineralised Hounde Belt in Burkina Faso, which includes Semafo's Mana Mine (5 Moz in ore resources and reserves[1]).

Previous exploration by Equigold, Lihir and Newcrest including a series of large drilling programs totalling 569 RC holes and 11 diamond drill holes. This obtained many gold mineralised intercepts beneath a 7km^2 gold-in-soil geochemical anomaly (*ASX release dated 28/10/15*) indicating the presence of a large gold mineralised system.

Geological mapping and re-logging of historical diamond drill core by Predictive staff has demonstrated that the gold mineralisation is hosted in a sequence of mafic volcanics, with lesser felsic to intermediate volcanics and minor metasediments. Gold mineralisation is found in both broad, moderate grade alteration zones (silica-sericite-carbonate-pyrite) and narrower, higher grade quartz veins.

PDI has earned a 37% equity in the Bobosso project through an agreement which was signed in October 2015 with the owner of XMI, West Africa Venture Investment (**WAVI**). More recently, Predictive and WAVI have entered into a funding agreement with Progress Minerals Inc (**Progress**) by which Progress is funding US$1 million of expenditure to earn a 30% equity in the project *(ASX release dated 16/3/17)*.

Diamond Drilling Program

A diamond drilling program, totalling 17 holes and 1657m, was completed in May 2017 *(ASX release dated* 19/7/17). It was designed to explore four small areas within the large Bobosso gold mineralised system by:

- testing for mineralisation continuity along east-west to north-east trends identified from geological mapping and geophysical surveys (see Figure 12), and
- following up several historical, high-grade gold intercepts.

The historical drilling was mostly drilled from west to east on an ESE (105°) azimuth. This assumed that the target mineralisation was orientated NNE. A subsequent aeromagnetic survey indicated that the mineralisation distribution was probably controlled by ENE orientated structures (Figure 12). This drill program was designed to test the validity of that concept. The bulk of drill holes in this program were therefore drilled on an azimuth of 160° to test ENE striking zones dipping towards the north.

Four target areas were drill tested (Figure 12):

Target Zone 1

Drilling here was designed to follow-up a high-grade quartz vein mineralisation style as well as lower grade disseminated mineralisation.

Figure 13 illustrates the distribution of gold mineralised intercepts from this drill program in relation to historical drill intercepts *(ASX release dated 28/10/15)*. It shows several gold mineralised zones, the most important one of which can be traced over at least 150m of strike, is open to both the west and east and dips towards the north. The figure also shows the location of two higher-grade intercepts in historical holes BDD001 and BRC083 which intersected a higher-grade quartz vein style of mineralisation including 6m at 17.3g/t Au. The distribution of the latter relative to the lower grade disseminated gold mineralisation style is illustrated in Figure 14.

[1] *See http://www.semafo.com/English/operations-and-exploration/reserves-and-resources/default.aspx*

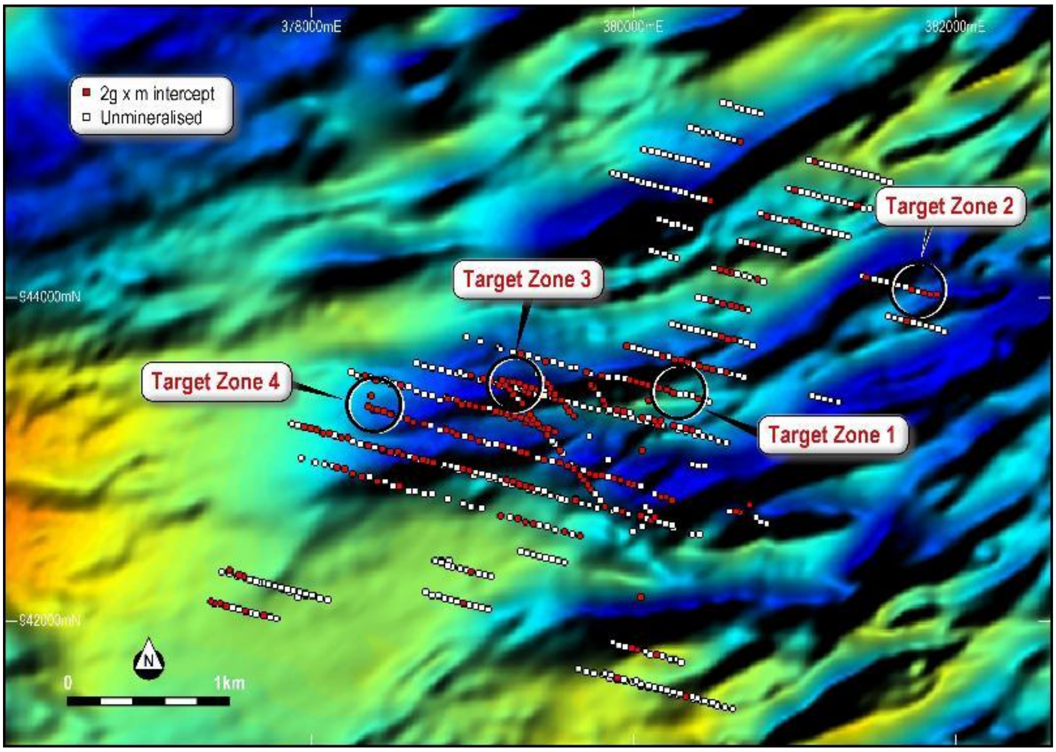

Figure 12: *Diamond drill target locations plotted on a map showing east-west to east-north-east structures defined by aeromagnetic data, gold mineralised historical drill holes (containing at least 2 gxm) as red dots and unmineralised holes as white dots. Note the scale of the gold mineralised system with drilling extending over 4km of strike length on multiple structures.*

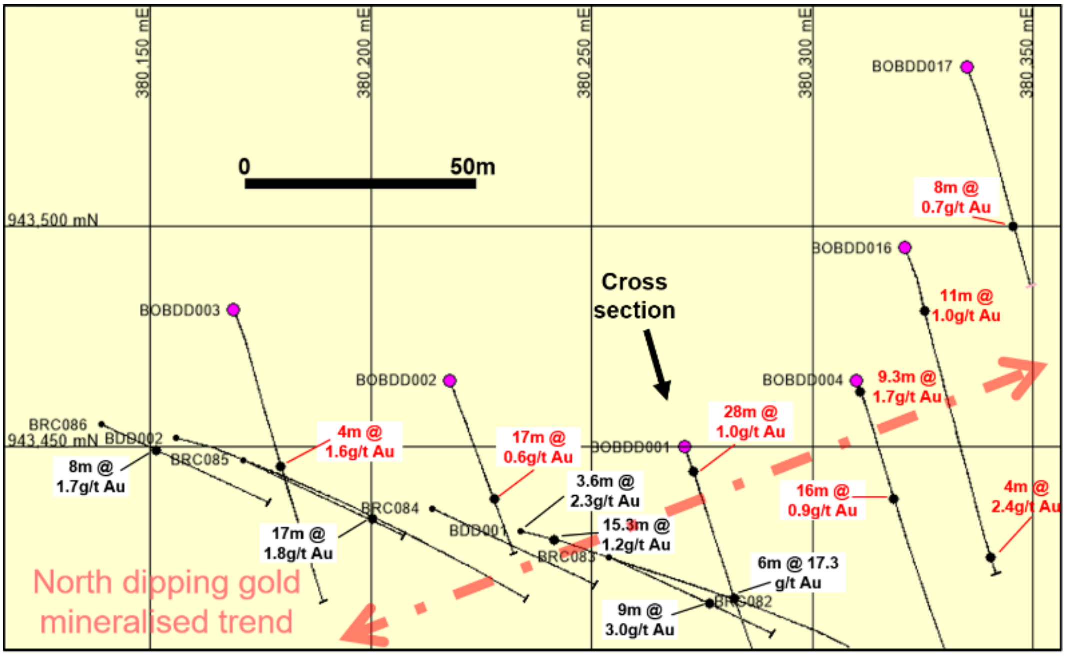

Figure 13: *Target 1 plan view showing results of recent diamond drilling program (in red) along with historical results in black (reported to the ASX on 28/10/15). Black dots show the centre point of each gold intercept (reported at a 0.25g/t Au cut-off grade). Holes BOBDD016 and BOBDD017 were designed to test the along strike extension of the shallow gold mineralised zone encountered in holes BOBDD001 and BOBDD004.*

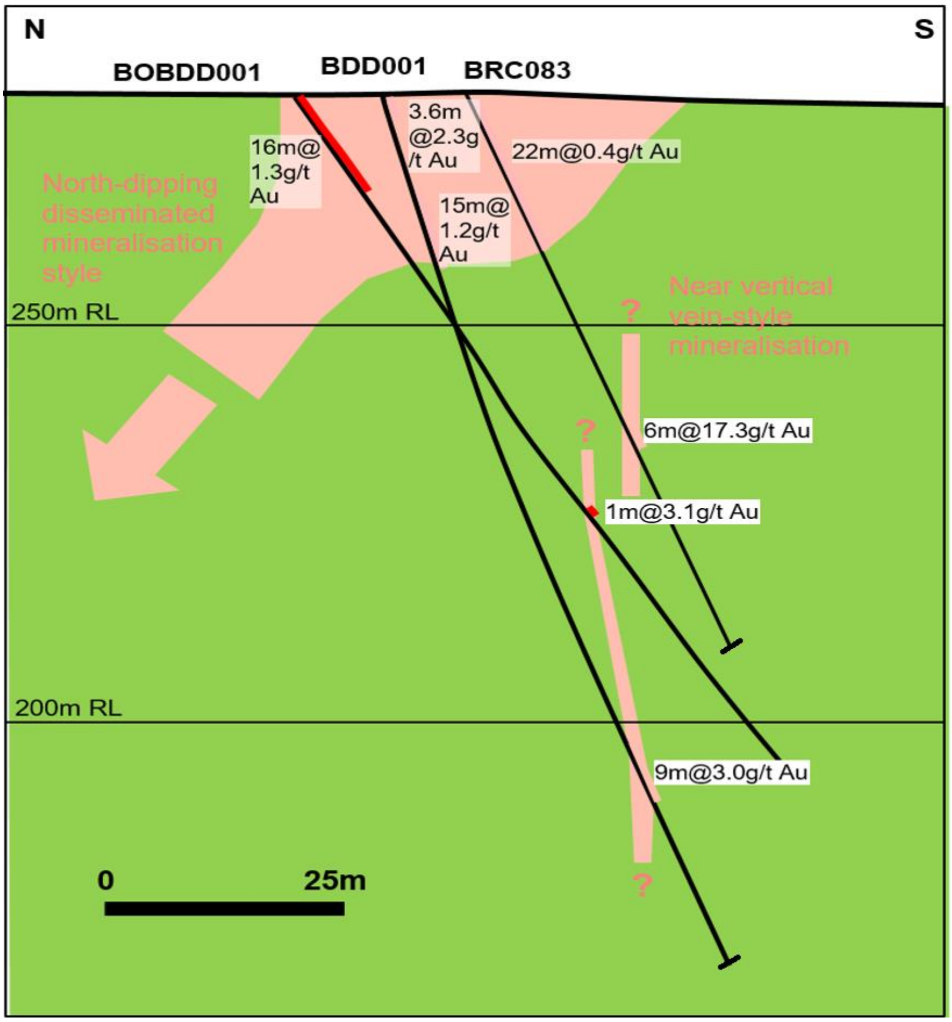

Figure 14: *Cross-sectional view through Target 1 illustrating the spatial relationship between the lower grade disseminated gold mineralised style and the higher-grade quartz vein type. Results of holes BDD001 and BRC083 were reported to the ASX on 28/10/15. Note that the apparent widening of the gold mineralised zone in the near-surface is interpreted as supergene lateral re-distribution of the gold.*

Target Zone 2

Drilling here was designed to follow-up an area containing several high-grade quartz vein intercepts and some known artisanal workings which are also known to contain high-grade vein style mineralisation.

Figure 15 shows that one of the diamond drill holes, BOBDD007, intersected two zones of high-grade quartz vein-hosted gold mineralisation: **2.2m at 8.77g/t Au** including **1.2m at 14.25g/t Au** and **1.45m at 6.16g/t Au** including **0.5m at 11.8g/t Au**.

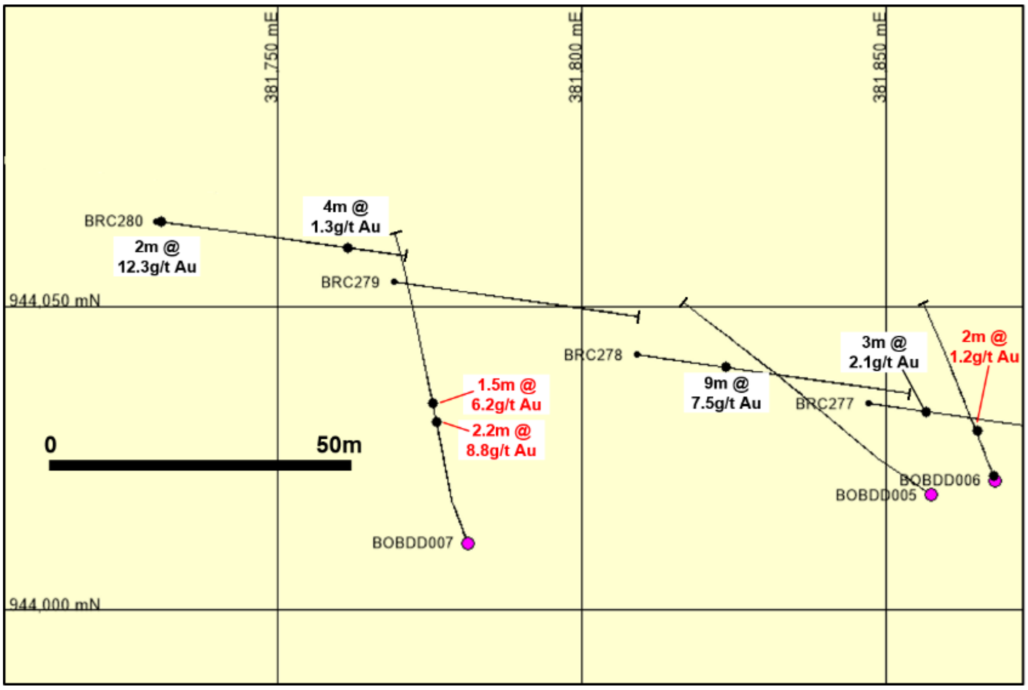

Figure 15: *Target 2 plan view showing results of recent diamond drilling program (in red) along with historical results in black (reported to the ASX on 28/10/15). Black dots show the centre point of each gold intercept (reported at a 0.25g/t Au cut-off grade).*

Target Zone 3

Drilling here was designed to confirm an apparently east-west striking and north-dipping zone of gold mineralisation. The close spaced drilling confirmed the east-west strike and north dip of a modest grade zone over a strike length of approximately 200m (Figure 16).

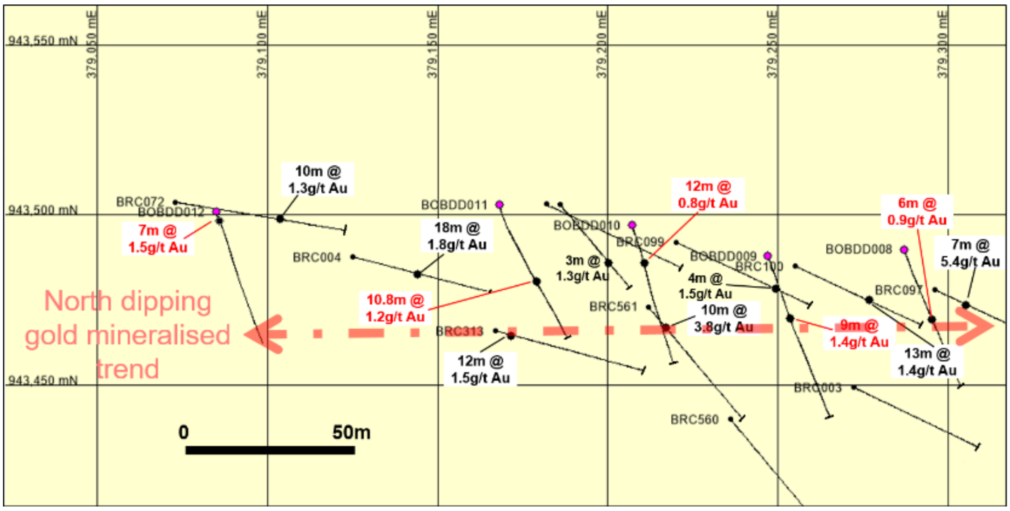

Figure 16: *Target 3 plan view showing results of recent diamond drilling program (in red) along with historical results in black (reported to the ASX on 28/10/15). Black dots show the centre point of each gold intercept (reported at a 0.25g/t Au cut-off grade).*

Target zone 4

Drilling here was designed to test several mineralised zones with uncertain strike orientations (either E-W or NE).

Figure 17 shows that the principal disseminated gold mineralisation zone here strikes WNW, consistent with foliation trends observed in the core, and is open to the west.

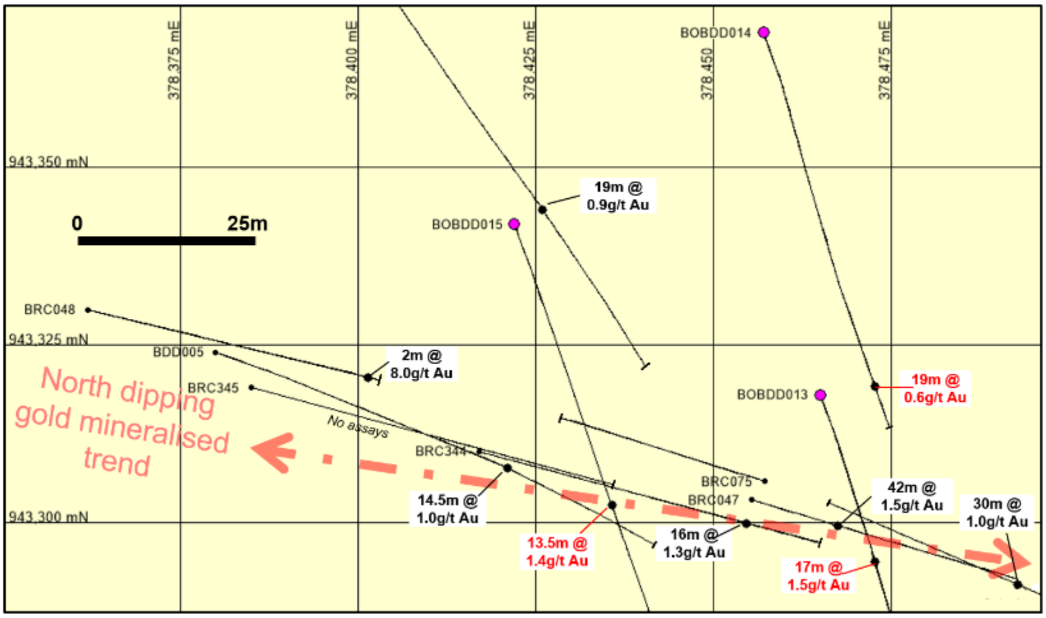

Figure 17: *Target 4 plan view showing results of recent diamond drilling program (in red) along with historical results in black (reported to the ASX on 28/10/15). Black dots show the centre point of each gold intercept (reported at a 0.25g/t Au cut-off grade).*

Conclusions

This drill program showed that:

- The predominant, disseminated gold mineralisation style can be traced from hole to hole over distances of more than 100m and, in the areas tested, strikes between NE through E-W to ESE. Foliation and occasional bedding orientations vary through the same range of strike orientations as the disseminated mineralisation, suggesting that mineralisation distribution is controlled by the structures seen in the aeromagnetic map (Figure 12).
- The mineralisation continuity demonstrated in this program will be helpful in planning future resource drill-outs over the Bobosso mineralised system.
- Given that the previous drilling is oriented very obliquely to the mineralisation strikes observed in this program, there is significant potential to find more such mineralisation, potentially in multiple parallel zones in the large gaps between the earlier drill lines. Most of the mineralisation drilled in this program is open along strike on both directions.
- The higher-grade quartz vein style appears to be less persistent along strike and will require more detailed drilling to define resources.

BURKINA FASO GOLD PROJECT (Predictive 100%)

Background

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

Burkina Faso is a landlocked country, bounded to the south by Ghana, Cote D'Ivoire, Togo and Benin, to the west by Mali and to the east by Niger (Figure 1). Gold mining in the past was confined to artisanal mining and one substantial mining operation at Poura in the west of the country which closed in 1999. In the past nine years, however, there has been a strong resurgence in exploration and mine development, stimulated especially by the release of new mining regulations in 2003. New mines have been developed on the Yaramoko (Roxgold Resources) and Karma (Endeavour) gold deposits. Positive feasibility study results have also been announced on the Natougou (Semafo), Banfora (Teranga) and Mankarga (West African Resources) deposits indicating that more mines will be developed in the coming years.

Eastern Burkina Faso

Predictive's current tenement holdings in Burkina Faso are located in the east of the country, and cover approximately 100km of strike length of the Samira Hill greenstone belt in eastern Burkina Faso (Figure 1). This belt hosts the 2.5 million ounce Samira Hill gold deposit across the border in Niger and contains numerous active artisanal gold mine sites along its length. PDI currently owns 100%, or has the rights to earn 95% to 100% of all its permits in Burkina Faso. PDI has discovered gold mineralisation on multiple prospects in Eastern Burkina Faso area (Figure 18).

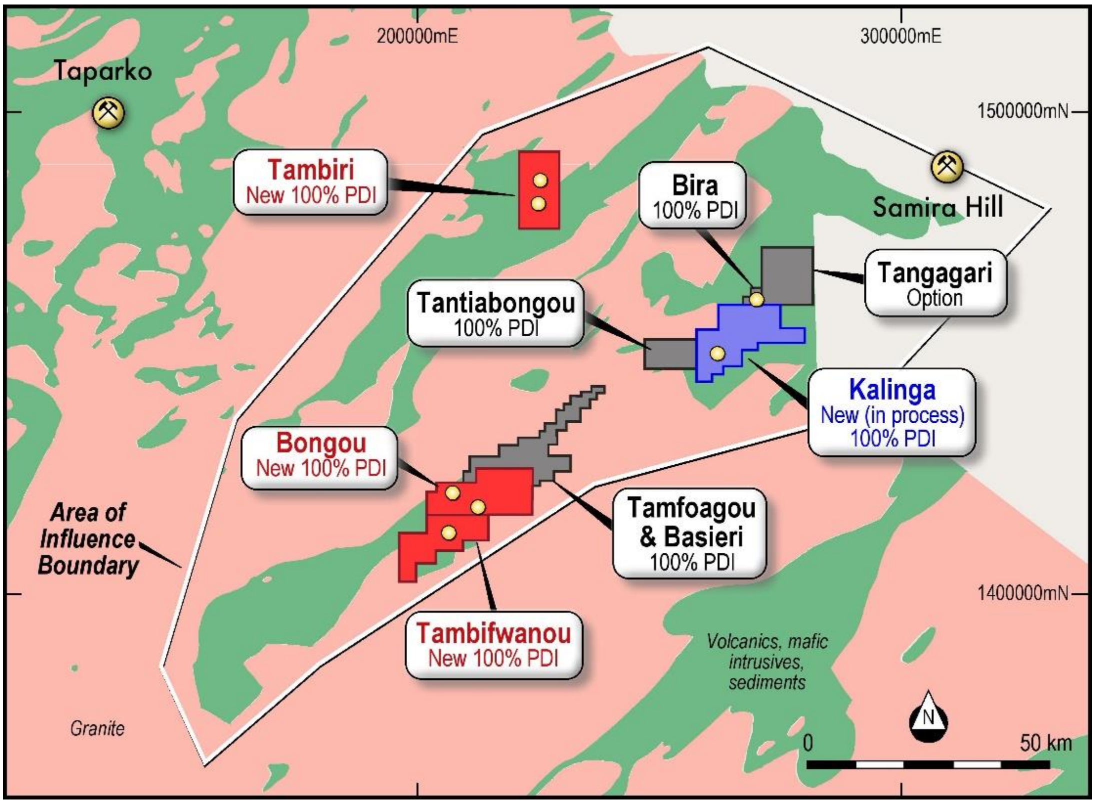

Figure 18: *Locality map of PDI permits in eastern Burkina Faso, showing the Company's permits on a geology background. Red coloured polygons are new permits replacing old permits which reached the end of their terms in July 2017. The blue polygon is the Kalinga permit for which fees have now been paid (and therefore formal grant of the new permit is expected soon). Apart from Bira, these four new permits cover all the key gold prospects explored by PDI (yellow dots). The grey polygons are older permits also held by Predictive.*

Bongou Area (Bongou and Tambifwanou Permits – Figure 18)

In recent years, PDI's focus in Burkina Faso has been on the high-grade Bongou gold discovery (100% PDI) and the immediate surrounding area.

In September 2014, a formal Mineral Resource Estimate on Bongou resulted in 184,000oz of gold in the Inferred and Indicated Mineral Resource categories with an average grade of 2.6g/t Au, including 136,000oz at 3.8g/t Au *(ASX release dated 4/9/14)*.

Mineral Resource Governance and Internal Controls

Predictive Discovery Limited ensures that the Bongou Mineral Resource estimate quoted here is subject to governance arrangements and internal controls. The Bongou Mineral Resource was estimated under the supervision of by Mr Richard Gaze of Golder Associates, an independent third party competent person. The Bongou resource statement was subject to review by Predictive Discovery Limited's technical staff and suitably qualified members of the Board of Directors.

The Company confirms that its Mineral Resources are reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition.

Exploration Target Near Bongou

The Company has also calculated an Exploration Target on drilled prospects exclusive of but within 10km of the Bongou gold deposit *(ASX release dated 3/9/15)*. The Exploration Target detailed in the following table is estimated to be in a range of 9.4 to 10.4 million tonnes averaging between approximately 1.5 to 1.7 g/t Au and containing approximately 460,000 to 563,000 ounces of gold, as follows:

Prospect Names	**Million Tonnes**		**Grade**		**Ounces Gold**	
(see Figure 19 for locations)	**Lower estimate**	**Higher estimate**	**Lower estimate**	**Higher estimate**	**Lower estimate**	**Higher estimate**
Dave	6.71	7.41	1.49	1.65	322,000	394,000
Laterite Hill	1.48	1.63	1.62	1.79	77,000	94,000
Near Bongou (W2/W8)	0.27	0.30	1.57	1.74	14,000	17,000
Prospect 71	0.68	0.75	1.21	1.33	26,000	32,000
Target 92	0.23	0.26	2.88	3.18	21,000	26,000
Totals	**9.37**	**10.35**	**1.53**	**1.69**	**460,000**	**563,000**

The potential quantity (tonnage) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of Mineral Resources.

The calculation was restricted to prospects for which there is good evidence of mineralisation orientation and continuity. Most of these prospects are open along strike and at depth. Some other isolated gold intercepts within 10km of Bongou were excluded, so there is significant potential to expand the Exploration Target further within range of PDI's own drilling.

In addition, PDI's ground holdings in Eastern Burkina Faso hold other significant prospects for which Exploration Targets could be calculated.

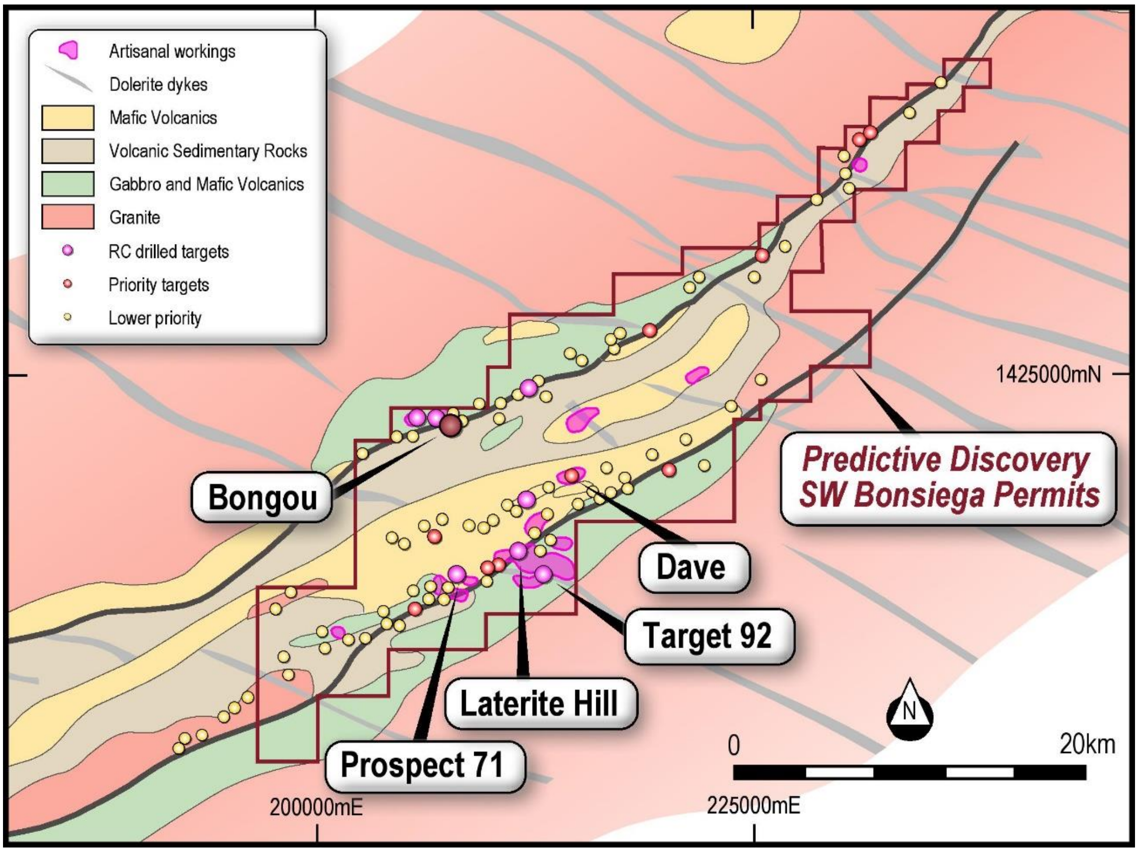

Figure 19: *Outline of PDI permits near Bongou, showing location of the Bongou gold deposit and prospects which are included in the Exploration Target.*

Data and parameters used in calculating this Exploration Target were as follows:

- Data:
  - Gold intercepts from 291 reverse circulation holes, 4 air core holes and 5 diamond drill holes[2] were used in the calculation.
  - The holes were mostly drilled on lines spaced from 50m to 100m apart, with a spacing along the lines ranging from 10m to 50m.
- Parameters:
  - 0.5 g/t gold cut-off grade;
  - Minimum internal waste of 3m except for a few holes where it was clear that the holes had drilled almost down-dip and where the inclusion of larger down-hole intervals of internal waste made geological sense;
  - Minimum downhole intercept width of 2m and a minimum grade times width intercept of 2g*m;
  - Maximum of 100m strike extent from drill holes (where the continuity of the mineralisation is supported by mapping and/or the location of artisanal workings and/or anomalous auger results);

[2] *These drilling results were reported to the ASX in the following Quarterly Reports: June Quarter 2011, March Quarter 2012, June Quarter 2012, March Quarter 2014 and June Quarter 2015. The drill results reported in these Quarterly Reports up to the June Quarterly of 2012 were prepared and first disclosed under the JORC Code 2004; they have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

- Maximum of 70m vertical extent below surface;
- Dry bulk density estimates as follows:
  - Laterite: 2.2,
  - Saprolite: 1.8,
  - Weathered rock between base of saprock and base of complete oxidation (BOCO): 2.3,
  - Fresh mafic volcanics: 2.8,
  - Fresh felsic to intermediate rocks including granite and granodiorite: 2.7 .
- The calculation was carried out using a cross sectional method with volumes projected half way to the next hole (on the section) or half way to the next section to a maximum distance of 100m (along strike).

Additional Potential

Most of the zones of gold mineralisation included in the Exploration Target are open at depth and along strike. In addition, there are a series of other mineralised intercepts within the immediate Bongou area which have potential for resource discovery either along strike or at depth.

Replacement of Key Permits

During the 2016-17 year, the Company worked with the Burkina Faso Ministry of Mines to renew or replace some of the older permits in the tenement package. This has involved payment of some substantial permit renewal fees. Three permits were replaced - Madyabari (replaced by Bongou), Sirba (replaced by Tambifwanou), Bangaba (replaced by Tambiri). Grant fees have been paid on a fourth new permit, Kalinga (replacing the old Fouli permit), and receipt of the formal permit document, the arréte, is expected shortly. These four permits cover most the Company's most important prospects (see Figure 18).

Joint Venture on Burkina Faso Properties

The Company announced a joint venture agreement with Canada-based company Progress Minerals International Inc (PDI's funding partner on the Bobosso Project) on all of the current Burkina Faso exploration permits on 15/9/17. Agreement details include:

- Progress can earn a 70% interest in the project by funding a US$5 million (A$6.3 million) program of exploration and evaluation in three stages:
  - US$1 million expenditure (minimum expenditure) within 1 year to earn 51%.
  - Additional US$1.5million expenditure by the end of the second year to increase its equity to 60%.
  - Additional US$2.5 million expenditure by the end of the fourth year to increase its equity to 70%.
- Other aspects of the agreement are:
  - The agreement is effective from 30 September 2017.
  - If Progress decides not to continue spending money after achieving a 51% equity, it is obliged to offer its entire interest back to Predictive. If a price cannot be agreed, Predictive has the option to dilute Progress's equity down through in-ground expenditure in accordance with a standard dilution formula.
  - Progress will take responsibility for PDI's current Burkina Faso overhead costs.
  - The Joint Venture arrangements will extend to any permits that are granted to either party within an Area of Influence around the current permits (Figure 18).

VICTORIAN GOLD PROJECT

Cape Clear EL5434 (Predictive 25%)

Exploration Licence 5434 is located west of Ballarat in Victoria (Figure 9). It was granted to PDI in July 2013. The area is highly prospective for shallowly concealed Stawell-style gold mineralisation. PDI previously carried out geological mapping and a gravity survey over part of the EL area. Execution of a binding farm-in agreement with Cape Clear Minerals Pty Ltd (CCM) on this EL was announced to the ASX on 22nd September 2014. Under that agreement, CCM could earn 75% equity in the licence by spending $500,000 on exploration, including at least 1,000m of drilling. CCM has complied with those conditions and has therefore achieved a 75% equity in the project.

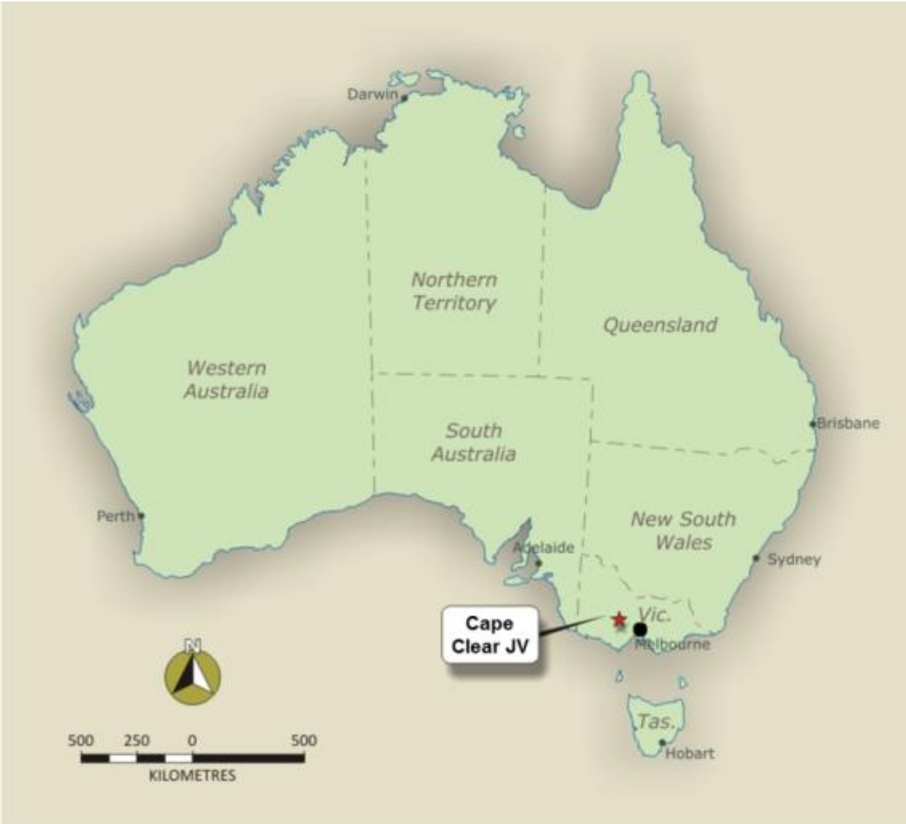

Figure 20: *Cape Clear Exploration Licence Locality Plan*

Exploration on EL5434 is targeted at discovery of Stawell-style and/or Ballarat-style gold mineralisation on the margins of a concealed Cambrian basalt ridge located on the west side of the major north-south striking Avoca Fault. The Stawell gold deposit is located in a comparable geological position on the western side of a basalt ridge, which is, in turn, west of the major Coongee Fault.

Work completed during the year was confined to data reviews and statutory reporting.

Predictive and CCM have now revised the joint venture arrangements such that Predictive will participate in exploration of the northern portion of EL5434, which the Company regards as being more prospective, and CCM will explore the southern portion in its own right. In return for ceding its rights over the southern portion of the EL, Predictive has rights to a 1% net smelter return royalty on any production from that area.

CORPORATE

Capital raisings during the year totalled $3.05 million via a placement and SPP in September-October 2016.

OUTLOOK

In Cote D'Ivoire, Predictive now has two joint ventures with partners covering the majority of exploration costs on the currently granted exploration permits. Both joint venture partners, Toro and Progress, are highly technically proficient with clear mine development capabilities. Excellent progress is being made and large work programs generating significant news flow are expected in the next year. The Company also has interests in six new permit applications and plans to carry out early stage exploration programs (e.g. geology, geochemistry, geophysics and reconnaissance drilling) on them as soon as they are granted.

In Burkina Faso, Predictive's priority is to leverage the economic potential of the Bongou gold deposit and surrounding prospects to develop a profitable multi-pit gold mining operation feeding a central mill. With the recent announcement of the joint venture partnership with Progress Minerals Inc, the Company believes that the project is now well placed to advance through expansion of the resource base through to a feasibility study.

The Company is also actively seeking new ground that it can explore in its own right throughout West Africa. Low cost, early stage exploration programs are planned on any new ground as soon as it is granted.

Competent Person's Statement

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

The input data, including the drill hole dataset, topography and geology interpretation used in the Mineral Resource estimate for the Bongou deposit is based on information and supporting documentation compiled by Mr Paul Roberts. Mr Roberts is a full-time employee of Predictive Discovery Ltd and a Fellow of the Australasian Institute of Geoscientists. Mr Roberts has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). Mr Roberts consents to the inclusion of the drill hole data, topography and geological interpretation and the supporting information in the form and context in which it appears in this statement.

The Mineral Resource estimation and classification of Mineral Resources and Exploration Targets for the Bongou deposit is based on, and fairly represents, information and supporting documentation compiled by Mr Richard Gaze. Mr Gaze is a full-time employee of Golder Associates Pty Ltd and a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Gaze has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). Mr Gaze consents to the inclusion of the estimates, classification and the supporting information in the form and context in which it appears in this statement.

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 2017.

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

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

COMPANY SECRETARIES

Eric Moore
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
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 $2,675,065 (2016: $7,864,047). This was largely from the costs of administering the group to 30 June 2017, share-based remuneration expenses, impairment of exploration and exploration costs.

REVIEW OF OPERATIONS

In the year to June 2017, substantial gold exploration operations, including three drilling programs, were undertaken by joint venture partners in Cote D'Ivoire. In addition, the Company renewed some key land holdings and continued discussions with possible joint venture partners in Burkina Faso. $3.05 million was raised in a combined placement and share purchase plan in September-October 2016. The Company also undertook a 1 for 10 share consolidation in May 2017

Predictive's joint venture with Toro Gold Limited (Toro JV) in Cote D'Ivoire completed another large exploration program during the year, involving diamond and RC drilling and extensive geochemical sampling programs. This work obtained highly encouraging results on the Boundiali, Ferkessedougou North and Beriaboukro exploration permits including: (1) Boundiali – diamond and RC drilling with a best intercept of 30m at 8.3g/t Au in drill core at the Nyangboue Prospect, (2) Ferkessedougou North – a new, 17km long gold-in-soil anomaly with numerous samples containing more than 500ppb Au and (3) Beriaboukro – three gold-in-soil geochemical anomalies and high grade rock chip sample results from the Takalaso artisanal site, which require follow-up drilling. Toro earned a 65% interest in Predictive's Cote D'Ivoire subsidiary, Predictive Discovery Cote D'Ivoire SARL, during the financial year, by cumulative exploration expenditure (since JV inception) of US$3.5 million. Predictive is now contributing 35% of exploration expenditure to the Toro JV.

The Company signed a three-way JV agreement with Progress Minerals Inc, a Canadian company, and XMI SARL, an Ivoirian company, over the Bobosso Project in NE Cote D'Ivoire. Progress is now part way through funding a US$1 million exploration program on Bobosso to earn a 30% equity. This program has included a diamond drilling program in April-May 2017 which confirmed Predictive's new geological model of gold mineralisation continuity in the very large gold mineralisation system there.

Also, in Cote D'Ivoire, Predictive entered into an option agreement on three permit applications and applied for three more via a new wholly owned subsidiary. When granted, these six permits will add 2,400km^2 of highly prospective ground to the Company's ground position.

In Burkina Faso, the Company worked closely with the Mines Ministry to replace four old exploration permits with four new permits. These permits cover the Bongou, Dave, Laterite Hill, Prospect 71, Tambiri and Solna prospects, and therefore include most of the gold mineralisation discovered so far by Predictive in Burkina Faso. The Company has now received grant documents ("arretes") for three of the permits and receipt of the fourth arrete is imminent. With the assurance of this renewed tenure, the Company should be able to move forward with a large exploration program - with the help of a new joint venture partner - in the December Quarter of 2017.

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 $574,739 from 30 June 2016 to 30 June 2017. This net movement is largely due to the following factors:

- $2.85m net capital raising;
- Expenditure on exploring and evaluating the assets in Burkina Faso and Cote D'Ivoire; and
- Impairment of exploration costs carried forward.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO BALANCE DATE

On 15 September 2017 Predictive Discovery Limited announced that it had entered into a joint venture agreement with Canada-based company Progress Minerals International Inc (Progress) on Predictive's eastern Burkina Faso exploration permits.

Progress can earn a 70% interest in the project by funding a US$5 million (A$6.3 million) program of exploration and evaluation in three stages, with the aim of advancing towards a future multi-pit development based on Predictive's Gold prospects.

Other than the above, no matters or circumstances have arisen for the year which significantly affected or could significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL ISSUES

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

INFORMATION ON DIRECTORS

Mr Phillip Jackson	**Non-Executive Chairman**
Qualification	BJuris, LLB, MBA, FAICD
Experience	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 is now General Counsel for a major international oil and gas company. Phillip has been Chairman of Aurora since it listed in June 2004 and of listed subsidiary Peninsula Mines Limited ("Peninsula"), and is a non-executive Chairman of Predictive Discovery Limited. Phillip is also a non-executive director of listed company Scotgold Resources Limited.
Interest in Shares and Options	Shareholding: Nil Optionholding: 825,000
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	**Managing Director**
Qualifications	BSc, MSc, FAIG, MGSA
Experience	Mr Roberts has a long and successful history in mineral exploration management and mine geology both in Australia and overseas. He was responsible for discovery of the Henty gold deposit and major extensions to the St Dizier tin deposit both in Tasmania, as well as resource evaluations of the Kuridala copper gold deposit in North Queensland, the Bongara zinc deposit in Peru and a number of gold deposits in the Cue and Meekatharra districts in Western Australia.
Interest in Shares and Options	Shareholding: 1,483,179 Optionholding: 3,000,000
Directorships held in other listed entities during the three years prior to the current year	None

Mr David Kelly	**Non-Executive Director**
Qualifications	B.Sc. (Hons.) - Major in Geology
Experience	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	Shareholding: Nil Optionholding: 825,000
Directorships held in other listed entities during the three years prior to the current year	Renaissance Minerals Limited

MEETINGS OF DIRECTORS

During the financial year, 23 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	4	4	19	19
Mr Paul Roberts	4	4	19	19
Mr David Kelly	4	4	19	19

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 2017 to the date of this report are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
29 November 2016	29 November 2018	$0.1805	1,952,500
29 November 2016	29 November 2019	$0.2578	1,952,500
29 November 2016	29 November 2020	$0.3867	1,952,500
		TOTAL	5,857,500

During the year ended 30 June 2017 no ordinary shares of Predictive Discovery Limited were issued on the exercise of options granted.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services 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 17.

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2017 has been received and can be found on page 66 of the financial report.

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

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

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

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

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

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

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

REMUNERATION REPORT (AUDITED) *(continued)*

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 2017	Non-salary cash-based incentives	Options/ Rights	Fixed Salary/Fees	Total
		%	%	%	%
Mr Phillip Jackson	Non-Executive Chairman	-	53	47	100
Mr Paul Roberts	Managing Director	-	53	47	100
Mr David Kelly	Non-Executive Director	-	62	38	100
Mr Eric Moore	Company Secretary	-	100	-	100

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

Paul Roberts, Managing Director, has entered into a consulting agreement that requires 6 months' notice of voluntary termination of employment that entitles Mr Roberts to $90,000 as a termination benefit.

REMUNERATION REPORT (AUDITED) *(continued)*

REMUNERATION DETAILS FOR THE PERIOD ENDED 30 JUNE 2017

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 2017

Key Management Personnel		Salary, fees and leave	Other	Pension and super-annuation	Shares/ Units	Options/ Rights	Total
		$	$	$	$	$	$
Mr Philip Jackson	2017	46,250	-	-	-	52,194	98,444
	2016	27,500	-	-	-	-	27,500
Mr Paul Roberts	2017	182,493	-	2,651	-	208,775	393,919
	2016	126,739	-	12,040	-	-	138,779
Mr David Kelly	2017	29,680	-	2,820	-	52,194	84,694
	2016	10,127	-	962	-	-	11,089
Mr Philip Henty(1)	2017	-	-	-	-	-	-
	2016	5,327	-	506	-	-	5,833
Mr Tim Markwell(2)	2017	-	-	-	-	-	-
	2016	6,436	-	-	-	-	6,436
Mr Eric Moore(3)	2017	-	-	-	-	20,878	20,878
	2016	-	-	-	-	-	-
Total Key Management Personnel	2017	258,423	-	5,471	-	334,041	597,935
	2016	176,129	-	13,508	-	-	189,637

(1) Resigned 30 November 2015
(2) Resigned 17 December 2015
(3) Mr Moore received no salary or fee-based remuneration from the Company. Parent Aurora Minerals Limited provides company secretarial, accounting and bookkeeping services to the Company under an Administration Services Agreement at the scheduled rate of $89,100 per annum.

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 remunerat-ion during the period	Expired during the period	Other changes during the period (1)	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercis-able
30 June 2017								
Mr Philip Jackson	-	8,250,000	-	(7,425,000)	825,000	825,000	825,000	-
Mr Paul Roberts	3,000,000	33,000,000	(3,000,000)	(29,700,000)	3,300,000	3,300,000	3,300,000	-
Mr David Kelly	-	8,250,000	-	(7,425,000)	825,000	825,000	825,000	-
Mr Eric Moore	-	3,300,000	-	(2,970,000)	330,000	330,000	330,000	-
	6,300,000	52,800,000	(3,000,000)	(47,520,000)	5,280,000	5,280,000	5,280,000	-

(1) Consolidation of the company's shares and options on a 1 for 10 basis effective 19 May 2017

REMUNERATION REPORT (AUDITED) *(continued)*

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS (continued)

	Balance at beginning of period	Granted as remunerat-ion during the period	Exercised during the period	Other changes during the period	Balance at end of period	Vested during the period	Vested and exercisable	Vested and unexercis-able
30 June 2016								
Mr Philip Jackson	-	-	-	-	-	-	-	-
Mr Paul Roberts	4,700,000	-	(1,700,000)	-	3,000,000	-	3,000,000	-
Mr David Kelly(1)	-	-	-	-	-	-	-	-
Mr Philip Henty(2)	1,600,000	-	(600,000)	(1,000,000)(2)	-	-	-	-
Mr Tim Markwell(3)	-	-	-	-	-	-	-	-
Mr Eric Moore	-	-	-	-	-	-	-	-
	6,300,000	-	(2,300,000)	(1,000,000)	3,000,000	-	3,000,000	-

(1) Mr Kelly was appointed a director of the Company on 22 January 2016
(2) Mr Henty resigned as a director of the Company on 30 November 2015
(3) Mr Markwell resigned as a director of the Company on 17 December 2015

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 (1)	Balance at end of period
30 June 2017						
Mr Phillip Jackson	-	-	-	-	-	-
Mr Paul Roberts	14,331,790	-	-	500,000	(13,348,611)	1,483,179
Mr David Kelly	-	-	-	-	-	-
Mr Eric Moore	-	-	-	-	-	-
	14,331,790	-	-	500,000	(13,348,611)	1,433,179

(1) Consolidation of the company's shares and options on a 1 for 10 basis effective 19 May 2017

	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 2016						
Mr Phillip Jackson	-	-	-	-	-	-
Mr Paul Roberts	7,165,895	-	-	7,165,895	-	14,331,790
Mr David Kelly	-	-	-	-	-	-
Mr Philip Henty	20,712,583	-	-	-	(20,712,583)	-
Mr Tim Markwell	-	-	-	-	-	-
Mr Eric Moore	-	-	-	-	-	-
	27,878,478	-	-	7,165,895	(20,712,583)	14,331,790

REMUNERATION REPORT (AUDITED) *(continued)*

SECURITIES RECEIVED THAT ARE NOT PERFORMANCE-BASED

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

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

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

END OF THE REMUNERATION REPORT

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

Paul Roberts
Managing Director
21 September 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Finance income		34,194	9,030
Other income		105,808	119,486
Share based payments		(370,574)	-
Administrative payments		(981,180)	(725,970)
Foreign exchange gain/(expenses)		(19,112)	(20,325)
Impairment of exploration		(1,327,506)	(7,197,867)
Exploration expenditure pre-right to tenure		(116,695)	(48,401)
Loss before income tax		(2,675,065)	(7,864,047)
Income tax expense	2	-	-
Loss from continuing operations		(2,675,065)	(7,864,047)
Other comprehensive income			
Other comprehensive income		24,098	62,270
Total comprehensive loss for the year		(2,650,967)	(7,801,777)
Profit attributable to:			
Members of the parent entity		(2,650,967)	(7,801,777)
		(2,650,967)	(7,801,777)
Basic loss per share (cents per share)	12	(1.728)	(0.773)
Diluted loss per share (cents per share)	12	(1.728)	(0.773)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		Consolidated	
	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	3	1,641,710	625,917
Trade and other receivables	4	450,737	181,266
Other current assets		-	-
Total current assets		2,092,447	807,183
Non-Current Assets			
Property, plant and equipment	5	82,790	113,759
Exploration expenditure	6	3,621,616	3,675,061
Total non-current assets		3,704,406	3,788,820
Total assets		5,796,853	4,596,003
Current Liabilities			
Trade and other payables	7	702,794	79,280
Provisions	9	18,692	16,095
Total current liabilities		721,486	95,375
Total liabilities		721,486	95,375
Net Assets		5,075,367	4,500,628
Equity			
Issued capital	10	28,256,378	25,401,246
Reserves	11	2,418,358	2,023,686
Accumulated losses		(25,599,369)	(22,924,304)
Total Equity		5,075,367	4,500,628

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	$	$	$	$	$
CONSOLIDATED					
At 1 July 2015	24,180,869	(15,060,257)	1,452,485	508,931	11,082,028
Loss for the year	-	(7,864,047)	-	-	(7,864,047)
Other comprehensive income	-	-	62,270	-	62,270
Total comprehensive loss for the year	-	(7,864,047)	62,270	-	(7,801,777)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	-	-
Issue of share capital	1,351,169	-	-	-	1,351,169
Transaction costs	(130,792)	-	-	-	(130,792)
At 30 June 2016	25,401,246	(22,924,304)	1,514,755	508,931	4,500,628
At 1 July 2016	25,401,246	(22,924,304)	1,514,755	508,931	4,500,628
Loss for the year	-	(2,675,065)	-	-	(2,675,065)
Other comprehensive income	-	-	24,098	-	24,098
Total comprehensive loss for the year	-	(2,675,065)	24,098	-	(2,650,967)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	-	370,574	370,574
Issue of share capital	3,049,450	-	-	-	3,049,450
Transaction costs	(194,318)	-	-	-	(194,318)
At 30 June 2017	28,256,378	(25,599,369)	1,538,853	879,505	5,075,367

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Receipts from customers		39,952	119,486
GST receipts/(payments)		(14)	93
Payments to suppliers and employees		(957,254)	(737,536)
Net cash provided by (used in) operating activities	21	(917,316)	(617,957)
Cash flows from investing activities			
Interest received		34,138	9,030
Proceeds from refunds of tenement acquisitions		-	-
Proceeds from sales of property, plant and equipment		-	4,642
Purchase of property, plant and equipment		(7,109)	-
Payments for acquisition of tenements		(34,487)	
Payments for exploration expenditure		(914,229)	(702,469)
Net cash provided by (used in) investing activities		(921,687)	(688,797)
Cash flows from financing activities			
Proceeds from issue of shares		3,049,450	1,301,169
Payment for share issue costs		(194,318)	(85,791)
Net cash inflow from financing activities		2,855,132	1,215,378
Foreign exchange differences		(336)	(355)
Net cash provided by (used in) other activities		(336)	(355)
Net increase (decrease) in cash held		1,015,793	(91,731)
Cash and cash equivalents at beginning of financial period		625,917	717,648
Cash and cash equivalents at end of the financial period	3	1,641,710	625,917

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

This financial report includes the consolidated financial statements and notes of 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.

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

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

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

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

(a) Principles of consolidation

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

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

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

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

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

Subsidiaries are accounted for in the parent entity at cost.

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.

(b) Revenue and Other Income

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

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

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

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

(c) Borrowing Costs

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

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

(d) Income Tax

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

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

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

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

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

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

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

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

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

(e) Employee Benefits

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

(f) Provisions

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

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

(g) Foreign Currency Transactions and Balances

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

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

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

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

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

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

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

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

(h) Cash and Cash Equivalents

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

(i) Financial Instruments

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

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

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

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

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

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

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

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

(i) Financial Instruments *(continued)*

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

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

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

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

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

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

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

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

(j) Property, Plant and Equipment

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

Plant and Equipment
Plant and equipment are measured on the cost basis.

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

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

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

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

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

Class of Fixed Asset	Useful Life
Plant and Equipment	2 - 20 years

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

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

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

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

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.

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

(l) Impairment of Assets *(continued)*

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

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

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

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

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

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

(m) Trade and Other Payables

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

(n) Goods and Services Tax (GST)

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

(o) Leases

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

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

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

(p) Earnings Per Share

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

(q) Contributed Equity

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

(r) Share-based Payment Transactions

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

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

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

(s) Critical Accounting Estimates and Judgements

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

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

Key judgements – Exploration and Evaluation Expenditure
The group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. $3,621,616 has been capitalised as at 30 June 2017 (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.

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

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

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

Key Judgements - Going Concern
For the year ended 30 June 2017 the Group made a loss of $2,650,967 (2016: loss $7,801,777). Notwithstanding this the financial report has been prepared using the going concern basis. The Directors have determined that as with similar companies, future capital raisings will be required in order to continue the exploration and development of the company's mining tenements (some subject to an option payment) and meet operational expenditure at current levels to achieve a position where they can prove exploration reserves. The ability of the company to continue as a going concern is dependent upon the company raising additional capital sufficient to meet the company's exploration commitments and operational commitments. Should there be no funding available, exploration of the areas of interest may be put on hold. The recoverability of the exploration asset is dependent upon the continued exploration of each area of interest.

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

Key Judgements - Recoverability of Intercompany Loan
Within Non-current assets of the parent entity (see note 20) there is a loan due from the 100% subsidiaries of $18,826,754 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Burkina Faso.

(t) Adoption of New and Revised Accounting Standards

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the group's accounting policies.

New accounting standards issued but not yet effective
Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9 Financial Instruments *(effective from 1 January 2018)*

AASB 9 will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the Group on initial application of AASB 9 and associated amending Standards include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';

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

(t) Adoption of New and Revised Accounting Standards *(continued)*

- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost based on an expected loss approach.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15 Revenue from Contracts with Customers *(effective from 1 January 2018)*
AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue.

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. The give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

- identify the contract(s) with a customer;
- identify the performance obligations under the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations under the contract(s); and
- recognise revenue when (or as) the entity satisfies the performance obligations.

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16 Leases *(effective from 1 January 2019)*
Under IFRS 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their balance sheets for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the balance sheet will be required to be capitalised on the balance sheet once IFRS 16 is adopted.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions *(effective from 1 January 2018)*
This Standard amends AASB 2 Share-based Payment to address:
(a) the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share based payments;
(b) the classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and
(c) the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
Although the directors anticipate that the adoption of AASB 2016-5 may have an impact on the group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: INCOME TAX

	Consolidated	
	2017 $	2016 $
(a) Income tax recognised in profit or loss		
Tax expense/(revenue) comprises:		
Current tax expense/(revenue)	(547,399)	(255,447)
Current tax expenses/(revenue) relating to under (over) provision in prior year	-	-
Deferred tax expense/(revenue) relating to the origination and reversal of temporary difference	98,514	(1,721,068)
Deferred tax expense/(revenue) relating to under (over) provision in prior year	-	175,927
Tax losses not recognised	448,885	1,800,588
Total tax expense/(revenue)	-	-

	2017 $	2016 $
The **prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax in the financial statements as follows:**		
Profit/(loss) from operations	(2,675,065)	(7,864,047)
Income tax expense/(revenue) calculated at 30% (2016: 30%)	(802,521)	(2,359,214)
Under / (over) provision in prior year	-	-
Tax effect of employee options	111,173	-
Tax effect of FX loss	6,480	(9,118)
Tax effect of capital raising costs not recognised	(54,278)	(64,259)
Tax effect on other items	127,675	456,076
Tax losses not recognised	611,471	1,976,515
	-	-

Income tax rate

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

NOTE 3: CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank	1,641,710	625,917
	1,641,710	625,917

NOTE 4: TRADE AND OTHER RECEIVABLES

Other receivables	450,737	181,266
	450,737	181,266

	Consolidated	
	2017	2016
	$	$

NOTE 5: PLANT AND EQUIPMENT

Plant and Equipment	482,527	478,337
Accumulated depreciation	(399,737)	(364,578)
	82,790	113,759

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 2017		
Balance at the beginning of year	113,759	113,759
Additions	7,076	7,076
Depreciation expense	(36,726)	(36,726)
Movement in exchange rate	(1,319)	(1,319)
Balance at 30 June 2016	82,790	82,790
Balance at 30 June 2016		
Balance at the beginning of year	180,703	180,703
Disposals (carrying value)	-	-
Depreciation expense	(74,225)	(74,225)
Movement in exchange rate	7,281	7,281
Balance at 30 June 2016	113,759	113,759

	Consolidated	
	2017	2016
	$	$

NOTE 6: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

Exploration and evaluation expenditure	3,621,616	3,675,061
	3,621,616	3,675,061

	Exploration and Evaluation	
2017	$	
Balance at beginning of the year	3,675,061	
Expenditure incurred	1,274,061	
Impairment	(1,327,506)	
Balance at the end of the year	3,621,616	
2016	$	$
Balance at beginning of the year	10,338,343	
Expenditure incurred	534,585	
Impairment	(7,197,867)	
Balance at the end of the year	3,675,061	

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 11 tenements were impaired during the period.

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

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

	Consolidated	
	2017	**2016**
	$	**$**
NOTE 7: CURRENT TRADE AND OTHER PAYABLES		
Accruals and other creditors	702,794	79,280
	702,794	79,280

NOTE 8: TAX ASSETS AND LIABILITIES

(a) Assets		
Current		
Income tax refundable	-	-
	-	-
Non-current		
Deferred tax asset comprises:		
Employee entitlements	5,608	4,829
Accruals and payables	5,400	6,450
Cancellation of licence	18,000	36,000
Tax losses	6,452,275	5,904,876
Amount not recognised	(6,481,283)	(5,952,155)
	-	-
(b) Liabilities		
Current		
Income tax liabilities	-	-
Less: PAYG instalments paid	-	-
Income tax payable	-	-
Non-current		
Deferred tax liability comprises:		
Exploration expenditure	-	-
Amount not recognised	-	-
Net DTA/DTL	-	-

NOTE 8: TAX ASSETS AND LIABILITES *(continued)*

	Consolidated 2017 $	2016 $
(c) Reconciliation		
***(i)* Gross Movements**		
The overall movement in the deferred tax balance is as follows:		
Opening balance	6,612,759	4,812,172
Under/(over) provision in prior year	-	(175,927)
Credited/(charged) to the income statement	(98,514)	1,976,514
Current year losses	547,399	-
Amount not recognised	(7,061,644)	(6,612,759)
Closing balance	-	-
***(ii)* Deferred tax assets**		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Employee Entitlements		
Opening balance	4,829	6,086
Credited/(charged) to the income statement	779	(1,257)
Amount not recognised	(5,608)	(4,829)
Closing balance	-	-
Accruals and payables		
Opening balance	6,450	7,500
Credited/(charged) to the income statement	(1,050)	(1,050)
Amount not recognised	(5,400)	(6,450)
Closing balance	-	-
Tax Losses		
Opening balance	5,904,876	5,825,356
Under/(over) provision in prior year	-	(175,927)
Credited/(charged) to the income statement	547,399	255,447
Amount not recognised	(6,452,275)	(5,904,876)
Closing balance	-	-
Cancellation of Licence		
Opening balance/previous amounts not recognised	36,000	54,000
Credited/(charged) to the income statement	(18,000)	(18,000)
Amount not recognised	(18,000)	(36,000)
Closing balance	-	-
Exploration Expenditure		
Opening balance	660,604	-
Credited/(charged) to the income statement	(80,243)	660,604
Amount not recognised	(580,361)	(660,604)
Closing balance	-	-

NOTE 8: TAX ASSETS AND LIABILITES *(continued)*

	Consolidated 2017 $	Consolidated 2016 $
***(iii)* Deferred tax liability**		
Exploration Expenditure		
Opening balance	-	1,080,770
Under/(over) provision in prior year	-	-
Credited/(charged) to the income statement	-	(1,080,770)
Amount not recognised	-	-
Closing balance	-	-

NOTE 9: PROVISIONS

	2017 $	2016 $
CURRENT		
Employee entitlements	18,692	16,095
	18,692	16,095

NOTE 10: ISSUED CAPITAL

	2017 $	2016 $
163,111,368 (30 June 2016: 1,326,168,686) Ordinary Shares	30,265,443	27,215,993
Share issue costs written off against issued capital	(2,009,065)	(1,814,247)
	28,256,378	25,401,746

	Shares	Listed Options	Unlisted Options
At 1 July 2016	1,326,168,686	-	8,000,000
Issue of shares in placements	304,945,000	-	-
Issue of options as remuneration	-	-	58,575,000
Options cancelled/expired	-	-	(8,000,000)
Share consolidation on 1 for 10 basis	(1,468,002,318)	-	(52,717,500)
At 30 June 2017	163,111,368		5,857,500
At 1 July 2015	650,584,343	-	16,500,000
Issue of shares in rights issue	650,584,343	-	-
Issue of shares for underwriting services	22,500,000	-	-
Issue of shares for other services	2,500,000	-	-
Options cancelled/expired	-	-	(8,500,000)
At 30 June 2016	1,326,168,686	-	8,000,000

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 22.

NOTE 11: RESERVES

FOREIGN CURRENCY TRANSLATION RESERVE

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

OPTION RESERVE

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

NOTE 12: EARNINGS PER SHARE

	Consolidated 2017 $	Consolidated 2016 $
Reconciliation of loss		
Loss used in calculating earnings per share – basic and diluted	(2,675,065)	(7,864,047)
Net loss for the reporting period	(2,675,065)	(7,864,047)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share (on basis of 1 for 10 consolidation of share capital during the current period)	155,196,223	1,017,432,114

NOTE 13: CAPITAL AND LEASING COMMITMENTS

	Consolidated 2017 $	Consolidated 2016 $
(A) LEASE COMMITMENTS		
Payable – minimum lease payments:		
-not later than 12 months	42,304	42,536
-between 12 months and 5 years	169,218	170,145
	211,522	212,681
(B) OPTIONS FEE COMMITMENTS		
Payable – minimum lease payments:		
-not later than 12 months	-	40,318
-between 12 months and 5 years	227,702	463,654
-more than 5 years	-	-
	227,702	503,972
(C) CAPITAL EXPENDITURE COMMITMENTS		
Payable:		
-not later than 12 months	1,857,566	2,573,417
-not later than 12 months and 5 years	5,138,718	6,596,864
-more than 5 years	88,372	-
	7,084,656	9,170,281

NOTE 14: FINANCIAL RISK MANAGEMENT

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

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

		Consolidated	
		2017	2016
	Note	$	$
Financial Assets			
Cash and cash equivalents	3	1,641,710	625,917
Trade and other receivables	4	450,737	181,266
Total Financial Assets		2,092,447	807,183
Financial Liabilities			
Trade and other payables	7	702,794	79,280
Total Financial Liabilities		702,794	79,280

FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

Primary responsibility for identification and control of financial risks rests with the 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.

NOTE 14: FINANCIAL RISK MANAGEMENT *(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**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment						
Trade and other payables	702,794	79,280	-	-	702,794	79,280
Total contractual outflows	702,794	79,280	-	-	702,794	79,280
Financial assets - cash flows realisable						
Trade and other receivables	450,737	181,266	-	-	450,737	181,266
Total anticipated inflows	450,737	181,266	-	-	450,737	181,266

The financial assets and liabilities noted above are interest free.

(C) MARKET RISK

i. Foreign exchange risk

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

ii. Interest rate risk

The group's cash flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At balance date, the group does not have any borrowings. The group does not enter into hedges. The weighted average rate of interest earned by the group on its cash assets during the year was 1.8% (2016: 1.4%). The table below summarises the sensitivity of the group's cash assets to interest rate risk.

NOTE 14: FINANCIAL RISK MANAGEMENT *(continued)*

Financial Assets	Effect of decrease or increase of interest rate on profit and equity			
	-1%		+1%	
	Profit	Equity	Profit	Equity
	$	$	$	$
30 June 2017				
Total increase/(decrease)	(19,024)	(19,024)	19,024	19,024
30 June 2016				
Total increase/(decrease)	(6,472)	(6,472)	6,472	6,472

NOTE 15: OPERATING SEGMENTS

Identification of Reportable Segments

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

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

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

2017	Corporate	Gold Aust	Gold Burkina Faso	Cote D'Ivoire	Total
	$	$	$	$	$
Revenue					
Interest income	34,194	-	-	-	34,194
Other income	67,056	-	38,752	-	105,808
Expenses					
Administration expenses	(553,110)	-	(396,740)	(31,330)	(981,180)
Share based expense	(370,574)	-	-	-	(370,574)
FX Expense	(21,601)	-	2,187	302	(19,112)
Exploration expenditure expensed	(116,695)	-	-	-	(116,695)
Impairment of Exploration[(i)]	(14,785)	-	(1,312,721)	-	(1,327,506)
Loss before tax	(975,515)	-	(1,668,522)	(31,028)	(2,675,065)
Current assets	1,933,769	-	102,258	56,420	2,092,447
Exploration expenditure	132,284	12,651	2,663,940	812,741	3,621,616
Plant and Equipment	6,344	-	76,446	-	82,790
Current liabilities	(678,572)	-	(42,914)	-	(721,486)
Net assets	1,393,825	12,651	2,799,730	869,161	5,075,367

(i) The exploration incurred on behalf of Corporate relates to Burkina Faso, which was subsequently impaired during the year.

NOTE 15: OPERATING SEGMENTS *(continued)*

2016	**Corporate**	**Gold Aust**	**Gold Burkina Faso**	**Cote D'Ivoire**	**Total**
	$	**$**	**$**	**$**	**$**
Revenue					
Interest income	9,030	-	-	-	9,030
Other income	119,486	-	-	-	119,486
Expenses					
Administration expenses	(391,063)	-	(294,358)	(40,549)	(725,970)
FX Expense	30,393	-	(45,490)	(5,228)	(20,325)
Exploration expenditure expenses	(48,401)	-	-	-	(48,401)
Impairment of Exploration(i)	(1,053,069)	-	(6,142,889)	(1,909)	(7,197,867)
Loss before tax	(1,333,624)	-	(6,482,737)	(47,686)	(7,864,047)
Current assets	576,222	-	194,261	36,700	807,183
Exploration expenditure(i)	114,274	4,906	3,521,812	34,069	3,675,061
Plant and Equipment	-	-	113,759	-	113,759
Current liabilities	(53,736)	-	(33,056)	(8,583)	(95,375)
Net assets	636,760	4,906	3,796,776	62,186	4,500,628

(i) The exploration incurred on behalf of Corporate relates to Burkina Faso and Cote D'Ivoire, which was subsequently impaired during the year.

The group operates in three principal geographical areas – Australia (country of domicile), Burkina Faso and Cote D'Ivoire.

NOTE 16: INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the group's key management personnel for the year ended 30 June 2017.

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

	Consolidated 2017	**Consolidated 2016**
	$	**$**
Short-term benefits	258,423	176,129
Post-employments benefits	5,471	13,508
	263,894	189,637

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

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

NOTE 17: REMUNERATION OF AUDITORS

	Consolidated	
	2017	**2016**
	$	**$**
Remuneration of the auditor of the parent entity for:		
-Audit services	37,000	39,000
-Other services	5,500	6,600
	42,500	45,600

NOTE 18: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned[(i)]	
		2017	**2016**
Parent Entity:			
Predictive Discovery Limited	Australia	-	-
Subsidiaries of legal parent entity:			
Predictive Discovery SARL	Burkina Faso	100%	100%
Predictive Discovery Niger SARL	Niger	100%	100%
Predictive Discovery Cote D'Ivoire SARL	Cote D'Ivoire	35%	100%
Birrimian Pty Ltd	British Virgin Islands	100%	100%
Predictive Discovery Cote D'Ivoire Pty Ltd	Australia	100%	100%
Burkina Resources Pty Ltd	Australia	100%	-
Sika Resources Pty Ltd	Australia	100%	-
Ivoirian Resources Pty Ltd	Australia	100%	-

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

Acquisitions of controlled entities

There were no acquisitions during the year.

NOTE 19: CONTINGENT LIABILITIES

There are no material contingent liabilities or contingent assets of the group at balance date.

NOTE 20: RELATED PARTY TRANSACTIONS

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

Transactions with related parties:

Intercompany Loans
Predictive Discovery Limited has made loans to its subsidiaries in the amount of $18,826,754 (2016: $18,214,918). The loan is interest free and payable on demand.

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

Other Related Party Transactions
Aurora Minerals Limited, an entity of which Mr Phillip Jackson is a director, was paid $92,950 (2016: $84,788) for administration services, including company secretarial and accounting services.

NOTE 21: STATEMENT OF CASH FLOWS

	Consolidated 2017 $	2016 $
Reconciliation of loss after income tax to net cash flow from operating activities		
Operating loss after income tax	(2,675,065)	(7,864,047)
Non-operating items in loss:		
Exploration expenditure	116,695	48,401
Interest income	(34,194)	(9,030)
Non-cash flows in loss:		
Share based payments	370,574	-
Depreciation	1,687	1,222
Foreign exchange (gains)/losses	19,112	20,325
Write off of exploration expenditure	1,327,506	7,197,867
Movement in assets and liabilities:		
(Increase)/decrease in receivables	(55,767)	(498)
Increase/(decrease) in payables	9,539	(8,007)
Increase/(decrease) in provisions	2,597	(4,190)
Net cash outflow from operating activities	(917,316)	(617,957)

NOTE 22: SHARE BASED PAYMENTS

During the period ending 30 June 2017, the group did not enter into any share-based payments.

During the period ending 30 June 2016, the group entered into the following share-based payments:

1. The issue of 22,500,000 shares in the company as consideration to the Lead Underwriter of the renounceable rights issue that closed on 3 December 2015, for a value of $45,000;
2. The issue of 2,500,000 shares in the company as consideration for investor relations services for a period of 12 months.

At 30 June 2017 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
27 Mar 2014	31 Mar 2017	$0.022	8,000,000	-	-	(8,000,000)	-	-
29 Nov 2016	29 Nov 2018	$0.1805	-	1,952,500	-	-	1,952,500	1,952,500
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
			8,000,000	5,857,500	-	(8,000,000)	5,875,500	5,875,500

The three tranches of options granted on 29 November 2016 were originally issued with exercise prices of $0.01805, $0.02578 and $0.03867 respectfully 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 2016 was $0.275 (30 June 2016: $0.022). The weighted average remaining contractual life of options outstanding at year end was 2.42 years (30 June 2016: 0.75).

The fair value of the options granted during the years was $370,574 (2016: $nil).

NOTE 22: SHARE BASED PAYMENTS *(continued)*

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

	Options Granted 29 Nov 2016 (1)	**Options Granted 29 Nov 2016 (2)**	**Options Granted 29 Nov 2016 (3)**
Number of options granted	19,525,000	19,525,000	19,525,000
Expected volatility (%)	101	101	101
Risk free interest rate (%)	1.81	1.94	1.94
Weighted average expected life of options (years)	2.00	3.00	4.00
Option exercise price (cents)	1.805	2.578	3.868
Share price at grant date (cents)	1.3	1.3	1.3
Fair value of option	$0.0059	$0.0064	$0.0067
Vesting date	29 Nov 16	29 Nov 16	29 Nov 16

NOTE 23: EVENTS AFTER THE END OF THE REPORTING PERIOD

On 15 September 2017 Predictive Discovery Limited announced that it had entered into a joint venture agreement with Canada-based company Progress Minerals International Inc (Progress) on Predictive's eastern Burkina Faso exploration permits.

Progress can earn a 70% interest in the project by funding a US$5 million (A$6.3 million) program of exploration and evaluation in three stages, with the aim of advancing towards a future multi-pit development based on Predictive's Gold prospects.

Other than the above, no matters or circumstances have arisen for the year which significantly affected or could significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

NOTE 24: PARENT ENTITY DISCLOSURES

	2017 $	**2016 $**
Assets		
Current assets	1,933,769	576,222
Non-current assets	20,584,988	19,492,459
Total assets	22,518,757	20,068,681
Liabilities		
Current liabilities	678,572	53,736
Total liabilities	678,572	53,736
Equity		
Issued capital	28,256,378	25,401,246
Reserves	2,792,408	2,495,954
Accumulated losses	(9,208,601)	(7,882,255)
Total equity	21,840,185	20,014,945

CONTINGENT LIABILITIES

Nil

NOTE 24: PARENT ENTITY DISCLOSURES *(continued)*

CONTRACTUAL COMMITMENTS

The parent entity has commitments as at 30 June 2017 that are disclosed in Note 13.

RECOVERABILITY OF INTERCOMPANY LOAN

Within Non-current assets is a loan due from the 100% subsidiaries of $18,826,754 which is considered fully recoverable. The recoverability of this loan is dependent upon the successful development or sale of exploration assets in Burkina Faso.

NOTE 25: COMPANY DETAILS

The registered office of the company is:

Predictive Discovery Limited
Suite 2, Level 2
20 Kings Park Road
WEST PERTH WA 6005

The principal place of business of the company is:

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

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 34 to 62, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Accounting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2017 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
21 September 2016

MOORE STEPHENS

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Predictive Discovery Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.
In our opinion:

a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001,* including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 are independent of the Group 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* (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.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (s) "Key Judgement – Going Concern" which indicates the company incurred a loss for the year ended 30 June 2017 of $2,650,967 and that the company's ability to continue the exploration and development of its mining tenements and meet operational expenditure at current levels is dependent upon future capital raising. These conditions, along with other matters as set forth in Note 1 (s), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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 period. 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 opinion on these matters.

KEY AUDIT MATTER 1 – Carrying value of capitalised exploration and evaluation assets
Refer to Note 6 "Exploration, Evaluation and Development assets"

As at 30 June 2017 the carrying amount of Exploration and Evaluation (E&E) assets is $3,621,616 (2016: $3,675,061).

The carrying value of the E&E assets was a key audit matter due to the size of the balance as at 30 June 2017 and the subjectivity involved in determining its carrying value.

Our procedures included, amongst others:

- Obtaining a management prepared schedule of capitalised Exploration and Evaluation expenditure and agreeing to the general ledger;
- Tested a sample of current year expenditure to source documents;
- Undertook a detailed review of management's assessment of impairment including:
  - Ensuring rights to tenure were current;
  - Enquired of management about their intentions for each tenement, including reviewing forecast expenditure; and
  - Reviewing any other transactions that support the carrying value of the capitalised Exploration and Evaluation expenditure.
- Reviewed ASX announcements and minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest.
- Considered the adequacy of disclosures included within Note 6 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, 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.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Group 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 ability of the Group 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 Group or to cease operations, or has 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 the 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 the 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 judgment 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 Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;

- conclude on the appropriateness of director's 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 Group'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 Group's to cease to continue as a going concern; and

- 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.

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, related safeguards.

MOORE STEPHENS

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 on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Predictive Discovery Limited and Controlled Entities, for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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.

Moore Stephens

MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257

ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

21 September 2017

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 17 October 2017

1. Number and Distribution of Equity Securities

The number and class of all securities on issue:

ASX Code	Number	Description
PDI	163,111,547	Fully Paid Ordinary Shares Quoted
PDIAK	5,857,500	Unlisted Options expiring various dates

Distribution of equity securities

Size of Holding	Number of Holders	Shares Held
1-1,000	96	37,708
1,001-5,000	316	1,188,052
5,001-10,000	393	3,241,756
10,001-100,000	767	25,490,308
100,001 and over	114	133,153,723
Total	1,686	163,111,547
		Shares
Unmarketable Parcels	647	2,911,800

The number of holders

Ordinary shares fully paid (ASX Code: PDI): 1,686

2. Substantial Shareholders

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

Name	Number of Shares	%
Aurora Minerals Limited	64,653,686	39.64
Equity Trustees Limited (Lowell Resources Fund)	18,047,619	11.06
Merrill Lynch (Australia) Pty Limited	10,958,950	6.72

3. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid share which that member holds or represents.

SHAREHOLDER INFORMATION (Continued)

4. Twenty Largest Shareholders as at 17 October 2017

The twenty largest fully paid shareholders hold 68.82% of the issued capital and are tabled below:

Shareholder	No. of Shares	%
1. Aurora Minerals Limited	64,653,686	39.64
2. Equity Trustees Limited (Lowell Resources Fund)	18,047,619	11.06
3. Merrill Lynch (Australia) Nominees Pty Limited	10,958,950	6.72
4. Dyspo Pty Limited	2,654,775	1.63
5. Aggregated Capital Pty Ltd	2,100,000	1.29
6. Bond Street Custodians Limited (GRIPIC PH 240 A/C)	1,838,580	1.13
7. Mr Michael Robert Hodgetts	1,634,000	1.00
8. Bond Street Custodians Limited (Apicon D05711 A/C)	1,483,179	0.91
9. Toltec Holdings Pty Ltd	1,072,964	0.66
10. Technica Pty Ltd	935,362	0.57
11. Croftbank Pty Ltd	930,076	0.57
12. Mr Rhett Anthony John Morson	900,000	0.55
13. Silver Whiting Pty Ltd	700,001	0.43
14. Dr Thomas Holland Whiting	700,000	0.43
15. Citicorp Nominees Pty Limited	673,780	0.41
16. HSBC Custody Nominees (Australia) Limited	634,900	0.39
17. Dypso Pty Ltd	625,000	0.38
18. BNP Paribas Nominees Pty Ltd	614,748	0.38
19. Dr Thomas Holland Whiting	600,000	0.37
20. Mr Kenan Yuksel	500,287	0.31
	112,257,907	68.82
Total Issued Shares	163,111,547	100.00

5. Corporate Governance Statement

The 2017 Corporate Governance statement of Predictive Discovery Limited is available on the Company's website at
http://www.predictivediscovery.com/corporate/corporate-governance

MINERAL TENEMENT INFORMATION (as at 17 October 2017)

Name	Number	Location	Area (sq. km)	PDI equity
Kalinga (formerly Fouli)	Grant fees paid – awaiting arrêté document	Burkina Faso	186	100%
Tantiabongou	Arrêté 2017-054/MCE/SG/DGMGC	Burkina Faso	50	100%
Tambifwanou (formerly Sirba)	Arrêté 2017-119/MCE/SG/DGMGC	Burkina Faso	136.2	100%
Bongou (formerly Madyabari)	Arrêté 2017-121/MCE/SG/DGMGC	Burkina Faso	170.9	100%
Tamfoagou	Arrêté 2015-281/MCE/SG/DGMGC	Burkina Faso	83	100%
Tangagari	Arrêté 2013-37/MCE/SG/DGMGC (renewal fees paid – awaiting new arrêté document)	Burkina Faso	127.5	Earning 95%; current equity 0% (until final cash payment is made)
Tambiri (formerly Bangaba)	Arrêté 2017-120/MCE/SG/DGMGC	Burkina Faso	127.5	Earning 95%; current equity 84%
Bira	Arrêté 2013-33/MCE/SG/DGMGC (renewal fees paid – awaiting new arrêté document)	Burkina Faso	10.5	100%
Basieri	2013-16/MCE/SG/DGMGC (renewal fees paid – awaiting new arrêté document)	Burkina Faso	73.5	100%
Kokoumbo	Mining exploration permit No. 307	Cote D'Ivoire	300	Predictive-Toro joint venture (also known as Predictive Discovery Cote D'Ivoire SARL - Predictive 35%) earning 90% in JV with Ivoir Negoce (local Cote D'Ivoire company)
Ferkessedougou South	Mining exploration permit No. 310	Cote D'Ivoire	290	35% (Toro Gold Ltd 65%)
Boundiali	Mining exploration permit No. 414	Cote D'Ivoire	299	35% (Toro Gold Ltd 65%)
Kounahiri	Mining exploration permit No. 317	Cote D'Ivoire	260	35% (Toro Gold Ltd 65%)
Beriaboukro	Mining exploration permit No. 464	Cote D'Ivoire	400	Predictive-Toro joint venture (Predictive Discovery Cote D'Ivoire SARL - Predictive 35%) earning 85% in JV with Gold Ivoire Minerals SARL (local Cote D'Ivoire company)
Ferkessedougou North	Mining exploration permit No. 367	Cote D'Ivoire	400	Predictive-Toro joint venture (Predictive Discovery Cote D'Ivoire SARL - Predictive 35%) earning 85% in JV with Gold Ivoire Minerals SARL (local Cote D'Ivoire company)
Wendene	Mining exploration permit No. 572	Cote D'Ivoire	400	37%. Progress Minerals Inc farming in to earn 30%
Bassawa	Mining exploration permit No. 570	Cote D'Ivoire	400	37%. Progress Minerals Inc farming in to earn 30%
Cape Clear	EL 5434	Victoria, Australia	63	25% (Cape Clear Minerals Pty Ltd hold 75%)

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