

Why we like Predictive Discovery

1. Free-milling Bankan 3.5Moz MRE already above critical mass so 'will be a mine'
2. Bankan Creek satellite offers high-grade starter pit
3. UG potential likely with 24m @ 8.8g/t deepest hole on 'tongue' open at depth
4. Multiple discoveries near mine / along strike / country wide over 5000km² to be followed up
5. Strong management and board representing ECM, mine building and geology

Catalysts

- CY22: Bankan Creek step-out / deeper drilling (*deepest 6.8m @ 8.1g/t within 26m @ 3.1g/t*)
- CY22: Bankan NE UG drilling (*deepest 48m @ 2.9g/t composite*)
- CY22: Regional drilling north of Bankan (*following 12m @ 9.8g/t at AG1*)
- CY22: Near-mine drilling with <2km of Bankan (*following 28m @ 12.1g/t*)
- CY22: Drilling on discrete Koundian project (*following 6m @ 32g/t to EOH, and 4m @ 45g/t*)
- CY23: SCPe mining licence, incl. excise from national park buffer zone

Research

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Ticker: PDI AU	Price / mkt cap: A\$0.275/sh, A\$374m	Project PNAV today: 0.25x	Asset: Bankan Ck / NE
Author: B Salier B Gaspar	Rec/O.4xNAV PT: BUY, A\$0.45/sh	1xNAV_{3Q24} FF FD: A\$1.20/sh	Country: Guinea

Commodity price	CY21E	CY22E	CY23E	CY24E	CY25E
Gold price	1,850	1,850	1,850	1,850	1,850

SOTP project valuation*					
	A\$m	O/ship	NAVx	A\$/sh	
Ungeared @ build start (3Q23)	1,615	100%	1.00x	1.06	
Cash 3Q21	23.9	100%	1.00x	0.02	
Cash from options	9.9	100%	1.00x	0.01	
Resources ex inventory @ US\$30/oz	32.8	100%	1.00x	0.02	
Explor'n (SCPe 500koz @ \$50/oz)	20.1	100%	1.00x	0.01	
Asset NAV5% US\$1850/oz	1,702			1.12	

*Shares diluted for options mine build Market P/NAV5_{3Q23} 0.25x

Asset value: 1xNPV project @ build start (A\$m, ungeared)*					
Project NPV (A\$m)	\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz
Discount rate: 9%	1,026	1,180	1,333	1,495	1,645
Discount rate: 7%	1,167	1,336	1,503	1,681	1,845
Discount rate: 5%	1,331	1,518	1,702	1,897	2,078
Ungeared project IRR:	39%	43%	48%	52%	57%

*Project NPV, ex fin. costs and cent G&A, discounted to build start

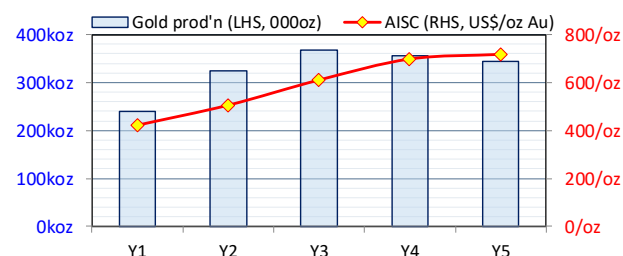
Group NAV over time^	1Q22	1Q23	1Q24	1Q25	1Q26
Bankan NPV (A\$m)	1,497.8	1,573.5	1,704.2	2,404.4	2,215.6
G&A and fin. costs (A\$m)	(138.4)	(132.8)	(135.5)	(128.2)	(86.5)
Net cash prior qtr (A\$m)	20.1	8.2	194.9	1.5	205.7
Cash from options (A\$m)	9.9	9.9	9.9	9.9	9.9
Exploration (A\$m)	52.9	52.9	52.9	52.9	52.9
NAV FF FD (A\$m)	1,442	1,512	1,826	2,341	2,398
Shares in issue (m)	1,361	1,522	1,522	1,942	1,942
1xNAV/sh FF FD (A\$/sh)*	1.06	0.99	1.20	1.21	1.23

Geared NAV at first pour, diluted for build, net G&A and fin. costs^					
NAV at first gold (C\$m)	\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz
Discount rate: 9%	1,789	1,976	2,160	2,357	2,539
Discount rate: 7%	1,880	2,077	2,272	2,478	2,670
Discount rate: 5%	1,984	2,192	2,398	2,615	2,818
Geared project IRR:	36%	40%	45%	49%	53%

^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for build equity

Production	Y1	Y2	Y3	Y4	Y5
Gold production (000oz)	239	325	367	356	344
C1 cost (US\$/oz)	354	369	417	430	444
AISC cost (US\$/oz)	422	506	611	699	718

AISC = C1 + ug sustaining capex, Y1 = CY25



Source: SCP estimates

Resource / Reserve	Tonnes	Grade	Ounces
3Q21 MRE	73Mt	1.56g/t	3646koz
SCP pit inventory	58Mt	1.62g/t	3028koz
SCP UG inventory	4443Mt	3.00g/t	500koz

Project: USES	Funding: SOURCES
Pre-DFS exploration / G&A: A\$22m	Cash 3Q21 + pre-Au ITM op.: A\$34m
Build capex: A\$632m	Build equity @ 0.5xNAV: A\$230m
Fin. cost + WC over DFS: A\$22m	65% geared debt @ 8%: A\$411m
TOTAL USES: A\$677m	TOTAL SOURCES: A\$675m
Buffer / drill budget: -A\$2m	

Share data	Basic	FD with options	FD for build
Basic shares (m)	1,360.6	1,522.2	1,942

Ratio analysis	CY20A	CY21E	CY22E	CY23E	CY24E
Average shares out (m)	1,360.6	1,502.0	1,522.2	1,522.2	1,522.2
EPS (A\$/sh)	-	-	-	-	-
CFPS (A\$/sh)	-	-	-	-	-
EV (A\$m)	360.4	392.9	410.4	223.7	828.0
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement	CY20A	CY21E	CY22E	CY23E	CY24E
Net revenue (A\$m)	-	-	-	-	-
COGS (A\$m)	-	-	-	-	-
Gross profit (A\$m)	-	-	-	-	-
D&A, attrib (A\$m)	0.0	-	-	-	-
G&A + sh based costs (A\$m)	2.2	2.7	2.9	3.5	4.0
Finance cost (A\$m)	2.5	16.6	9.0	-	8.1
Taxes (A\$m)	-	-	-	-	-
Net income (A\$m)	(4.8)	(19.3)	(11.9)	(3.5)	(12.1)

Cash flow, attrib.	CY20A	CY21E	CY22E	CY23E	CY24E
EBIT (A\$m)	(2.2)	(2.7)	(2.9)	(3.5)	(4.0)
Add back D&A (A\$m)	0.0	-	-	-	-
Less tax + fin. costs (A\$m)	2.5	16.6	9.0	-	8.1
Change in work. cap. (A\$m)	(0.9)	-	-	0.1	-
Other non-cash (A\$m)	(7.0)	(32.6)	(18.0)	-	(16.3)
Cash flow ops (A\$m)	(7.5)	(18.6)	(11.9)	(3.3)	(12.1)
PP&E - build + sust. (A\$m)	2.1	0.3	-	40.0	592.1
PP&E - expl'n (A\$m)	-	0.0	-	-	-
Cash flow inv. (A\$m)	(2.1)	(0.3)	-	(40.0)	(592.1)
Share issue (A\$m)	21.3	24.8	-	230.0	-
Debt draw (repay) (A\$m)	-	-	-	-	410.9
Cash flow fin. (A\$m)	21.3	24.8	-	230.0	410.9
Net change in cash (A\$m)	11.7	5.8	(11.9)	186.7	(193.4)
EBITDA (A\$m)	(4.7)	(19.3)	(11.9)	(3.5)	(4.0)

Balance sheet	CY20A	CY21E	CY22E	CY23E	CY24E
Cash (A\$m)	13.7	20.1	8.2	194.9	1.5
Acc rec., inv, prepaid (A\$m)	0.1	0.1	0.1	-	-
PP&E + other (A\$m)	7.6	8.0	8.0	48.0	640.1
Total assets (A\$m)	21	28	16	243	642
Debt (A\$m)	-	-	-	-	410.9
Accounts payable (A\$m)	1.0	1.0	1.0	1.0	1.0
Total liabilities (A\$m)	1.0	1.0	1.0	1.0	411.9
Issued capital (A\$m)	52.9	77.6	77.6	307.6	307.6
Retained earnings (A\$m)	(32.4)	(50.4)	(62.3)	(65.7)	(77.9)
Liabilities + equity (A\$m)	21	28	16	243	642

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BUY:	50
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SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	51

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