



1st October 2014

ASX Announcement

Predictive Discovery Limited is a gold exploration company with strong technical capabilities focused on its advanced gold exploration projects in West Africa.

ASX: PDI

Issued Capital: 388M shares

Share Price: 1.1 cents

Market Capitalisation: \$4.3M

Directors

Phillip Harman
Non-Exec Chairman

Paul Roberts
Managing Director

Phil Henty
Non-Executive Director

Tim Markwell
Non-Executive Director

Underwritten Rights Issue and Placement to Raise up to \$1.85 Million to Fund Bongou Exploration

- Fully underwritten, pro-rata non-renounceable rights issue offering 3 new shares for every 5 shares held at 0.7 cents per share to raise approximately \$1.7 million.
- Aurora Minerals Limited (ASX: ARM), the Company's largest shareholder, to fully underwrite the rights issue.
- Placement of up to \$150,000 at 0.8 cents per fully paid share to sophisticated and professional investors.
- Proceeds will be applied primarily to exploration, including drilling, at Predictive's high grade Bongou Gold deposit in Burkina Faso and the surrounding area, and for working capital purposes.

Predictive Discovery (ASX: PDI) (**Company**) is pleased to announce that it has agreed to undertake a fully underwritten pro-rata non-renounceable rights issue under which eligible shareholders will be able to subscribe for 3 new fully paid ordinary shares for every 5 fully paid ordinary shares at 0.7 cents per share to raise approximately \$1.7 million (**Rights Issue**).

The Company has executed an underwriting agreement with Aurora Minerals Limited (ASX: ARM) (**Aurora**), the largest shareholder of the Company, under which Aurora has agreed to fully underwrite the Rights Issue.

In addition to the Rights Issue, the Company has received commitments for a placement to sophisticated and professional investors of Hartleys Limited to raise up to \$150,000 via an issue of 18.75 million fully paid ordinary shares at 0.8 cents per share (**Placement**).

Aurora has agreed to subscribe for \$104,000 worth of shares under the Placement increasing its interest in the Company to 19.6% (prior to completion of the Rights Issue).

Predictive's Managing Director, Paul Roberts said:

"We are pleased to have secured this funding to continue exploration around our high-grade Bongou deposit, which we think has potential to provide a strong platform for a future mining operation given its shallow, high grade characteristics, and the excellent prospectivity of the region, which we can now continue testing systematically.

The funds raised from the Rights Issue and Placement will allow the Company to undertake a large work program over the next 12 months, including drilling a number of high priority prospects near the Bongou deposit.

Given the difficult equity market we are in at the moment, we are thankful for the strong support shown by our major shareholder, Aurora, who shares our confidence in the potential to discover additional high grade gold ounces on our properties in Burkina Faso".

Use of funds

The funds raised from the Rights Issue and the Placement will be used to fund exploration, including drilling at and around the high grade Bongou Gold deposit in Burkina Faso and the surrounding area, and for working capital purposes.

Rights Issue Details

Eligible shareholders may apply for some or all of their entitlement under the Rights Issue, and may also apply for additional new shares in excess of their entitlement. The Company has reserved the ability to accept oversubscriptions of up to \$200,000 or such other amount as may be agreed with Aurora.

Following the close of the Rights Issue, it is expected that the voting power of Aurora in the Company will increase. The exact number of shares that will be issued to Aurora will depend on the extent to which other eligible shareholders take up their entitlement under the Rights Issue and participate in any shortfall. However, assuming no shareholders take up their rights or any of the shortfall (which the Company believes is highly unlikely), then this could result in Aurora's interest in the Company increasing to 49.7%.

Aurora's obligation to underwrite the Rights Issue is subject to satisfaction of a number of conditions precedent customary for an underwriting of this kind. The underwriting agreement includes a number of termination events customary for agreements of this nature and Aurora may terminate the agreement if the S&P ASX All Ordinaries Gold Index (XGD) falls by 10% or more or the international spot price of gold as reported by Kitco falls by 10% or more and, in each case, remains below that 10% threshold for a period of not less than 3 consecutive trading days. The Company has also agreed to give a number of representations and warranties under the underwriting agreement which are customary

for agreements of this nature. Full details of the underwriting agreement will be set out in the prospectus which is expected to be lodged with the Australian Securities and Investments Commission on or about 13 October 2014. Aurora has also committed to take up its full entitlement under the Rights Issue (which will raise \$334,704).

Rights Issue Timetable

Record date	Monday, 20 October 2014
Dispatch Date of Rights Issue prospectus	Thursday, 23 October 2014
Opening date	Thursday, 23 October 2014
Closing date	Thursday, 6 November 2014

Note: All dates (other than the date of the Prospectus and date of lodgement of the Prospectus with ASX and ASIC) are indicative only. The Company reserves the right, subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws, to vary the dates of the Rights Issue, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice.

A prospectus setting out further details of the Rights Issue will be dispatched to shareholders in due course accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept their entitlement and apply for additional new shares in excess of their entitlement. Any eligible shareholder who wishes to acquire new shares under the Rights Issue will need to complete the personalised entitlement and acceptance form that will accompany the Rights Issue prospectus.

Placement Details

The new shares to be issued under the Placement will be within the Company's issuing capacity under Listing Rule 7.1 with settlement expected on 8 October 2014.

Predictive Discovery Limited was established in late 2007 and listed on the ASX in December 2010. The Company is focused on exploration for gold in West Africa. The Company's major focus is in Burkina Faso, West Africa where it has assembled a substantial regional ground position totalling 1,605km² and is exploring for large open-pit gold deposits. Exploration in eastern Burkina Faso has yielded a large portfolio of exciting gold prospects, including the Bongou trend where a series of high-grade gold drill intercepts have been obtained recently. PDI also has interests in a strategic portfolio of tenements in Côte D'Ivoire covering a total area of 1534 km².

For further details please contact:

Paul Roberts

Managing Director

Tel: +61 8 9216 1020

Email:

paul.roberts@predictivediscovery.com

Nathan Ryan

NWR Communications

Tel: +61 420 582 887

Email:

nathan.ryan@nwrcommunications.com.au