



13 October 2014

ABN 11 127 171 877  
Level 2, 33 Ord Street  
WEST PERTH WA 6005  
PO Box 1710 West Perth WA 6872  
p (08) 9216 1000  
f (08) 9388 8256  
w [www.predictivediscovery.com](http://www.predictivediscovery.com)

Dear Shareholder,

## Non-renounceable pro rata rights issue

On 1 October 2014, Predictive Discovery Limited (**Company**) announced a fully underwritten three (3) for five (5) non-renounceable pro rata rights issue of fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.007 per New Share (**Offer Price**) to raise up to \$1.71 million (before costs) (**Rights Issue**). The Company has today lodged a prospectus with ASIC and ASX setting out further details of the Rights Issue.

### 1 Purpose of the Rights Issue

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

### 2 Details of the Rights Issue

The Rights Issue will be available to eligible shareholders on the Company's share register as at 7.00pm AEDT on Monday, 20 October 2014 (**Record Date**). The Rights Issue is scheduled to close at 5.00pm (AEDT), Thursday, 6 November 2014.

Following completion of the Rights Issue, the Company will have issued 243,969,129 New Shares, resulting in a total of 650,584,343 Company shares on issue (plus the options to subscribe for unissued shares). This number excludes any allowance for shares issued in the event that any option holders exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is subject to reconciliation of entitlements and rounding. All entitlements will be rounded up to the nearest whole number of New Shares.

The New Shares will rank equally with all other fully paid ordinary shares of the Company from the date of allotment. The Company has applied for quotation of all of the New Shares on ASX.

The Rights Issue is non-renounceable, which means that entitlements to take up New Shares (**Entitlements**) are non-transferable and will not be tradeable on ASX. Eligible shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements that they do not take up, and their equity interest in the Company will be diluted. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of Entitlements they would have received, had they been eligible.

### 3 Underwriting

The Rights Issue is fully underwritten by the Company's largest shareholder, Aurora Minerals Limited (**Aurora**). Aurora will be paid a fee of \$100,000 for underwriting the Rights Issue.

#### 4 Shortfall facility

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. Applications for additional New Shares will be satisfied out of any New Shares for which applications have not been received from eligible shareholders before the closing date of the Rights Issue (**Shortfall**). The Company may issue additional New Shares of up to \$200,000 or such other amount as may be agreed with Aurora.

The following persons will not be entitled to submit applications for additional New Shares:

- Aurora or sub-underwriters of the Rights Issue;
- a related party (as defined in the ASX Listing Rules) of the Company; and
- a related party or associate (as defined in section 12 of the *Corporations Act 2001* (Cth) (**Corporations Act**)) of Aurora.

The Directors reserve the right in accordance with the Corporations Act and ASX Listing Rules to place any Shortfall at their discretion and in consultation with Aurora. Any additional new shares the subject of the Shortfall will be placed no later than 3 months after the Closing Date and will be issued on the same terms as are offered to eligible shareholders under the Rights Issue.

#### 5 Eligible shareholders

Eligible shareholders are those persons who:

- are registered as a holder of Company shares as at 7.00pm (AEDT) on the Record Date;
- have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Rights Issue; and
- are not in the United States and are subscribing for the New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the United States Securities Act of 1933).

Shareholders not satisfying the above criteria will not be eligible to participate in the Rights Issue.

#### 6 Timetable\*

The following are key days relating to the Rights Issue that you need to be aware of:

Event	Date
Notice sent to existing option holders	Friday, 10 October 2014
Shares quoted on an "ex" basis	Thursday, 16 October 2014
<b>Record Date</b>	<b>7.00pm (AEDT), Monday, 20 October 2014</b>
Prospectus and Entitlement and Acceptance Forms dispatched to eligible shareholders	Thursday, 23 October 2014
<b>Rights Issue opens</b>	<b>Thursday, 23 October 2014</b>
<b>Rights Issue closes</b>	<b>5.00pm (AEDT), Thursday, 6 November 2014</b>

---

Issue of New Shares and dispatch of holding statements

Thursday, 13 November 2014

---

New Shares commence trading on ASX

Friday, 14 November 2014

---

\* All dates are indicative only. The Company reserves the right, subject to the Corporations Act, 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.

## 7 Other information

The Company does not currently have a dividend policy, and no dividends have been paid by the Company since it was listed on ASX.

No shareholder approval is required for the Rights Issue.

## 8 Prospectus

Details of the Rights Issue are contained in the Prospectus lodged with ASIC and ASX on 13 October 2014, and available at [www.asx.com.au](http://www.asx.com.au). The Prospectus together with a personalised Entitlement and Acceptance Form will be dispatched to eligible shareholders on 23 October 2014.

It is important that eligible shareholders read the Prospectus carefully, and consult their stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest. If Eligible shareholders wish to participate, they should follow the directions in the Entitlement and Acceptance Form and section 3 of the Prospectus.

For further information on the Rights Issue:

- visit the Company's website at [www.predictivediscovery.com](http://www.predictivediscovery.com);
- see the Company's Prospectus lodged with ASIC and ASX on 13 October 2014, and available at [www.asx.com.au](http://www.asx.com.au); or
- contact the Company on (08) 9388 8290 between 8.30am and 5.00pm (AWST) Monday to Friday.

Yours sincerely,



Phillip Harman  
Chairman

The information provided in this announcement is not investment advice. You should read the entire Prospectus when you receive it, as well as all other materials lodged with ASX which you consider relevant and consider all of the risk factors that could affect the performance of the Company and the new shares in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stock broker, lawyer or other professional adviser before deciding whether to invest in new shares. Specifically, shareholders should seek advice on the taxation implications of participating in the Rights Issue and have regard to the risks of investing in the Company highlighted in the Company's prospectus dated 13 October 2014.



ABN 11 127 171 877  
Level 2, 33 Ord Street  
WEST PERTH WA 6005  
PO Box 1710 West Perth WA 6872  
p (08) 9216 1000  
f (08) 9388 8256  
w [www.predictivediscovery.com](http://www.predictivediscovery.com)

13 October 2014

Dear Shareholder

## Rights Issue – notification to ineligible shareholders

Predictive Discovery Limited (**Company**) is in the process of raising up to approximately \$1.71 million (before costs) of new equity capital through a non-renounceable pro-rata Rights Issue to existing eligible shareholders (**Rights Issue**).

The Rights Issue will be offered to eligible shareholders on the basis of three (3) new fully paid ordinary shares (**New Share**) for every five (5) ordinary shares held by eligible shareholders at \$0.007 per New Share.

Details of the Rights Issue are contained in the Company's ASX announcement on 1 October 2014, and in the Prospectus lodged with ASIC and the ASX on 13 October 2014, and available at [www.asx.com.au](http://www.asx.com.au).

<b>Who are Eligible Shareholders?</b>	Shareholders who are eligible to participate in the Rights Issue ( <b>Eligible Shareholders</b> ) are shareholders who: <ul style="list-style-type: none"><li>(a) are registered as a holder of Shares as at 7.00pm (AEDT) on the Record Date;</li><li>(b) have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Rights Issue; and</li><li>(c) are not in the United States and are subscribing for the New Shares in an 'offshore transaction' (as defined in Rule 902(h) of the United States Securities Act of 1933, as amended).</li></ul>
<b>Do you meet the eligibility criteria?</b>	Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents. <b>The Company wishes to advise you that it will not be extending the Rights Issue to you.</b>

<b>Why are there restrictions on eligibility?</b>	<p>There are restrictions on eligibility because of:</p> <ul style="list-style-type: none"><li>(a) the legal limitations in some countries;</li><li>(b) the relatively small number of shareholders in some countries;</li><li>(c) the small number of shares those shareholders hold; and</li><li>(d) the potential cost of complying with regulatory requirements in those countries.</li></ul> <p>The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries other than Australia and New Zealand in connection with the Rights Issue.</p>
<b>Do you need to do anything?</b>	<p>You are not required to do anything in response to this letter.</p> <p>This letter is to inform you about the Rights Issue, the details of which are provided below. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.</p>
<b>Questions</b>	<p>If you have any questions in relation to the Rights Issue and this letter, please seek professional advice or contact the Company on (08) 9388 8290.</p>

Yours faithfully



**Phillip Harman**  
Chairman