

10 October 2014



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Dear Optionholder

## Rights Issue – Notice to Optionholders

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**). 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.

<b>Details of the Rights Issue</b>	<p>The Rights Issue entitles eligible shareholders to subscribe for three (3) new fully paid ordinary share (<b>New Share</b>) for every five (5) ordinary shares held by Eligible Shareholders at \$0.007 per New Share.</p> <p>Details of the Rights Issue are contained in the Company's ASX announcement on 1 October 2014 and in the Prospectus to be lodged with ASIC and the ASX on 13 October 2014, which will be made available at <a href="http://www.asx.com.au">www.asx.com.au</a>.</p>
<b>Can you participate as an Optionholder?</b>	<p>As an Optionholder you are not entitled to participate in the Rights Issue.</p>
<b>What if you want to participate in the Rights Issue?</b>	<p>For you to participate in the Rights Issue, you must exercise any options (subject to the terms of the options) and be registered as an eligible shareholder before 7.00pm (AEDT) on 20 October 2014.</p> <p>You should carefully consider your personal circumstances and the Prospectus before deciding whether to exercise your options. If you are unsure what action you should take or have any questions about the Rights Issue, you should contact your stockbroker, accountant or other professional adviser. Specifically, you will need to consider the terms of any restriction agreements that relate to your options and how they impact your rights.</p>
<b>What will happen if you don't exercise your options?</b>	<p>If you do not want to exercise your options and participate in the Rights Issue, then you can continue to hold the options in accordance with their terms.</p>

Further details of the Rights Issue are set out in the announcement released on 1 October 2014 and in the Prospectus to be lodged with ASIC and the ASX on 13 October 2014, which will be made available at [www.asx.com.au](http://www.asx.com.au) or from the Company's website, <http://www.predictivediscovery.com>, for information purposes only.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Harman', written over a light grey circular graphic element.

**Phillip Harman**  
**Chairman**