

PREDICTIVE DISCOVERY LIMITED  
ACN 127 171 877



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## RIGHTS ISSUE PROSPECTUS

For a pro-rata renounceable rights issue of 1 New Share for every 1 Existing Share held by Eligible Shareholders registered at 7.00pm (AEDT) on 19 November 2015 at an issue price of \$0.002 per Share to raise up to approximately \$1,301,169 before costs.

For an offer of Additional New Shares on terms set out in section 2.3 (**Shortfall Offer**).

The Rights Issue is scheduled to close at 5.00pm (AEDT) on 3 December 2015.

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### IMPORTANT INFORMATION

**This is an important document and requires your immediate attention.**

**If you are an Eligible Shareholder, you should read this Prospectus in its entirety before deciding whether to apply for New Shares and Additional New Shares.**

**If you do not understand any part of this Prospectus, or are in any doubt as to how to deal with it or your Entitlement, you should consult your stockbroker, accountant, solicitor or other professional adviser.**

**Before making any investment decision, you should have regard to all publicly available information concerning the Company.**

# Important notices

## Regulatory Information

This Prospectus is dated 12 November 2015 and was lodged with ASIC on that date.

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX.

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus expires on the date 13 months after the date of this Prospectus. No securities will be allotted, issued or sold on the basis of this Prospectus after that date.

The offer being made under this Prospectus comprises of an offer of:

- New Shares to Eligible Shareholders;
- Additional New Shares to Eligible Shareholders eligible to participate in the shortfall facility.

## Transaction specific Prospectus

This is a Prospectus for an offer of 'continuously quoted securities' (as defined in the Corporations Act) of the Company and is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. This allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the Prospectus. In general terms, 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

## Disclaimer

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or

risks involved. If, after reading this Prospectus, you have any questions about the Rights Issue, you should contact your stockbroker, accountant, solicitor or other professional adviser.

Neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made under this Prospectus. An investment in the New Shares offered by this Prospectus should be considered speculative.

## Forward-looking statements

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in or implied by the forward-looking statements in this Prospectus.

In particular, this Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in this Prospectus (some of which are outlined in **section 5** of this Prospectus).

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition and/or performance.

## Prospectus availability

Shareholders with registered addresses in Australia and New Zealand can obtain a copy of this Prospectus during the Offer Period on the Company's website at [www.predictivediscovery.com](http://www.predictivediscovery.com) or by calling the Company on (08) 6143 1840 at any time from 9.00am to 5.00pm (AWST) Monday to Friday during the Offer Period. If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include a personalised Entitlement and Acceptance Form. You will only be entitled to accept the Rights Issue by completing and returning your personalised Entitlement and Acceptance Form, which accompanies this Prospectus, or by making a payment via BPAY® using the information provided on your personalised Entitlement and Acceptance Form (refer to **section 3** of this Prospectus for further information).

The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is attached to a hard

copy of this Prospectus or a complete and unaltered electronic version of this Prospectus.

The distribution of this Prospectus (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Prospectus, you should observe any such restrictions and should seek your own advice on those restrictions. Any non-compliance with the restrictions may contravene applicable securities laws.

#### **Foreign jurisdictions**

This Prospectus has been prepared to comply with the requirements of the laws of Australia. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia.

##### *New Zealand*

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

##### *United States*

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

See **section 2.7** of this Prospectus for further details.

#### **Glossary**

Terms and abbreviations used in this Prospectus are explained in the Glossary in **section 0** of this Prospectus.

#### **Information about the Company**

The information included in this booklet provides information about the Company's activities current as at 12 November 2015. It is information in a summary form and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements including the Company's annual report for the financial year ended 30 June 2015 lodged with ASX on 27 October 2015, the Company's interim financial report for the six month period ended 31 December 2014 lodged with ASX on 4 March 2015, the Company's 30 June 2015 audited financial statements lodged with ASX on 18 September 2015 and the announcement to the ASX on 12 November 2015 regarding the Rights Issue and the Company's other announcements to ASX available at [www.asx.com.au](http://www.asx.com.au).

#### **Enquiries**

If you have any questions in relation to the Rights Issue, please contact your stockbroker, accountant, solicitor or other professional adviser.

If you have questions in relation to the Existing Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up all or part of your Entitlement, please call the Company on (08) 6143 1840 at any time from 9.00am to 5.00pm (AWST) Monday to Friday during the Offer Period.

#### **Privacy**

Please read the privacy statement located in **section 6.5** of this Prospectus.

It is important you understand that by submitting an Entitlement and Acceptance Form accompanying this Prospectus or by making a payment via BPAY® using the information provided on the Entitlement and Acceptance Form, you consent to the matters outlined in that privacy statement.

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# Chairman's Letter

Dear Fellow Shareholder

12 November 2015

On behalf of Predictive Discovery Limited (or **Company**), I am pleased to invite you to participate in a 1 for 1 pro-rata renounceable rights issue of New Shares at an offer price of \$0.002 per New Share (**Rights Issue**) to raise up to approximately \$1.3 million on the terms of the Rights Issue outlined in this Prospectus. The offer price represents a 53.31% discount to the Company's 30 day VWAP of \$0.0043 on 5 November 2015 and is partially underwritten by CPS Capital for \$614,000. Shareholders have also agreed to take up their Entitlements for an additional \$115,000.

With this capital raising, Predictive is adopting a strategy for maximising value for shareholders while minimising our annual expenditure and the future need for dilutive capital raisings. Our aim is that all but the earliest stages of exploration on our large ground holdings will be funded by third parties - either joint venture partners or investment groups. While this will reduce our equity in individual projects, in the current funding environment, this is a far less dilutive strategy than frequent equity raisings.

For example, Toro Gold Ltd is required to spend US\$3.5 million to attain a 65% equity on four of our Cote D'Ivoire permits. This sum alone is more than entire market capitalisation of Predictive. Toro is a highly effective and successful explorer and will be drilling on our ground in the March Quarter. Based on the recent market response to Toro's excellent recent soil results at Boundiali,<sup>1</sup> we are confident that good drill results from Toro on any of the four permits will increase Predictive's share price and market capitalisation.

Elsewhere, our immediate plans are to:

- seek a partner on our Burkina Faso ground to advance our Bongou gold discovery and the surrounding prospects as quickly as possible towards development;
- make modest investments in our new Bobosso Project in Cote D'Ivoire (subject to grant of the Wendene permit) but also seek partners to enable us to advance that project rapidly towards resource drilling and metallurgical studies; and
- acquire additional gold projects, particularly in West Africa, taking advantage of our technical capabilities skills and ability to secure ground. This funding will enable us to undertake low cost early work on such acquisitions, as we have done in Cote D'Ivoire, to add value to those projects before bringing in partners to enable the pace of exploration and development to accelerate.

We expect that the regularity and importance of our newsflow will be substantial over the months and years ahead. In the remainder of this Quarter, we are expecting drill results from our joint venture partners in Victoria along with ongoing exploration results from Toro Gold. In the next Quarter, we expect drilling and other exploration results from Toro Gold, commencement of field work on the Bobosso Project, a joint venture on our Burkina project and ongoing results from our Victorian project. We will also be working hard to expand our holdings in West Africa in accordance with our new approach.

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<sup>1</sup> Refer ASX announcement dated 20 October 2015: "New 6km long gold soil anomaly in northern Cote D'Ivoire"

We are very excited by the range of opportunities on our current ground holdings. We have a drilled resource at Bongou in Burkina Faso and numerous surrounding prospects with potential to substantially increase the resource inventory.<sup>2</sup> We have just reported a range of positive results from three of the four Toro joint venture permits, identifying significant soil anomalies, any one of which could result in a major gold discovery. We have an agreement (subject to permit grant) on a known very large gold mineralised system in the Bobosso Project, already with a large drill database and excellent drill intercepts for us to build on and we have drilling in progress now in Victoria.

Going forward, we will retain the option of directly funding any project, especially as a project approaches the feasibility stage. But our commitment is only to do so when an equity raising will increase the Company's value more than allowing a joint venture partner to earn a bigger share of the project.

This strategy will also enable us to continue to operate your Company extremely cost effectively. Our administration costs continue to fall and will remain low. The funding obtained from this Entitlement Issue will fully fund us for at least 18 months.

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 (for further details see **section 2.3**). The Rights Issue is scheduled to close at 5.00pm (AEDT) on 3 December 2015. To participate, you will need to ensure that you have completed and returned the Entitlement and Acceptance Form and paid all Application Monies before this time and date. Details of how to accept the Rights Issue are provided on the Entitlement and Acceptance Form and in **section 3** of this Prospectus.

The Company is subject to a range of risks which apply to the mining and resources sector, and gold industry generally, including its ability to enter joint ventures, the success of its operations and exploration programs, a loss of key personnel, the price of commodities, exchange rates and economic, social or political instability or change in West Africa, and general market risks. These risks and others are discussed in more detail in section 5 of this Prospectus.

On behalf of the Board of the Company, I thank you for your continued support. I believe that the highly encouraging results we have been achieving on our enhanced ground position represents a turning point for Predictive and validates our new strategy. I strongly urge you to consider taking up your Rights and being part of this exciting new phase in our Company's development.

Yours faithfully,

**Phillip Jackson**  
Chairman

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<sup>2</sup> Refer ASX announcement dated 4 September 2014: "High-Grade Maiden Mineral Resource Estimate at Bongou, Burkina Faso"

## Key Offer Information

Offer Price per New Share under the Rights Issue	\$0.002
Eligible Shareholders' Entitlement	1 New Share for every 1 Existing Share held on the Record Date
Approximate maximum Rights Issue Proceeds	\$1.3 million (before costs)
Shares currently on issue <sup>1</sup>	650,584,343
Approximate number of New Shares to be issued in respect of the maximum Rights Issue Proceeds	650,584,343
Approximate maximum number of Shares on issue on completion of the Rights Issue	1,301,168,686
<b>Note<sup>1</sup>:</b> This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.	

## Key Dates

Appendix 3B lodged with ASX	Thursday, 12 November 2015
Prospectus lodged with ASIC & ASX	Thursday, 12 November 2015
Notice sent to Shareholders containing information required by Appendix 3B	Monday, 16 November 2015
'Ex' date	Tuesday, 17 November 2015
Rights trading commences	Tuesday, 17 November 2015
<b>Record Date to determine Entitlements</b>	<b>7:00pm (AEDT), Thursday 19 November 2015</b>
<b>Opening Date and Despatch of Prospectus</b>	<b>Monday, 23 November 2015</b>
Rights trading ends	Thursday, 26 November 2015
<b>Closing Date for acceptance and payment</b>	<b>5:00pm (AEDT), Thursday 3 December 2015</b>
Advice to ASX of Shortfall	Tuesday, 8 December 2015
Deferred settlement trading commences	Thursday, 10 December 2015
Issue of New Shares and Despatch of holding statements	Thursday, 10 December 2015
Normal trading of Shares issued under the Offer expected to commence	Friday, 11 December 2015

**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, 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.

# 1 Investment Overview

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

## 1.1 The Rights Issue

<b>What is the Rights Issue?</b>	The Rights Issue is a pro-rata renounceable offer made to Eligible Shareholders to subscribe for New Shares.	<b>Section 2.2</b>
<b>What is my Entitlement?</b>	Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 1 Existing Share held on the Record Date, subject to the terms of this Prospectus.	<b>Entitlement and Acceptance Form</b>
<b>What is the Offer Price?</b>	The Offer Price is \$0.002 per New Share.	<b>Section 2.2</b>
<b>Am I an Eligible Shareholder?</b>	Eligible Shareholders are those persons who: <ul style="list-style-type: none"><li>• are registered as a holder of Shares as at 7.00pm (AEDT) on the Record Date; and</li><li>• have a registered address in Australia or New Zealand.</li></ul>	<b>Sections 2.6 and 2.7</b>
<b>How much will be raised from the Rights Issue.</b>	The Rights Issue will raise up to approximately \$1.3 million (before costs). The Offer is partially underwritten for \$614,000 and Shareholders have committed to taking up Entitlement for a further \$115,000.	<b>Sections 4.1 and 4.2</b>
<b>What is the purpose of the Rights Issue and how will the funds raised be used?</b>	Depending upon the Company's success in farming out its existing assets, funds raised will be used for either working capital over an 18 month period and/or further acquisitions, or in the event the Company is unable to farm out its existing assets, to meet minimum expenditure commitments on those assets.	<b>Section 2.1</b>
<b>Is the Rights Issue underwritten?</b>	<p>The Rights Issue is partially underwritten by CPS Capital for \$614,000. Dyspo Pty Ltd, an entity controlled by Philip Henty, a Director, has agreed to sub-underwrite the Offer for \$284,000.</p> <p>The underwriting is conditional upon certain conditions and termination events customary found in underwriting agreements for issuers in the Company's circumstances, including if the S&amp;P ASX 200 Index falls by 15% or more, or if the share price is less than the Offer Price on three consecutive days.</p> <p>Certain shareholders have agreed to take up their Entitlement for an aggregate of \$115,000.</p>	<b>Section 2.5</b>
<b>Why is the Company raising money by way of an underwritten rights issue?</b>	The Rights Issue is a culmination of an extensive search by the Company on financing options. Having discussed and considered a range of alternatives and taking into consideration the difficult current equity market conditions, the Directors determined that the Rights Issue and the underwriting by CPS Capital is the most	<b>Section 2.5</b>



	achievable and advantageous to all Shareholders.	
<b>What will be the effect on control of the Rights Issue?</b>	Aurora currently holds approximately 43.9% of the Company's Shares. If the Underwriter and Committing Shareholders perform their obligations, Aurora will not increase its voting power as a result of the Offer.	<b>Section 4.3</b>
<b>What are the tax implications of participating in the Rights Issue?</b>	Taxation implications will vary depending upon the specific circumstances of individual Shareholders. Investors should obtain their own professional advice as to the particular taxation treatment which will apply to them.	<b>Section 6.10</b>
<b>Can I apply for Additional New Shares above my Entitlement?</b>	Yes, Eligible Shareholders may apply for New Shares in excess of their Entitlement. Subject to there being a sufficient Shortfall, there is no maximum cap on the number of Additional New Shares for which an Eligible Shareholder may apply for (save that no person may increase their voting power to 20% or more through acquiring Additional New Shares).	<b>Section 2.3</b>
<b>How will Additional New Shares be allocated</b>	Additional New Shares will be allocated: <ul style="list-style-type: none"> <li>• firstly, to Shareholders who apply for Additional New Shares, and who hold less than a marketable parcel (to the extent required for them to each have a marketable parcel);</li> <li>• secondly, to Shareholders who apply for Additional New Shares, in proportion to their applications;</li> <li>• thirdly, to CPS Capital as underwriter; and</li> <li>• then, at the Director's discretion.</li> </ul>	

## 1.2 Actions for Eligible Shareholders

<b>How do Eligible Shareholders find out what their Entitlements are?</b>	Your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.	<b>Entitlement and Acceptance Form</b>
<b>What can I do with my Entitlement?</b>	You can do the following: <ul style="list-style-type: none"> <li>• take up all or part of your Entitlement;</li> <li>• sell all of your Entitlement;</li> <li>• take up part of your Entitlement and sell the balance;</li> <li>• do nothing, in which case your Entitlement will lapse.</li> </ul> You may also choose to apply for Additional New Shares, as described in <b>section 2.3</b> .	<b>Section 3.2</b>
<b>Can I trade my Entitlement?</b>	The Rights to Shares are renounceable, which enables Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement.	<b>Section 2.11</b>

<p><b>What happens if I do not take up my Entitlement, or take up only part of my Entitlement?</b></p>	<p>If you do not take up all of your Entitlement by the Closing Date, then New Shares representing the number of New Shares not taken up under your Entitlement will form part of the Shortfall. This will result in your interest in the Company being diluted.</p>	<p><b>Section 3.8</b></p>
<p><b>What are the key risks of a subscription under the Rights Issue?</b></p>	<p>Whilst the Directors recommend the Rights Issue, New Shares offered pursuant to this Prospectus should be considered speculative. An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> <li>• <b>Exploration stage and success</b> - The Company's mineral tenements are at the exploration stage only. There is no guarantee of exploration success, and, even if there is exploration success, there is no guarantee that development of any such success will be commercially viable.</li> <li>• <b>Projects in West Africa</b> - The Company's main projects are in Burkina Faso and Cote d'Ivoire. The Company is subject to risks in operating in those countries such as economic, social or political instability or change, government participation, tenement grant and renewal, working conditions, environmental protection and mine safety.</li> <li>• <b>General market and economic condition risks</b> - The Company has no production or income and is exposed to general commodity, market and economic condition risks.</li> <li>• <b>Control and liquidity</b> - Aurora currently holds approximately 43.9% of the Company. This level of control creates risks for the Company and its Shareholders.</li> <li>• <b>Farm out strategy</b> - There is a risk that the Company will not succeed in finding suitable partners for those projects. In addition, the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture.</li> </ul> <p>The above risk factors are not an exhaustive list. Please carefully consider these risks and others and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	<p><b>Section 5</b></p>
<p><b>How do I accept the Rights Issue? And how do I apply for Additional New Shares?</b></p>	<p>If you wish to take up all or part of your Entitlement (and if you wish to apply for Additional New Shares), you must either:</p> <ul style="list-style-type: none"> <li>• complete and return the personalised Entitlement and Acceptance Form to the Share Registry together with a cheque, bank draft or money order for the full Application Monies so that it is received by the Share Registry by no later than 5.00pm (AEDT) on the Closing Date; or</li> <li>• pay the full Application Monies via BPAY® by no later than 5.00pm (AEDT) on the Closing Date.</li> </ul>	<p><b>Section 3.9</b></p>

### 1.3 Further information

This Prospectus contains a range of additional information relevant to Shareholders including the pro forma financial impact of the Rights Issue on the Company (refer to section 4.2) and the Directors' interests in the Company (refer to section 6.9)

If you have any questions about the Rights Issue that are not answered in this Prospectus you should consult your stockbroker, accountant, solicitor or other professional adviser before deciding to invest or call the Company on (08) 6143 1840 at any time from 9.00am to 5.00pm (AWST) Monday to Friday during the Offer Period.

## 2 Details of the Rights Issue

### 2.1 Purpose of Rights Issue and use of funds

The purpose of the Rights Issue is to raise up to approximately \$1.3 million (before costs), to enable the Company to undertake early phase exploration programs and maintain sufficient working capital. The funds will therefore support the Company's strategy of either joint venturing out its projects or seeking private investment at the project level in order to advance its projects rapidly while sustaining the Company for at least 18 months.

The Offer is partially underwritten for \$614,000 by CPS Capital and shareholders are committed to taking up entitlements for a further \$115,000. Dyspo Pty Ltd, an entity controlled by Philip Henty, a Director, has agreed to sub-underwrite the Offer for \$284,000.

A breakdown of the proposed use of the Rights Issue Proceeds is set out in the table below:

Use of funds	Underwritten and Committed Amount	Full Subscription
Exploration of Bobosso Project and potential new West African projects	\$50,000	\$490,297
Costs of the Rights Issue (including capital raising costs)	\$110,872	\$110,872
Working capital (to sustain PDI's joint venture strategy for at least 18 months)	\$568,128	\$700,000
<b>Total</b>	<b>\$729,000</b>	<b>\$1,301,169</b>

The above is a statement of the Board's current intention as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

In the event that the amount raised under this Prospectus is more than the Underwritten and Committed Amount but less than the Full Subscription, it is intended that the additional amount raised will be applied broadly proportionately to the table in 2.1.

As set out in the Chairman's letter, under the Board's current strategy of farming out its existing assets, funding obtained from the Offer is expected to enable the Company to operate effectively for at least 18 months. In the event that the Company is unable to farm out its assets, then it may be required to spend additional money to retain its assets.

Shareholders should be aware that further funding may be needed to continue its exploration in West African and Australian projects and should refer to the risk factors in **section 5.4** of this Prospectus for a further discussion of the Company's future capital requirements.

## **2.2 Structure of Rights Issue**

Approximately 650,584,343 New Shares are being offered at an Offer Price of \$0.002 per New Share. Each Eligible Shareholder has the opportunity to subscribe for 1 New Share for every 1 Existing Share held on the Record Date. The Rights Issue is intended to raise up to approximately \$1.3 million (before costs).

Due to rounding of Entitlements under the Rights Issue to Shareholdings on the Record Date, among other things, the exact number of New Shares to be issued will not be known until completion of the Rights Issue.

The Offer Price represents a 53.31% discount to the volume-weighted average price of the Company's shares during the 30 trading days, up to and including 5 November 2015 (being the last trading day before the Rights Issue was announced).

Eligible Shareholders are being sent this Prospectus together with a personalised Entitlement and Acceptance Form and are invited to apply for New Shares. The Rights Issue opens on 23 November 2015 and is scheduled to close at 5.00pm (AEDT) on 3 December 2015.

## **2.3 Additional New Shares and Shortfall**

Entitlements not taken up will become available as Additional New Shares. The Directors reserve the right to issue any Additional New Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**). Additional New Shares are also offered at \$0.002 per New Share, payable at the time of applying for Additional New Shares. Subject to the overall Additional New Share limits, there is no maximum cap on the number of Additional New Shares for which an Eligible Shareholder may apply for.

Any Additional New Shares will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements (i.e. that form part of the Shortfall) or from New Shares that would have been offered to Ineligible Shareholders (as defined in **section 2.7** below) if they had been entitled to participate in the Rights Issue.

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

The Company will allocate Additional New Shares as follows:

- firstly, to Shareholders who apply for Additional New Shares and who hold less than a marketable parcel (to the extent required for them to each have a marketable parcel);
- secondly, to Shareholders who apply for Additional New Shares, with oversubscriptions to be scaled back in proportion to applications; and
- thirdly, to CPS Capital as underwriter; and
- then, at the Directors' discretion.

Eligible Shareholders who subscribe for Additional New Shares in excess of their Entitlement are not guaranteed to be issued those Additional New Shares.

You may apply for any New Shares comprised in any Shortfall by completing the relevant section of your Entitlement and Acceptance Form sent with the Prospectus. Payment for New Shares comprised in the Shortfall must be made in the same manner as described in **section 3** of the Prospectus.

## **2.4 No minimum subscription**

There is no minimum subscription for the Rights Issue.

## **2.5 Lead Manager and Underwriting**

CPS Capital is acting as Lead Manager and underwriter to the Offer.

The Company has entered into an underwriting agreement dated 12 November 2015 (**Underwriting Agreement**) with CPS Capital who has agreed to partially underwrite the Rights Issue for \$614,000.

Dyspo Pty Ltd, an entity controlled by Philip Henty, a Director, has agreed to sub-underwrite the Offer for \$284,000.

Any issue of Shares to CPS Capital under the Underwriting Agreement is made under this Prospectus. The terms of the Underwriting Agreement are summarised in section 6.7 of this Prospectus.

CPS Capital will be paid a fee for underwriting the Offer, details of which are set out in section 4.2. All sub-underwriting fees will be paid by CPS Capital.

## **2.6 Eligible Shareholders**

Eligible Shareholders are those persons who:

- are registered as a holder of Shares as at 7.00pm (AEDT) on the Record Date; and
- have a registered address in Australia or New Zealand

See below regarding the treatment of Foreign Shareholders.

## **2.7 Treatment of Foreign Shareholders**

This Prospectus and the accompanying Entitlement and Acceptance Form does not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

Return of a duly completed Entitlement and Acceptance Form or BPAY® payment will be taken by the Company to constitute a representation by the Applicant that there has been no breach of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and anyone who receives this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Shares or the Rights Issue, or otherwise permit a public offering of New Shares, in any jurisdiction outside Australia. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any Applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Monies will be taken by the Company to constitute a representation that there has been no breach of such laws and that the Applicant is physically present in Australia or New Zealand.

### **New Zealand**

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **United States**

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the *US Securities Act* of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

### **Ineligible Shareholders**

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined, in reliance on ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Rights Issue to Ineligible Shareholders, having regard to the:

- small number of Ineligible Shareholders;
- small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Rights Issue is not being extended to any Shareholders outside Australia and New Zealand, unless, in the opinion of the Company, that Shareholder would be eligible under all applicable securities laws to receive an offer of New Shares under the Rights Issue.

The Company will notify all Ineligible Shareholders of the Rights Issue and advise that the Company is not extending the Rights Issue to those Shareholders.

## **2.8 Appointment of nominee**

As the Offer is renounceable and for the purposes of ASX Listing Rule 7.7.1(c), the Company will appoint CPS Capital as nominee to arrange for the sale of the Entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale.

The proceeds of sale (in Australian dollars) will be distributed to the Ineligible Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale).

## **2.9 Nominees, trustees and custodians**

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

## **2.10 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares or Additional New Shares under the Rights Issue. You cannot withdraw your Application or payment once it has been accepted.

## **2.11 Trading of Entitlements**

The Rights to Shares are renounceable, which enables Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Trading of Rights on the ASX is expected to commence on 17 November 2015 and end on 26 November 2015. Please refer to sections 3.5 and 3.6 in respect of trading your Entitlement.

## **2.12 ASX quotation and trading of New Shares**

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. Subject to approval being granted, it is expected that normal trading of New Shares issued under the Rights Issue will commence on 11 December 2015. If ASX does not permit quotation within three months from the date of this Prospectus, none of the New Shares will be issued and all Applications will be dealt with in accordance with the Corporations Act including the refund of all Application Monies in full without interest.

Holding statements are expected to be dispatched to Eligible Shareholders on 10 December 2015. It is the responsibility of each Applicant to confirm their holding before trading in New Shares commences. Any Applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. The Company and the Underwriter disclaim all liability, whether in negligence or otherwise to persons

who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry.

### **2.13 Rounding and determining Entitlements**

All Entitlements will be rounded up to the nearest whole number of New Shares.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated.

### **2.14 Ranking of New Shares**

New Shares will be issued on a fully paid basis and will rank equally in all respects with Existing Shares.

### **2.15 Application Monies**

All Application Monies will be held by the Company in a bank account on trust for Applicants until the New Shares are issued or, if the New Shares are not issued, until the Application Monies are returned to Applicants.

The bank account will be established and maintained by the Company solely for the purposes of depositing Application Monies and retaining those funds for as long as required under the Corporations Act.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, the Company and will be retained by the Company whether or not the allotment and issue of New Shares take place.

Amounts received by the Company in excess of your Entitlement (**Excess Amount**) may be treated as an Application to apply for as many Additional New Shares as your Excess Amount will pay for in full. Alternatively, your application may not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares (if any) will be refunded as soon as practicable after the Closing Date (except for where the amount is less than the Offer Price, in which case it will be retained by the Company).

If the Application Monies received are insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your application will be rejected.

If the New Shares are not issued to you, a cheque will be drawn and relevant Application Monies will be refunded as soon as practicable after the Closing Date.

### **2.16 Withdrawal of the Rights Issue**

Subject to the terms of the Underwriting Agreement, the Company reserves the right to withdraw the Rights Issue at any time, in which case the Company will refund Application Monies in accordance with the Corporations Act and will do so without interest.



## 2.17 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Ltd (**ASX Settlement**), a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of New Shares issued to you under this Prospectus, and provide details of your holder identification number and the participant identification number of the sponsor.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time. However, a charge may be incurred for additional statements.

## 2.18 Optionholders

Holders of Options in respect of Shares will not be entitled to participate in the Rights Issue unless:

- they have become entitled to exercise their Options under the terms of their issue and do so prior to the Record Date; and
- participate in the Rights Issue as a result of being a holder of Shares registered on the share register at 7.00pm (AEDT) on the Record Date.

# 3 How to Apply

## 3.1 Eligible Shareholders

You should read this section in its entirety for instructions in relation to the choices available to you as an Eligible Shareholder. You should also refer to **section 2** for an overview of the Rights Issue.

### Foreign Shareholders

Please refer to **sections 2.6** and **2.7** to determine whether you are an Eligible Shareholder.

## 3.2 Choices available

Eligible Shareholders may do any of the following:

- subscribe for all or part of their Entitlement (see section 3.3);
- subscribe for all of their Entitlement and apply for Additional New Shares (see section 3.4);
- sell all of your Entitlement on ASX (see section 3.5);
- take up part of your Entitlement and sell the balance on ASX (see section 3.6);
- deal with part or all of your Entitlement other than on ASX (see section 3.7); or

- allow all or part of your Entitlement to lapse (see section 3.8).

Eligible Shareholders may also choose to apply for Additional New Shares as described in **section 2.3**.

The Rights Issue is a partially underwritten pro-rata rights issue to Eligible Shareholders. Eligible Shareholders who take up their Entitlement in full will not have their percentage Shareholding in the Company diluted by New Shares issued pursuant to the Rights Issue. The percentage Shareholding of Eligible Shareholders who do not take up all of their Entitlement will be diluted.

For further details on the effect of the Rights Issue on the Company, please refer to **section 4.2**.

### **3.3 If you wish to take up all or part of your Entitlement**

If you wish to take up all or part of your Entitlement, complete the Entitlement and Acceptance Form in respect of the number of New Shares you wish to subscribe for and arrange for payment of the Application Monies in accordance with **section 3.9**.

Your Entitlement is set out in the accompanying Entitlement and Acceptance Form and has been calculated based on the number of Shares you held as at the Record Date. If you have more than one holding of Shares, you will receive more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

The Company will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back in respect of the Shortfall (see **section 2.3**). Amounts received by the Company in excess of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full.

### **3.4 Subscribe for all of your Entitlement and apply for Additional New Shares**

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Additional New Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 2.3 for details of the manner in which Additional New Shares will be allocated.

Surplus Application Monies will be returned to Applicants as soon as practicable following the close of the Offer.

### **3.5 If you wish to sell all of your Entitlement**

Complete the section marked "Instructions to Stockbroker" on the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 17 November 2015. Sale of your Rights must be completed by 26 November 2015 when Rights trading is expected to cease.

### **3.6 If you wish to take up part of your Entitlement and sell the balance**

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) and complete the section marked "Instructions to Stockbroker" on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Entitlement and Acceptance Form reaches the Company's Share Registry, by 5.00pm AEDT on 3 December 2015. Cash will not be accepted and no receipts will be issued.

Rights trading will commence on ASX on 17 November 2015. Sale of your Rights must be completed by 26 November 2015 when Rights trading is expected to cease.

### **3.7 If you wish to transfer your Entitlement other than on ASX**

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Company's Share Registry) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application Monies to reach the Company's Share Registry, by 5.00pm AEDT on 3 December 2015.

If you are a Shareholder and hold Existing Shares registered on CHES, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

### **3.8 Allow all or part of your Entitlement to lapse**

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

### **3.9 Payment and return of Entitlement and Acceptance Form**

You have two payment options in order to take up your Entitlement.

**Option 1: Submit your completed Entitlement and Acceptance Form together with a cheque, bank draft or money order.**

To follow Option 1, you should:

- complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set

out on that form, and indicate the number of New Shares and any Additional New Shares you wish to subscribe for; and

- return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
  - in respect of the full Application Monies (being \$0.002 multiplied by the number of New Shares and any Additional New Shares you wish to subscribe for; and
  - in Australian currency drawn on an Australian branch of a financial institution; and
  - made payable to 'Predictive Discovery Limited' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form in full, you will be taken to have applied for the lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected.

The Company will also treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for. Any amount received by the Company in excess of your final allocation of New Shares and Additional New Shares will be refunded and no interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the address below by no later than 5.00pm (AEDT) on 3 December 2015.

Your completed Entitlement and Acceptance Form should be returned to the Share Registry at the following address:

By hand delivery Predictive Discovery Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

By post Predictive Discovery Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

Entitlement and Acceptance Forms (and payment of Application Monies) may not be accepted if received after 5.00pm (AEDT) on 3 December 2015.

### **Option 2: Pay via BPAY® payment**

To follow Option 2, you should pay the full Application Monies, being \$0.002 multiplied by the number of New Shares comprising your Entitlement (plus any Additional New Shares), or, if you are subscribing for only part of your Entitlement, the number of New Shares you wish to subscribe for, via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). You can only make a payment via

BPAY® if you are the holder of an account with an Australian financial institution.

Please note that if you choose to pay by BPAY® payment:

- you do not need to submit the personalised Entitlement and Acceptance Form but are deemed to have made the declarations set out in this Prospectus and in the Entitlement and Acceptance Form;
- if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
- the Company will treat you as applying for as many New Shares and Additional New Shares as your BPAY® payment will pay for. Any amount received by the Company in excess of your final allocation of New Shares and Additional New Shares will be refunded and no interest will be paid on any Application Monies received or refunded.

You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on 3 December 2015. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above.

#### **Effect of returning Entitlement and Acceptance Form or making BPAY® payment**

If an Application is not completed or submitted correctly it may still be treated as a valid Application. The Company's decision whether to treat an Application as valid and how to construe, amend, complete or submit an Application is final.

Returning a completed Entitlement and Acceptance Form or making a BPAY® payment will be taken to constitute a representation by the Applicant that they:

- are an Eligible Shareholder and have received, read and understood a printed or electronic copy of this Prospectus and the accompanying Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form;
- agree to be bound by the terms of this Prospectus and the Constitution;
- declare that the law of any other place does not prohibit them from being given this Prospectus or making an application for New Shares and Additional New Shares;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare that they are the current registered holder(s) of the Shares in their name at the Record Date;
- declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Entitlement and Acceptance Form;

- acknowledge that once the Entitlement and Acceptance Form is returned or a BPAY® payment made their acceptance may not be withdrawn, except as allowed by law;
- agree to being issued the number of New Shares they apply for at the Offer Price (or a lower number issued in a way described in this Prospectus) and, subject to **section 2.3**, to being issued up to the number of Additional New Shares they apply for at the Offer Price;
- authorise the Company to register them as the holder(s) of the New Shares and Additional New Shares allotted or granted to them;
- acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Shares are suitable for them, given their investment objectives, financial situation or particular needs; and
- authorise the Company and its officers or agents to do anything on their behalf necessary for New Shares and Additional New Shares to be issued to them, including correcting any errors in their Entitlement and Acceptance Form or other form provided by them and acting on instructions received by the Share Registry using the contact details in the Entitlement and Acceptance Form.

### 3.10 Enquiries

If you are in doubt as to the course you should follow, you should consult your stockbroker, accountant, solicitor or other professional adviser before deciding to invest. If you:

- have questions in relation to the Existing Shares upon which your Entitlement have been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Company on (08) 6143 1840 at any time from 9.00am to 5.00pm (AWST) Monday to Friday during the Offer Period.

## 4 Effect of the Rights Issue on the Company

### 4.1 Effect on the Company's capital structure

A comparative table of changes in the capital structure of the Company as a consequence of the Rights Issue is set out below.

Shares	Underwritten and Committed Amount	Full Subscription
Shares on issue at date of this Prospectus	650,843,343	650,843,343
Number of unlisted Options on issue at date of this Prospectus	8,000,000	8,000,000
Issue of New Shares under the Rights Issue	364,500,000	650,843,343

Shares	Underwritten and Committed Amount	Full Subscription
Shares on issue at date of this Prospectus	650,843,343	650,843,343
Number of unlisted Options on issue at date of this Prospectus	8,000,000	8,000,000
<b>Share capital of the Company after completion of the Rights Issue (undiluted)</b>	<b>1,015,343,343</b>	<b>1,301,168,686<sup>1, 2</sup></b>
<b>Share capital of the Company after completion of the Rights Issue (fully diluted)</b>	<b>1,023,343,343</b>	<b>1,309,168,686<sup>1, 2</sup></b>

**Notes:**

- <sup>1</sup> As at the date of this Prospectus, there are 8,000,000 unlisted Options on issue. This figure assumes that no further Shares are issued and no Options are issued or converted prior to the issue of New Shares under the Rights Issue.
- <sup>2</sup> Shareholders should note that due to rounding of Entitlements under the Rights Issue to Shareholdings on the Record Date, among other things, the exact number of New Shares to be issued will not be known until completion of the Rights Issue.
- <sup>3</sup> The terms of the Options on issue provide that following a rights issue, the exercise price of Options will change in accordance with the formula in Listing Rule 6.22. The Company will announce the reduced exercise prices for Options following the close of the Offer.

## 4.2 Effect on the Company's financial position

This section provides relevant financial information for Shareholders to consider when assessing whether to participate in the Rights Issue, including details of the potential financial impact of the Rights Issue. The impact of the Rights Issue is expected to be an increase in cash of up to approximately \$1.3 million (before costs).

The pro forma financial information should be read in conjunction with the limitations explained in the Important Notices section on **page 2** and the Key Risks in section 5 of this Prospectus.

All financial information is presented in accordance with the measurement and recognition principles under AIFRS unless otherwise noted.

### Pro forma Statement of Financial Position

Set out below is the audited statement of financial position for the Company at 30 June 2015 and a pro forma statement of financial position showing the financial position of the Company following the Rights Issue assuming:

- the underwritten/committed and full amount of the Rights Issue Proceeds is raised;
- the costs of the Rights Issue is \$110,872; and
- there has not been and will be no material movements in the assets and liabilities of the Company (including new Shares issued by way of exercise of Options) from as at 1 July 2015 and the Closing Date other than the issue of New Shares through the Rights Issue raising \$1.3 million and after deducting expenses of the Rights Issue of \$110,872.

	Audited Balance Sheet 30-Jun-15 (\$)	Pro forma Underwritten and Committed Amount (\$)	Pro forma Full Subscription (\$)
<b>Current assets</b>			
Cash and cash equivalents	717,648	1,335,776	1,907,944
Trade and other receivables	188,141	188,141	188,141
<b>Total current assets</b>	<b>905,789</b>	<b>1,523,917</b>	<b>2,096,085</b>
<b>Non-current assets</b>			
Property, plant and equipment	180,703	180,703	180,703
Exploration expenditure	10,338,343	10,338,343	10,338,343
<b>Total non-current assets</b>	<b>10,519,046</b>	<b>10,519,046</b>	<b>10,519,046</b>
<b>Total assets</b>	<b>11,424,835</b>	<b>12,042,963</b>	<b>12,615,131</b>
<b>Current liabilities</b>			
Trade and other payables	322,522	322,522	322,522
Provisions	20,285	20,285	20,825
<b>Total current liabilities</b>	<b>342,807</b>	<b>342,807</b>	<b>342,807</b>
<b>Total liabilities</b>	<b>342,807</b>	<b>342,807</b>	<b>342,807</b>
<b>Net assets</b>	<b>11,082,028</b>	<b>11,700,156</b>	<b>12,272,324</b>
<b>Equity</b>			
Issued capital	24,180,869	24,798,997	25,371,165
Reserves	1,961,416	1,961,416	1,961,416
Accumulated losses	-15,060,257	-15,060,257	-15,060,257
<b>Total equity</b>	<b>11,082,028</b>	<b>11,700,156</b>	<b>12,272,324</b>

#### Expenses of Rights Issue

Expenses <sup>1</sup>	\$
Legal fees	10,000
Share Registry / printing	5,000
Lead manager and underwriter fee <sup>2,3</sup>	88,712
ASIC Fees	2,320



Expenses <sup>1</sup>	\$
ASX quotation fee	4,840
<b>Total</b>	<b>110,872</b>

**Notes:**

- <sup>1</sup> These expenses have or will be paid by the Company.
- <sup>2</sup> The Company will also pay a placement fee of 5% for Additional New Shares placed under the Shortfall Offer.
- <sup>3</sup> Assuming the total amount is raised under the offer.

### 4.3 Effect on control and potential dilution

If Eligible Shareholders take up their Entitlements, their percentage interest in the total issued share capital of the Company will remain the same and will not be diluted.

To the extent that Eligible Shareholders do not take up their Entitlements, following the close of the Rights Issue, the percentage shareholding of those Eligible Shareholders will be diluted.

#### *Aurora Minerals Limited*

As at the date of this Prospectus, Aurora is the largest shareholder of the Company with a voting power of 43.9%.

Aurora is an Australian public company listed on the ASX. Aurora's principal activities are exploration for and investment in mineral exploration both directly and indirectly. According to publicly available information, Aurora currently has exposure to minerals exploration through:

- 100% owned projects as well as a joint venture in Western Australia;
- its partially owned subsidiary Peninsula Mines Limited whose principal exploration activities are in South Korea;
- its 13.4% shareholding in Golden Rim Resources Limited whose principal activities are in Burkina Faso; and
- its current 43.9% shareholding in the Company.

Aurora has not told the Company of its intentions with respect to its Entitlement under the Rights Issue. If the Underwriter and Committing Shareholders perform their obligations, Aurora will not increase its voting power as a result of the Offer.

The Company's only other substantial Shareholder is Equity Trustees Limited which holds a 5.23% interest in the Company.

No Shareholder will increase their voting power in the Company from 20% or below to more than 20%, or from a starting point that is above 20% and below 90% as a result of the Rights Issue.

#### **Dilution**

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	50,000,000	7.69	50,000,000	50,000,000	3.84
2	25,000,000	3.84	25,000,000	25,000,000	1.92
3	12,500,000	1.92	12,500,000	12,500,000	0.96
4	5,000,000	0.77	5,000,000	5,000,000	0.48

## 5 Key Risks

### 5.1 Overview

The Company is a mineral exploration company with a primary focus on gold in West Africa. Due to the nature of the Company's business activities and mineral exploration interests, increasing your investment in the Company carries with it risks reasonably expected of an investment in a business of this type. Accordingly, whilst the Directors recommend the Rights Issue, New Shares offered pursuant to this Prospectus should be considered speculative.

The current and future activities of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including, but not limited to, those discussed in this Prospectus. There is a range of specific risks associated with the Company's involvement in the mineral exploration industry. There are also numerous widespread risks associated with investing in any form of business and with investing in the share market generally. Some of these risks can be mitigated by the use of safeguards and appropriate controls, but some are outside the control of the Company and cannot be mitigated.

This section is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in New Shares.

Before increasing your investment in the Company, you should consider whether this investment is suitable for you having regard to the risk factors set out below, publicly available information, your investment objectives and personal financial circumstances, and following consultation with your stockbroker, accountant, solicitor or other professional adviser.

### 5.2 Risk associated with an investment in the Company

The following risks have been identified as being key risks specific to an investment in the Company. These risks have the potential to have a significant adverse impact on the Company and may affect the Company's financial position, prospects and price and value of New Shares.

#### **Farm out strategy**

The Company is currently a joint venture partner with (1) Toro Gold Limited in relation to four exploration permits in Cote D'Ivoire and (2) Cape Clear Minerals Pty Ltd in relation to one exploration licence in Australia. As set out in the Chairman's letter, the Company plans to become a party to other joint venture or project-level funding agreements governing the exploration and development of its remaining projects in West Africa. There is a risk that the Company will not be successful in finding suitable partners for those projects. In addition, the Company's joint venture partners may default in their joint

venture obligations or not act in the best interests of the joint venture. All these risks may have an adverse effect on the interests and prospects of the Company.

The Company may enter into strategic investments in complementary businesses, or enter into strategic alliances or partnerships with third parties in order to enhance its business. Such arrangements involve a wide range of risks.

### **Exploration stage and success**

The mineral tenements of the Company are at the exploration stage only. The Company is not at the development stage. There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings.

Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable. The current and future operations of the Company will be affected by a range of factors. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.

### **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through testwork to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.

### **Operating and project risks**

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. Even if commercial quantities of ore are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formation, pit failures, changes in the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

### **Key personnel risks**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on

the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriate skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

### **Geopolitical risk**

The Company is pursuing projects located in Burkina Faso and Cote d'Ivoire areas of West Africa and so is subject to the risks associated with operating in that region of the world. These risks may include economic, social or political instability or change, hyperinflation, currency convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

It is a risk in West Africa that the knowledge of law is limited due to the fact that certain legal rules, even passed, are not in some cases officially published. The knowledge of West African law is also limited by the fact that case law is not, or very few cases are, published.

Any future material adverse changes in government policies or legislation in West African countries that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

There is no guarantee that, even if a potentially economic deposit is discovered, the political environment will not change in a way that will significantly impact on the economics of a mining project. Furthermore, the Company is operating in areas where there are subsistence farmers and artisanal miners and where any discovery could lead to access disputes, considerably delaying any proposed development. At this stage, the Company does not maintain political risk insurance.

### **Commodity price volatility and exchange rates risks**

In the event that the Company achieves exploration success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities and some services are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rates of exchange between the United States dollar, the Australian dollar and the Euro, and hence the West African Franc, as determined by international markets.

### **Tenement title**

Interests in tenements in Burkina Faso and Cote d'Ivoire are governed by the mining law and regulations of that country. There is no guarantee that the Burkina Faso mining law or regulations or Cote d'Ivoire mining law or regulations will not be changed in a way that is adverse to the Company's interests.

The Company's title to its tenements generally requires the Company to continue to satisfy its expenditure or work commitments. The Company currently has no reason to believe that it will not satisfy those commitments. However, this cannot be guaranteed.

Interests in tenements in Australia are governed by federal and state legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Further, mining and exploration tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

#### **Litigation and counterparty risks**

The Company is not currently involved in any litigation, however like any corporation operating in a commercial setting, the Company is exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on the financial performance of the Company.

In addition, there is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or others suppliers. In particular, the successful exploration of the Company's projects in Burkina Faso and Cote d'Ivoire are heavily dependent on the services to be provided by the Company's drilling services contractors. Any of the above outcomes, particularly in respect of drilling services contracts, could result in an adverse effect on the Company's ability to explore its projects, as well as its operations, financial position and performance.

#### **Liquidity and volatility**

The Company is a small company in terms of market capitalisation. An investment in New Shares should be regarded as speculative. The Company also has a relatively small Shareholder base. As a consequence there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Shares or that the price of Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell their Shares at such a time receiving a market price for their Shares that is considerably less than the price paid under the Rights Issue.

The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or

down.

### **5.3 Risks associated with mining exploration and operations**

Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including those summarised in the section below.

#### **Exploration risks**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of the Company's Shares.

#### **Resource and reserve estimates**

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate.

Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

#### **Regulatory risks**

Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in Australia, Burkina Faso or Cote d'Ivoire may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of Shares.

Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations (**Authorisations**), which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the Authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such Authorisations will be continued, renewed or granted, or as to the terms of renewals or grants. If the Company cannot obtain or retain the appropriate Authorisations or there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions, then the Company's ability to

conduct its exploration or development operations may be adversely affected.

### **Environmental risks**

The Company's operations and activities are subject to the environmental laws and regulations of Burkina Faso, Cote d'Ivoire and Australia and any other places the Company may conduct business. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to the Company's mining or environmental licences may lead to penalties and/or revocation of the licence, and significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain environmental damage. This would require the Company to incur significant costs and may result in an adverse impact on the Company's cash flows, financial position and performance.

Further, the Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's operations, financial position and performance.

### **Insurance risks**

The Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have an adverse effect on the Company's operations and financial position and performance.

Insurance of risks associated with minerals exploration is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage that is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

## **5.4 Risks associated with the Rights Issue**

There are certain risks associated with participating or not participating in the Rights Issue, including:

- the Directors have taken steps to help ensure a reasonable dispersion of Additional New Shares under the Shortfall Offer (as set out in Takeovers Panel Guidance Note 17: Rights Issues), including the appointment of CPS Capital as Lead Manager and Underwriter. However, assuming some shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated

among fewer shareholders and the interests of these Shareholders may not align with other Shareholders' interests.

- your Shareholding in the Company will be diluted as a result of not taking up your full Entitlement;
- if the Company is unable to successfully complete the Rights Issue, it will have to consider alternative funding options, which may or may not be available on acceptable terms or may result in dilution to Shareholders;
- the Company is likely to require additional capital in the future. The Company's ability to do this at an appropriate price will be significantly impacted by commodity prices, market conditions and the capital raising environment at that time. Any additional equity financing will dilute Shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or scale back its exploration programs, as the case may be. This could have an adverse affect on the Company's activities and could, in extreme circumstances, affect the Company's ability to continue as a going concern.

## **5.5 General risks**

The business activities of the Company are subject to various general economic and investment risks that may impact on the future performance of the Company. These risk factors include, but are not limited to those summarised in the section below.

### **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

### **Investment in capital markets**

As with all stock market investments, there are risks associated with an investment in the Company.

Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares might trade below or above the Offer Price for the New Shares.

### **General economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer



and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

## **6 Additional Information**

### **6.1 Continuous disclosure**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an Offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgment of the Company's annual financial statements of the Company for the financial year ended 30 June 2015 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices

of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial statements of the Company for the financial year ended 30 June 2014 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half-year financial report lodged with ASIC by the Company after the lodgment of that annual report and before the lodgment of this Prospectus; and
  - (iii) any continuous disclosure notices given by the Company after the lodgment of the financial statements referred to in paragraph (i) and before the lodgment of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company lodged its 2015 annual financial report on 27 October 2015.

The Company has lodged the following announcements with ASX since its 2015 annual financial report:

<b>Document</b>	<b>Date</b>
Reinstatement to Official Quotation	12 November 2015
Letter to Option Holders	12 November 2015
Appendix 3B	12 November 2015
Renounceable Rights Issue	12 November 2015
Company Presentation	11 November 2015
Extension of voluntary suspension	10 November 2015
ARM: Excellent New Gold Results from 3 Cote Divoire Permits	10 November 2015
Excellent Exploration Results from 3 Cote Divoire Permits	10 November 2015
Suspension from official quotation	9 November 2015
Trading Halt	6 November 2015
Correction to Time of AGM on Proxy Form	3 November 2015
Expiry of Unlisted Options	2 November 2015
Quarterly Activities and Cash Flow Report	30 October 2015
PDI Agreement on Major Gold Mineralised System Cote D'Ivoire	27 October 2015
Appendix 4G and Corporate Governance Statement	27 October 2015

Document	Date
Notice of Annual General Meeting/Proxy Form	27 October 2015

All requests for copies of the above documents should be addressed to:

Company Secretary  
 Predictive Discovery Limited  
 PO Box 1710  
 West Perth WA 6872  
 Telephone: +61 8 6143 1840

The above documents may also be obtained from the Company's website ([www.predictivediscovery.com](http://www.predictivediscovery.com)) or ASX's website ([www.asx.com.au](http://www.asx.com.au)). The Company's ASX code is 'PDI'.

## 6.2 Market price of Shares on ASX

The highest and lowest closing sale price of Shares on ASX during the 3 months immediately preceding the date of this Prospectus, and the last sale price on the Trading Day before this Prospectus was lodged with ASIC, are set out below.

3-month high (on 22 October 2015)	3-month low (on 2, 9, 15 and 28 September 2015)	Last sale price before date of lodgement of Prospectus (on 5 November 2015)
\$0.007	\$0.002	\$0.005

## 6.3 Rights and liabilities attaching to New Shares

New Shares will be fully paid ordinary shares in the Company and will rank equally with the Shares already on issue.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to Shares. Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office during normal business hours.

### Issue of Shares

The power to issue Shares and other securities in the capital of the Company lies with the Board subject to the restrictions contained otherwise in the Constitution, the ASX Listing Rules and the Corporations Act.

### Voting

Every Shareholder present in person or by proxy at a meeting of Shareholders has one vote on a vote taken by a show of hands, and on a poll, every Shareholder who is present in person or by proxy has one vote for every fully paid Share held. A poll may be demanded at a meeting in the manner permitted by the Corporations Act.

### Dividends

Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends.

### **Transfer of Shares**

Subject to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, a Shareholder may transfer Shares by an instrument in writing in a form approved by the Directors. Except as otherwise provided for in the ASX Listing Rules or the ASX Settlement Operating Rules, the Directors may in certain circumstances refuse to register any transfer of Shares, or request ASX Settlement or the Share Registry to apply a holding lock to prevent a proper transfer of Shares.

### **Meetings and notice**

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. A Director may call a meeting of Shareholders and Shareholders may also requisition or convene general meetings in accordance with the procedures for Shareholder-initiated meetings set out in the Corporations Act. Shareholders must be given at least 28 days written notice of any general meeting unless otherwise permitted by the Corporations Act.

### **Rights on winding up**

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all the liabilities of the Company are met, the liquidator may, with the sanction of a special resolution of the members, divide amongst the members all or any of the Company's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

### **Variation of rights**

If the Share capital is divided into different classes of Shares, the rights attached to any class may be varied or cancelled by a special resolution passed at a general meeting of the Shareholders in that class or with the written consent of three quarters of the Shareholders in that class.

### **Unmarketable parcels**

If a Shareholder holds a number of Shares that is less than a marketable parcel (as defined in the ASX Listing Rules), the Company has the power to sell or dispose of such Shares unless otherwise instructed by the Shareholder. The net proceeds from the sale will be paid to the Shareholder.

## **6.4 ASX waivers and ASIC relief**

The Company has confirmed that no waivers from the ASX Listing Rules are required in relation to the Rights Issue. The Company is not relying on any specific ASIC relief in order to conduct the Rights Issue.

## **6.5 Exploration Activity Statements**

The Company is not aware of any new information or data that materially affects the information given in the announcements referred to in this Prospectus and all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

## 6.6 Privacy

By filling out the Entitlement and Acceptance Form to apply for New Shares or paying your Application Monies by BPAY®, you are providing personal information to the Company.

The *Privacy Act 1988* (Cth) regulates the way the Company collects, uses, disposes, keeps secure and gives people access to their personal information.

The Company is committed to respecting the privacy of your personal information.

The Company collects, holds and uses that personal information in order to process your Application and to administer your Shareholding in the Company, including:

- the Company maintaining a register of Shareholders in accordance with the Corporations Act;
- the Company paying dividends to you;
- the Company communicating with you, such as sending you annual reports, notices of meetings and any other document which the Company wishes to send to you as a Shareholder;
- the Company carrying out general administration including monitoring, auditing, evaluating, modelling data, dealing with complaints and answering queries; and
- the Company complying with its legal and regulatory obligations.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process or accept your application for New Shares.

Your personal information may also be provided to other members of the Predictive Group on the basis that they deal with such information in accordance with the Company's privacy policy.

Your personal information may be provided to the Company's agents or service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be disclosed are:

- the Share Registry for ongoing administration of the share register (the Share Registry is contracted by the Company to maintain the register);
- printers and mail houses for the purposes of preparation and distribution of documents to you and for handling mail;
- professional service providers such as lawyers, accountants, auditors, consultants, and other professional advisers for the purpose of administering, and advising on, the New Shares and for any associated actions; and
- other companies where the Company believes it is more efficient to outsource services or functions to those companies.

Your personal information may be provided to certain third parties. The types of third parties that may be provided with your personal information, and the circumstances in which your personal information may be disclosed, are:

- your financial adviser or broker (other than your tax file number information) in connection with services provided to you by your adviser or broker;
- government, regulatory authorities or other people when permitted or required by law, such as ASIC or people inspecting the share register in accordance with the Corporations Act;
- ASX; and
- in certain circumstances and with safeguards to respect your privacy, potential or actual purchasers of an interest in the Company or the Company's business or any part thereof.

You have the right to gain access to your personal information held by, or on behalf of, the Company, subject to certain exemptions under the law. A reasonable charge for providing access to personal information may be charged for providing access to personal information. You can request access to your personal information by telephoning or writing to the Company Secretary as follows:

Company Secretary  
 Predictive Discovery Limited  
 PO Box 1710  
 West Perth WA 6872  
 Telephone: +61 8 6143 1840

## 6.7 Underwriting Agreement

CPS Capital is acting as lead manager and will partially underwrite the issue for \$614,000 (**Underwritten Amount**). In respect of this work, the Lead Manager will be paid a fee of \$45,000 payable in either Shares or cash at the Company's discretion. CPS Capital will receive a management fee of 1% of the total amount to be raised under the Offer and an underwriting fee of 5% of the Underwritten Amount. CPS Capital will also receive a placement fee of 5% for Shortfall it places under the Shortfall Offer.

All valid Applications received by the Company will, at the Underwriter's election, go to relieve the Underwriter of its obligations under the Underwriting Agreement.

The underwriting is conditional upon satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

- (a) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where any of the following events has a material adverse effect or

could give rise to a liability of the Underwriter under the Corporations Act or otherwise:

- (i) the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 15% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (ii) the price of the Company's Shares as quoted on ASX is less than the Offer Price on three consecutive days;
- (iii) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (iv) any of the material contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified;
- (v) ASX has advised the Company that it will not or may not grant official quotation to the New Shares or admit the Company to trading on the ASX following completion of the Offer (including issue of the Additional New Shares); or
- (vi) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

## **6.8 Consents**

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;

to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the

statement(s) and/or report(s) (if any) made in connection with their role as specified below and included in this Prospectus with the consent of that person.

Role	Consenting parties
Share Registry	Link Market Services Limited
Auditor	Moore Stephens Audit (Vic) (formerly Nexia Melbourne)
Underwriter	CPS Capital

## 6.9 Directors', experts' and advisers' consents and interests

Other than as set out below or elsewhere in this Prospectus no:

- Director or proposed Director of the Company;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company,

(together, the **Interested Persons**) holds at the date of this Prospectus or held at any time during the last two years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the offer of Shares under the Rights Issue; or
- the offer of Shares.

### Directors' Relevant Interests in securities

The Directors do not have an interest in the Rights Issue other than their ability to participate, like any other Shareholder, in the Rights Issue.

As at the date of this Prospectus, the Directors had the following Relevant Interests in Shares:

Director	Number
Mr Phillip Jackson	Nil
Mr Paul Roberts	7,165,895
Mr Philip Henty	20,712,583
Mr Tim Markwell	Nil

As at the date of this Prospectus, the Directors had the following Relevant Interests in Options:

Director	Exercise Price	Expiry Date	Number
Mr Phillip Jackson	N/A	N/A	Nil
Mr Paul Roberts	\$0.022	31 March 2017	3,000,000



Director	Exercise Price	Expiry Date	Number
Mr Philip Henty	\$0.022	31 March 2017	1,000,000
Mr Tim Markwell <sup>2</sup>	N/A	N/A	Nil

### Remuneration

Directors are entitled to be remunerated by salary or other employment related benefits in accordance with their employment agreements. The table below sets out the remuneration paid to the Directors for the two financial years prior to October 2015 and for the current financial year until the date of this Prospectus:

Director	Remuneration paid in 30 June 2014 financial year	Remuneration paid in 30 June 2015 financial year	Remuneration paid in 30 June 2016 financial year to date of Prospectus
Mr Paul Roberts	\$207,132	\$180,000	\$55,400
Mr Philip Henty	\$44,044	\$32,812	\$4,666
Mr Tim Markwell (appointed 11 September 2013)	\$37,238	\$32,812	\$4,666
Mr Phillip Jackson (appointed 4 December 2014)	Nil	\$26,041	\$6,666

### Conflicts of interest

*Save as noted below, no Directors are subject to any conflicts of interest:*

- Noted that Mr Phillip Jackson and Mr Tim Markwell are common directors of the Company and Aurora.

### Other

Dyspo Pty Ltd, an entity controlled by Mr Henty (a Director), as sub-underwriter to the Offer, will receive a 4% sub-underwriting fee on the amount underwritten by it. The Directors, other than Mr Henty, have determined that the financial benefit given to Dyspo Pty Ltd under the sub-underwriting are reasonable in the circumstances if the Company and Dyspo Pty Ltd were dealing at arm's length, so that shareholder approval is not required under Chapter 2E of the Corporations Act.

## 6.10 Australian taxation implications

Taxation implications will vary depending on the specific circumstances of individual Shareholders. Further, tax rules or their interpretation in relation to equity investments may change following the completion of the Rights Issue or Shortfall. You should obtain your own professional advice before concluding on

<sup>2</sup> Lion Manager Pty Ltd is the holder of 1,000,000 Options. These Options have an exercise price of \$0.022 and an expiry date of 31 March 2017. Mr Markwell has a 13.33% interest in Lion Manager Pty Ltd.

the particular taxation implications that will apply to you if you participate in the Rights Issue or Shortfall.

### **6.11 Consents to lodgement**

Each Director has given, and has not withdrawn, their consent to the issue of this Prospectus and to its lodgement with ASIC under the Corporations Act.

### **6.12 Governing law**

This Prospectus and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

## 7 Glossary

Term	Meaning
\$	Australian dollars.
<b>Additional New Shares</b>	The additional New Shares offered to Eligible Shareholders under this Prospectus above their Entitlement as set out in <b>section 2.3</b> .
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>AIFRS</b>	Australian equivalents to International Financial Reporting Standards.
<b>Applicants</b>	An Eligible Shareholder who submits an Application together with Application Monies (each an <b>Applicant</b> ).
<b>Application</b>	An application for New Shares under the Rights Issue made by an Applicant in an Entitlement and Acceptance Form or by payment via BPAY® or such other form as approved by the Company.
<b>Application Monies</b>	Monies received from persons applying for New Shares under the terms of the Rights Issue.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691, or the market operated by it, as the context requires.
<b>ASX Listing Rules</b>	The official listing rules of ASX, as amended or waived by ASX from time to time.
<b>ASX Settlement</b>	ASX Settlement Pty Limited ACN 008 504 532.
<b>ASX Settlement Operating Rules</b>	The settlement and operating rules of ASX Settlement.
<b>Aurora</b>	Aurora Minerals Limited ACN 106 304 787.
<b>AWST</b>	Australian Western Standard Time.
<b>Board</b>	The board of Directors of the Company.
<b>Business Day</b>	The meaning given in the ASX Listing Rules.
<b>CHESS</b>	The Clearing House Electronic Subregister System operated by ASX Settlement.

<b>Term</b>	<b>Meaning</b>
<b>Closing Date</b>	5.00pm (AEDT) on 3 December 2015 (or such date as varied by the Company). Note that Applications made via BPAY® must be received by the Share Registry by 5.00pm (AEDT) on 3 December 2015.
<b>Committed Amount</b>	Means \$115,000.
<b>Committed Shareholders</b>	Shareholders who have signed a commitment letter to take up their entitlement in full.
<b>Company or Predictive</b>	Predictive Discovery Limited ACN 127 171 877 and where the context requires, includes its wholly owned subsidiaries.
<b>Constitution</b>	The constitution of the Company as at the date of this Prospectus.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>CPS Capital</b>	CPS Capital Group Pty Ltd ACN 127 171 877
<b>Director</b>	A director of the Company.
<b>Eligible Shareholder</b>	The meaning given in <b>section 2.6</b> .
<b>Entitlement or Right</b>	The number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Rights Issue, in each case being 1 New Shares for every 1 Existing Share held by the Eligible Shareholder on the Record Date. Your Entitlement is set out in the Entitlement and Acceptance Form accompanying this Prospectus.
<b>Entitlement and Acceptance Form</b>	A personalised acceptance form in the form accompanying this Prospectus pursuant to which Applicants may apply for New Shares.
<b>Existing Shares</b>	Shares issued before 7.00pm (AEDT) on the Record Date.
<b>Full Subscription</b>	\$1,301,169 before costs.
<b>Ineligible Shareholders</b>	Shareholders who are registered as holders of Existing Shares but to whom the Rights Issue is not being made as set out in <b>section 2.7</b> .
<b>Interested Persons</b>	The meaning given in <b>section 6.9</b> .
<b>Lead Manager</b>	CPS Capital Group Pty Ltd ACN 127 171 877.
<b>New Shares</b>	A Share offered for subscription on the basis of, and under the terms of, the Rights Issue, the rights and liabilities of

<b>Term</b>	<b>Meaning</b>
	which are summarised in <b>section 6.3</b> .
<b>Offer Period</b>	Refers to the period from the Opening Date to the Closing Date (inclusive of those dates).
<b>Offer Price</b>	\$0.002, the price payable for one New Share under the Rights Issue.
<b>Opening Date</b>	23 November 2015.
<b>Options</b>	The unlisted options to acquire Shares.
<b>Predictive Group</b>	The Company and its Related Bodies Corporate.
<b>Prospectus</b>	This document, dated 12 November 2015.
<b>Record Date</b>	The date for determining the Entitlement of Shareholders under the Rights Issue, being 7.00pm (AEDT) on 19 November 2015.
<b>Related Body Corporate</b>	The same meaning as in section 50 of the Corporations Act.
<b>Relevant Interest</b>	The same meaning as in section 9 of the Corporations Act.
<b>Rights Issue or Offer</b>	The offer of New Shares pursuant to this Prospectus.
<b>Rights Issue Proceeds</b>	The proceeds received by the Company as a result of the issue of Shares the subject of the Rights Issue.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Link Market Services Limited ACN 083 214 537.
<b>Shareholder</b>	The registered holder of a Share.
<b>Shareholding</b>	The Shares held by a Shareholder of the Company.
<b>Shortfall</b>	Those New Shares not validly applied for by Shareholders under their Entitlement together with any New Shares that would have been offered to Ineligible Shareholders under the Rights Issue if they had been entitled to participate in the Rights Issue, which will be allocated as set out in <b>section 2.3</b> .
<b>Shortfall Offer</b>	The meaning given in <b>section 2.3</b> .
<b>Trading Day</b>	The meaning given in the ASX Listing Rules.

<b>Term</b>	<b>Meaning</b>
<b>Underwriter</b>	CPS Capital Group Pty Ltd ACN 127 171 877.
<b>Underwriting Agreement</b>	The underwriting agreement between the Company and the Underwriter signed on 12 November 2015.
<b>Underwritten Amount</b>	Means \$614,000.
<b>Underwritten and Committed Amount</b>	Means \$729,000.
<b>US Securities Act</b>	United States Securities Act of 1933, as amended.
<b>Voting Power</b>	The meaning given in section 610 of the Corporations Act.

## Authorisation

This Prospectus is authorised by each Director of the Company under section 720 of the Corporations Act and signed by Paul Roberts on 12 November 2015 under section 351 of the Corporations Act.

Signed for and on behalf of  
**Predictive Discovery Limited**  
By



Mr Paul Roberts  
Managing Director

# Corporate Directory

## **Board of Directors**

Mr Phillip Jackson (Non-Executive Chairman)  
Mr Paul Roberts (Managing Director)  
Mr Philip Henty (Non Executive Director)  
Mr Tim Markwell (Non Executive Director)

## **Company Secretary**

Mr Eric Moore

## **Lead Manager and Underwriter**

CPS Capital Group Pty Ltd  
Level 45  
108 St Georges Terrace  
Perth WA 6000

## **Registered Office**

Suite 2, Level 2  
20 Kings Park Road  
West Perth WA 6005

## **Share Registry**

Link Market Services Limited  
Central Park, Level 4  
152 St Georges Terrace  
Perth WA 6000

## **Website**

[www.predictivediscovery.com](http://www.predictivediscovery.com)