



22nd August 2016

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ASX Announcement

Placement and Share Purchase Plan to raise up to \$4 million

Predictive Discovery Limited (ASX: **PDI, Company** or **Predictive**) today announces plans to raise up to A\$4 million in three components:

1. The Company has signed a non-binding Indicative Term Sheet to raise a minimum of A\$1 million and up to A\$2 million from clients and affiliates of the Sprott Group of Companies (**Sprott Capital Raising**).
2. Large shareholders and several other sophisticated investors have committed contributions of A\$1.2 million to a placement (**Large Shareholder Placement**).
3. Predictive will launch a Share Purchase Plan (**SPP**) next week to raise up to A\$0.8 million.

A maximum number of 400 million ordinary fully paid shares (**Shares**) priced at 1.0 cent/share will be issued via the above means. The offered share price represents a 16% discount to Predictive's 5 day volume weighted average share price (**VWAP**) from 11th August to 17th August 2016 (the last day the Company's shares traded).

Additional details of these raisings are as follows:

Sprott Capital Raising

Sprott is a large and well known North-American based asset management firm with an impressive record in identifying and funding successful early stage resource companies. Sprott's decision to support Predictive is a strong endorsement of the Company's strategy, management and projects in West Africa.

The Term Sheet provides for a minimum 100 million Shares up to a maximum of 200 million Shares. These shares will be distributed to clients and affiliates of the Sprott Group of Companies.

The Sprott Capital Raising is subject to shareholder approval, completion by Sprott of satisfactory due diligence and execution of a Finders Agreement. Funds raised will be placed into escrow on the closing date (anticipated to be on or about 14th September 2016) and released to the Company following shareholder approval. A shareholder meeting to approve the raising will be held in late September or early October, 2016.

Large Shareholder Placement

Predictive has obtained acceptances for a placement of \$1.2 million to shareholders and several other sophisticated investors. The Company is pleased to note that Predictive's two largest shareholders, Aurora Minerals Limited (ASX: ARM) and the Lowell Resources Fund have committed to invest A\$750,000 and A\$100,000 respectively to this placement. Pursuant to ASX Listing Rule 10.12, Aurora's participation in the Placement is subject to shareholder approval, which is planned for the same meeting as the vote on the Sprott Capital Raising.

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

ASX: PDI

Issued Capital: 1.33B shares

Share Price: 1.2 cents

Market Capitalisation: \$15.9M

Directors

Phillip Jackson
Non-Exec Chairman

Paul Roberts
Managing Director

David Kelly
Non-Executive Director

Share Purchase Plan (SPP)

The Company will announce details this week of an SPP, which is expected to close in the second half of September 2016. This will be offered to all shareholders, each of which can take up to \$15,000 in shares priced at 1.0 cent/share. It will be capped at \$800,000. In the event of oversubscriptions, contributions will be cut back on a pro rata basis.

Use of Funds

Predictive will enter the next field season in West Africa, commencing in October 2016, with an exciting array of projects and a very strong ground position, especially in Cote D'Ivoire. The funds will be employed to support the following projects:

- **Toro Gold Joint Venture, Cote D'Ivoire**

The Toro Gold Joint Venture (between Toro Gold Limited and Predictive) holds interests in six granted permits and two permit applications in Cote D'Ivoire. Recent drilling by Toro Gold Limited (**Toro**) has produced some outstanding results including:

- Nyangboue Prospect, Boundiali permit:
 - **20m at 10.5g/t Au** from 38m including **1m at 114g/t Au** (ASX release dated 8/8/16).
 - **20m at 4.8 g/t Au** from 3m including **1m at 49.7 g/t Au** (ASX release dated 23/6/16)
 - Gold mineralised intercepts obtained over at least 640m of strike with results from a further 1.3km of strike yet to come (ASX release dated 8/8/16).
- Kokoumbo Hill Prospect, Kokoumbo permit:
 - **7.5m at 16.0g/t Au** from 0m including **1.5m at 74.2g/t Au** (ASX release dated 13/5/16).

Toro is currently part way through spending US\$2.5 million on exploration programs to increase its equity in the joint venture from 51% to 65%. Predictive intends to contribute its 35% share of the spending on these programs once Toro achieves its 65% equity. The Company expects a large exploration program to be carried out in 2017 to follow up the very exciting drill and geochemical results obtained so far.

- **Bobosso Joint Venture, Cote D'Ivoire**

The Company is farming into the Bobosso Project, which consists of two granted exploration permits, Bassawa and Wendene, and a permit application, Dabakala. These areas cover approximately 1,200km² and are held by an Ivoirian company, XMI SARL (**XMI**). The project is located in the southern extension of the well mineralised Hounde

Belt in Burkina Faso, which includes Semafo's Mana Mine (5 Moz in ore resources and reserves¹).

Historical exploration results (ASX release 28/10/15) have revealed:

- a 7km² soil anomaly with an average arithmetic value from over 700 soil samples of 0.4 g/t Au, located above a major gold-bearing rock alteration system,
- drill results including:
 - **5m at 20.6g/t Au** from 48m
 - **32m at 1.9g/t Au** from 12m

The Company considers that there is significant potential to make an important gold discovery because of both the large gold mineralised system that is evidently present at Bobosso itself and the extensive regional gold prospectivity along 90km of strike.

Current Company exploration activities, including drill re-logging, metallurgical testwork on shallow material and regional target generation, will be followed up with drilling and regional exploration programs in the December Quarter.

- **Burkina Faso Permits**

The Company's tenement holding in Burkina Faso covers over 1,000km² including approximately 100km of strike length in the Samira Hill greenstone belt in the east of the country. This belt hosts the 2.5 million ounce Samira Hill gold deposit across the border in Niger and contains numerous active artisanal gold mine sites along its length. Predictive owns 100%, or has the rights to earn 95% to 100% of all its permits in Burkina Faso.

The Company has discovered gold mineralisation on multiple prospects in Eastern Burkina Faso during the past four years, including the Bongou gold deposit. A formal Mineral Resource Estimate on Bongou resulted in **184,000oz of gold in the Inferred and Indicated Mineral Resource categories** with an average grade of 2.6g/t Au, including 136,000oz at 3.8g/t Au (ASX release dated 4 September, 2014).

The Company believes that there is strong potential to develop a profitable gold mining operation based on multiple open pittable gold deposits within trucking distance of the Bongou deposit. While Predictive is actively seeking a joint venture partner on these properties, there is a possibility that the Company will need to contribute funds towards advancing these projects towards a feasibility study.

- **New Projects**

Predictive has been very successful in recent years in securing highly prospective gold exploration ground in West Africa. The Company is very pleased with the current progress of the recent exploration programs on the Toro Joint Venture ground, much of which was

¹ See <http://www.semafo.com/English/operations-and-exploration/reserves-and-resources/default.aspx>

acquired in 2013 and 2014. Predictive intends to repeat this approach on new exploration properties, building on its knowledge and contacts to identify additional ground for early stage exploration in West Africa. The Company's intention is to undertake highly cost effective geophysical and geochemical programs leading to early stage drilling on high priority targets. We expect that some of the funds raised in the current capital raising will be spent on advancing new projects of this type, hopefully leading to new discoveries like the Nyangboue Prospect at Boundiali.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available.

Predictive Discovery Limited (PDI) was established in late 2007 and listed on the ASX in December 2010. The Company is focused on exploration for gold in West Africa. The Company operates in Burkina Faso, West Africa where it has assembled a substantial regional ground position covering 1,500km² and is exploring for large, open-pittable gold deposits. Exploration in eastern Burkina Faso has yielded a large portfolio of exciting gold prospects, including the high grade Bongou gold deposit on which a resource estimate was calculated in September 2014. PDI also has substantial interests in a large portfolio of tenements in Côte D'Ivoire covering a total area of 3,937 km².

Competent Persons Statement

The exploration results reported herein, insofar as they relate to mineralisation are based on information compiled by Mr Paul Roberts (Fellow of the Australian Institute of Geoscientists). Mr Roberts is a full time employee of the company and has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Roberts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource estimation and classification of Mineral Resources for the Bongou deposit is based on, and fairly represents, information and supporting documentation compiled by Mr Richard Gaze. Mr Gaze is a full-time employee of Golder Associates Pty Ltd and a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Gaze has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). Mr Gaze consents to the inclusion of the estimates, classification and the supporting information in the form and context in which it appears.

For further details please contact:

Paul Roberts

Managing Director

Tel: +61 402 857 249

Email:

paul.roberts@predictivediscovery.com

Ric Moore

Company Secretary

Tel: +61 8 6143 1840

Email:

rmoore@auroraminerals.com