



26th October 2017

ASX Announcement

Predictive Discovery Limited is a gold exploration company with strong technical capabilities focused on a large gold exploration portfolio in West Africa.

ASX: PDI

Issued Capital: 163 million shares

Share Price: 5.5 cents

Market Capitalisation: \$9.0M

Directors

Phillip Jackson
Non-Exec Chairman

Paul Roberts
Managing Director

David Kelly
Non-Executive Director

\$2.6 MILLION RENOUNCEABLE RIGHTS ISSUE

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Key points:

- 8 for 21 renounceable rights issue at \$0.042 per share to raise approximately \$2.6 million (fully subscribed) before costs.
- Attractively priced at 34% discount to 30-day VWAP of \$0.064.
- 1 free listed option for every 1 new share subscribed (exercise price \$0.060 and expiring on 30 November 2019).
- Shareholders may apply for additional shares as part of the Rights Issue
- Partially underwritten for \$1 million by CPS Capital, Lead Manager of the Offer
- Up to \$1.6 million to be raised from clients and affiliates of the Sprott Group of Companies – primarily through the shortfall allocation from this Offer
- Funds will be used to advance Predictive's exploration strategy in West Africa through its own exploration programs and contributions to joint ventures (where justified) plus working capital and costs of the Offer.

Predictive Discovery Limited (Predictive or the Company) is pleased to announce a renounceable pro-rata rights issue to eligible shareholders to raise up to \$2.6 million before costs (Rights Issue). Eligible shareholders will be able to subscribe for 8 new shares for every 21 existing shares they hold at the Record Date, at an issue price of \$0.042 per share, together with 1 free attaching listed option for every 1 share subscribed for (**New Options**). The New Options will have an exercise price of \$0.060 each and expire on 30 November, 2019.

The issue price of \$0.042 represents a 34% discount to the volume weighted average price (VWAP) over the last 30 trading days. The Rights Issue is partially underwritten (to \$1 million) by CPS Capital Group Pty Ltd who will also act as Lead Manager.

Shareholders will be able to apply for additional shares beyond their entitlement if they wish.

Funds raised will be used for:

- Exploration programs on new exploration permits in West Africa,
- Contributions to the Toro Joint Venture (if justified by new results), and
- Working Capital and Costs of this Offer.

Predictive's Chairman Phillip Jackson said: *“Predictive’s objective is to make multiple large gold discoveries in the highly prospective West African Birimian greenstone belts. Over the last two years, we have transformed the Company from a conventional gold explorer with a single, major project focus to a “project generator”. Therefore, we are now operating with a business model which maximises the likelihood of making profitable gold discoveries by maintaining a large portfolio of highly prospective ground while minimising overall exploration costs through joint venturing our more advanced projects with well-funded, mine development-focused partners.*

The Company is the only significant “project generator” focused in Francophone West Africa, which is a global hotspot for new gold mine developments (e.g. Fekola, Natougou, Hounde, Yaramoko, Mako, Yanfolila, Yaoure, Sissingue, Karma etc). We have a 7,000km² ground position in Cote D’Ivoire and Burkina Faso containing resources (e.g. Bongou in Burkina Faso), advanced prospects with numerous gold intercepts (e.g. Bobosso, Cote D’Ivoire; Dave, Burkina Faso) and emerging new discoveries (e.g. Boundiali, Cote D’Ivoire). Equally importantly, we are expanding our exposure to highly prospective early stage exploration ground through use of our Predictore™ ground selection methods throughout West Africa. We have six applications for new greenfields gold exploration permits in place in Cote D’Ivoire and we are ready to apply for new permits in Burkina Faso when the exploration tenement system is once more open for new applications. We are also conducting project generation in Mali and evaluating gold exploration opportunities throughout Francophone West Africa.

With the recent commencement of the Burkina Faso joint venture, the Company has obtained joint venture funding for all its more advanced exploration projects. We are currently contributing 35% of exploration costs to the Toro Joint Venture in Cote D’Ivoire but are under no obligation to continue to do so from 1st January if new results do not live up to our requirements. Indeed, our model depends on us being highly disciplined about contribution decisions and maximising our expenditure on early stage projects where good results are most likely to generate the most value for our shareholders.

While there has been a news flow hiatus over the last few months – owing to the West African rainy season - we are now gearing up for a very busy and exciting year. In the Toro Gold joint venture in Cote D’Ivoire, our partner is exploring a series of highly prospective permits. We have already found high grades and visible gold at Boundiali, very large soil

geochemical anomalies at Ferkessedougou North and Ferkessedougou South and extensive artisanal workings also with some impressively high grades on the Kokoumbo and Beriaboukro permits near the Bonikro gold mine. We expect results from drilling, trenching and aeromagnetics surveys across the Toro Gold joint venture portfolio during the upcoming field season.

At Bobosso, our joint venture with Progress Minerals and West Africa Venture Investments, also in Cote D'Ivoire, has generated solid gold results from diamond drilling and confirmation of a new geological model in the very large Bobosso gold mineralised system. RC drilling will commence in a few weeks and we can expect the first flow of results in December. Subject to obtaining ongoing encouragement, we expect to see more drilling on the Bobosso permits in early 2018.

In Burkina Faso, the recently announced joint venture is gearing up to start work, firstly with power auger drilling in November 2017 followed by RC drilling no later than January 2018. Our partner, Progress Minerals, intends to move the project forward rapidly and we hope to see a new resource estimation on the Burkina Faso ground package in the first half of 2018. Elsewhere in West Africa, we will start with early stage geochemistry, geology and geophysics as soon as new permits are granted. We expect to be starting exploration on some of that new ground in the first half of 2018.

The Company has been very well supported over recent years by its largest shareholders - Aurora Minerals, the Lowell Resources Fund and affiliates and clients of the Sprott Group of Companies. On this occasion, we are particularly appreciative of Sprott's support and their stated intention to take up to \$1.6 million on a best efforts basis primarily from shortfall allocations in the current issue. In addition, we are benefiting from the support of our Lead Manager, CPS Capital, which is underwriting \$1 million of the current issue. The Lowell Resources Fund has indicated that it will subscribe for shares under the Offer and Paul Roberts, the Managing Director, has confirmed his intention to take up his full entitlement in the issue."

Full details of the Rights Issue will be contained in a prospectus to be lodged with ASIC and ASX shortly and which will be available from the ASX's website at www.asx.com.au and the Company's website at <http://www.predictivediscovery.com>. The prospectus will be despatched to Eligible Shareholders in accordance with the indicative timetable set out in the prospectus.

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 1,000km² and is exploring for large, open-pit table 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 interests in a large portfolio of permits and permit applications in Côte D'Ivoire covering a total area of over 6,000 km².

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