



30<sup>th</sup> October 2014

## ASX Announcement

**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:** 407M shares

**Share Price:** 0.8 cents

**Market Capitalisation:** \$3.3M

### Directors

Phillip Harman  
*Non-Exec Chairman*

Paul Roberts  
*Managing Director*

Phil Henty  
*Non-Executive Director*

Tim Markwell  
*Non-Executive Director*

## EXPLORATION

### Bongou Gold Deposit, Burkina Faso

- Bongou Maiden Resource Estimate:

- **Maiden Mineral Resource Estimate of 2.2 Mt at 2.6 g/t Au for 184,000oz** (at 0.8g/t Au cut-off)
- **136,000 ounces** (>70% of Global Resource) with **average grade of 3.8g/t Au** (at 2g/t Au cut-off), demonstrating high-grade nature of Bongou

- Thick, near surface gold mineralisation, favourable for development as an open pit mining operation.
- >50% of the Mineral Resource Estimate is in the Indicated category.
- Open to the south-west and at depth.
- Strategic review resulting in new exploration focus within 20km of Bongou.

### Côte d'Ivoire

- Heads of Agreement signed with Toro Gold Limited (Toro), enabling substantial exploration program on Cote D'Ivoire permits in 2015.
- Encouraging gold results from BLEG stream sediment sampling program on all four permits.

### Australia

- Farm out of Cape Clear Exploration Licence in Victoria to CCM, enabling drilling in 2015.

## Planned December Quarter Exploration Program

### Burkina Faso

- Ground geophysics, geological mapping and geochemical drilling around Bongou.

### Côte d'Ivoire

- Field visit, exploration program planning with new JV partner, Toro Gold Ltd (Toro), in preparation for field program starting in March Quarter.

## CORPORATE

- Rights Issue announced - to raise up to \$1.7 million to fund Bongou exploration, underwritten by Aurora Minerals Limited (ASX: ARM).
- Placement completed, raising \$150,000.
- Agreement to jointly farm out Sebba Belt permits in NE Burkina Faso with neighbouring tenement holders: Golden Rim Resources (ASX: GMR) and Roxgold Inc. (TSX-V: ROG).
- \$0.36M cash at 30<sup>th</sup> September 2014 and no debt

## INTRODUCTION

PDI's major country focus is Burkina Faso, West Africa where it has established an effective Burkina-based team and a large regional tenement package mainly in the north-east of the country covering 1,605km<sup>2</sup> (Figure 1). The Company also holds four granted exploration permits in Cote D'Ivoire totalling 1,533km<sup>2</sup> (Figure 6) and an Exploration Licence in Victoria.

PDI's tenement holding covers approximately 100km of strike length in the Samira Hill greenstone belt in eastern Burkina Faso (the Bonsiega permit group, Figure 1). 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. PDI now owns 100%, or has the rights to earn 95% to 100% of all its permits in Burkina Faso. PDI has discovered gold mineralisation on multiple prospects in Eastern Burkina Faso area during the past three years (e.g. Bongou, Dave, Laterite Hill, Solna and Tambiri, Figure 1).

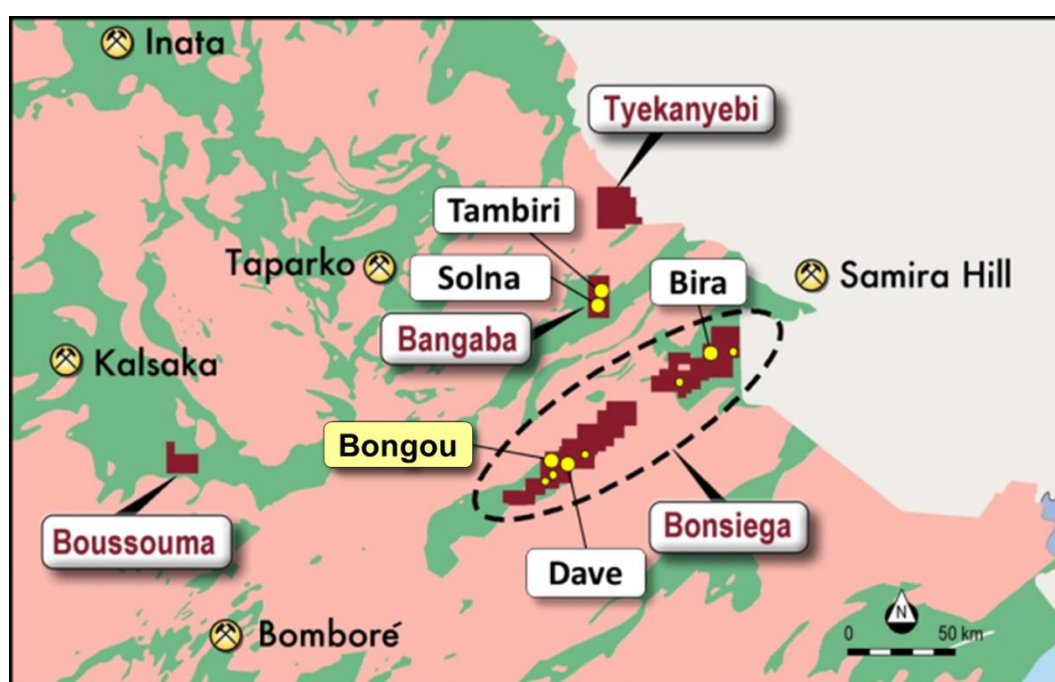


Figure 1: Locality map of PDI permits in eastern Burkina Faso, showing location of Bongou Prospect and other gold mineralised prospects (yellow dots).

## STRATEGY REVIEW

Following the discovery and resource drilling of the Bongou gold deposit, the Company has reviewed its strategy on its entire ground portfolio and decided to focus exploration on the five contiguous exploration permits around Bongou. Partners are now being sought to help fund exploration of PDI's other ground. Joint Venture agreements have already been signed on the Cote D'Ivoire permits and the Victorian Exploration Licence, both of which are expected to yield significant newsflow over the next 12 months. An agreement has also been reached with two

other companies to collectively farm-out a 1,500 km<sup>2</sup> property package in the Sebba Belt including the Bangaba permit (Figure 1), approximately 75km north of Bongou.

## PROJECTS

### Burkina Faso

#### Bongou Prospect (PDI 100%)

The high-grade Bongou gold discovery is located in the south-western portion of the Bonsiega Project tenements in Eastern Burkina Faso (Figure 1). It underlies artisanal workings forming an irregular open pit approximately 150m long and 50m wide. Gold mineralisation is contained within an intensely altered, pyrite-bearing granite intrusion.

PDI has completed four RC and diamond drilling programs at Bongou since the discovery was made in mid-2012, resulting in a series of high grade and width drill intercepts (e.g. Figure 2).

The Company completed a formal Mineral Resource Estimate during the Quarter on the drilled out portion of the deposit with the assistance of Golder Associates, a widely respected global mining consultancy (see attached Mineral Resource statement).

#### Mineral Resource Estimate Results

Results of the Bongou Mineral Resource estimate are tabulated as follows:

	Indicated Resources			Inferred Resources			Total Resources		
Cut-off grade (g/t Au)	Million tonnes	Au (g/t)	Ounces	Million tonnes	Au (g/t)	Ounces	Million tonnes	Au (g/t)	Ounces
0.4	1.21	2.54	99,000	1.33	2.13	91,000	2.55	2.32	190,000
0.8	1.14	2.67	98,000	1.09	2.48	86,000	2.22	2.58	184,000
2.0	0.64	3.64	75,000	0.49	3.90	61,000	1.13	3.75	136,000
3.0	0.34	4.68	52,000	0.28	4.95	45,000	0.62	4.80	96,000

Details of the resource estimation methods are provided in the attached Mineral Resource estimate statement. Highlights of this Mineral Resource estimate include:

- The Bongou deposit is intrinsically high grade, because:
  - There is very little difference in contained ounces between the 0.4g/t Au cut-off and the 0.8g/t Au cut-off grades, and
  - Over 70% of the resource ounces are retained when the cut-off grade is raised from 0.8g/t Au to 2.0g/t Au, with a high average grade of 3.75g/t Au.
- The bulk of the estimated resources are contained in one mineralised granite body, which is thick in the near surface and appears to taper to the east.

- The shape of the mineralisation lends itself to a simple open pit mining operation, with high-grade mineralisation in the near surface position, which would suggest the possibility of early strong cash flow in a future mining operation.
- Gold grades are associated with pyrite-bearing altered granite, which is very visibly distinct from the adjacent low grade gabbro, suggesting that dilution can be minimised quite easily by standard grade control practice.
- Previously reported metallurgical work on a composite sample of primary gold mineralisation from Bongou gave a 94% gold recovery from a standard 75 micron grind, 72 hour cyanidation test (ASX release dated 14th May 2013<sup>1</sup>) suggesting that gold recoveries from mining this deposit would be very high.

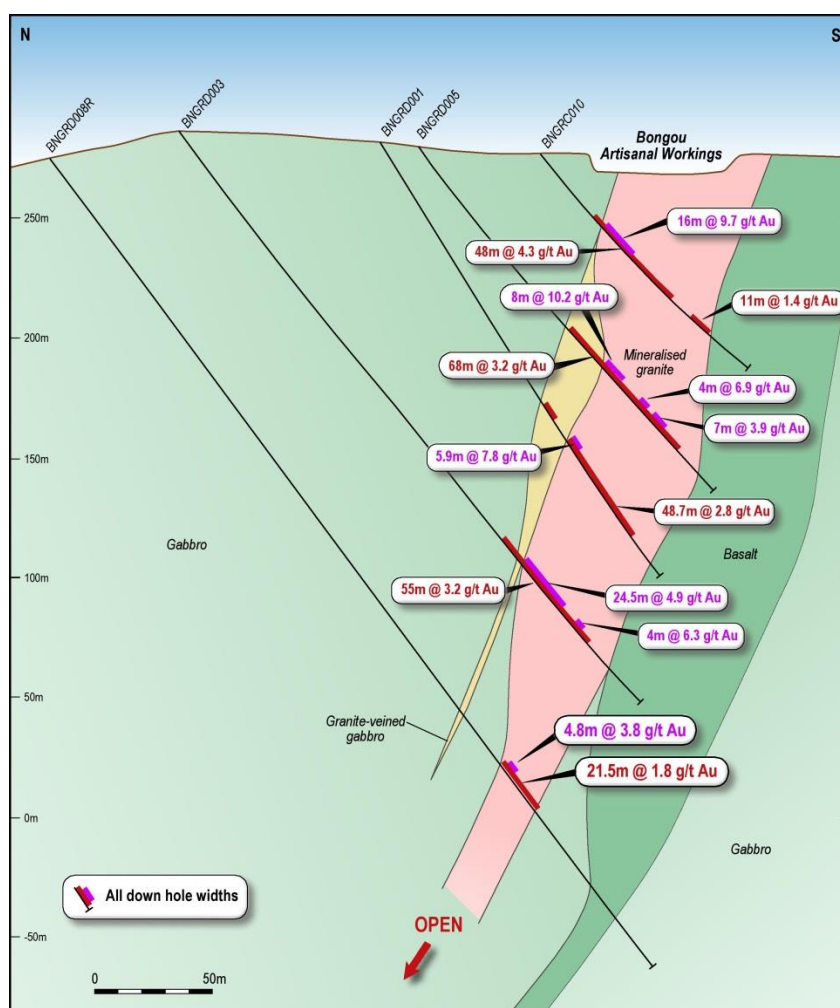
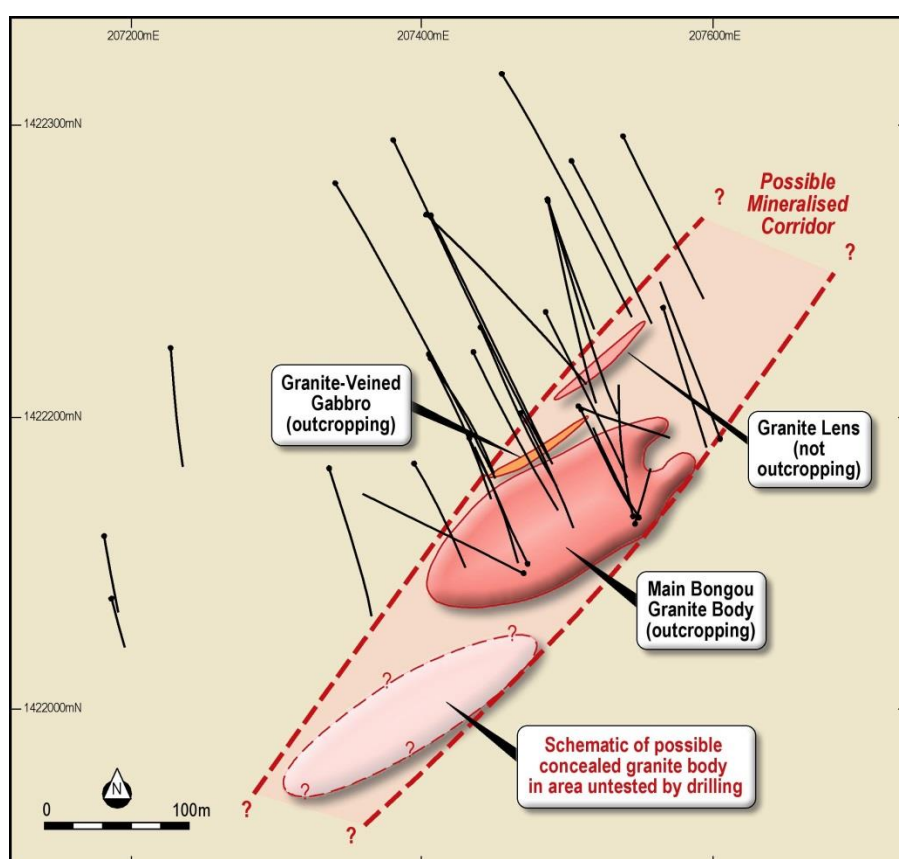


Figure 2: Cross Section through drill holes BNGRC010, BNGRD001, BNGRD003, BNGRD005 and BNGRD008R. No vertical exaggeration. Only down-hole widths are shown on this cross-section. Intervals marked in dark red are calculated at a 0.5g/t Au cut-off and in magenta at a 3g/t Au cut-off. Assay data reported in PDI's ASX releases dated 2<sup>nd</sup> December 2013, 16<sup>th</sup> December 2013, 20<sup>th</sup> March 2014 and 1<sup>st</sup> April 2014.

<sup>1</sup> This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## Exploration Potential near Bongou

The deposit is not closed off to the south-west or at depth. Detailed geological re-interpretation of the gold deposit in preparation for the Mineral Resource estimate showed that the mineralisation is hosted in three zones, arranged in “en echelon” fashion from NE to SW (Figure 3). The north-eastern zone does not appear to reach the surface and the area south-west of the largest single mineralised granite body has not yet been effectively tested, opening up the possibility of concealed gold mineralisation in an untested area to the south-west of the drilled resource (Figure 3). There is also no geological reason why the deposit may not widen with depth below the deepest hole drilled so far, BNGRD008R (Figure 2).



*Figure 3: Map of the Bongou Prospect, showing possible location of another granite lens south-west of the main granite body. The “en echelon” arrangement of mineralised granite bodies suggests that they are located within a north-east trending mineralised corridor.*

Power auger drilling and trenching have identified five locations near Bongou with anomalous gold values in altered granite within 2km of the deposit (ASX release dated 30th July, 2014).

The new trenches contain values of up to:

- 7.7g/t Au (W2 prospect, 600m NW of Bongou)
- 2.2g/t Au (W8 prospect, 2km WNW of Bongou) and
- 4.8g.t Au (Bongou prospect eastern extension).



Completion of four shallow drill holes on two of these targets in the 2013-14 field season intersected up to **12m at 2.45 g/t Au** (ASX release dated 1st April 2014). Five drill targets have now been identified within 2km of Bongou (see red ellipses in Figure 4). These will be tested by RC drilling in the new field season.

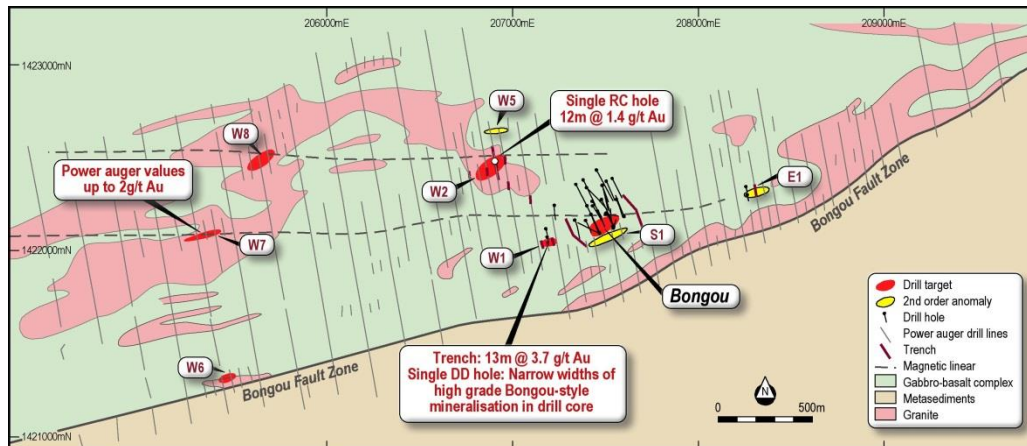


Figure 4: Bongou area drill targeting summary plan. The second order anomalies (in yellow) also contain indications of granite-hosted mineralisation and may be drill tested in the next program.

There is also substantial potential to find additional high-grade gold mineralisation within 20 km of Bongou, especially along the Bongou Fault and within the Laterite Hill Gold Field south of Bongou (Figure 5). Knowledge gained from the past 12 months of exploration near Bongou has also given PDI's team new insights into the geological and geophysical signature of such deposits, which will be used for targeting in the coming field season.

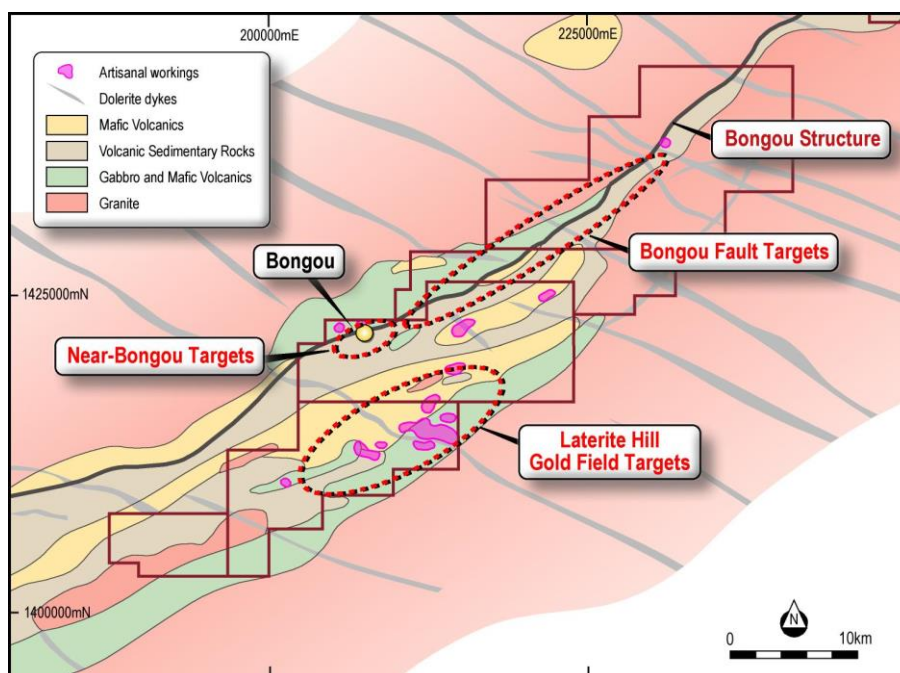


Figure 5: Geological map of SW Bonsiega permit group, including Bongou, showing PDI's priority target areas for the discovery of additional high-grade gold resources within 20km of Bongou.

## Planned Exploration Activities December 2014 Quarter – Burkina Faso

The next field program, starting in November 2014, will consist of the following:

- Detailed ground geophysics and geological mapping on targets selected either on past results or by mapping of structures using aeromagnetic data.
- Trenching, where cover is thin enough.
- Power auger and RAB drilling of high priority targets
- RC drilling of:
  - Possible extensions to Bongou immediately south-west of the known deposit
  - Bongou-like targets within a 2 km radius of Bongou
  - Those targets with best potential for high grade gold mineralisation outlined by the trenching and power auger and RAB drilling.

## Côte d'Ivoire

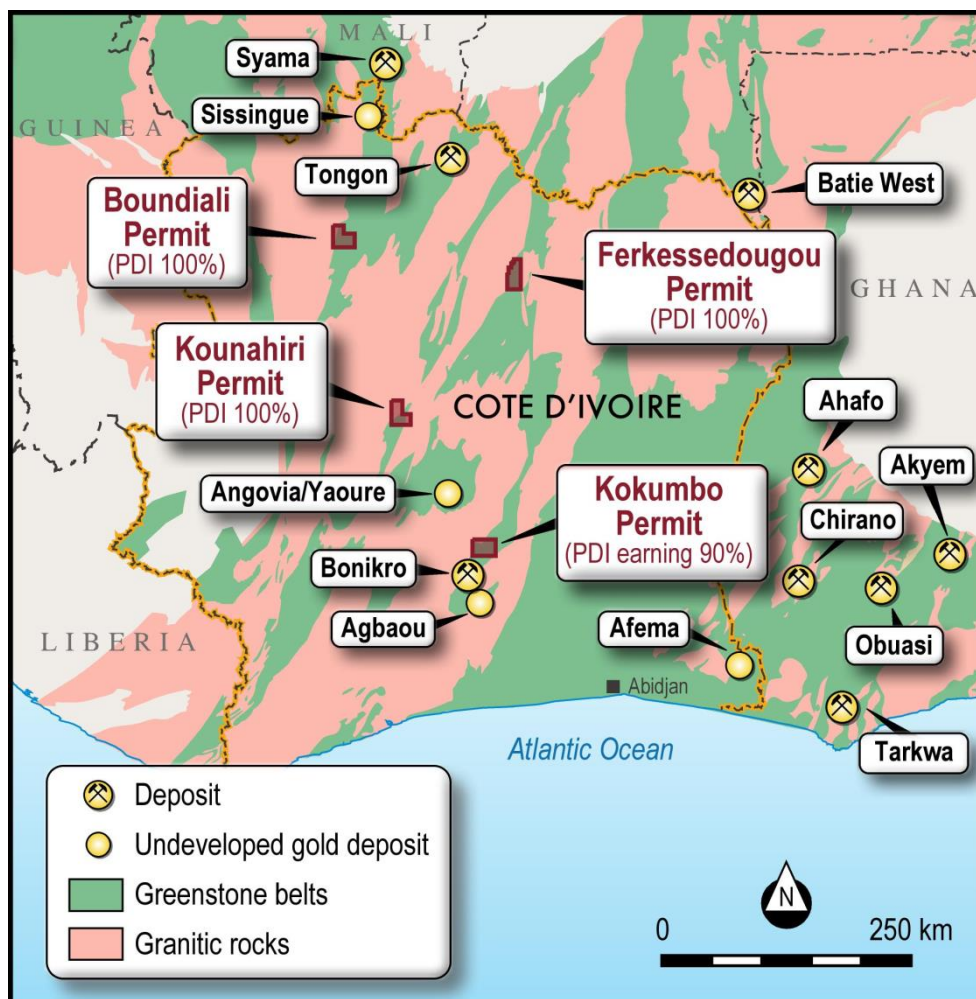


Figure 6: Locality map of PDI's interests in Cote D'Ivoire.

## Cote D'Ivoire Background

PDI holds four highly prospective exploration permits in Cote D'Ivoire: Kokumbo, Ferkessedougou, Boundiali and Kounahiri, covering a total area of 1,533km<sup>2</sup> (Figure 6). These permits were selected by a country-wide analysis of geophysical and geological data using the same Predictore™ methods which were used to select the Company's ground in Burkina Faso.

The Company used the bulk leach extractable gold (BLEG) method of stream sediment sampling for a first pass assessment of these four permits. This method has been employed very successfully for the discovery of large gold deposits throughout the world. A successful application of this technique was the discovery of the Perama Hill gold deposit in Greece in 1994<sup>2</sup> (now owned by Eldorado Gold). This is an outcropping 2 million ounce gold resource with an average grade of about 3g/t Au<sup>3</sup>. There were no historical workings on this deposit prior to discovery. It was discovered with a single BLEG sample of 9ppb Au in a 20km<sup>2</sup> catchment area. Follow-up stream sediment sampling in the small tributary directly draining the deposit obtained a value of 23ppb Au within 500m of the orebody (see index plan - Figure 7).

### Boundiali Permit Stream Sediment Sampling

The Boundiali permit is located within a very well mineralised greenstone belt which contains the large operating Tongon and Syama gold mines in Cote D'Ivoire and Mali respectively. The southern part of this belt has had little exploration to date and represents a first class opportunity to make new large gold discoveries.

PDI collected 100 BLEG stream sediment samples from the Boundiali permit in the June quarter. These were assayed for gold and other elements at a Bureau Veritas laboratory in Perth.

The survey recorded nine samples exceeding 6ppb gold (Figure 7). Of these, four were obtained from a single catchment area covering 30km<sup>2</sup> with a peak value of **24ppb Au**. The furthest sample downstream, covering the whole catchment area, recorded a value of 7ppb Au. The 24ppb Au value was collected from a large (15km<sup>2</sup>) catchment area downstream of a mapped NNE trending shear zone. A second 10ppb Au value was obtained from a 10km<sup>2</sup> catchment area draining the along strike projection of that same shear zone. Thus, it appears that the source of the gold could be several kilometres long, presenting a high priority target for future exploration. As Figure 7 shows, these results are comparable with those obtained in the Perama Hill discovery in Greece.

### Ferkessedougou Permit Stream Sediment Sampling

PDI followed up anomalous values above 6ppb gold obtained in the March quarter with infill BLEG sampling, totalling 33 samples, at Ferkessedougou. This work outlined two consistently gold

<sup>2</sup> Mc Alister M., Hammond, J. M., Normand, D. & Kampasakalis, M. 1999. Discovery case history for the Perama Hill gold deposit, Greece. In: New Generation Gold Mines Conference in Perth, West Aust., 22 – 23<sup>rd</sup> Nov 1999: 10 p.

<sup>3</sup> See: <http://www.eldoradogold.com/assets/europe/projects/perama-hill>



anomalous catchment areas (Figure 8). Of these, the northern anomaly partly drains several historical artisanal gold mining sites. A soil sampling program is required to follow up these anomalies.

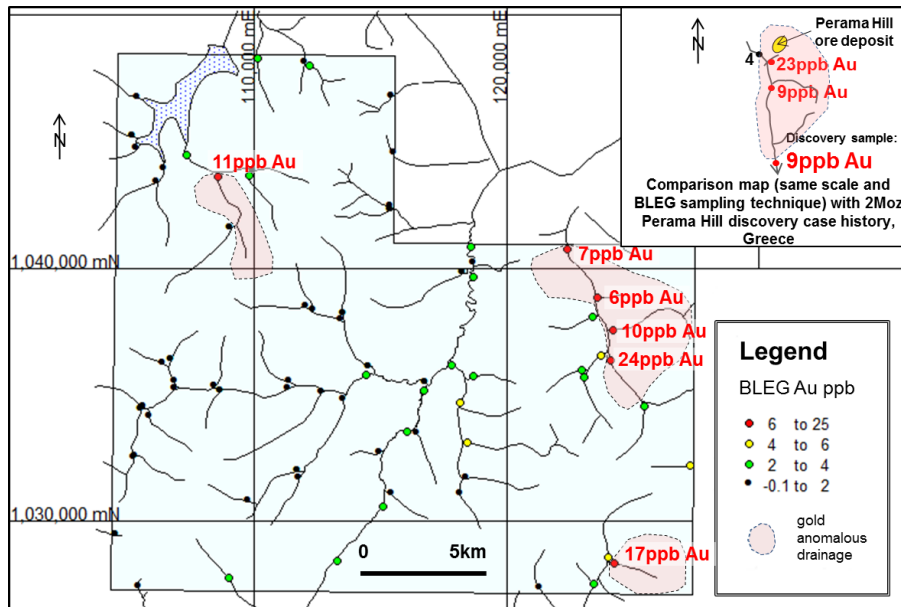


Figure 7: Map showing sample locations and gold values for the BLEG stream sediment survey at Boundiali with an index plan at the same scale illustrating the BLEG stream sediment sample results which led to the 2Moz Perama Hill gold discovery in Greece (owned by Eldorado Gold).

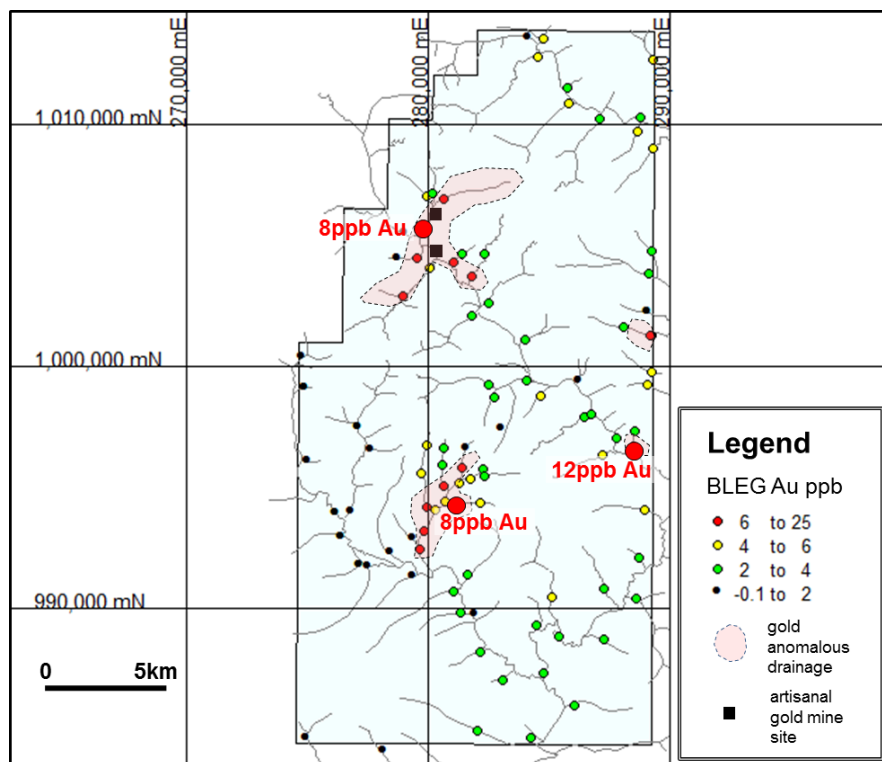


Figure 8: Map showing sample locations and gold values for the BLEG stream sediment survey at Ferkessedougou.

## Kokumbo Permit Stream Sediment Sampling

PDI is earning a 90% interest in the Kokumbo exploration permit in southern Cote D'Ivoire from an Ivorian company, Ivoir Negoce. The Kokumbo permit covers an area of historic artisanal and French colonial era mining located in a highly prospective belt of rocks which also includes the Bonikro gold mine, currently in production by Newcrest, and Agbaou gold mine, where Endeavour Mining commenced commercial production in January 2014 (Figure 6).

48 BLEG stream sediment samples were collected during the June Quarter. Several drainages which were known to be contaminated by artisanal mine tailings were excluded. The samples were assayed for gold and a suite of other elements at a Bureau Veritas laboratory in Perth.

Four samples exceeding 6ppb Au were recorded over the survey area (Figure 9). By far the highest value was a **656ppb** Au sample located approximately 4km west of the large historical gold geochemical anomaly reported to the ASX on 10/6/14. This is an extremely elevated number for this type of survey and may be the result of contamination by artisanal mine tailings. Despite this, a review of historical exploration data on this area combined with PDI's interpretative geological map suggests that a primary mineralised source may be present in the vicinity. Follow-up mapping of this site will take place in the December Quarter. A large anomalous area was also located in the eastern part of the permit.

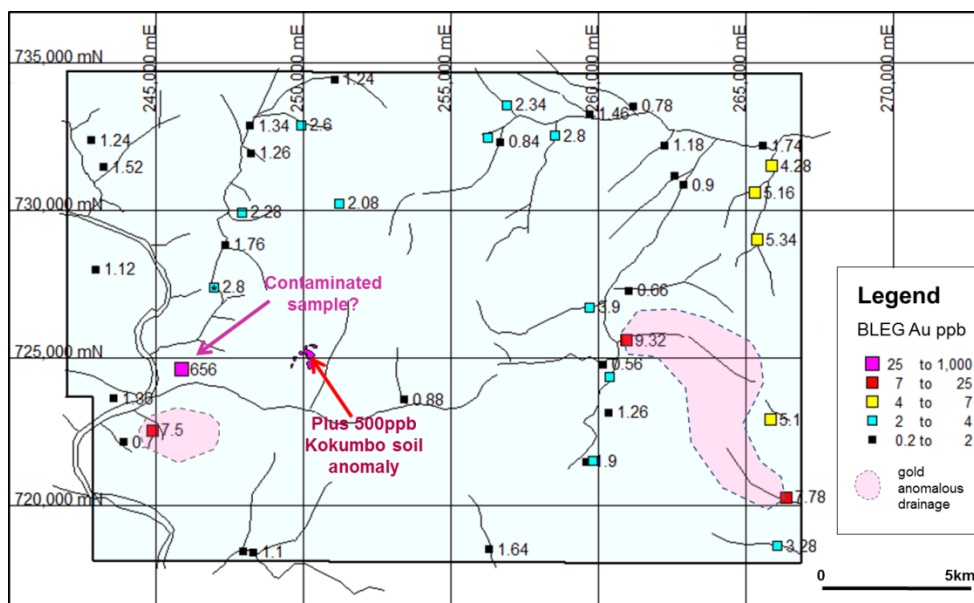


Figure 9: Map showing sample locations and gold values for the BLEG stream sediment survey at Kokumbo

## Kounahiri Permit Stream Sediment Sampling

This exploration permit is located on an unexplored belt of greenstone located over a large deep cross structure identified by PDI in its country scale structural geological analysis.

82 BLEG stream sediment samples were collected during the June Quarter. The samples were assayed for gold and a suite of other elements at a Bureau Veritas laboratory in Perth.



- An exploration program covering the first US\$1 million of expenditure will be agreed between PDI and Toro, including planned drilling in 2015.

Toro is a private gold exploration and development company focused in Africa. It is led by a team with a successful track record of discovery, development, operation and corporate transactions. Toro is well funded, and has strong institutional shareholder support, including the African Lion 3 Fund, Resource Capital Funds, Macquarie Bank and Sprott<sup>4</sup>. Toro's flagship project is the Mako deposit in Senegal with a published JORC 2012-compliant Resource Estimate of 1.4 million ounces at 1.75g/t Au. Mako is currently the subject of a Definitive Feasibility Study. This joint venture will be Toro's first investment into Cote D'Ivoire.

## **Planned Exploration Activities December 2014 Quarter – Côte d'Ivoire**

Work in the December Quarter will consist mainly of anomaly follow-up and reconnaissance check geological mapping of the permits involving a joint PDI and Toro technical team, followed by detailed exploration program planning. Historic data compilation will also continue.

## **Australia**

### **Cape Clear EL 5434, Victoria**

Exploration Licence 5434 is located west of Ballarat in Victoria (Figure 11). It was granted to PDI in August 2013. The area is highly prospective for shallowly concealed Stawell-style gold mineralisation. PDI has previously carried out geological mapping and a gravity survey over part of the EL area.

Execution of a binding joint venture agreement with Cape Clear Minerals Pty Ltd (CCM) on PDI's Cape Clear Exploration Licence in Victoria was announced to the ASX on 22<sup>nd</sup> September.

Key terms of the agreement are:

- CCM earns 51% equity with \$250,000 expenditure (Phase 1)
- At least 1,000m of RC or diamond drilling included within \$250,000 minimum expenditure in the first year
- At CCM's election, it may increase equity to 75% with an additional \$250,000 in expenditure (Phase 2)
- PDI may contribute to exploration expenditure or dilute after CCM reaches either 51% or 75%, depending on whether or not CCM chooses to sole fund Phase 2.
- PDI's interest converts to a 2% NSR (royalty) if its joint venture interest decreases to below 10%

<sup>4</sup> Source: <http://www.torogold.com/>



CCM is a private mineral exploration company based in Victoria with an Exploration Licence adjacent to EL5434. It will undertake exploration planning and discussions with landholders in the December Quarter prior to starting its exploration program in the March Quarter.

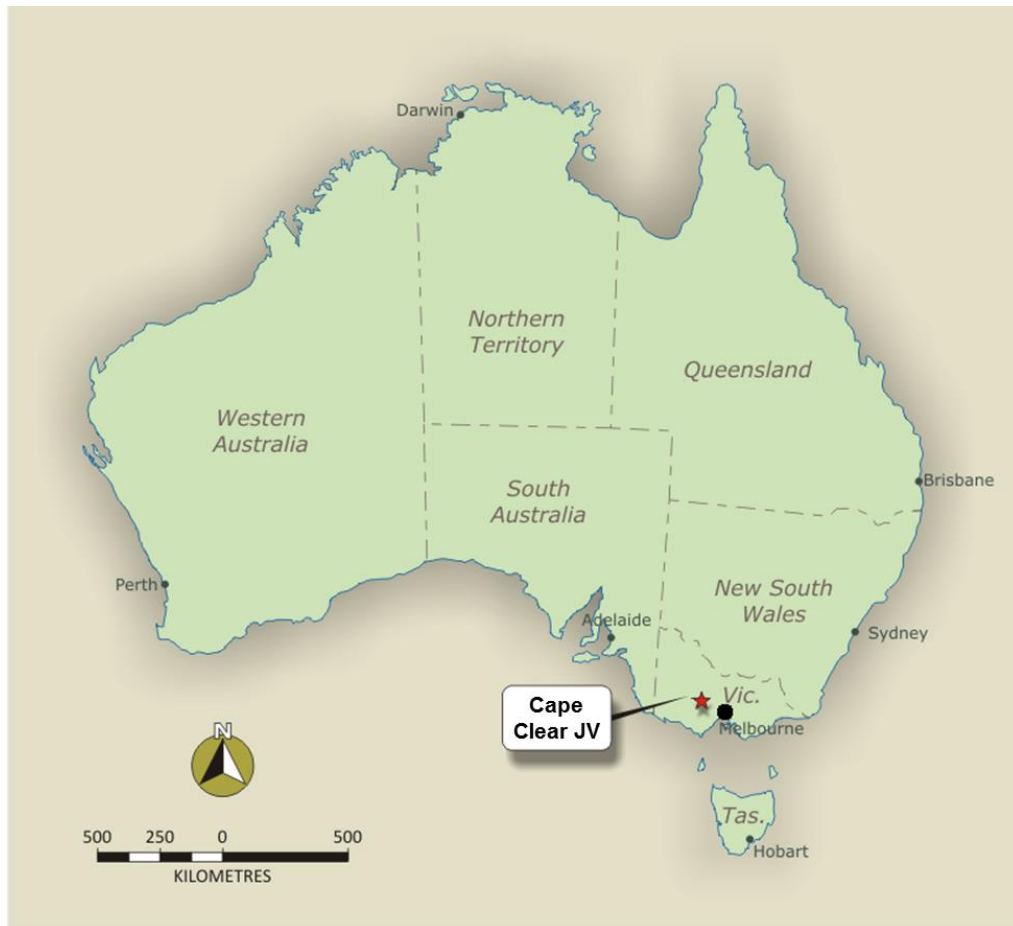


Figure 11: Cape Clear Exploration Licence Locality Plan

## CORPORATE

### Cash Position

PDI held \$358,000 in cash at the end of the September Quarter with no debt.

### Strategic Investment by Aurora Minerals

As reported in the June Quarterly Report, Aurora Minerals Limited (ASX: ARM) became PDI's largest shareholder in July 2014, taking a 17.2% stake in the company through an agreement with African Lion 3 Limited (African Lion).

Aurora acquired 66,691,417 shares in PDI that were held by the African Lion 3 Fund, in consideration for \$0.01 per share.

## Rights Issue and Placement

On 1<sup>st</sup> October, PDI announced it would undertake a fully underwritten pro-rate non-renounceable rights issue with eligible shareholders able to subscribe for three new fully paid ordinary shares for every five shares held at 0.7 cents per share to raise approximately \$1.7 million.

PDI's largest shareholder, Aurora Minerals Limited (ASX: ARM) agreed to fully underwrite the Rights Issue.

The Rights Issue is scheduled to close on Thursday, 6 November. We encourage all shareholders to consider the Rights Issue, and if they require another copy of the Prospectus and application form, to contact the Company.

In addition, the Company received commitments for a placement to sophisticated and professional investors to raise \$150,000 via issue of 18.75 million fully paid ordinary shares at 0.8 cents per share, with ARM subscribing for \$104,000 worth of shares under the Placement to increase its interest in PDI to 19.6% (prior to completion of the Rights Issue). The Placement was completed on 8 October.

## Sebba Belt Ground Consolidation, Burkina Faso

During the quarter, PDI signed an agreement with neighbouring Burkina Faso tenement holders Golden Rim Resources (ASX: GMR) and Roxgold Inc (TSX-V: ROG) in which the three parties agreed to cooperatively seek a JV partner for a group of exploration permits that cover approximately 1,500km<sup>2</sup> in the Sebba Belt in north-eastern Burkina Faso and include PDI's Bangaba and Tyekanyebi exploration permits (Figures 1 and 11).

The Sebba Belt permits include a series of prospects from which high grade drill intersections have been obtained, including:

### **Solna<sup>5</sup>**

- SOLRC011 - 6m at 20.5g/t Au from 40m including 1m at 111g/t Au
- SOLRC008 - 2m at 55.8g/t Au from 65m including 1m at 93.3g/t Au
- SOLDD003 – 5.6m at 16.1g/t Au from 205.4m including 1m at 80.7g/t Au

### **Tambiri<sup>5</sup>**

- TMBRC007 – 5m at 17.1g/t Au from 96m including 1m at 71.7g/t Au

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<sup>5</sup> Drill results reported by PDI to the ASX in Quarterly Reports of June 2011, December 2011, March 2012 and June 2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

- TMBDD001 – 3m at 18.6g/t Au from 58m including 1m at 51.3g/t Au

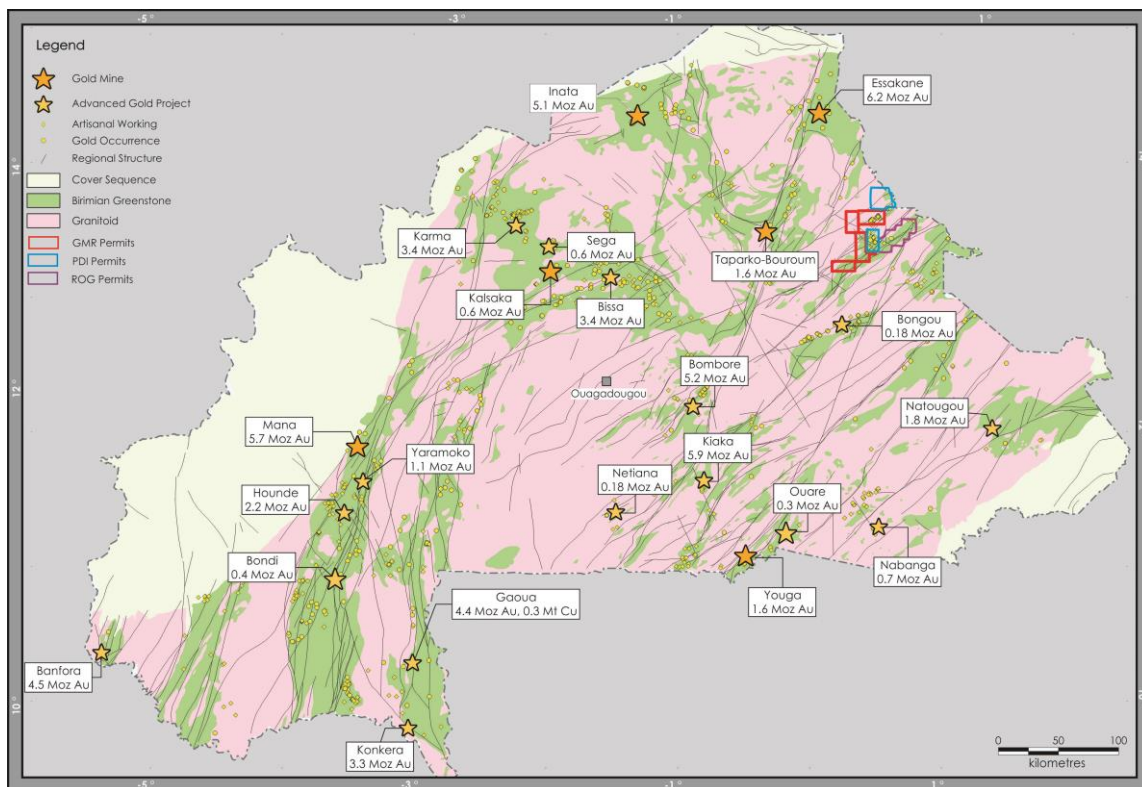
#### **Komondi<sup>6</sup>**

- KRC003 - 1m at 87.2g/t gold from 16m

These results indicate the ground has significant potential for a high-grade gold discovery.

The three companies decided to combine their ground to maximise the potential for identifying sufficient high-grade gold mineralisation to support a large profitable mining operation. PDI, GMR and ROG are all focused on projects elsewhere in Burkina Faso. The three companies also agreed to seek external funding so that effective exploration of this ground can continue as soon as possible.

PDI's equity in the shared arrangement prior to dilution by an incoming JV partner will be 45%.



*Figure 12: Geological map of Burkina Faso showing the PDI, GMR and ROG permits on the Sebba Belt.*

<sup>6</sup> Drill results reported to the ASX by GMR on 6 May, 2013

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's major focus is in Burkina Faso, West Africa where it has assembled a substantial regional ground position totalling 1,605km<sup>2</sup> 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 Bongou trend where a series of high-grade gold drill intercepts have been obtained recently. PDI also has interests in a strategic portfolio of tenements in Côte D'Ivoire covering a total area of 1,533 km<sup>2</sup>.

### 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.

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**TABLE 1 – STREAM SEDIMENT SAMPLE RESULTS**

BLEG Stream Sediment Results									
Power auger hole numbers	Northing (WGS84-30N)	Easting (WGS84 – 30N)	RL	Hole dips	Azimuth	Hole Depth	From	Interval	Au (ppb)
PDC00139-410	Refer to Figures 7 to 10 for map location of stream sediment samples	Refer to Figures 7 to 10 for map location of stream sediment samples	See notes	Not relevant to stream sediment samples	Not relevant to stream sediment samples	Samples were collected from very shallow excavations (generally less than 10cm) on stream banks and islands within streams on which active sediment has accumulated.	Not relevant to stream sediment samples	Not relevant to stream sediment samples	See notes and Figures 7 to 10
Notes: BLEG ("bulk leach extractable gold") stream sediment sampling is a reconnaissance exploration technique. With the method used by PDI, samples composed of the finest grained "active sediment" (i.e. sediment that has been deposited very recently in stream flooding events) are collected from banks and islands within streams in which fine sediment has collected. This particular technique, when combined with accurate, very low detection limit analysis (0.02ppb Au for PDI's samples) provides a low cost and highly effective method for identifying prospective areas in stream catchment areas as large as 10 km <sup>2</sup> . The RL ranges for Boundiali, Ferkessedougou, Kokumbo and Kounahiri permits are, respectively, 338-442m, 271-316m, 133-483m and 206-295m. Individual RLs are not reported in this announcement because they are not relevant to interpreting geochemical data of this type; stream locations and catchment areas are important, however, and these are shown on Figures 7 to 10.									



Section 1: Sampling Techniques and Data		
Criteria	JORC Code Explanation	Commentary
Sampling Technique	<p>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</p>	<p>The sampling described in this report refers bulk leach extractable gold (BLEG) stream sediment samples obtained from the Boundiali, Ferkessedougou, Kokumbo and Kounahiri exploration permits in Cote D'Ivoire.</p> <p>The Cote D'Ivoire BLEG samples consisted of silt and clay material obtained from active stream sediment within and on the banks of streams which flow during the rainy season.</p>
Drilling	Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	This is not relevant to a BLEG stream sediment program.
Drill Sample Recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	This is not relevant to a BLEG stream sediment program.

<b>Logging</b>	<p>Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>BLEG stream sediment location descriptions are all recorded along with any outcrop or float geology at the sample site.</p>
<b>Sub-Sampling Technique and Sample Preparation</b>	<p>If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<p>BLEG stream sediment samples consist of silt and clay material which is extracted from the other stream sediment material by decanting the fine grained material in suspension and then settling it out of suspension using a flocculant.</p>
<b>Quality of Assay Data and Laboratory Tests</b>	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</p>	<p>BLEG stream sediment samples were assayed at the former Ultra Trace (now Bureau Veritas) laboratory in Perth.</p> <p>Field duplicates were submitted with the BLEG samples.</p>
<b>Verification of Sampling and Assaying</b>	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes</p> <p>The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data</p>	<p>This is not relevant to a BLEG stream sediment program.</p>
<b>Location of Data points</b>	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used</p> <p>Quality and adequacy of topographic control</p>	<p>Coordinates shown on the four locality maps for the Cote D'Ivoire BLEG stream sediment results (Figures 7 to 10) are for Universal Transverse Mercator (UTM), Datum WGS 84, Zone 30 - Northern Hemisphere.</p>

<b>Data Spacing and Distribution</b>	<p>Data spacing for reporting of Exploration Results</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied</p>	<p>The BLEG sampling was designed to test catchment areas averaging approximately 5 km<sup>2</sup>. Infill BLEG sampling on the Ferkessedougou permit was designed to test catchment areas of approximately half that size.</p>
<b>Orientation of Data in Relation to Geological Structure</b>	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</p>	<p>This is not relevant to a BLEG stream sediment program.</p>
<b>Sample Security</b>	<p>The measures taken to ensure sample security</p>	<p>Reference BLEG samples from Cote D'Ivoire are stored at PDI's sample store in Ouagadougou, Burkina Faso.</p>
<b>Section 2 Reporting of Exploration Results</b>		
<b>Mineral Tenement and Land Tenure Status</b>	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>The Ferkessedougou and Kokumbo exploration permits were granted in June 2013 and the Boundiali and Kounahiri permits in January 2014. Ferkessedougou, Boundiali and Kounahiri are all owned 100% by PDI Cote D'Ivoire SARL. PDI Cote D'Ivoire SARL is earning a 90% interest in the Kokumbo permit from local partner, Ivoir Negoce. PDI Cote D'Ivoire SARL is a wholly owned subsidiary of PDI. Toro Gold Limited may earn a 51% interest in PDI Cote D'Ivoire SARL by spending US\$1 million.</p>
<b>Exploration Done by Other Parties</b>	<p>Acknowledgment and appraisal of exploration by other parties.</p>	<p>Extensive historical exploration has been carried out on the Kokumbo permit and was acknowledged and described in PDI's release to the ASX dated 10/6/14. PDI is not aware of any effective gold exploration over Ferkessedougou, Boundiali and Kounahiri however historic records are incomplete at the Cote D'Ivoire government geological agency.</p>
<b>Geology</b>	<p>Deposit type, geological setting and style of mineralisation.</p>	<p>The geology of the four permits consists of granite, metasediments, mafic volcanics and intrusives, and conglomerates.</p>
<b>Drill Hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length</li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>This is not relevant to a BLEG stream sediment program.</p>

<b>Data Aggregation Methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	This is not relevant to a BLEG stream sediment program.
<b>Relationship Between Mineralisation Widths and Intercept Lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	This is not relevant to a BLEG stream sediment program.
<b>Diagrams</b>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate plans showing the locations of the stream sediment samples, classified by results, are shown in this release.
<b>Balanced Reporting</b>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All BLEG stream sediment results have been reported.
<b>Other Substantive Exploration Data</b>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data has yet been collected on these permits.
<b>Further Work</b>	<p>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	Follow-up geochemical sampling is planned on both permits, as outlined in this release.



## TENEMENT STATUS – SEPTEMBER QUARTER, 2014

Name	Number	Location	Area (sq. km)	PDI equity	Changes in holding during September Quarter, 2014
Fouli	arrêté 2011- 11- 351/MCE/SG/DGMGC	Burkina Faso	186.2	100%	Permit renewal fees paid at the request of the Ministry of Mines (this normally signifies that delivery of the permit renewal letter is imminent)
Tantiabongou	arrêté 2007- 019/MCE/SG/DGMGC	Burkina Faso	93.9	100%	None
Sirba	arrêté 2011-11 - 353 /MCE/SG/DGMGC	Burkina Faso	136.9	100%	Permit renewal fees paid at the request of the Ministry of Mines (this normally signifies that delivery of the permit renewal letter is imminent)
Madyabari	arrêté 2011- 11 - 352/MCE/SG/DGMGC	Burkina Faso	171.9	100%	Permit renewal fees paid at the request of the Ministry of Mines (this normally signifies that delivery of the permit renewal letter is imminent)
Tyekanyebi	Arrêté 2010- 202/MCE/SG/DGMGC	Burkina Faso	242	100%	None
Tamfoagou	353 (arrêté 2005- 061/MCE/SG/DGMGC)	Burkina Faso	238	100%	None
Tangagari	arrêté 2009- 068/MCE/SG/DGMGC	Burkina Faso	127.5	Earning 95%; current equity 0% (until final cash payment is made)	None
Aoura	arrêté 2008- 023/MCE/SG/DGMGC	Burkina Faso	25	Earning 95%; current equity 0% (until final cash payment is made)	None
Boussouma	Arrete 2011- 059/MCE/SG/DGMGC	Burkina Faso	116	Earning 95%; current equity 0% (until final cash payment is made)	None

Bangaba	Arrete 2009-100/MCE/SG/DGMGC	Burkina Faso	128	Earning 95%; current equity 84%	Application for 3 year renewal made
Kogodou South	2011-299/MCE/SG/DGMGC	Burkina Faso	44.6	Earning 100%; current equity 0% (until final cash payment is made)	None
Bira	2013-33/MCE/SG/DGMGC	Burkina Faso	21	100%	None
Basieri	2013-16/MCE/SG/DGMGC	Burkina Faso	73.5	100%	None
Kokumbo	Mining exploration permit No. 307	Cote D'Ivoire	400	Earning 90%	Agreement signed with Toro Gold Limited (Toro) of the UK on 21 <sup>st</sup> October 2014 whereby Toro can earn a 51% interest in the company which has a right to earn a 90% interest in this permit, Predictive Discovery Cote D'Ivoire SARL, by spending US\$1 million
Ferkessedougou	Mining exploration permit No. 310	Cote D'Ivoire	387	100%	Agreement signed with Toro Gold Limited (Toro) of the UK on 21 <sup>st</sup> October 2014 whereby Toro can earn a 51% interest in the company which owns this permit, Predictive Discovery Cote D'Ivoire SARL, by spending US\$1 million
Boundiali	Mining exploration permit No. 414	Cote D'Ivoire	399	100%	Agreement signed with Toro Gold Limited (Toro) of the UK on 21 <sup>st</sup> October 2014 whereby Toro can earn a 51% interest in the company which owns this permit, Predictive Discovery Cote D'Ivoire SARL, by spending US\$1 million
Kounahiri	Mining exploration permit No. 317	Cote D'Ivoire	347	100%	Agreement signed with Toro Gold Limited (Toro) of the UK on 21 <sup>st</sup> October 2014 whereby Toro can earn a 51% interest in the company which owns this permit, Predictive Discovery Cote D'Ivoire SARL, by spending US\$1 million
Cape Clear	EL 5434	Victoria, Australia	160	100%	Agreement signed with Cape Clear Minerals Pty Ltd (CCM) whereby CCM can earn up to 75% in this EL by spending up to A\$500,000.