

## PREDICTIVE CONSOLIDATES OWNERSHIP OF ITS BURKINA FASO PROJECTS

**Predictive Discovery Limited** (Predictive or Company) (**ASX: PDI**) is pleased to announce that it has executed an agreement with Progress Minerals Inc. (**Progress**)<sup>1</sup> in respect of the Company's Burkina Faso property package, including the 184,000 ounce Bongou gold deposit. This will see Predictive's ownership return to 100% (from a 49% joint venture interest) in the entire Burkina Faso package, creating a far simpler ownership structure, and greater appeal as the Company considers potential divestment opportunities for its Burkina Faso assets.

Predictive's holdings in Burkina Faso are located in the east of the country and cover approximately 90km of strike length of the Samira Hill greenstone belt in eastern Burkina Faso. 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.

The Company will acquire Progress's 51% interest by the issue of 4,028,477 PDI shares to Progress, valued at \$240,000<sup>2</sup>. This is considered a low cost but sensible transaction. Importantly, it does not require the Company to undertake future work programs on the property package, and therefore holding costs are expected to be modest.

It is Predictive's intention to seek a partnership or other ownership structure to take control of these properties, through which the Company can participate in a possible future mine development without being required to fund operations prior to a mine development decision.

### **Commenting on the transactions, Managing Director Paul Roberts:**

*"Given our focus on the rapidly growing Bankan Gold Project in Guinea, the Company has sought to simplify its legacy ownership positions in Cote D'Ivoire and Burkina Faso and, over time, reduce financial commitments wherever possible so that we can maximise our efforts and expenditure in Guinea.*

*In Burkina Faso specifically, the previous 51:49 joint venture structure in which neither Progress nor Predictive could commit to significant exploration expenditure was an impediment to advancing the projects. This acquisition of Progress's interest is therefore an important interim step on the way to placing the Burkina Faso project into the hands of a capable and well-funded group which can then re-start exploration and create value for Predictive shareholders while strictly limiting the Company's future cash commitments in Burkina Faso.*

*While we are fully occupied in Guinea, we remain optimistic about the opportunity for new gold discoveries within the Burkina Faso project. We have already discovered the Bongou Gold Deposit (JORC Resource of 184,000oz averaging 2.6g/t Au<sup>3</sup>) and there is substantial potential to define more resources in a number of drilled gold prospects in the surrounding area."*

<sup>1</sup> A subsidiary of Montage Gold Corp (TSX-V: MAU)

<sup>2</sup> Price based on 5-day volume weighted average price of Predictive shares from 26/10/20 to 30/10/20

## PROJECT HISTORY

The Burkina Faso portfolio comprises a 722km<sup>2</sup> land package separated into six permits and two permit applications in two separate project areas – Bongou and Tempetou (see Figure 1). The Bongou gold deposit contains a JORC compliant Mineral Resource Estimate (MRE) of **184,000oz of gold with an average grade of 2.6g/t gold<sup>3</sup>**.

In addition to the existing 184,000oz resource, the permits also include significant exploration potential within 10km of the Bongou deposit. An extract from the Company's ASX release of 3 September 2015 describing an Exploration Target for that area follows:

### *"Exploration Target"*

*The Exploration Target\* detailed in the following table is estimated to be in a range of 9.4 to 10.4 million tonnes averaging between approximately 1.5 to 1.7 g/t Au and containing approximately 460,000 to 563,000 ounces of gold, as follows:*

<b>Prospect Names</b>	<b>Million Tonnes</b>		<b>Grade</b>		<b>Ounces Gold</b>	
	<b>Lower estimate</b>	<b>Higher estimate</b>	<b>Lower estimate</b>	<b>Higher estimate</b>	<b>Lower estimate</b>	<b>Higher estimate</b>
<i>(see Figure 1 for location)</i>						
Dave	6.71	7.41	1.49	1.65	322,000	394,000
Laterite Hill	1.48	1.63	1.62	1.79	77,000	94,000
Near Bongou (W2/W8)	0.27	0.30	1.57	1.74	14,000	17,000
Prospect 71	0.68	0.75	1.21	1.33	26,000	32,000
Target 92	0.23	0.26	2.88	3.18	21,000	26,000
<b>Totals</b>	<b>9.37</b>	<b>10.35</b>	<b>1.53</b>	<b>1.69</b>	<b>460,000</b>	<b>563,000</b>

*\* The potential quantity (tonnage) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of Mineral Resources.*

*The calculation was restricted to prospects for which there is good evidence of mineralisation orientation and continuity. Most of these prospects are open along strike and at depth. A number of other isolated gold intercepts within 10km of Bongou were excluded, so there is significant potential to expand the Exploration Target further within range of PDI's own drilling.*

<sup>3</sup> ASX Announcement – High-Grade Maiden Mineral Resource Estimate at Bongou, Burkina Faso  
<https://www.investi.com.au/api/announcements/pdi/2bab5647-9ed.pdf>

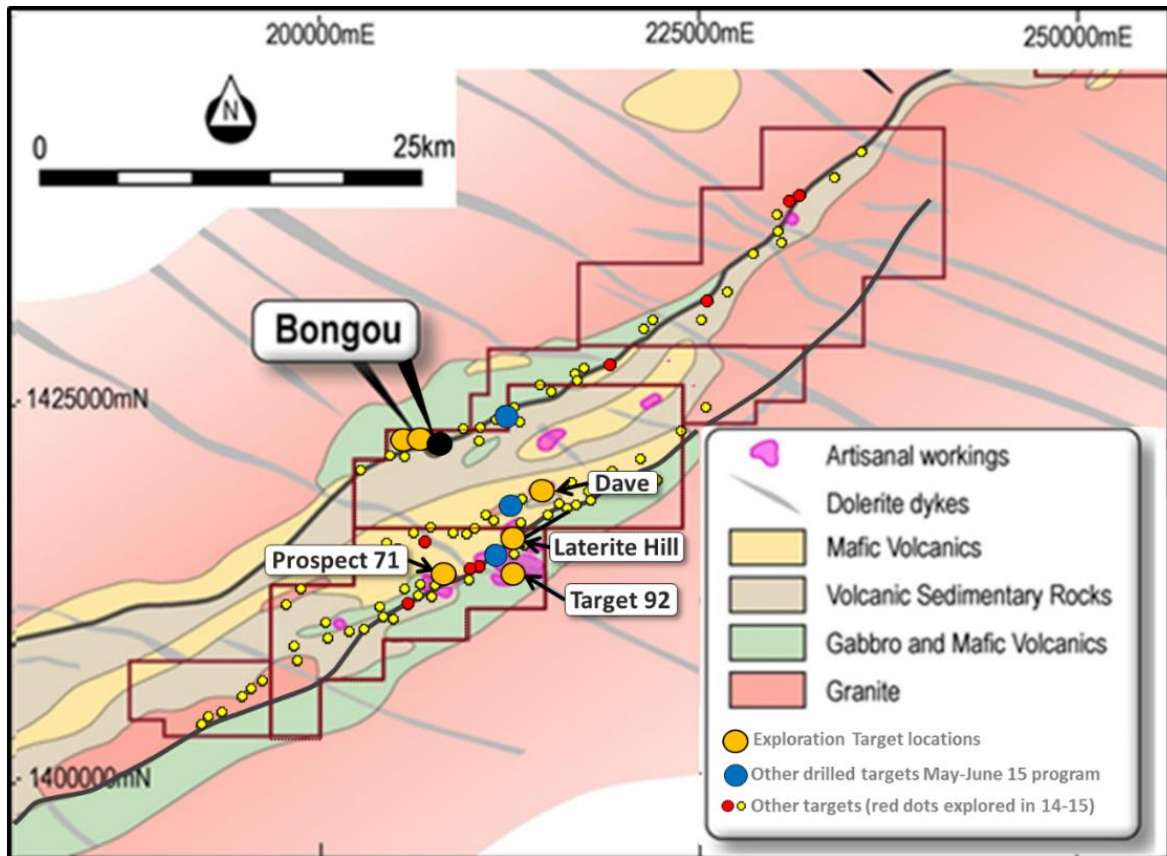


Figure 1: Locality map of PDI permits near Bongou in eastern Burkina Faso, showing Bongou gold deposit and prospects which make up the Exploration Target\*.

Data and parameters used in calculating this Exploration Target\* were as follows:

- **Data:**
  - Gold intercepts from 291 reverse circulation holes, 4 air core holes and 5 diamond drill holes<sup>4</sup> were used in the calculation.
  - The holes were mostly drilled on lines spaced from 50m to 100m apart, with a spacing along the lines ranging from 10m to 50m.
- **Parameters:**
  - 0.5 g/t gold cut-off grade;
  - Minimum downhole intercept width of 2m and a minimum grade times width intercept of 2g\*m;
  - Minimum internal waste of 3m except for a few holes where it was clear that the holes had drilled almost down-dip and where the inclusion of larger down-hole intervals of internal waste made geological sense.
  - Maximum of 100m strike extent from drill holes (where the continuity of the mineralisation is supported by mapping and/or the location of artisanal workings and/or anomalous auger results);
  - Maximum of 70m vertical extent below surface;
  - Dry bulk density estimates as follows:

<sup>4</sup> These drilling results were reported to the ASX in the following Quarterly Reports: June Quarter 2011, March Quarter 2012, June Quarter 2012, March Quarter 2014 and June Quarter 2015. The drill results reported in these Quarterly Reports up to the June Quarterly of 2012 were prepared and first disclosed under the JORC Code 2004; they have 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.

- *Laterite: 2.2*
  - *Saprolite: 1.8*
  - *Weathered rock between base of saprock and base of complete oxidation (BOCO): 2.3*
  - *Fresh mafic volcanics: 2.8*
  - *Fresh felsic to intermediate rocks including granite and granodiorite: 2.7*
- *The calculation was carried out using a cross sectional method with volumes projected half-way to the next hole (on the section) or half way to the next section to a maximum distance of 100m (along strike).*

#### *Additional Potential*

*Most of the zones of gold mineralisation included in the Exploration Target are open at depth and along-strike. In addition, there are a series of other mineralised intercepts which have potential for resource discovery either along strike or at depth.*

#### *Next Steps*

*Subject to funding availability, Predictive plans to follow up the Exploration Target calculation with drilling programs on all of the listed prospects in order to make Mineral Resource Estimates. A total drilling budget of 20,000m, consisting of both RC and diamond drilling, has been calculated to complete this task, and is planned for completion over the next two years."*

In late 2017, Predictive entered into a joint venture agreement with Canada-based company Progress Minerals International Inc on the Company's eastern Burkina Faso exploration permits<sup>5</sup>, with the aim of advancing towards a future multi-pit mine development based on the Company's gold prospects. No exploration has been undertaken on the permit areas since early 2019.

## TRANSACTION DETAILS

Progress's 51% ownership of the Burkina property portfolio has been held through its interest in the joint venture company, PMI BF Holdings Inc. (**PMI-BF**). Predictive will issue 4,028,477 ordinary Predictive shares (valued at A\$240,000)<sup>6</sup> for the interest purchased in PMI-BF and will enter into amended and restated Net Smelter Royalty agreements (**NSR Agreements**) with existing royalty holders (for a total of 2% NSR).

Under the NSR Agreements, Predictive will take responsibility for administration of the holding companies, payment of tenement rentals and completion of statutory reports on the exploration permits. Holding costs are therefore expected to be modest.

<sup>5</sup> ASX Announcement - Joint Venture on Burkina Faso Properties  
<https://www.investi.com.au/api/announcements/pdi/a3a505f6-b90.pdf>

<sup>6</sup> Price based on 5-day volume weighted average price of Predictive shares from 26/10/20 to 30/10/20.

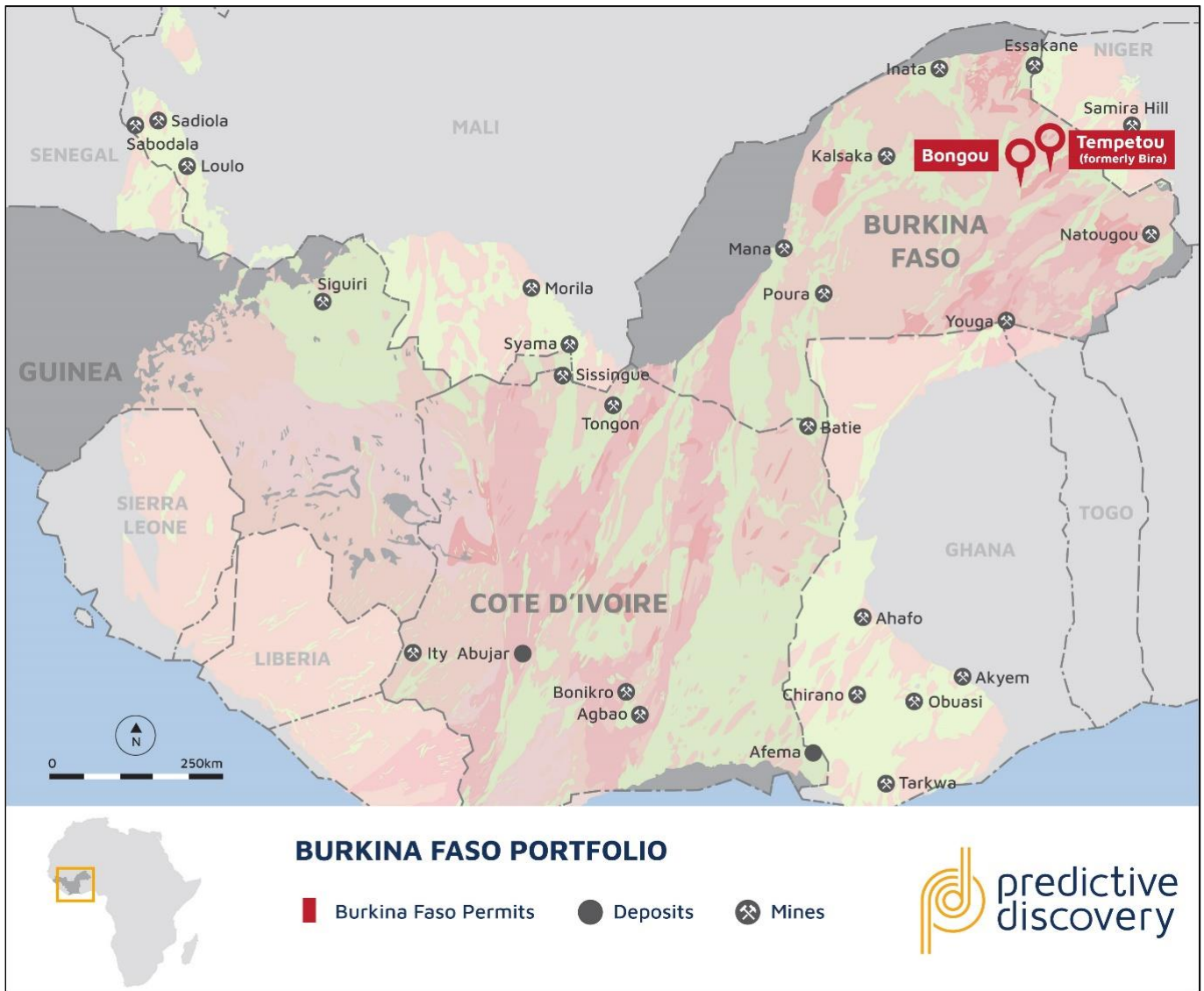


Figure 2 - Burkina Faso Permit locations

- END -

*Predictive advises that it is not aware of any new information or data that materially affects the exploration results contained in this announcement.*

*Predictive confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimates continue to apply and have not materially changed.*



## Competent Persons Statement

*The exploration results reported herein 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.*

*For the Mineral Resource estimate, Predictive confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

This announcement is authorised for release by Predictive Managing Director, Paul Roberts.

For further information visit our website at [www.predictivediscovery.com](http://www.predictivediscovery.com) or contact:

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## About Predictive Discovery

Predictive Discovery is a West African focused gold explorer with a large portfolio of 100%-owned and joint venture gold projects located across West Africa's famed Birmanian Greenstone Belt, one of the world's most gold-endowed Greenstone Belts, presenting great potential for significant gold deposits.

The Company's projects contain a gold resource (Bongou) as well as multiple drill-ready targets being systematically tested with drilling programs currently underway.

The Company's objective is to find large gold deposits and is actively exploring its 100%-owned projects, located in Guinea's highly prospective yet underexplored Siguiri Basin, which contains AngloGold's world-class Siguiri Mine (+10Moz) with all projects close to widespread artisanal workings.

