

BANKAN UPDATE

Predictive Discovery Limited ("Predictive" or "Company", ASX: PDI) has become aware of a pending media report questioning the legality for the Company to establish mining operations on part of the area covered under the Bankan Project in Guinea.

The Bankan Project comprises the Kaninko, Saman, Bokoro and Argo Exploration Permits, all of which are in good standing and give the Company rights to undertake exploration activities as per the Mining Act. The Company has informed the media outlet that its exploration activities are compliant with the Mining Act and that the Guinean authorities, in particular the Ministry of Mines and Geology and the Ministry of Environment, support its activities.

The NE Bankan and Bankan Creek gold deposits are located within the Kaninko and Saman Exploration Permits, which were granted to the Company's subsidiary, Mamou Resources SARLU, in October 2019 and June 2020 respectively. Since then, the Company has carried out extensive exploration activities on the Permits, culminating in the recent maiden Mineral Resource Estimate (ASX release – 30 September 2021).

Exploration permits in Guinea are granted by way of an order of the Minister of Mines upon recommendation of the Centre de Promotion et de Développement Minier (CPDM) following favourable advice from the Technical Committee of Titles (Comité Technique des Titres). A technical and environmental evaluation of the exploration project is conducted as part of this granting process. The permit areas are therefore cleared for mineral exploration activities under a process set out under the Mining Act and the Kaninko and Saman Exploration Permits have been issued in strict compliance with such process. Since then, all work on these permit areas has been carried out in compliance with the Mining Act and with the full support of the Guinean authorities, in particular the Ministry of Mines and Geology and the Ministry of Environment.

We note that the two known Bankan deposits and some other parts of the Kaninko and Saman permits are located within the Outer Buffer Zone of the Upper Niger National Park. This National Park consists of three more or less concentric areas (Figure 1):

- The Core Conservation Area with the sole purpose of fauna and flora conservation.
- Inner Buffer Zone (or Buffer Zone 1) in which agricultural activities are permitted.
- Outer Buffer Zone (or Buffer Zone 2) in which multiple use activities are permitted.

Buffer Zone 2 extends well into the city of Kouroussa, the regional capital (pop. 50,000) and encompasses many villages and artisanal mine sites.

Absence any change of decree, Buffer Zone 2 of the Upper Niger National Park is a protected area where the mining of mineral deposits is not permitted. However, there are precedents in Guinea for Mining Permits to be granted within highly environmentally sensitive areas (e.g. within and adjacent to the Mt Nimba World Heritage Site). Also, the Company has been operating on the area under duly and validly issued Exploration Permits, in compliance with its obligations under the Mining Act and the terms of its Exploration Permits,

and with the full knowledge and support of all relevant Ministries, including the Ministry of Environment, which has authority over the National Park.

The Company has engaged with the Ministries of Mines and Environment regarding this overlap and the possible solutions that can be implemented to allow the Company to produce gold from the Bankan deposits while ensuring that the highest environmental safeguards are put in place to mitigate the impact of its activities on the protection objectives of Buffer Zone 2.

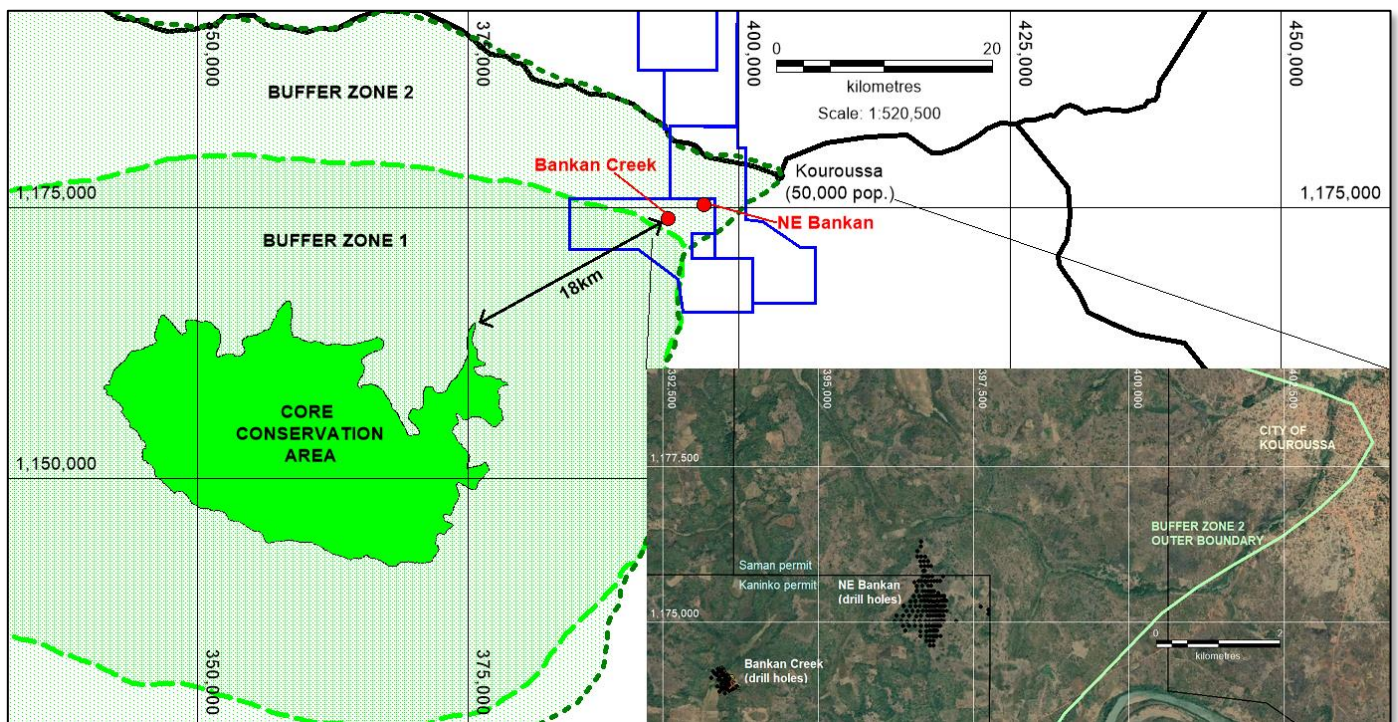


Figure 1 – Locality Plan - Bankan Project illustrating overlap with Buffer Zone 2 of the Upper Niger National Park. Note the extension of the Buffer Zone well into the regional centre, the City of Kouroussa.

The Company is fully committed to a high standard of ESG performance. The Company has already undertaken a baseline social study and is nearing completion of a baseline environmental study, both of which will provide the basis for the more detailed work required to deliver a fully compliant Environmental and Social Impact Statement prior to application for a Mining Permit.

While the baseline social and environmental studies are a stand-alone workstream, they also align with drilling activities and timetables to expand the gold resource on the project including:

- Drilling more deeply beneath NE Bankan and Bankan Creek,
- Drilling regional targets with Air Core and eventually RC drilling, and
- Augmenting the three active drill rigs on the permit areas (two large multi-purpose rigs currently doing diamond drilling and an Air Core rig) with additional drill rigs once ground conditions improve after the current wet season.

The Company has an active and growing program of community engagement. It is already the largest employer of villagers who live within the permit areas, many of whom also live inside Buffer Zone 2.

The Company has also provided financial support for a large and increasingly productive market garden at Bankan Village (2 km from the NE Bankan deposit and also within Buffer Zone 2), working with the Bankan Women's Group (Figure 2). The Company is also providing materials for primary schools within the permit areas and has plans to expand its involvement in educational activities in the area.

In parallel to its community program, the Company will also seek to establish a formalised arrangement with the Ministry of Environment to provide assistance on key conservation activities. The goal is to ensure both improved environmental outcomes in the region, especially the Core Conservation Area, and assist with long-term local employment and training opportunities.



Figure 2 – Bankan Village Womens Group inaugural meeting to clear farming and growing areas.

Managing Director Paul Roberts said:

"Predictive Discovery has always been fully committed to abide by the legislative and regulatory framework applicable in all the jurisdictions it operates in and we are extremely conscious of our responsibilities to our host country and its local communities.

We have built strong relationships with the Guinean authorities, in particular the Ministry of Mines and Geology as well as the Ministry of Environment, who have been supportive of the Bankan Gold Project since the outset, and we look forward to finding a mutually satisfactory solution that will allow the benefits of our gold discoveries to be realised in many forms by the community and our shareholders.

We will take an ESG-led approach to all our activities within Guinea and believe that our social and environmental practices are critical to the long-term success of our Bankan Gold Project as they will deliver important and tangible benefits for the local community, while assisting the Government to improve its conservation efforts in the region."

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

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