



**PREDICTIVE DISCOVERY LIMITED**  
**ACN 127 171 877**

**PROSPECTUS**

**THIS PROSPECTUS IS BEING ISSUED FOR THE FOLLOWING OFFERS:**

- **A RENOUNCEABLE PRO RATA OFFER TO ELIGIBLE SHAREHOLDERS OF 8 NEW SHARES FOR EVERY 21 SHARES HELD ON THE RECORD DATE AT AN ISSUE PRICE OF \$0.042 PER NEW SHARE, TOGETHER WITH 1 ATTACHING QUOTED OPTION FOR EVERY 1 NEW SHARE SUBSCRIBED FOR, EXERCISABLE AT \$0.06 EACH ON OR BEFORE 30 NOVEMBER 2019, TO RAISE APPROXIMATELY \$2.6 MILLION ("RIGHTS ISSUE"); AND**
- **AN OFFER OF ANY SHORTFALL UNDER THE RIGHTS ISSUE ON THE TERMS SET OUT IN SECTION 1.3 OF THE PROSPECTUS ("SHORTFALL OFFER").**

**THE RIGHTS ISSUE IS PARTIALLY UNDERWRITTEN BY CPS CAPITAL GROUP PTY LTD TO A MAXIMUM OF \$1 MILLION.**

**THE RIGHTS ISSUE CLOSSES AT 5:00PM (AEDT) ON TUESDAY, 21 NOVEMBER 2017.\***

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**AN INVESTMENT IN THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE.**

**\* The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date.**

## IMPORTANT INFORMATION

This Prospectus is dated 27 October 2017 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 2, Level 2, 20 Kings Park Road, West Perth, Western Australia during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Rights Issue contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia and New Zealand.

Applications for Securities under the Rights Issue will only be accepted on an original Entitlement and Acceptance Form mailed with a copy of this Prospectus by the Company to Eligible Shareholders. Applications by Eligible Shareholders for Shortfall Securities under the Shortfall Offer must be made on a separate section on the Entitlement and Acceptance Form sent with this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus. The issue of Shortfall Securities under the Shortfall Offer is at the complete discretion of the Directors in consultation with the Underwriter. More information on the Shortfall Offer is in Section 1.3.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to AEDT, unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

## CORPORATE DIRECTORY

### Directors

Mr Phillip Jackson	Non-Executive Chairman
Mr Paul Roberts	Managing Director
Mr David Kelly	Non-Executive Director

### Lawyers

Bellanhouse  
Level 19, Alluvion  
58 Mounts Bay Road  
Perth WA 6000

### Company Secretaries

Mr Eric Moore  
Mr Bruce Waddell

### Registered Office

Suite 2, Level 2  
20 King Park Road  
West Perth WA 6005

Telephone:	+61 8 6143 1840
Facsimile:	+61 8 9321 4692
Email:	<a href="mailto:info@predictivediscovery.com">info@predictivediscovery.com</a>

ASX Code: PDI

Website: [www.predictivediscovery.com](http://www.predictivediscovery.com)

### Share Registry\*

Link Market Services Limited  
QV1 Building, Level 12  
250 St Georges Terrace  
Perth WA 6000  
Telephone: +61 8 9211 6670  
Facsimile: +61 2 9287 0303

### Lead Manager and Underwriter

CPS Capital Group Pty Ltd  
Level 45, 108 St Georges Terrace  
Perth WA 6000

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

## PROPOSED TIMETABLE

Event	Date
Lodgement of Prospectus with ASX Lodgement of Appendix 3B with ASX Option holders notified of Offers	Friday, 27 October 2017
Notice of Offers sent to Shareholders	Tuesday, 31 October 2017
Securities quoted on an "Ex" basis and rights trading commences	Wednesday, 1 November 2017
Record Date for determining Entitlements	Thursday, 2 November 2017
Prospectus and Application Form despatched to Eligible Shareholders	Tuesday, 7 November 2017
Rights trading ends	Tuesday, 14 November 2017
Securities quoted on a deferred settlement basis	Wednesday, 15 November 2017
Last day to extend the Closing Date of Rights Issue	Thursday, 16 November 2017
Closing Date of Rights Issue	Tuesday, 21 November 2017
Notification of Shortfall	Friday, 24 November 2017
Issue date of Securities under the Rights Issue Deferred settlement trading ends	Tuesday, 28 November 2017
Commencement of Securities trading on ordinary settlement basis	Wednesday, 29 November 2017

All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX. The Company reserves the right, subject to the Corporations Act and Listing Rules and other applicable laws, to vary any other date of the Offers, including accepting late applications, either generally or in particular cases, without notice.

## LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of Predictive Discovery Limited (**Company** or **Predictive**), I am pleased to invite you to participate in an 8 for 21 pro-rata renounceable rights issue of New Shares at an offer price of \$0.042 per New Share (**Rights Issue**) to raise up to \$2.6 million subject to the terms of the Rights Issue outlined in this Prospectus. The offer price represents a 34% discount to the Company's 30 day VWAP of \$0.064 on 23 October 2017. Each Share comes with one attaching Option with an exercise price of \$0.06.

The Company'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 7,000km<sup>2</sup> 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 grass roots 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 1 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 aeromagnetism 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 Limited, the Lowell Resources Fund and affiliates and clients of the Sprott Holdings group of companies. On this occasion, we are particularly appreciative of Sprott Holdings' 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. We are also benefiting from the support of our Lead Manager, CPS Capital, which is underwriting \$1 million of the Rights 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 Right Issue.

Eligible shareholders may apply for some or all of their Entitlement under the Rights Issue, and may also apply for additional new shares in excess of their Entitlement (for further details see Section 2.3). The Rights Issue is scheduled to close at 5.00pm (AEDT) on 21 November 2017. To participate, you will need to ensure that you have completed and returned the Entitlement and Acceptance Form and paid all application monies before this time and date. Details of how to accept the Rights Issue are provided on the Entitlement and Acceptance Form and in Section 2 of this Prospectus.

The Company is subject to a range of risks which apply to the mining and resources sector, and gold industry generally, including the success of its operations and exploration programs, a loss of key personnel, the price of commodities, exchange rates and economic, social or political instability or change in West Africa. These risks and others are discussed in more detail in Section 4 of this Prospectus.

On behalf of the Board of the Company, I thank you for your continued support. I believe that, with our progress on multiple fronts in West Africa, this capital raising will support a higher level of exploration activity and drilling results than we have seen before in Predictive. I strongly urge you to consider taking up your Entitlement and being part of this exciting new phase in our Company's development.

Yours faithfully

Mr Phillip Jackson  
Non-Executive Chairman

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> <li>• <b>Farm out strategy</b> - The Company is currently a joint venture partner with Toro Gold Limited in relation to six granted exploration permits in Cote d'Ivoire, with Progress Minerals (BVI) Inc in relation to two other granted permits in Cote d'Ivoire and nine granted permits in Burkina Faso and with Cape Clear Minerals Pty Ltd in relation to two exploration licences in Australia. The Company's current exploration plans depend on those partners continuing to spend money exploring the properties in question, otherwise the Company may have to take responsibility to advance exploration and keep the properties in good stead; this may involve unforeseen expenditures or the necessity of surrendering some prospective exploration permits. See Section 4.2(a);</li> <li>• <b>Exploration stage and success</b> - The mineral tenements of the Company are at the exploration stage only. The Company is not at the development stage. There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings. See Section 4.2(b);</li> <li>• <b>Geopolitical risk</b> - The Company is pursuing projects located in Burkina Faso and Cote d'Ivoire areas of West Africa and so is subject to the risks associated with operating in that region of the world. These risks may include economic, social or political instability or change, hyperinflation, currency convertibility or instability and changes of law affecting foreign ownership, government participation, taxation,</li> </ul>	Section 4

Key Information	Further Information
<p>working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. See Section 4.2(f);</p> <ul style="list-style-type: none"> <li>• <b>Tenement title</b> - Interests in tenements in Burkina Faso and Cote d'Ivoire are governed by the mining law and regulations of that country. There is no guarantee that the Burkina Faso mining law or regulations or Cote d'Ivoire mining law or regulations will not be changed in a way that is adverse to the Company's interests. The Company's title to its tenements generally requires the Company to continue to satisfy its expenditure or work commitments. The Company currently has no reason to believe that it will not satisfy those commitments. However, this cannot be guaranteed. Interests in tenements in Australia are governed by federal and state legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance, such as satisfaction of statutory payments (including land taxes and statutory duties) and compliance with work programmes and public health and safety laws. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise. See Section 4.2(h); and</li> <li>• <b>Litigation and counterparty risks</b> - The Company is not currently involved in any litigation, however like any corporation operating in a commercial setting, the Company is exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. As with all litigation, there are risks involved. In addition, there is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or others suppliers. In particular, the successful exploration of the Company's projects in Burkina Faso and Cote d'Ivoire are heavily dependent on the services to be provided by the Company's drilling services contractors. See Section 4.2(i).</li> </ul>	
<p><b>Rights Issue</b></p> <p>This Prospectus is for a renounceable rights issue of 8 New Shares for every 21 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.042 per New Share to raise up to approximately \$2.6 million (before costs). Participants in the Rights Issue will also be</p>	<p>Section 1.1</p>



Key Information	Further Information
<p>issued with 1 Attaching Option for every 1 New Share subscribed for. The Attaching Options are intended to be quoted and exercisable at \$0.06 each on or before 30 November 2019, on terms set out in this Prospectus.</p>	
<p><b>Shortfall Offer</b></p> <p>Any New Shares and Attaching Options not applied for by the Closing Date will become Shortfall Securities. Directors reserve the right to issue any Shortfall Securities within 3 months after the Closing Date (<b>Shortfall Offer</b>).</p> <p>The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors). Persons outside Australia who apply for Shortfall Securities represent to the Company that they can apply for Shortfall Securities in circumstances which do not require the offer for Shortfall Securities or this Prospectus to be registered.</p> <p>Eligible Shareholders may apply for Shortfall Securities by completing the Entitlement and Acceptance Form in accordance with the instructions set out on that form. Investors who are not Eligible Shareholders may apply for Shortfall Securities by completing the Shortfall Application Form.</p> <p>It is possible that there may be no Shortfall Securities available for issue. The Underwriter has the sole right to nominate and determine who is to receive the Underwritten Shortfall Securities, following reasonable consultation with, and due consideration of any comments provided by, the Company.</p> <p>The Directors reserve the right at their absolute discretion to reject any application for Shortfall Securities or to issue a lesser number of Shortfall Securities than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Securities will be bound to accept a lesser number of Shortfall Securities allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable.</p> <p>All Securities issued under the Shortfall Offer shall be issued on the same terms as the Securities being offered under the Rights Issue (including the issue price).</p>	<p>Section 1.3</p>
<p><b>Underwriting</b></p> <p>The Rights Issue is partially underwritten to an amount of \$1 million by CPS Capital. See Sections 1.2, 5.3 and 5.10 for further details.</p>	<p>Sections 1.2, 5.3 and 5.10</p>
<p><b>Eligible Shareholders</b></p> <p>The Rights Issue is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>• are the registered holder of Shares as at 7.00pm (AEDT) on the Record Date; and</li> <li>• have a registered address in Australia or, subject to the offer</li> </ul>	<p>Sections 1.15 - 1.17</p>

Key Information	Further Information												
restrictions in Section 1.17, New Zealand.													
<b>Use of funds</b> Funds raised under the Offers are intended to be used to advance the Company’s exploration strategy in West Africa through the Company’s own exploration programs and contributions to joint ventures, as well as for general working capital.	Section 1.5												
<b>Effect on control of the Company</b> Shareholders should note that if they do not participate in the Offers, their holdings will be diluted.  As at the date of this Prospectus, Aurora is the largest shareholder of the Company with a voting power of 39.64%. Aurora has not told the Company of its intentions with respect to its Entitlement under the Rights Issue. Aurora may be scaled back in order to comply with the provisions in section 606 of the Corporations Act, if they elect to participate in the Rights Issue.  No other shareholder will increase their voting power in the Company to 20% or more under the Rights Issue.	Sections 1.6 and 1.7												
<b>Indicative capital structure and pro-forma balance sheet</b> The indicative capital structure upon completion of the Offers is set out below: <table><tr><th></th><th>Shares</th><th>Quoted Options</th></tr><tr><td>Balance at the date of this Prospectus</td><td>163,111,547</td><td>Nil</td></tr><tr><td>To be issued pursuant to the Offers</td><td>62,137,732</td><td>62,137,732</td></tr><tr><td><b>Total</b></td><td><b>225,249,279</b></td><td><b>62,137,732</b></td></tr></table> The Company also has 5,857,500 unquoted Options on issue with various exercise prices and expiry dates.  The indicative pro-forma balance sheet showing the effect of the Offers is in Section 3.2.		Shares	Quoted Options	Balance at the date of this Prospectus	163,111,547	Nil	To be issued pursuant to the Offers	62,137,732	62,137,732	<b>Total</b>	<b>225,249,279</b>	<b>62,137,732</b>	Sections 3.1 and 3.2
	Shares	Quoted Options											
Balance at the date of this Prospectus	163,111,547	Nil											
To be issued pursuant to the Offers	62,137,732	62,137,732											
<b>Total</b>	<b>225,249,279</b>	<b>62,137,732</b>											
<b>Directors' interests in Shares and Entitlements</b> The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement (assuming no Options are exercised), is set out in the table below: <table><tr><th rowspan="2">Name</th><th rowspan="2">Existing Shares</th><th colspan="2">Entitlement</th></tr><tr><th>New Shares</th><th>Attaching Options</th></tr><tr><td>Phillip Jackson</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table>	Name	Existing Shares	Entitlement		New Shares	Attaching Options	Phillip Jackson	Nil	Nil	Nil	Section 5.8(a)		
Name			Existing Shares	Entitlement									
	New Shares	Attaching Options											
Phillip Jackson	Nil	Nil	Nil										

Key Information				Further Information
Paul Roberts	1,483,179	565,021	565,021	
David Kelly	Nil	Nil	Nil	
Paul Roberts has indicated his intention to subscribe for his Entitlement. See Section 5.8 for further details.				
<p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>				Important Information and Section 4

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## 1. Details of the Offers

### 1.1 Rights Issue

The Company is making a renounceable pro rata offer of ordinary fully paid Shares (**New Shares**) at an issue price of \$0.042 each to Eligible Shareholders on the basis of 8 New Shares for every 21 Shares held at 7:00pm (AEDT) on the Record Date, together with 1 Attaching Option for every 1 New Share issued (**Rights Issue**). The Attaching Options are intended to be quoted, and will be exercisable at \$0.06 each on or before 30 November 2019.

The Lead Manager and Underwriter is CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS Capital**) and CPS Capital has agreed to underwrite the Rights Issue by subscribing for any shortfall up to the value of \$1 million (23,809,524 New Shares). Please refer to Section 5.3 for more details.

As announced on 26 October 2017, affiliates and clients of the Sprott Group of companies intend to participate in the Rights Issue by taking up to \$1.6 million primarily in Shortfall allocation.

At the date of this Prospectus the Company has on issue 163,111,547 Shares and 5,857,500 unquoted Options with various exercise prices (\$0.1805 to \$0.3867) and expiry dates (29 November 2018 to 29 November 2020).

On the assumption that no Options are exercised before the Record Date, the Company proposes to offer approximately 62,137,732 New Shares under the Rights Issue, subject to rounding. If all of the unquoted Options were exercised before the Record Date, up to an additional approximately 2,231,429 New Shares would be offered under the Rights Issue.

In the event the Offers are oversubscribed, the Directors reserve the right in their absolute discretion to utilise the Company's 15% placement capacity to issue additional New Shares and Attaching Options pursuant to Listing Rule 7.1.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

New Shares issued under the Rights Issue will be issued as fully paid ordinary shares and will rank equally in all respects with the existing ordinary shares on issue. Further details on the rights and liabilities attaching to the New Shares proposed to be issued under the Rights Issue are contained in Section 5.1. Attaching Options issued under the Rights Issue will be issued on the terms and conditions contained in Section 5.2.

### 1.2 Underwriting

The Rights Issue is partially underwritten by CPS Capital to \$1 million (23,809,524 New Shares). Please refer to Sections 5.3 and 5.10 for further details.

### 1.3 Shortfall Offer

Any New Shares and Attaching Options not applied for by the Closing Date will become Shortfall Securities. Directors reserve the right to issue any Shortfall Securities within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors). Persons outside Australia who apply for Shortfall Securities represent to the Company that they can apply for Shortfall Securities in circumstances which do not require the offer for Shortfall Securities or this Prospectus to be registered.

Eligible Shareholders may apply for Shortfall Securities by completing the Entitlement and Acceptance Form in accordance with the instructions set out on that form. Investors who are not Eligible Shareholders may apply for Shortfall Securities by completing the Shortfall Application Form.

It is possible that there may be no Shortfall Securities available for issue. The Underwriter has the sole right to nominate and determine who is to receive the Underwritten Shortfall Securities, following reasonable consultation with, and due consideration of any comments provided by, the Company.

The Directors reserve the right at their absolute discretion to reject any application for Shortfall Securities or to issue a lesser number of Shortfall Securities than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Securities will be bound to accept a lesser number of Shortfall Securities allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable.

All Securities issued under the Shortfall Offer shall be issued on the same terms as the Securities being offered under the Rights Issue (including the issue price).

#### **1.4 Opening and Closing Date**

For the Rights Issue, the Company will accept Entitlement and Acceptance Forms from the Record Date for determining Entitlements until 7.00pm (AEDT) on Thursday, 2 November 2017 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**). If the Closing Date is varied, subsequent dates may also be varied accordingly.

The Shortfall Offer will remain open after the Closing Date for up to 3 months, unless closed earlier at the discretion of the Directors.

## 1.5 Proposed use of funds

Completion of the Offers will result in an increase in cash at hand of approximately \$1,000,000 (before costs) on an Underwritten Amount basis and \$2.6 million (before costs) on a full subscription basis. The following indicative table sets out the proposed use of funds raised under the Rights Issue:

Proposed use	Underwritten Amount \$	Full Subscription \$
Early stage exploration programs on new projects in West Africa	\$232,841	\$1,020,266
Contributions to Joint Ventures and Option Payments	\$100,000	\$900,000
Expenses of the Offers <sup>1</sup>	\$167,159	\$189,519
Working capital <sup>2</sup>	\$500,000	\$500,000
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$2,609,785</b>

**Notes:**

1. See Section 5.11 for further details relating to the estimated expenses of the Offers.
2. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and additional travel costs.

If the Rights Issue is not fully subscribed and the Company only raises the Underwritten Amount, then the funds will be used as per the Underwritten Amount column in the table above. If the amount raised is between the Underwritten Amount and full subscription then funds allocated will be scaled back on a pro-rata basis to the extent possible.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

## 1.6 Effect on control of the Company

The maximum total number of Shares proposed to be issued under the Offers is 62,137,732 which will constitute 28% of the Shares on issue following completion of the Offers (assuming no other Shares are issued or Securities exercised or converted to Shares prior to the Record Date).

The Company is of the view that the Offers will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company.

As at the date of this Prospectus, Aurora is the largest shareholder of the Company with a voting power of 39.64%. Aurora has not told the Company of its intentions with respect to its Entitlement under the Rights Issue.

No other shareholder will increase their voting power in the Company to 20% or more under the Rights Issue.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Entitlement and Acceptance Form. Aurora may be scaled back in order to comply with the provisions in section 606 of the Corporations Act, if they elect to participate in the Rights Issue.

As the Rights Issue is renounceable, the Company will appoint CPS Capital to arrange for the sale of Entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale. See Section 1.16 for further details.

The Underwriter presently has no Shares in the Company, and it has indicated that it has no intention of acquiring Shares in the Company prior to the Record Date. CPS Capital has agreed to partially underwrite the Rights Issue for up to \$1,000,000 (23,809,524 New Shares).

The Underwriter's maximum potential relevant interest in Shares and voting power in the Company under several scenarios are set out in the table below and are based on the assumptions that:

- (a) no further Shares are issued; and
- (b) the Underwriter takes up its full Entitlement.

	Total Underwriter Shares	Total Shares	Underwriter voting power
Date of Prospectus	Nil	163,111,547	0%
<i>Entitlement Offer</i>			
• Fully subscribed	Nil	225,249,279	Nil
• 75% subscribed by Shareholders other than the Underwriter	15,534,433	225,249,279	6.90%
• 50% subscribed by Shareholders other than the Underwriter	23,809,524	217,989,937	10.92%
• 38.32% subscribed (only subscriber is the Underwriter)	23,809,524	186,921,071	12.74%



CPS Capital has confirmed with the Company that the Underwritten Amount is fully sub-underwritten and, in the event that:

- (i) no Eligible Shareholders take up their rights under this Prospectus; and
- (ii) no Shortfall Securities are issued,

then no sub-underwriter will hold voting power of more than 20%.

## 1.7 Potential dilution to Shareholders

Eligible Shareholders should note that if they do not participate in the Rights Issue, their holdings are likely to be diluted. Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement to Shares	% post-Offers if Entitlement not taken up
Shareholder 1	60,000,000	36.78%	22,857,143	26.64%
Shareholder 2	20,000,000	12.26%	7,619,048	8.88%
Shareholder 3	10,000,000	6.13%	3,809,524	4.44%
Shareholder 4	5,000,000	3.07%	1,904,762	2.22%
Shareholder 5	2,500,000	1.53%	952,381	1.11%
Shareholder 6	1,250,000	0.77%	476,190	0.55%

**Note:**

- The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are subsequently placed pursuant to the Directors' reserved discretion. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage. The dilution effect also assumes that no Securities will be issued, exercised or converted prior to the Record Date.

## 1.8 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Aurora Minerals Limited	64,653,686	39.64%
Equity Trustees Limited (Lowell Resources Fund)	18,047,619	11.06%
Exploration Capital Partners 2005 Limited Partnership	8,400,000	5.15%

## **1.9 Minimum subscription**

The minimum subscription amount for the Rights Issue is \$1,000,000 (being the Underwritten Amount).

## **1.10 Rights trading**

The Entitlements under the Rights Issue are renounceable. Accordingly, there will be trading of Entitlements on ASX and you may dispose of your Entitlements to subscribe for Securities to any other party. If you do not take up your Entitlement to Securities under the Rights Issue by the Rights Issue Closing Date, the Rights Issue to you will lapse.

Trading of Entitlements on ASX is expected to occur in accordance with the timetable.

## **1.11 Issue date and dispatch**

All Securities under the Rights Issue are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Securities under the Rights Issue.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements do so at their own risk.

## **1.12 Application Monies held on trust**

All Application Monies received for the Shares issued by this Prospectus will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued under the Offers. All Application Monies received in respect of the Offers will be returned (without interest) if the Securities under the Offers are not issued.

## **1.13 ASX quotation**

Application has been or will be made for the official quotation of the Securities offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Securities offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus. If Company is unable to meet the ASX quotation conditions for the Attaching Options, the Company will withdraw the Offers.

## **1.14 CHESS**

The Company participates in the Clearing House Electronic Sub-register System known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities pursuant to their acceptance of the Offers.

Shareholders who are broker sponsored will receive a CHESS statement from ASX Settlement Pty Limited.

The CHESS statement will specify the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Link Market Services Limited and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Security holders at the end of any calendar month during which the balance of their Security holding changes. Security holders may request a statement at any other time; however, a charge may be made for additional statements.

### **1.15 Ineligible Foreign Shareholders**

This Prospectus, and any accompanying Entitlement and Acceptance Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Rights Issue.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Rights Issue to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Securities that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Rights Issue. CPS Capital has been appointed to arrange for the sale of the Entitlements that would have been given to Ineligible Foreign Shareholders and to account for them for the net proceeds of the sale (see Section 1.16 for further details).

### **1.16 Sale of Ineligible Foreign Shareholders rights**

CPS Capital has been appointed to sell the rights that would otherwise be held by Ineligible Foreign Shareholders.

Pursuant to the arrangement, the Company will place the Entitlements that would otherwise be issued to Ineligible Foreign Shareholders under a local shareholder reference number and then CPS Capital will then sell those Entitlements and provide the proceeds of those sales (net of expenses) back to the Company (or the Share Registry). The Company will then distribute to each of those Ineligible Foreign Shareholders their proportion of the proceeds of the sale net of expenses.

The Company will pay CPS Capital a brokerage fee on the sale of Ineligible Foreign Shareholders Entitlements.

CPS Capital will not and will not be required to individually correspond on any matter with any of the Company's Ineligible Foreign Shareholders.

### **1.17 New Zealand offer restrictions**

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **1.18 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Rights Issue is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

### **1.19 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities.

### **1.20 Major activities and financial information**

A summary of the activities and financial information relating to the Company for the half-year ended 31 December 2016 and the financial year ended 30 June 2017 can be found in the Company's the Half Yearly Report for the six month period to 31 December 2016 and the 2017 Annual Report lodged with ASX. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 23 October 2017 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

### **1.21 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

## **1.22 Enquiries concerning this Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary, by telephone on +61 8 6143 1840.

For general shareholder enquiries, please contact Link Market Services Limited on +61 1300 554 474.

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## 2. Action required by Shareholders

### 2.1 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled are shown on the personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) accept some or all of your Entitlement (refer to Section 2.2);
- (b) apply for additional new Securities in excess of your Entitlement (refer to Section 2.3);
- (c) sell part or all of your Entitlement under the Rights Issue on the ASX (refer to Section 2.4);
- (d) deal with part or all of your Entitlement other than on ASX (refer to Section 2.5); or
- (e) allow all or part of your Entitlement to lapse (refer to Section 2.6).

### 2.2 Subscribe for all or part of your Entitlement

Should you wish to accept some or all of your Entitlement to Securities under the Rights Issue and you are not paying by BPAY, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft "Predictive Discovery Limited" and lodged at any time after the issue of this Prospectus and on or before the Rights Issue Closing Date at the Share Registry (by post) at:

#### By Post

Predictive Discovery Limited  
c/- Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235 AUSTRALIA

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Rights Issue Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Should you wish to accept part of your Entitlement under the Rights Issue and sell the remaining Entitlement on the ASX, follow the instructions above in relation to

the part of the Entitlement that you wish to accept, and follow the instructions in Section 2.4 in relation to the part of the Entitlement that you wish to sell on the ASX.

If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. The part of the Rights Issue that you do not accept will lapse by the Rights Issue Closing Date. However, you should be aware that as your Entitlement is renounceable, the Entitlement may have value should you choose to sell or trade your Entitlement on the ASX. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

### **2.3 Subscribe for all of your Entitlement and apply for additional Securities**

If you wish to apply for Securities in excess of your Entitlement under the Rights Issue by applying for Shortfall Securities you may do so by completing the relevant separate section of the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any Shortfall Securities applied for in excess of your Entitlement will be issued at the complete discretion of the Underwriter after consultation with the Company.

### **2.4 If you wish to sell all or part of your Entitlement under the Rights Issue on the ASX**

Should you wish to sell all or part of your Entitlement under the Rights Issue on the ASX you must provide instructions to your stockbroker regarding the Entitlement you wish to sell on the ASX. Trading of Entitlements will commence on the ASX on Wednesday, 1 November 2017 and will cease on Tuesday, 14 November 2017.

The Company does not guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on the ASX or that any particular price will be paid for the Entitlements sold on the ASX.

### **2.5 If you wish to sell all or part of your Entitlement under the Rights Issue other than on the ASX**

Should you wish to sell part of your Entitlement under the Rights Issue other than on the ASX, and the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to accept the Entitlement that they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on the ASX, please complete the standard renunciation and transfer form (obtainable from the Company's share registry) by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on standard renunciation and transfer form.

Completed standard renunciation and transfer forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Predictive Discovery Limited" and lodged at any time after the issue of this Prospectus and on or before the Rights Issue Closing Date at the Share Registry (by post) at:

**By Post**

Predictive Discovery Limited  
c/- Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235 AUSTRALIA

Should you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by the Share Registry in accordance with Section 2.2.

## **2.6 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. However, you should be aware that as your Entitlement is renounceable, the Entitlement may have value should you choose to sell or trade all or some of your Entitlement on the ASX. The Rights Issue will lapse by the Rights Issue Closing Date. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

## **2.7 Enquiries concerning your Entitlement or an Application Form**

For enquiries concerning your Entitlement or an Application Form, please contact Link Market Services Limited on +61 1300 554 474 or consult your professional advisor.



### 3. Effect of the Offers

#### 3.1 Capital structure on completion of the Offers

	Shares	Unquoted Options	Quoted Options
Balance at the date of this Prospectus	163,111,547	5,857,500 <sup>1</sup>	Nil
To be issued pursuant to the Rights Issue <sup>2</sup>	62,137,732	Nil	62,137,732
<b>TOTAL<sup>3</sup></b>	<b>225,249,279</b>	<b>5,857,500</b>	<b>62,137,732</b>

**Notes:**

- 5,857,500 unquoted Options consist of:
  - 1,952,500 Options exercisable at \$0.1805 each on or before 29 November 2018;
  - 1,952,500 Options exercisable at \$0.2578 each on or before 29 November 2019; and
  - 1,952,500 Options exercisable at \$0.3867 each on or before 29 November 2020.
- The number of Securities to be issued under the Rights Issue assumes that no Securities will be issued, exercised or converted prior to the Record Date and that the Rights Issue is fully subscribed.
- The table is subject to rounding. In the event the Offers are oversubscribed, the Directors reserve the right in their absolute discretion to utilise the Company's 15% placement capacity to issue additional New Shares and Attaching Options pursuant to Listing Rule 7.1.

#### 3.2 Pro-forma consolidated statement of financial position

The unaudited balance sheet as at 30 September 2017 and the unaudited pro-forma balance sheet as at 30 September 2017 (based on both the Underwritten Amount and full subscription) is presented below. Pro-forma adjustments are as follows:

- the Rights Issue is subscribed to the Underwritten Amount only leading to the issue of 23,809,524 Shares at an issue price of \$0.042 each to raise \$1,000,000 (before costs);
- the Rights Issue is fully subscribed leading to the issue of 62,137,732 Shares at an issue price of \$0.042 each to raise \$2.6 million (before costs); and
- the costs of the Rights Issue are \$167,159 (Underwritten Amount) or \$189,519 (full subscription).

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited Balance Sheet 30 Sept 2017	Pro forma Underwritten Amount	Pro forma Full Subscription
<b>Current assets</b>			
Cash and cash equivalents	\$710,691	\$1,543,532	\$3,130,957
Trade and other receivables	\$231,500	\$231,500	\$231,500
<b>Total current assets</b>	<b>\$942,191</b>	<b>\$1,775,032</b>	<b>\$3,362,457</b>
<b>Non-current assets</b>			
Property, plant and equipment	\$82,790	\$82,790	\$82,790
Exploration expenditure	\$3,945,895	\$3,945,895	\$3,945,895
<b>Total non-current assets</b>	<b>\$4,028,685</b>	<b>\$4,028,685</b>	<b>\$4,028,685</b>
<b>Total assets</b>	<b>\$4,970,876</b>	<b>\$5,803,717</b>	<b>\$7,391,142</b>
<b>Current liabilities</b>			
Trade and other payables	\$151,787	\$151,787	\$151,787
Provisions	\$18,692	\$18,692	\$18,692
<b>Total current liabilities</b>	<b>\$170,479</b>	<b>\$170,479</b>	<b>\$170,479</b>
<b>Total liabilities</b>	<b>\$170,479</b>	<b>\$170,479</b>	<b>\$170,479</b>
<b>Net assets</b>	<b>\$4,800,397</b>	<b>\$5,633,238</b>	<b>\$7,220,663</b>
<b>Equity</b>			
Issued capital	\$28,256,378	\$29,089,219	\$30,676,644
Reserves	\$2,418,358	\$2,418,358	\$2,418,358
Accumulated losses	(\$25,874,339)	(\$25,874,339)	(\$25,874,339)
<b>Total equity</b>	<b>\$4,800,397</b>	<b>\$5,633,238</b>	<b>\$7,220,663</b>

### 3.3 Market price of Shares

The highest and lowest market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.088 (on 25 August 2017)

Lowest: \$0.051 (on 10 October 2017)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.056 per Share on 26 October 2017.

### 3.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## 4. Risk Factors

An investment in Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

The principal risks include, but are not limited to, the following:

### 4.1 Risks specific to the Offers

#### (a) Potential for dilution

Upon completion of the Offers, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 163,111,547 to 225,249,279. This increase equates to approximately 28% of all the issued Shares in the Company following completion of the Offers.

This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Offers and the Directors do not make any representation to such matters.

The last closing trading price of Shares on ASX on the day prior to the date of this Prospectus of \$0.056 on 26 October 2017 is not a reliable indicator as to the potential trading price of Shares following completion of the Offers.

Shareholders should note that if they do not participate in the Offers and assuming the Offers are fully subscribed, their holdings are likely to be diluted by approximately 28% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Please refer to Section 1.7 of this Prospectus for examples of how the potential dilutionary effect of the Offers may impact Shareholders.

### 4.2 Risks specific to the Company

#### (a) Farm out strategy

The Company is currently a joint venture partner with Toro Gold Limited in relation to six granted exploration permits in Cote d'Ivoire, with Progress Minerals (BVI) Inc in relation to two other granted permits in Cote d'Ivoire and nine granted permits in Burkina Faso and with Cape Clear Minerals Pty Ltd in relation to two exploration licences in Australia. The Company's current exploration plans depend on those partners continuing to spend money exploring the properties in question, otherwise the Company may have to take responsibility to advance exploration and keep the properties in good stead; this may involve unforeseen expenditures or the necessity of

surrendering some prospective exploration permits. In addition, the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. All these risks may have an adverse effect on the interests and prospects of the Company.

The Company may enter into strategic investments in complementary businesses, or enter into strategic alliances or partnerships with third parties in order to enhance its business. Such arrangements involve a wide range of risks.

**(b) Exploration stage and success**

The mineral tenements of the Company are at the exploration stage only. The Company is not at the development stage. There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings.

Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable. The current and future operations of the Company will be affected by a range of factors. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.

**(c) Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through testwork to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.

**(d) Operating and project risks**

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. Even if commercial quantities of ore are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formation, pit failures, changes in the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

**(e) Key personnel risks**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriate skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

**(f) Geopolitical risk**

The Company is pursuing projects located in Burkina Faso and Cote d'Ivoire areas of West Africa and so is subject to the risks associated with operating in that region of the world. These risks may include economic, social or political instability or change, hyperinflation, currency convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in West African countries that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

There is no guarantee that, even if a potentially economic deposit is discovered, the political environment will not change in a way that will significantly impact on the economics of a mining project. Furthermore, the Company is operating in areas where there are subsistence farmers and artisanal miners and where any discovery could lead to access disputes, considerably delaying any proposed development. At this stage, the Company does not maintain political risk insurance.

**(g) Commodity price volatility and exchange rates risks**

In the event that the Company achieves exploration success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities and some services are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rates of exchange between the United

States dollar, the Australian dollar and the Euro, and hence the West African Franc, as determined by international markets.

**(h) Tenement title**

Interests in tenements in Burkina Faso and Cote d'Ivoire are governed by the mining law and regulations of that country. There is no guarantee that the Burkina Faso mining law or regulations or Cote d'Ivoire mining law or regulations will not be changed in a way that is adverse to the Company's interests.

The Company's title to its tenements generally requires the Company to continue to satisfy its expenditure or work commitments. The Company currently has no reason to believe that it will not satisfy those commitments. However, this cannot be guaranteed.

Interests in tenements in Australia are governed by federal and state legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance, such as satisfaction of statutory payments (including land taxes and statutory duties) and compliance with work programmes and public health and safety laws. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Further, mining and exploration tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

**(i) Litigation and counterparty risks**

The Company is not currently involved in any litigation, however like any corporation operating in a commercial setting, the Company is exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on the financial performance of the Company.

In addition, there is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party, or the insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or others suppliers. In particular, the successful exploration of the Company's projects in Burkina Faso and Cote d'Ivoire are heavily dependent on the services to be provided by the Company's drilling services contractors. Any of the above outcomes, particularly in respect of drilling services contracts,

could result in an adverse effect on the Company's ability to explore its projects, as well as its operations, financial position and performance.

**(j) Liquidity and volatility**

The Company is a small company in terms of market capitalisation. An investment in New Shares should be regarded as speculative. The Company also has a relatively small Shareholder base. As a consequence there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Shares or that the price of Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell their Shares at such a time receiving a market price for their Shares that is considerably less than the price paid under the Rights Issue.

The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down.

### **4.3 Risks associated with mining exploration and operations**

Mineral exploration, development and mining may be hampered by circumstances beyond the control of the Company and are speculative operations which by their nature are subject to a number of inherent risks, including those summarised in the section below.

**(a) Exploration risks**

Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of the Company's Shares.

**(b) Resource and reserve estimates**

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate.

Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

**(c) Regulatory risks**

Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in Australia, Burkina Faso or Cote d'Ivoire may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of Shares.

Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations, which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of renewals or grants. If the Company cannot obtain or retain the appropriate authorisations or there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions, then the Company's ability to conduct its exploration or development operations may be adversely affected.

**(d) Environmental risks**

The Company's operations and activities are subject to the environmental laws and regulations of Burkina Faso, Cote d'Ivoire and Australia and any other places the Company may conduct business. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to the Company's mining or environmental licences may lead to penalties and/or revocation of the licence, and significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain environmental damage. This would require the Company to incur significant costs and may result in an adverse impact on the Company's cash flows, financial position and performance.

Further, the Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's operations, financial position and performance.



(e) **Insurance risks**

Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have an adverse effect on the Company's operations and financial position and performance.

Insurance of risks associated with minerals exploration is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage that is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

#### **4.4 General Risks**

(a) **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(b) **Investment in capital markets**

As with all stock market investments, there are risks associated with an investment in the Company.

Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares might trade below or above the issue price for the New Shares.

(c) **General economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse

impact on the Company's operating and financial performance and financial position.

The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

#### **4.5 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities. Shareholders should consider that the investment in the Company is high risk and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

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## **5. Additional information**

### **5.1 Rights and liabilities attaching to Shares**

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

**(a) Issue of Shares**

The power to issue Shares and other securities in the capital of the Company lies with the Board subject to the restrictions contained otherwise in the Constitution, the Listing Rules and the Corporations Act.

**(b) Voting**

Every Shareholder present in person or by proxy at a meeting of Shareholders has one vote on a vote taken by a show of hands, and on a poll, every Shareholder who is present in person or by proxy has one vote for every fully paid Share held. A poll may be demanded at a meeting in the manner permitted by the Corporations Act.

**(c) Dividends**

Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends.

**(d) Transfer of Shares**

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, a Shareholder may transfer Shares by an instrument in writing in a form approved by the Directors. Except as otherwise provided for in the Listing Rules or the ASX Settlement Operating Rules, the Directors may in certain circumstances refuse to register any transfer of Shares, or request ASX Settlement or the Share Registry to apply a holding lock to prevent a proper transfer of Shares.

**(e) Meetings and notice**

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules. A Director may call a meeting of Shareholders and Shareholders may also requisition or convene general meetings in accordance with the procedures for Shareholder-initiated meetings set out in the Corporations Act. Shareholders must be given at least 28 days' written notice of any general meeting unless otherwise permitted by the Corporations Act.

(f) **Rights on winding up**

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all the liabilities of the Company are met, the liquidator may, with the sanction of a special resolution of the members, divide amongst the members all or any of the Company's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

(g) **Variation of rights**

If the Share capital is divided into different classes of Shares, the rights attached to any class may be varied or cancelled by a special resolution passed at a general meeting of the Shareholders in that class or with the written consent of three quarters of the Shareholders in that class.

(h) **Unmarketable parcels**

If a Shareholder holds a number of Shares that is less than a marketable parcel (as defined in the ASX Listing Rules), the Company has the power to sell or dispose of such Shares unless otherwise instructed by the Shareholder. The net proceeds from the sale will be paid to the Shareholder.

## **5.2 Terms and conditions of Attaching Options**

The Attaching Options to be issued under the Offers will be issued on the following terms and conditions:

- (a) Each Attaching Option entitles the holder to subscribe for one fully paid ordinary Share.
- (b) The Attaching Options are exercisable at \$0.06 each at any time up to 5.00pm (WST) on or before 30 November 2019.
- (c) Any Attaching Option not exercised by its expiry date will automatically expire.
- (d) The Attaching Options are transferable.
- (e) The Company will apply to ASX for Official Quotation of the Attaching Options.
- (f) The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Attaching Options.
- (g) The Attaching Option holder is not entitled to participate in any issue to existing Shareholders of Securities unless they have exercised their Attaching Options before the "record date" for determining entitlements to the issue of Securities and participate as a result of holding Shares. The Company must give the Attaching Option holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.
- (h) The number and exercise price of the Attaching Options remains the same regardless if the Company makes a bonus issue of Shares or other Securities to Shareholders.

- (i) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Attaching Option holder (including the number of Attaching Options to which the Attaching Option holder is entitled to and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (j) Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Attaching Option holder.
- (k) To exercise Attaching Options, the Attaching Option holder must give the Company:
  - (i) a written exercise notice (in the form approved by the Board from time to time) specifying the number of Attaching Options being exercised and Shares to be issued; and
  - (ii) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Company.
- (l) The Attaching Option holder may only exercise Attaching Options in multiples of 10,000 options unless the holder holds less than 10,000 Attaching Options, in which case all Attaching Options held must be exercised.
- (m) The Attaching Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors.
- (n) Within 10 Business Days after receiving an application for exercise of Attaching Options and payment by the Attaching Option holder of the exercise price, the Company must issue the Attaching Option holder the number of Shares specified in the application.

Subject to the Constitution, all Shares issued on the exercise of Attaching Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

### **5.3 Material contracts - Underwriting Agreement**

CPS Capital is acting as Lead Manager and Underwriter. The Rights Issue is partially underwritten to \$1,000,000 (23,809,524 New Shares).

CPS Capital will be paid a fee for managing and partially underwriting the Rights Issue and the Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Rights Issue. For more details, please refer to Section 5.10.

The Underwriting Agreement contains a number of provisions ordinarily found in agreements for underwriting arrangements of this type, including that:

- (a) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and

related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Rights Issue;

- (b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Rights Issue;
- (c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where any of the following events has a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:
  - (i) the S&P ASX 200 falls 7% or more below the closing level on the Business Day prior to the date of the Underwriting Agreement;
  - (ii) the Rights Issue offer price is greater than the volume weighted average market price for Shares as quoted by the ASX calculated over three successive trading days prior to allotment of New Shares;
  - (iii) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or its subsidiaries including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (iv) any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified;
  - (v) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
  - (vi) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; and

- (vii) on the occurrence of various regulatory related matters, such as:
- (A) the Underwriter, having elected not to exercise its right to terminate its obligations under this Underwriting Agreement, forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require;
  - (B) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus;
  - (C) ASIC makes an interim or final stop order in relation to the Prospectus;
  - (D) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances, or an application for such a declaration is made to the Takeovers Panel; and
  - (E) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement.

#### **5.4 Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit report or review. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found at [www.predictivediscovery.com](http://www.predictivediscovery.com) under the 'Investors' tab.

#### **5.5 Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The

Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the Annual Report for the period ending 30 June 2017 as lodged with ASX on 23 October 2017;
- (b) the Half Yearly Report for the period ending 31 December 2016 as lodged with ASX on 10 March 2017; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report until the date of this Prospectus:

Date lodged	Subject of Announcement
26/10/2017	Predictive Discovery - \$2.6 Million Renounceable Rights Issue
25/10/2017	Burkina Faso Joint Venture Underway
25/10/2017	Trading Halt
23/10/2017	Appendix 4G and Corporate Governance Statement

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

## **5.6 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

## **5.7 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.



## 5.8 Interests of Directors

### (a) Security holdings

The relevant interest of each of the Directors in Securities as at the date of this Prospectus is set out below:

Director	Existing Shares	Options	Entitlement	
			New Shares	Attaching Options
Phillip Jackson <sup>1</sup>	Nil	825,000	Nil	Nil
Paul Roberts <sup>2</sup>	1,483,179	3,300,000	565,021	565,021
David Kelly <sup>3</sup>	Nil	825,000	Nil	Nil

**Notes:**

1. Mr Phillip Jackson's Options are held indirectly through Holihox Pty Ltd. The 825,000 Options comprise of:
  - a. 275,000 Options exercisable at \$0.1805 each and expiring on 29 November 2018;
  - b. 275,000 Options exercisable at \$0.2578 each and expiring on 29 November 2019; and
  - c. 275,000 Options exercisable at \$0.3867 each and expiring on 29 November 2020.
2. Mr Paul Roberts' Securities are held directly. The 3,300,000 Options comprise of:
  - a. 1,100,000 Options exercisable at \$0.1805 each and expiring on 29 November 2018;
  - b. 1,100,000 Options exercisable at \$0.2578 each and expiring on 29 November 2019; and
  - c. 1,100,000 Options exercisable at \$0.3867 each and expiring on 29 November 2020.
3. Mr David Kelly's Options are held directly. The 825,000 Options comprise of:
  - a. 275,000 Options exercisable at \$0.1805 each and expiring on 29 November 2018;
  - b. 275,000 Options exercisable at \$0.2578 each and expiring on 29 November 2019; and
  - c. 275,000 Options exercisable at \$0.3867 each and expiring on 29 November 2020.

Paul Roberts has indicated his intention to subscribe for his full Entitlement up to 565,021 Shares (\$23,731).

### (b) Remuneration of Directors

The Constitution provides that the Company may remunerate the non-executive Directors. The maximum total amount of directors' fees for the non-executive Directors shall, subject to any resolution of a general meeting, be fixed by the Directors. The Board may allocate this pool (or part of it) at its discretion.

The remuneration of executive Directors is to be fixed by the Board, without the affected executive Director participating in that decision-making process, and must not be calculated as a commission on, or a percentage of, operating revenue.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director

may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years, inclusive of directors fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

Director	FY ended 30 June 2016		FY ended 30 June 2017	
	Cash payments	Non cash payments	Cash payments	Non cash payments <sup>1</sup>
Phillip Jackson	\$27,500	Nil	\$46,250	\$52,194
Paul Roberts	\$138,779	Nil	\$185,144	\$208,775
David Kelly	\$11,089	Nil	\$32,500	\$52,194

**Notes:**

1. These non-cash payments comprise of Options granted as part remuneration to the Directors during the financial year 30 June 2017.

**(c) Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- as an inducement to become, or to qualify as, a Director; or
- for services provided in connection with the formation or promotion of the Company, or the Offers.

## **5.9 Related party transactions**

There are no related party transactions involved in the Offers that are not otherwise described in this Prospectus.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

## 5.10 Interests of other persons

CPS Capital was appointed as the Lead Manager and Underwriter to the Rights Issue under this Prospectus pursuant to an agreement with the Company dated 25 October 2017 (**Underwriting Agreement**). Pursuant to the Underwriting Agreement, CPS Capital will provide services relating to the management and marketing of the Rights Issue. In consideration for the services provided pursuant to the Underwriting Agreement, the Company will pay CPS Capital the following fees (excluding GST, where applicable):

- (a) a lead manager fee of \$60,000 (to be paid by cash or New Shares as agreed between the parties);
- (b) a management fee of 1% of the total amount raised under the Offers;
- (c) an underwriting fee of 5% of the Underwritten Amount;
- (d) a Shortfall placement fee of 5% of any Shortfall placed; and
- (e) the Company will reimburse CPS Capital for all reasonable expenses properly incurred in the provision of the services under the Underwriting Agreement.

Except as disclosed in this Prospectus, no underwriter, expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last 2 years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

## 5.11 Expenses of Offers

Estimated expenses of the Offers	Underwritten \$	Full subscription \$
ASIC lodgment fee	2,400	2,400
ASX quotation fee	9,759	16,020
Share registry fees	10,000	10,000

<b>Estimated expenses of the Offers</b>	<b>Underwritten \$</b>	<b>Full subscription \$</b>
Legal fees and expenses	15,000	15,000
Printing, mailing, advertising & miscellaneous	10,000	10,000
Underwriting and Lead Manager fees	120,000	136,099
<b>TOTAL</b>	<b>167,159</b>	<b>189,519</b>

## 5.12 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 5.12:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Bellanhuse has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. Bellanhuse has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CPS Capital has given its written consent to being named as Lead Manager, Underwriter to the Company in this Prospectus. CPS Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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## 6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'P. Roberts', is written over a horizontal line.

**Paul Roberts**

**Managing Director**

Dated: 27 October 2017

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## 7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**AEDT** means Australian Eastern Daylight Time.

**Applicant** means a person who submits an Application Form.

**Application Form** means Entitlement and Acceptance Form and the Shortfall Application Form.

**Application Monies** means the amount of money in dollars and cents payable for Shares pursuant to the Offers.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Attaching Options** means attaching quoted Options to be issued under the Rights Issue on the basis of 1 Attaching Option for every 1 Share issued, and which have the terms and conditions in Section 5.2.

**Aurora** means Aurora Minerals Limited ACN 106 304 787.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Sub-register System.

**Closing Date** means 5:00pm (AEDT) on the closing date identified in the proposed timetable.

**Company** means Predictive Discovery Limited ACN 127 171 877.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares as at 7:00pm (AEDT) on the Record Date whose registered address is in Australia or, subject to the offer restrictions in Section 1.17, New Zealand.

**Entitlement** means the number of Securities for which an Eligible Shareholder is entitled to subscribe under the Rights Issue, being 8 New Shares for every existing 21 Shares held on the Record Date, together with Attaching Options on the basis of 1 Attaching Option for every 1 New Share issued.

**Entitlement and Acceptance Form** means the entitlements and acceptance form provided by the Company with a copy of this Prospectus that sets out the Entitlement of Eligible Shareholder to subscribe for Securities pursuant to the Rights Issue.

**Ineligible Foreign Shareholder** means a person registered as the holder of Shares as at 7:00pm (AEDT) on the Record Date who is not an Eligible Shareholder.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the listing rules of ASX.

**New Shares** means a Share issued pursuant to the Rights Issue.

**Offers** means the Rights Issue and the Shortfall Offer.

**Official Quotation** means the quotation of Securities on the official list of ASX.

**Option** means an option to acquire a Share.

**Option holder** means the holder of an Option.

**Prospectus** means this prospectus dated 27 October 2017.

**Record Date** means 7:00pm (AEDT) on the record date identified in the proposed timetable.

**Rights Issue** has the meaning given in Section 1.1.

**Section** means a section of this Prospectus.

**Securities** means Shares and Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Link Market Services Limited ACN 083 214 537.

**Shareholder** means the holder of a Share.

**Shortfall** means Shares not subscribed for under the Rights Issue.

**Shortfall Application Form** means the Shortfall Securities application form provided by the Company with a copy of this Prospectus.

**Shortfall Offer** means the offer of Shortfall Securities described in Section 1.3.

**Shortfall Securities** means New Shares and Attaching Options for which valid Applications have not been received by the Closing Date under the Rights Issue and which the Underwriter has not subscribed for in accordance with the Underwriting Agreement.

**Underwriter, Lead Manager or CPS Capital** means CPS Capital Group Pty Ltd (ACN 088 055 636).

**Underwriting Agreement** means the lead manager and underwriting agreement between the Company and the Underwriter dated 25 October 2017 and referred to in Section 5.3.

**Underwritten Amount** is \$1,000,000.

**Underwritten Securities** means 23,809,524 New Shares.

**Underwritten Shortfall Securities** means Underwritten Securities for which valid applications have not been received by the Closing Date.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time.