



31 October 2017

Dear Shareholder

### Notice to Eligible Shareholders of Renounceable Rights Issue

We write to you as the registered holder of Predictive Discovery Limited (ASX: PDI) (**Predictive** or the **Company**) shares as at today's date. As advised in the Company's ASX announcement dated 26 October 2017, Predictive is undertaking a renounceable pro-rata rights issue to eligible shareholders of ordinary fully paid shares in the Company at an issue price of \$0.042 per share and on the basis of 8 new shares (**New Shares**) for every 21 shares held at the record date on Thursday, 2 November 2017 (**Record Date**), together with one free attaching option (**Attaching Option**) for every one New Share issued pursuant to this offer (**Rights Issue**). The Attaching Options are intended to be quoted, and will be exercisable at \$0.06 each on or before 30 November 2019. Pursuant to the Rights Issue, the Company will issue up to approximately 62,137,732 New Shares and 62,137,732 Attaching Options to raise approximately \$2.6 million before costs.

The Rights Issue is renounceable which means there will be trading of rights on ASX and you may dispose of your entitlement to subscribe for New Shares under the Rights Issue (**Entitlement**) to another party other than on the ASX.

The Rights Issue is partially underwritten to \$1 million by CPS Capital Group Pty Ltd (**CPS Capital**).

A copy of the Prospectus has been lodged with ASIC and ASX and is available on the Company's website ([www.predictivediscovery.com](http://www.predictivediscovery.com)) the ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will be despatched to persons holding shares as at the Record Date.

### Eligible Shareholders

The Rights Issue is available to all Predictive Discovery shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or subject to certain offer restrictions, New Zealand (**Eligible Shareholders**).

A Shareholder who has a registered address outside Australia and New Zealand will not be eligible to participate in the Rights Issue (**Ineligible Shareholder**).

The Company has appointed CPS Capital to sell the Entitlements to which Ineligible Shareholders are entitled (see the Prospectus for further details).

### Effect of the Rights Issue

The table below sets out the impact of the Rights Issue on the capital structure of the Company (assuming all securities are issued under the Rights Issue and no convertible securities are converted or exercised into Shares prior to the Record Date).

Detail	Number of Shares	Number of unquoted options	Number of quoted options
Balance at date of announcement of the Rights Issue	163,111,547	5,857,500	Nil
Maximum number of securities offered under the Rights Issue	62,137,732	Nil	62,137,732
<b>Total at completion of the Rights Issue</b>	<b>225,249,279</b>	<b>5,857,500</b>	<b>62,137,732</b>

## Use of proceeds

Subject to the satisfactory completion of the Rights Issue, funds will be used to advance Predictive's exploration strategy in West Africa through the Company's own exploration programs and contributions to joint ventures and for general working capital.

## Indicative Timetable

The Rights Issue will be conducted in accordance with the following indicative timetable:

Item	Date
Lodgment of Prospectus with ASX Lodgment of Appendix 3B with ASX	Friday, 27 October 2017
Notice of Rights Issue 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 Entitlement and Acceptance 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 offer closing date	Thursday, 16 November 2017
Closing Date of Rights Issue (5pm AEDT)	Tuesday, 21 November 2017
Notification of Shortfall	Friday, 24 November 2017
Anticipated date for issue of the Securities Deferred settlement trading ends	Tuesday, 28 November 2017
Anticipated date for commencement of Securities trading on a normal settlement basis	Wednesday, 29 November 2017

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the securities.

## Rights Trading

The entitlements to securities under the Rights Issue are renounceable. Accordingly, there will be trading of Entitlements on ASX and you may dispose of your Entitlement to another party other than on ASX. If you do not dispose of your Entitlement during the rights trading period (ending on 14 November 2017) or take up your Entitlement by the Closing Date your right to take your Entitlement will lapse. The securities in your Entitlement that are not taken up by you, or any person that you dispose of your Entitlement to, will form part of the Shortfall (as noted below). If you are an Eligible Shareholder and you wish to sell or transfer all or part of your Entitlement to another person you should follow the directions in the Entitlement and Acceptance Form and section 2 of the Prospectus.

## Shortfall

Any New Shares and Attaching Options not applied for by the Closing Date will become 'Shortfall Securities'.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Securities.

If you take up your Entitlement in full, you may also apply for Shortfall Securities (to the extent there is availability) in excess of your Entitlement by completing the relevant part of the Entitlement and Acceptance Form.

The Company reserves the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the Shortfall Securities at their sole discretion in consultation with the Underwriter.

## Underwriting

The Rights Issue is partially underwritten to \$1 million by CPS Capital. The Company will pay CPS Capital underwriting fees on commercial terms.

## Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may take up all or some of your rights to subscribe for New Shares and Attaching Options pursuant to your Entitlement. To take up all or some of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by Link Market Services Limited (**Share Registry**) by no later than 5:00pm (AEDT) on Tuesday, 21 November 2017, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- If you have taken up all of your Entitlement, you may apply for additional New Shares and Attaching Options via the Shortfall Offer.
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from Wednesday, 1 November 2017 until the close of market on Tuesday, 14 November 2017. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHESS controlling participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 5:00 pm (AEDT) on Tuesday, 21 November 2017.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of shares, your interest in the Company will be diluted and you will receive no value for your Entitlements.

If you have any queries regarding your entitlement or participation in the upcoming Rights Issue, please do not hesitate to contact the Company's Share Registry on 1300 554 474.

Yours faithfully



Paul Roberts  
Managing Director