31 October 2017

Dear Shareholder

Notice to Ineligible 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.

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

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

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

Ineligible Shareholders
The Company has determined, that it would be unreasonable to make offers under the Prospectus to ineligible foreign shareholders, being those foreign holders with registered addresses outside of Australia and New Zealand (**Ineligible Foreign Shareholders**). Accordingly, the Company wishes to advise that you it will not be extending the Rights Issue to you.

CPS Capital has been appointed to sell the rights that would otherwise be held by Ineligible Foreign Shareholders. The Company advises these Ineligible Foreign Shareholders that CPS Capital will arrange for the sale of the rights to subscribe for the new securities under the Rights Issue that would have been given to these Ineligible Foreign Shareholders, and if they are sold, for the net proceeds to be sent to the Ineligible Foreign Shareholders. CPS Capital will have an absolute and sole discretion (subject to market conditions) to determine the timing and the price at which the rights may be sold and the manner of any such sale. CPS Capital will be paid for its services on standard industry terms and conditions.

Any interest earned on the proceeds of the sale of these rights will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the Ineligible Foreign Shareholders.

The net proceeds of the sale of these rights will then be forwarded by the Company as soon as practicable to the Ineligible Foreign Shareholders, in proportion to their share of such rights (after deducting brokerage commission and other expenses). Please note it is possible that no net proceeds will be available for distribution to Ineligible Foreign Shareholders, after the costs of the sale have been paid to CPS Capital. We will inform you in due course of the outcome of the sale of your rights.

There is no guarantee that CPS Capital will be able to sell the rights of Ineligible Foreign Shareholders on ASX and Ineligible Foreign Shareholders may receive no value for the rights. Both the Company and CPS Capital take no responsibility for the outcome of the sale of such rights or the failure to sell such rights.

For all enquiries concerning the Rights Issue, please contact the Company Secretary, Ric Moore, by telephone on +61 8 6143 1840 and for all general shareholder enquiries, please contact Link Market Services Limited on +61 8 9211 6670.

Yours sincerely

Paul Roberts
Managing Director