



ASX Announcement

12th June 2018

Predictive Discovery Limited is a gold exploration company with strong technical capabilities focused on its advanced gold exploration projects in West Africa.

ASX: PDI

Issued Capital: 236 million shares

Share Price: 2.4 cents

Market Capitalisation: \$5.7 M

Directors

Phillip Jackson
Non-Exec Chairman

Paul Roberts
Managing Director

David Kelly
Non-Executive Director

Conversion of Funding Obligations on Bobosso Project, Cote D'Ivoire

Predictive Discovery Limited (ASX: PDI) is pleased to announce signature of a Memorandum of Understanding with Progress Minerals (**Progress**) and West African Ventures Investment LLC (**WAVI**) on the Bobosso project in Cote D'Ivoire. Under this agreement, PDI will **not be required to fund a 30% share of future JV exploration costs** and will be **entitled to one or more payments** in cash and/or shares. Subject to compliance with several conditions precedent, the agreement terms are as follows:

- Progress will pay PDI **C\$0.5 million** in cash on achievement of several conditions precedent (below) and take ownership of PDI's current 30% equity.
- **Mine development payments:**
 - On the first development of a commercial mining operation on each of the three permit areas (Figure 1), Progress will pay **US\$10/ore reserve ounce of gold** as defined in a bankable feasibility study for the relevant permit to PDI and WAVI. Payments will be made in proportion to the ratio between PDI's and WAVI's equities in the JV (respectively 43%:57%).
 - The first mine development will generate a minimum payment to PDI and WAVI of **US\$5 million**.
 - **Up to three payments** may be made i.e. one for each permit.
- The key conditions precedent are:
 - Completion of a C\$7 million capital raising by Progress by 31 August 2018,
 - Completion of legal due diligence assessment by Progress,
 - Finalisation of definitive agreements by 29 June 2018
 - Receipt of Mines Minister's approval to change project ownership.
- The C\$0.5 million cash payment will be used to support Predictive's activities in Cote D'Ivoire, Burkina Faso and Mali.

Mr Paul Roberts, Predictive's Managing Director said: *"This development is a natural outcome of Predictive's prospect generator strategy. The Company's aim is to **maximise exploration activity on multiple projects** while **minimising expenditure** and therefore dilutive capital raisings. This requires a highly disciplined focus on value for money and conversion to "free carry" deal structures where we judge that JV contributions do not provide sufficient value. At Bobosso, following completion of two drill programs in the past year, we have concluded that this complex gold mineralised system is likely to require a very large investment in exploration and evaluation to have a chance of being developed. Therefore, in the interests of our shareholders, we have decided to convert our equity to an effective free carry position now and focus PDI's expenditure on other areas, including **three promising gold discoveries** elsewhere (i.e. Nyangboue/Boundiali, Ferkessedougou North and Bira).*

If one or more mine developments are eventually achieved at Bobosso, the Company would consider returning the majority of payments made under this agreement to PDI shareholders."

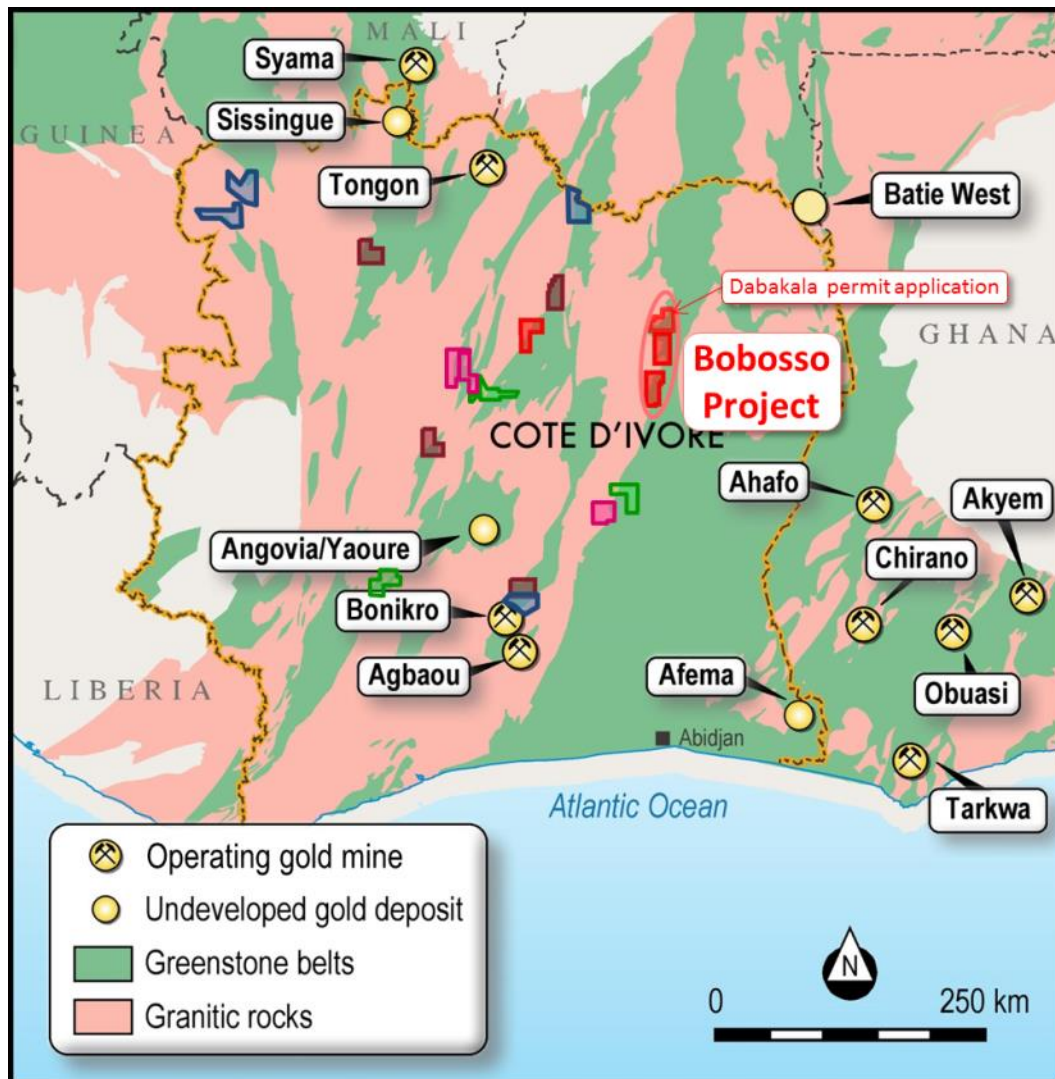


Figure 1: Locality map showing the Bobosso Project. The granted Wendene and Bassawa permits lie directly to the south of the Dabakala permit application (highlighted). The map also shows the initial Toro Joint Venture permits (brown), the GIV Joint Venture permits and permit applications (blue), the wholly owned Ivoirian Resources SARL permit applications (in green) and the optioned Sika Resources SARL permit applications (in magenta).

Predictive Discovery Limited (PDI) was established in late 2007 and listed on the ASX in December 2010. The Company is focused on exploration for gold in West Africa. The Company operates in Burkina Faso, West Africa where it has assembled a substantial regional ground position covering 949km² and has been exploring for large, open-pittable gold deposits. Exploration in eastern Burkina Faso has yielded a large portfolio of exciting gold prospects, including the high grade Bongou gold deposit on which a resource estimate was calculated in September 2014. PDI also has interests in a large portfolio of permits and permit applications in Côte D'Ivoire covering a total area of over 6,000 km².

For further details please contact:

Paul Roberts
Managing Director
Tel: +61 402 857 249
Email:
paul.roberts@predictivediscovery.com

Bruce Waddell
Company Secretary
Tel: +61 8 6143 1840
Email:
bwaddell@auroraminerals.com