ASX Announcement

26 October 2018

ASX: PDI

Issued Capital: 236 million shares

Share Price: 1.5 cents

Market Capitalisation: $3.5m

Directors

Phillip Jackson
Non-Exec Chairman

Paul Roberts
Managing Director

David Kelly
Non-Executive Director

7,500M DRILLING PROGRAM AND PROJECT PAYMENT FOR BOBOSSO PROJECT IN COTE D'IVOIRE

HIGHLIGHTS

- **PARTNER FUNDED DRILLING** 7,500M of partner funded RC drilling underway, testing gold extensions inferred from earlier drill programs
- **IP SURVEY RESULT** identifies large east-west anomaly through the Bobosso prospect
- **IMMINENT PAYMENT** of CAD$493,000 by JV partner Progress Minerals to Predictive, converting the Company's interest to a free carry including a commitment by Progress for further payments to Predictive on up to three mine developments

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Predictive Discovery Limited ("**Predictive"** or "**Company"**) is pleased to release an update on progress at its Bobosso joint venture gold project in Cote D'Ivoire. With the passing of the wet season, partner funded drilling has resumed at Bobosso as the joint venture strives to uncover Cote D'Ivoire's next significant gold deposit.

Predictive also advises that, apart from the finalisation of several minor administrative requirements, conditions precedent have now been met on an agreement between Predictive and Bobosso joint venture partners Progress Minerals Inc (Progress) and West African Mine Investment (WAVI) whereby Progress will convert its 30% interest in the joint venture to 100% in return for immediate cash payments to Predictive and WAVI and a commitment to make further payments in cash or shares based on reserve ounces on development of up to three mines.

"We are pleased to announce that an aggressive drilling program has commenced at Bobosso to follow up on promising drill results. The imminent Bobosso payment demonstrates that our prospect generator model is in full operation, allowing the company to de-risk its share in projects such as Bobosso via up-front payments and maintaining payment rights on future mine developments." - said Paul Roberts, Managing Director, Predictive Discovery.

DRILL PROGRAM

A 7,500m RC drill program has recently commenced, testing possible east-north-east trending zones inferred from earlier joint venture drilling. The drilling is expected to be completed in the December Quarter with results announced to market as and when they become available.

In December 2017 a Reverse Circulation (RC) drill program was completed, totalling 45 holes over 4,244m and designed to explore six small areas within the large Bobosso gold geochemical anomaly, along strike from historical drill intercepts (Figure 3). The drill results demonstrated that the mineralised alteration continuity that was observed in the 2017 diamond drilling was confirmed (e.g. Figure 1). This drill program also identified new mineralised zones with significant gold-bearing widths, especially in the near surface, most of which are open along strike.

The Joint Venture followed up the 2017 drill results during the recent wet season by undertaking an Induced Polarisation (IP) survey over the Bobosso prospect. Survey details are provided in Appendix 1. This survey identified a large east-west chargeable zone (Figure 2). High chargeability is commonly associated with elevated sulphide contents in the underlying rocks. Given that pyrite (iron sulphide) is commonly associated with gold alteration and elevated gold values at Bobosso, this strong anomaly is considered significant.

PROJECT CASH PAYMENT

All Conditions precedent on a cash payment to Predictive have now been met and the joint venture partners are finalising the last administrative details in order to finalise Progress's payment to Predictive of CAD$493,000. Predictive will convert its equity from 30% to 0% in exchange for an upfront payment of CAD$493,00, zero liability for future costs and future bonus payments on development of up to 3 mines. Further details of this agreement are set out below.

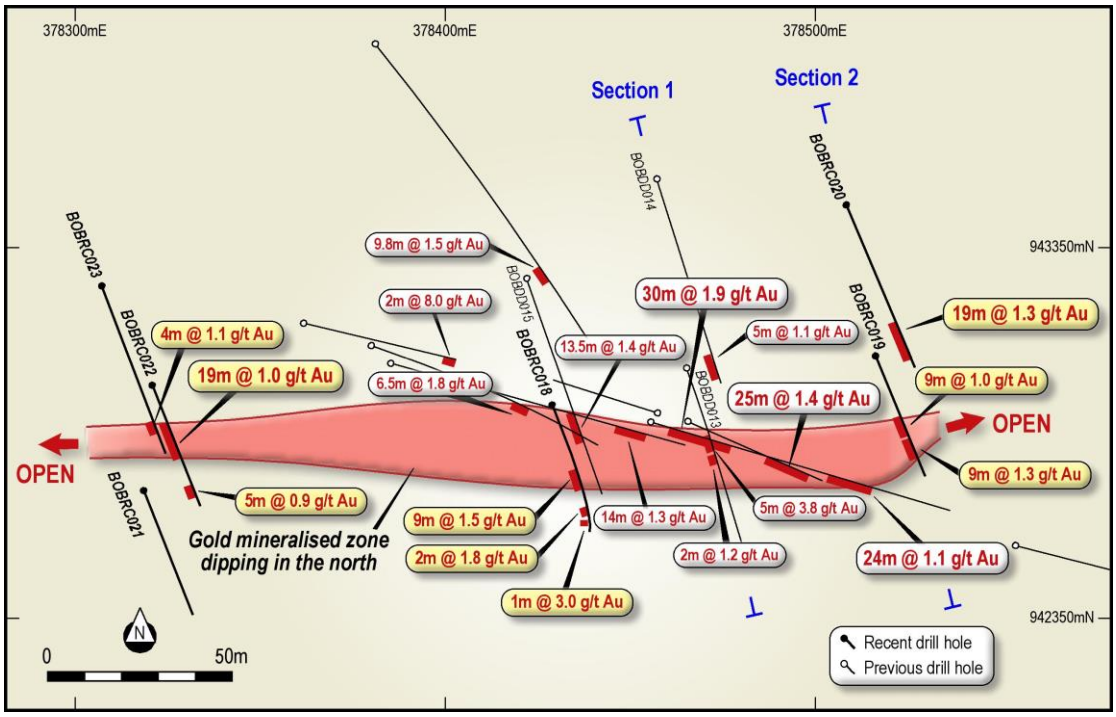

Figure 1: *Example of mineralisation continuity identified by 2017 drilling. Target 4 plan view showing results of 2017 RC drill program (yellow labels – ASX release 16/1/18) along with historical results in black (reported to the ASX on 28/10/15) and 2017 diamond drill results with (collars labelled). Note that deeper intercepts (e.g. in holes BOBRC020 and BOBDD014) are down-dip extensions of the shallower gold intercepts of the near surface gold anomalous zone (coloured in pink).*

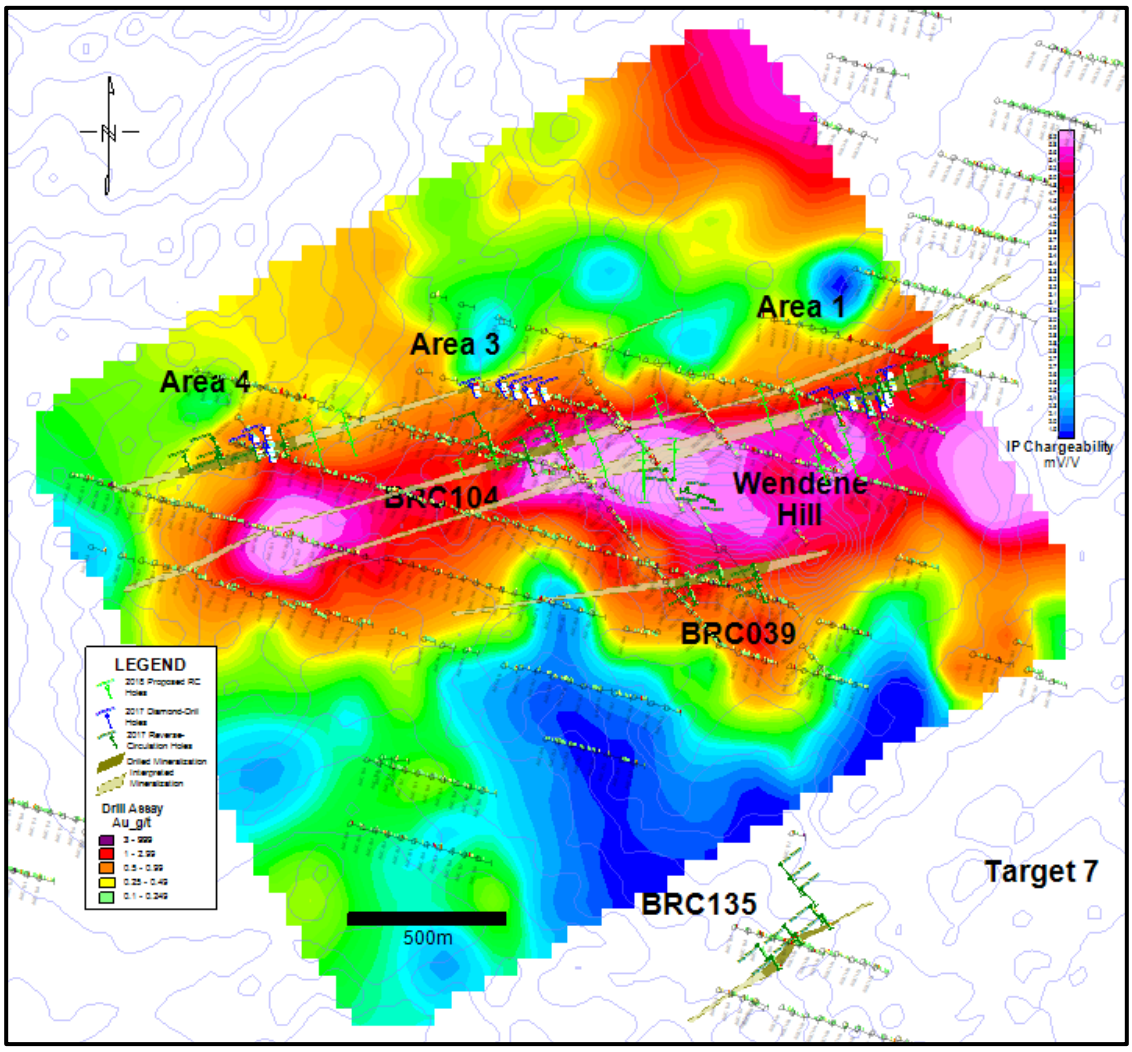

Figure 2 *- IP chargeability anomaly at Wendene Hill prospect showing inferred locations of gold mineralised zones, past drill locations and planned holes. Figure courtesy of Progress Minerals.*

ABOUT THE BOBOSSO PROJECT

The Bobosso Project consists of two granted exploration permits, Bassawa and Wendene and one permit application, Dabakala, in northern Cote D'Ivoire located within the southern extension of the well mineralised Hounde Belt. Geological mapping and re-logging of historical diamond drill core by Predictive has demonstrated that gold mineralisation is hosted in a sequence of mafic volcanics. Gold mineralisation is found in both broad, moderate grade alteration zones (silica-sericite-carbonate-pyrite) and narrower, higher grade quartz veins.

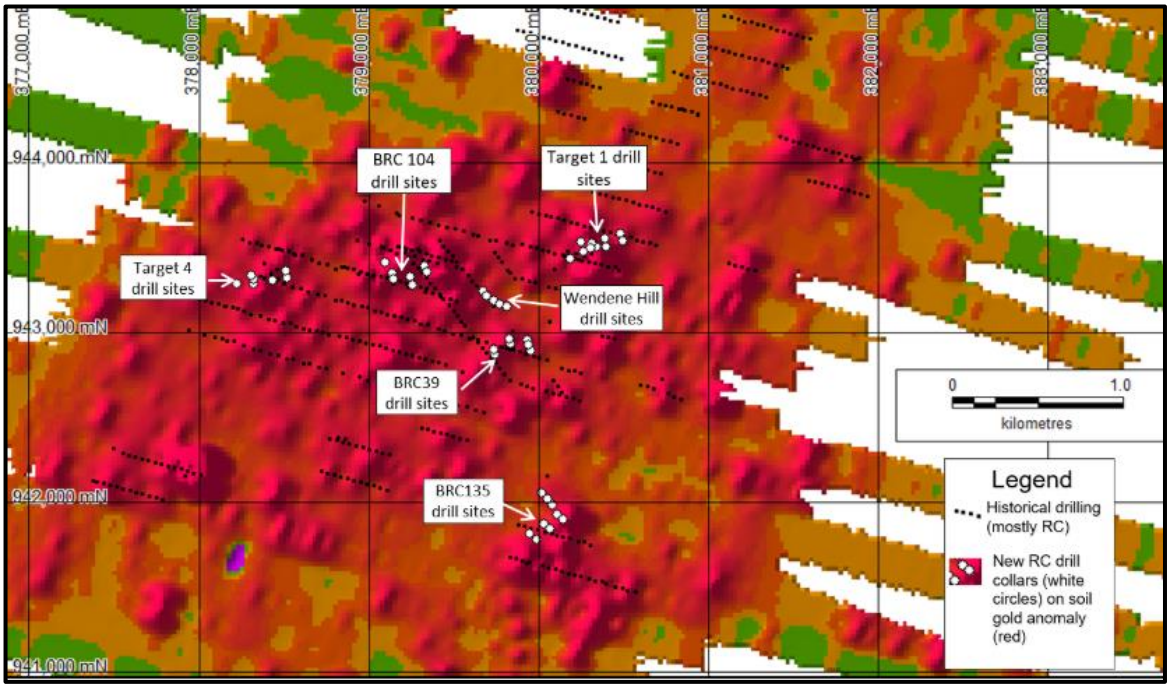

Figure 3 *- Bobosso Project – 2017 Drill Locations on soil geochemical anomaly map*

PROJECT PAYMENT DETAILS

Progress will pay Predictive CAD$493,000 in cash on achievement of several conditions precedent (now almost finalised apart from minor administrative details) and take ownership of the Company's current 30% equity.

Payments on future mine development:

- On the first development of a commercial mining operation on each of the three permit areas, 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.

JOINT VENTURE PARTNERS

Progress Minerals International Inc

Progress Minerals Inc engages in the identification, acquisition, exploration, and development of mineral resource projects focused on the West African Birimian Greenstone Belts. The company was incorporated in 2016 and is based in Vancouver, Canada.

Burkina Faso Permits: Kalinga, Tantiabongou, Tambifwanou, Bongou, Tamfoagou, Tangagari, Tambiri, Bira and Basieri.

Deal Structure: Progress Minerals Inc has earned 51% by spending US$1 million. They can increase their equity to 70% by expenditure of an aggregate US$5 million spend including funds spent so far. PDI current equity 49%.

Cote D'Ivoire Permits: Bassawa and Wendene (granted permits), Dabakala (permit application)

Deal Structure: Progress owns 30% in the holding company, West African Mine Investments Pty Ltd having spent US$1 million. PDI's interest is also 30%. PDI will convert to 0% and zero liability for future costs after conclusion of an announced agreement by which Progress will pay Predictive CAD$493,000 and accept liability for future bonus payments to Predictive on development of up to three mines.

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: bruce.waddell@predictivediscovery.com

About Predictive Discovery

Predictive Discovery (ASX: PDI) is focused on 12 projects across West Africa's Mali, Cote D'Ivoire and Burkina Faso (Figure 4) – a proven and prolific gold region.

Our Prospect Generator model of Exploration – Partnership – Growth provides a pipeline of continuous and early stage exploration work with investment exposure to world class gold opportunities and limited downside risk.

Once initial discovery work has been completed we identify a joint venture partner to fund and undergo the exploration work, leveraging their expertise to drive project outcomes and allowing us to realise shareholder value.

Our project generator model, joint venture partners and exposure to a world class gold region are core drivers for our business that allow us to accelerate portfolio potential. A diligent focus on these core drivers make Predictive Discovery an exciting investment opportunity.

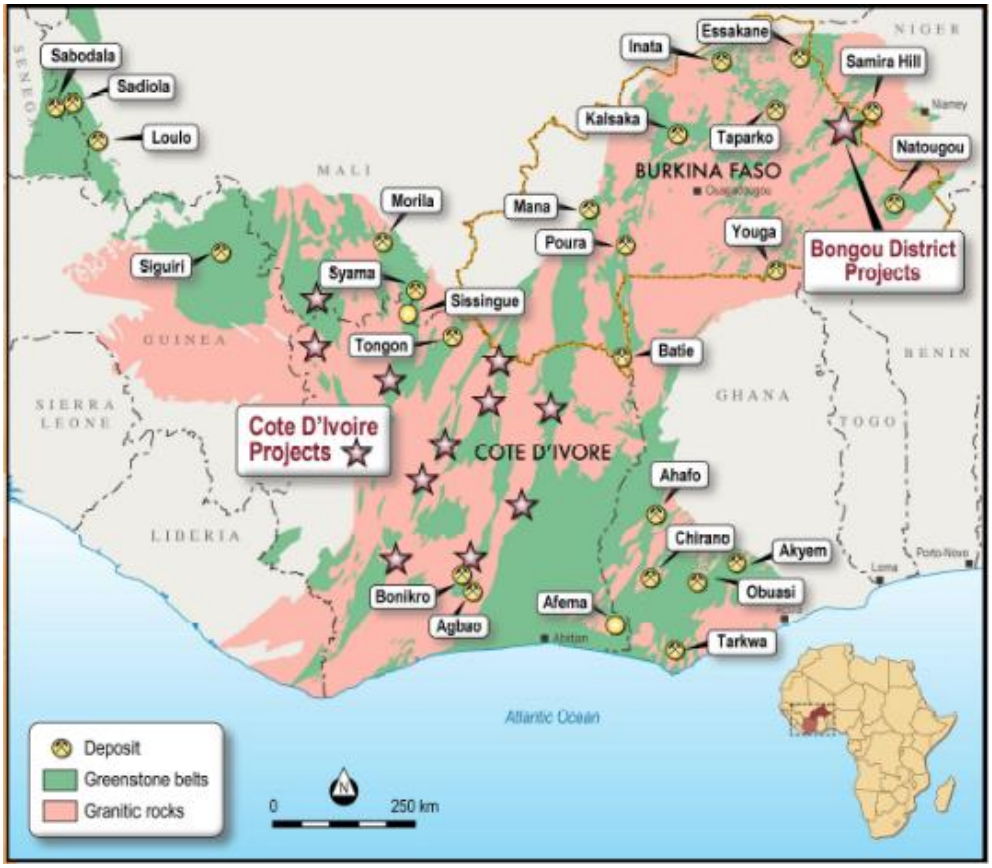

Figure 4 *- Map of the Birimian Gold Belt showing major mines/gold deposits and Predictive project areas (stars).*

APPENDIX – Pole-Dipole IP Survey Details

Section 1: Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Technique	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report.	Not applicable – this release refers to a ground geophysical survey.

	In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
Drilling	Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Not applicable – this release refers to a ground geophysical survey.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable – this release refers to a ground geophysical survey.
Logging	Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Not applicable – this release refers to a ground geophysical survey.
Sub-Sampling Technique and Sample Preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Not applicable – this release refers to a ground geophysical survey.

	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of Assay Data and Laboratory Tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Not applicable – this release refers to a ground geophysical survey.
Verification of Sampling and Assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data	Not applicable – this release refers to a ground geophysical survey.
Location of Data points	Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used Quality and adequacy of topographic control	GPS navigation was used to locate data points. Grid details: WGS84 datum, Zone 31 North.
Data Spacing and Distribution	Data spacing for reporting of Exploration Results Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the	Pole-dipole station spacing was 50 (a=50m, n=10), line spacing was 400m. No information is reported that is relevant to a Mineral Resource of Reserve estimation.

	Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied	
Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Five survey lines were orientated east-north-east and three cross-cutting lines were orientated south-south-east in order to image the variously orientated structures in the Bobosso project area.
Sample Security	The measures taken to ensure sample security	Not applicable – this release refers to a ground geophysical survey.
Audits or Reviews	The results of any audits or reviews of sampling techniques and data	No audits or reviews of sampling techniques and data have been undertaken.
Section 2 Reporting of Exploration Results		
Mineral Tenement and Land Tenure Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Wendene exploration permit (on which the Bobosso prospect is located) was granted to XMI SARL in December 2015. Progress Minerals Inc has earned 30% by expenditure of $US1 million on exploration. Predictive holds 30% and West Africa Venture Investments (WAVI) holds 40%.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	A substantial amount of exploration was carried out by Equigold and Lihir Gold Limited. This work has been acknowledged and the historical drill results reported to the ASX on 20/1015.
Geology	Deposit type, geological setting and style of mineralisation.	The geology of the Bobosso permit consists of mafic volcanics and intrusives, metasediments, intermediate volcanics and intrusives. The target deposit is type is “orogenic gold”.
Drill Hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth	Not applicable – this release refers to a ground geophysical survey.

	• hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – this release refers to a ground geophysical survey.
Relationship Between Mineralisation Widths and Intercept Lengths	These relationships are particularly important in the reporting of Exploration Results If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Not applicable – this release refers to a ground geophysical survey.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	An appropriate map is included – Figure 2.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Not applicable – this release refers to a ground geophysical survey.
Other Substantive	Other exploration data, if meaningful and material, should be reported including	

Exploration Data	(but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All relevant exploration data is either reported in this release or has been reported previously and is referred to in the release.
Further Work	The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling. Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	RC drilling to test the Bobosso prospect, partly guided by the results of this survey, is in progress.

Competent Persons Statement

The exploration results reported herein, insofar as they relate to mineralisation are based on information compiled by Mr Paul Roberts (Fellow of the Australian Institute of Geoscientists). Mr Roberts is a full time employee of the company and has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Roberts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.