

27 May 2020

Mr Daniel Nicholson
ASX Advisor, Listings Compliance
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Daniel

ASX PRICE AND VOLUME QUERY

I refer to your letter dated 22 May 2020 to Predictive Discovery Limited (**PDI** or the **Company**). The Company responds to each of your questions as follows:

1. *Is PDI aware of any information concerning it that has not been announced to the market, which, if known by some in the market, could explain the recent trading in its securities?*

Response: No.

2. *If the answer to Question 1 is "yes".*

- a. *Is PDI relying on Listing Rule 3.1A to not announce that information under Listing Rule 3.1? Please note that the recent trading in PDI's securities would suggest to ASX that such information may have ceased to be confidential and therefore PDI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.*
- b. *Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).*
- c. *If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?*

Response: Not applicable.

3. *If the answer to Question 1 is "no", is there any other explanation that the Company may have for the recent trading in its securities?*

Response: While the Company is unaware of the reasons for the high volume of trading in its stock on Friday afternoon and the price increase in the absence of any new assay results, the Company notes that the Managing Director was involved in the EMEA Mining 121 virtual conference last week (refer ASX announcement on 21 May) in which he presented in 35 meetings, reflecting the very high level of international interest in the Company's Guinea exploration program.

The Company previously announced it was expecting the first set of results from a power auger drilling program at its flagship Kaninko Gold Project in Guinea, in the coming weeks (refer ASX announcement on 7 May). At the time of receiving the price query from ASX, the Company confirms that the first set of assay results from the ongoing power auger drilling had not yet been received from the SGS laboratory in Bamako where they were being analysed. On Saturday 23

May 2020, following receipt of the price query, PDI contacted SGS who advised that the earliest that the results would be known was the evening (Perth time) of Monday, 25 May 2020.

The Company received the results from SGS at 5.12pm (Perth time) on Monday 25 May 2020 and, in response to queries by the Managing Director, a compiled set of the assays along with accompanying technical data was sent by the Company's Principal Geologist in Guinea to Perth at 12.51am (Perth time) on Tuesday 26 May 2020. There was no suggestion that there had been a loss of confidentiality in respect of the results prior to that time, as they were not ready to be provided to the Company any sooner. In accordance with usual practice, the results were then interpreted and an announcement prepared for release to the market.

Due to the unexplained increase in the Company's share price, consistent with section 5.8 of ASX Guidance Note 8 the ASX advised there had been a deemed loss of confidentiality in respect of the upcoming exploration results and accordingly the Company entered into a trading halt on Friday, 22 May 2020 to allow it time to receive and interpret those results and prepare an announcement in respect of them. The announcement of the results was made on 27 May 2020.

4. *Please confirm that PDI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

Response: The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. *Please confirm that PDI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PDI with delegated authority from the board to respond to ASX on disclosure matters.*

Response: The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours faithfully



Eric Moore
Company Secretary
Predictive Discovery Limited



22 May 2020

Reference: 18556

Messers Eric Moore &
Bruce Waddell
Company Secretary
Predictive Discovery Limited

By email

Dear Messers Moore & Waddell

Predictive Discovery Limited ('PDI'): Price and Volume Query

We note the change in the price of PDI's securities from a low of \$0.068 on Monday, 18 May 2020, to an intraday high of \$0.102 at the time of writing, today.

We also note the significant increase in the volume of PDI's securities traded from 18 May 2020 to 22 May 2020.

Request for Information

In light of this, ASX asks PDI to respond separately to each of the following questions and requests for information:

1. Is PDI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is PDI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in PDI's securities would suggest to ASX that such information may have ceased to be confidential and therefore PDI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that PDI may have for the recent trading in its securities?
4. Please confirm that PDI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that PDI's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PDI with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST today, Friday, 22 May 2020**. If we do not have your response by then, ASX will likely suspend trading in PDI's securities under Listing Rule 17.3. You should note that if the information

requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PDI's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to PDI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that PDI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in PDI's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in PDI's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)