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ASX Announcement



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New economic gold results confirm Dave East as an exciting new discovery

Highlights

- First 11 RC holes on two lines at Dave East return significant gold intercepts including:
 - 12m at 2.9g/t Au from 50m
 - 2m at 12.4g/t Au from 72m
 - 12m at 1.3g/t Au from 34m
 - 8m at 1.4g/t Au from 34m
 - 8m at 1.2g/t Au from 38m
 - 4m at 2.5g/t Au from 80m
- 1.5km along major interpreted shear zone from the nearest historic drilling or artisanal workings.
- 2,700m of RC drilling also completed at Dave. Historic results from shallow RC drilling in a small area there included 12m at 5.0g/t Au, 2m at 9.4 g/t Au, 10m at 2.4g/t Au & 22m at 1.2g/t Au.
- Power auger drilling demonstrates the Dave and Dave East bedrock gold anomalies are connected, totalling 3.6km long by 0.3 km wide and open to the east and west.
- Potential for a very large gold mineralised system is indicated by multiple ore grade intercepts within the 3.6km long geochemical anomaly.
- Enhanced potential of the Laterite Hill Grid area where bedrock geochemical anomalies over 12km coincide with large shear structures indicated by the detailed aeromagnetic data.
- Infill and extension RC drilling on 200m lines is continuing at Dave East and expected to finish in the next week.

Predictive Discovery Limited (**ASX: PDI**) is pleased to announce that recent reconnaissance RC drilling at the Dave East Prospect in Burkina Faso has identified a very wide, hitherto undrilled gold system approximately 1.5km along strike from artisanal workings and historical drill holes at the Dave Prospect. In addition, new power auger results indicate that the bedrock anomalies at Dave and Dave East are continuous and extend for 3.6km along strike with an average width of 0.3 km, and are open to the east and west.

The Company has now completed approximately 5,300m of reverse circulation (RC) drilling on the Dave and Dave East Prospects. Drilling on 200m line spacing at Dave East will continue for up to 2 weeks more, weather and access permitting.

Mr Paul Roberts, the Company’s Managing Director stated that *“PDI is very excited by these new RC and power auger drill results. The Dave to Dave East Prospect areas are shaping up as a large gold mineralised system in their own right. It is especially gratifying that initial RC assay results more than 1.5km away from known workings and historical drill holes, have produced multiple ore grade and width gold intercepts in a very broad gold mineralised zone. Given that there are a series of other highly promising bedrock geochemical anomalies on the 16km long Laterite Hill Grid, the prospect of discovering a series of large gold mineral deposits has been significantly enhanced by these results”.*

Dave and Dave East Prospects, Bonsiega Project

(Eldore Joint Venture – PDI earning 60%)

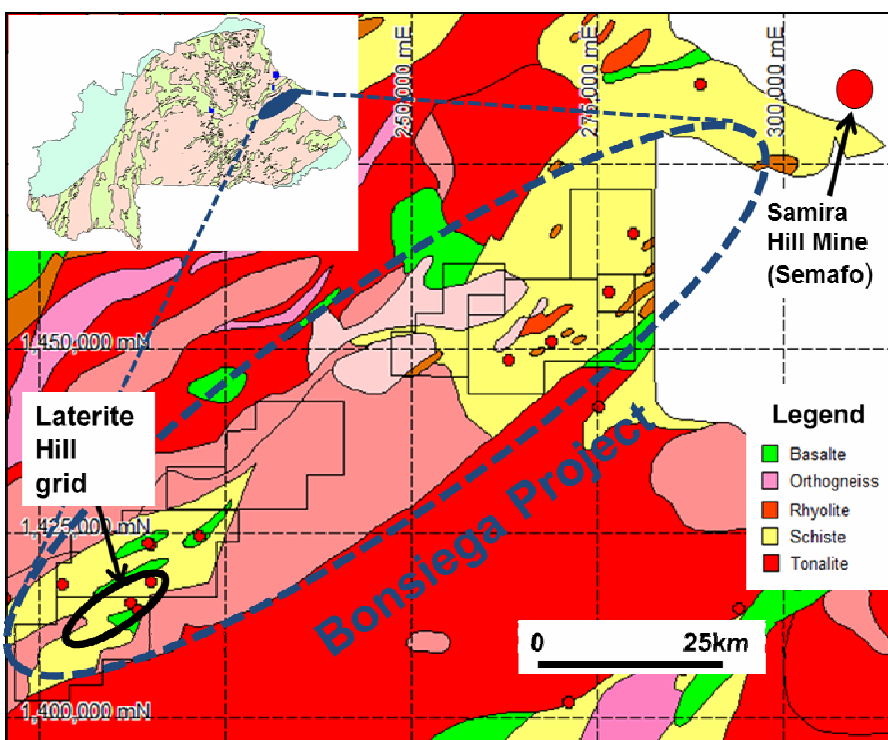


Figure 1: Location of Laterite Hill Grid, Bonsiega Project, Burkina Faso superimposed on Government geological mapping.

The Dave and Dave East Prospects are located on the Laterite Hill Grid in the Bonsiega Project (Figure 1). The Laterite Hill Grid is 16 km long and covers a series of large shear zones interpreted from aeromagnetic

data. Over part of their length, these geochemical anomalies are coincident with artisanal gold workings located on small areas of outcrop surrounded by alluvial cover.

PDI's exploration strategy is to use power auger drilling to map the extent of the gold anomalies along the trend and then follow up high priority targets with RC drilling. The extent of power auger assay coverage is shown in Figure 2. A large part of the remaining target area has now been sampled and more results will be released as they come to hand.

A strike length of in excess of 12 km of plus 50ppb Au power auger anomalies has been defined by the program to date. As shown in Figure 2, these gold anomalies are largely coincident with shear zones interpreted from aeromagnetic data.

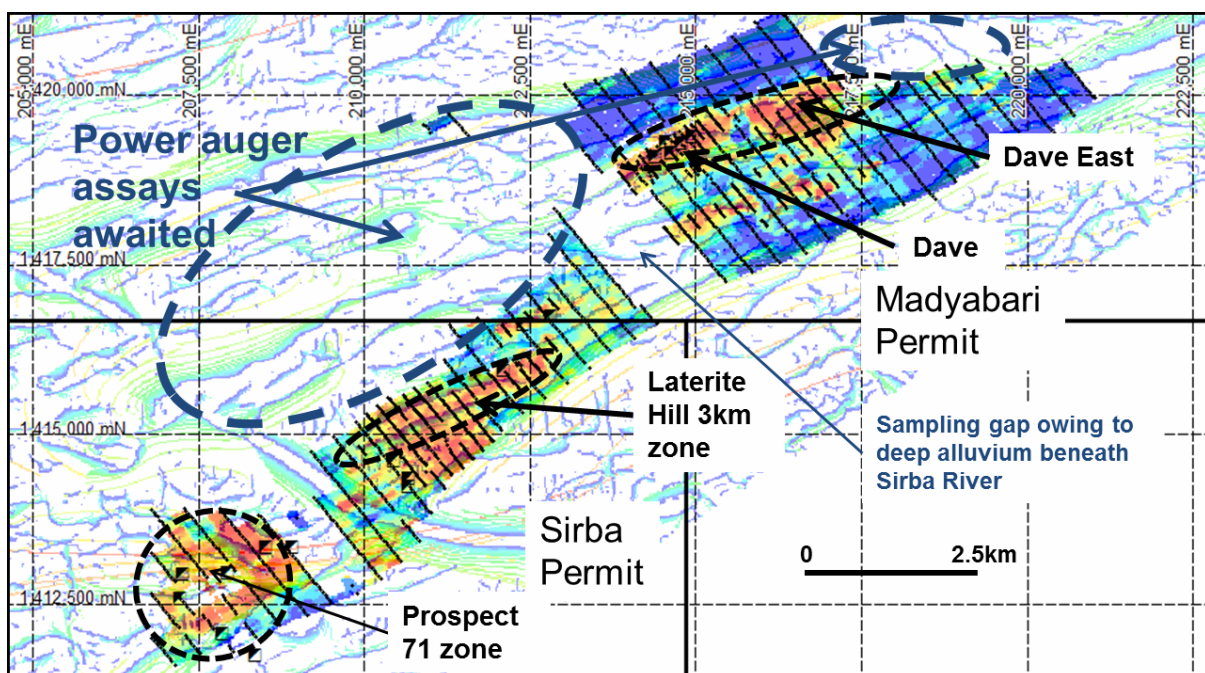


Figure 2: Laterite Hill Grid: Gold geochemistry (highest values red) overlain on aeromagnetic interpretation. A strong correlation is seen between interpreted bedrock structures (blue lines) and gold anomalies. Artisanal workings are indicated by black squares with triangles. Areas where assays from power auger sampling of favourable geology under shallow cover are awaited are highlighted.

Dave East RC Drilling Programme

The first ever drilling was recently conducted by PDI on the newly defined Dave East Prospect. Two drill lines of 240 and 280 metres respectively, spaced 400 metres apart were drilled on Dave East prior to moving the drill rig to the Dave Prospect where historic drilling in the late 1990's had obtained a series of ore grade and width intercepts.

Holes were drilled to a depth of 90 metres at an angle of 50 degrees toward the north-west and spaced 40 metres apart to give significant lateral overlap from hole to hole. Eight were planned on each line to test this very broad bedrock gold anomaly so that the two lines tested 280 and 320 metres across the anomalous zone respectively (Figure 3). Down hole trajectories were surveyed using a gyroscopic instrument.

Holes were analysed for gold in 2 metre composites by fire assay at the ALS laboratory in Ouagadougou. Analytical standards and blanks were added at regular intervals for quality control assurance.

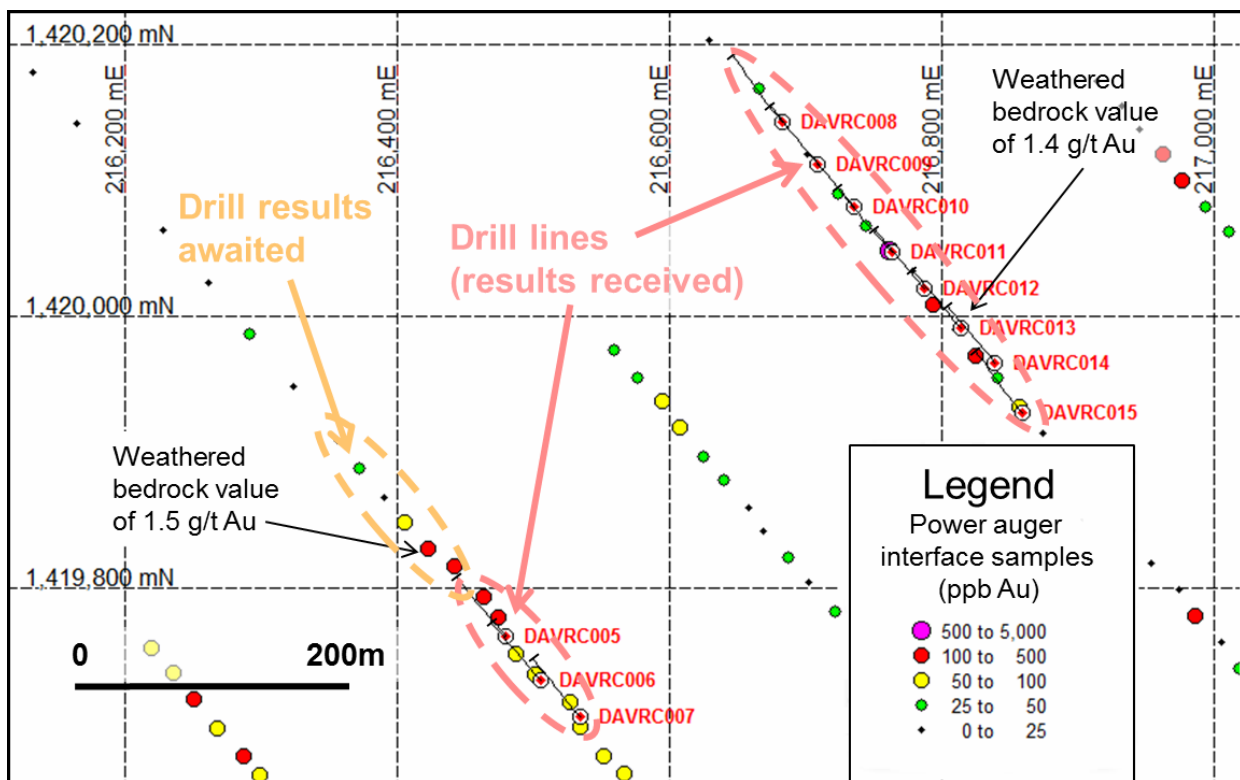


Figure 3: Drill hole localities and power auger sample results at the Dave East Prospect. Note that results have not yet been received for the drill holes targeted beneath the strongest weathered bedrock sample result obtained on the grid (of 1.5 g/t Au)

Drill Results

The drilling encountered mainly strongly weathered mafic volcanics and volcanoclastic sediments with minor mafic intrusives. Quartz veining is common. Disseminated pyrite was noted in fresher rock at the bottom of some of the holes. The base of strong weathering was generally encountered at about 80 metres down hole or approximately 60 metres below surface.

Gold anomalism (plus 0.1 g/t Au) was found throughout the holes and 14 intervals of at least 2 metres of 1g/t Au were intersected (Table 1). The gold system is therefore at least 320m wide on the eastern line. This drilling also showed that interface samples from the auger drilling with values as low as 25ppb Au (see Figure 2) can reflect ore grade gold values in the weathered rock beneath.

The arithmetic average of all 492 samples assayed to date is 0.26 g/t Au, indicating that a very large gold mineralised system has been discovered in this area.

Table 1 – Dave East RC drill results (cutoff grade of 0.5 g/t Au)

Hole no.	UTM East	UTM North	From (m)	Interval (m)	Au (g/t)
DAVRC005	216,480	1,419,764	34	8	1.4
DAVRC006	216,505	1,419,732	80	4	2.5
DAVRC007	216,534	1,419,705	38	4	1.0
DAVRC007	216,534	1,419,705	72	2	12.4
DAVRC008	216,683	1,420,143	24	2	2.2
DAVRC008	216,683	1,420,143	38	8	1.2
DAVRC008	216,683	1,420,143	56	2	1.4
DAVRC010	216,735	1,420,081	50	12	2.9
DAVRC011	216,763	1,420,047	54	2	1.1
DAVRC012	216,787	1,420,021	34	2	2.1
DAVRC012	216,787	1,420,021	50	2	1.1
DAVRC014	216,839	1,419,966	34	12	1.3
DAVRC014	216,839	1,419,966	70	2	1.3
DAVRC015	216,859	1,419,929	86	2	1.3

The orientation of the gold-bearing zones is not yet understood, however some possible hole to hole correlation is seen on the cross sections (Figures 4 and 5). It is possible that gold zones strike and dip in various directions but within an overall gold-bearing envelope which strikes north-east. Oriented diamond core drilling will be required to assess this question further after the rainy season.

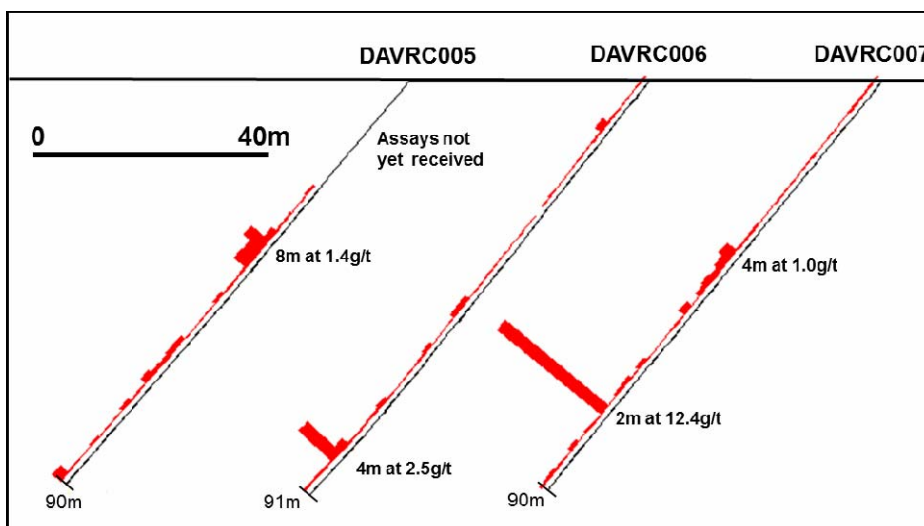


Figure 4 – Cross section looking towards the north-east on a part completed western drill line, Dave East prospect. The red histogram denotes gold assay results.

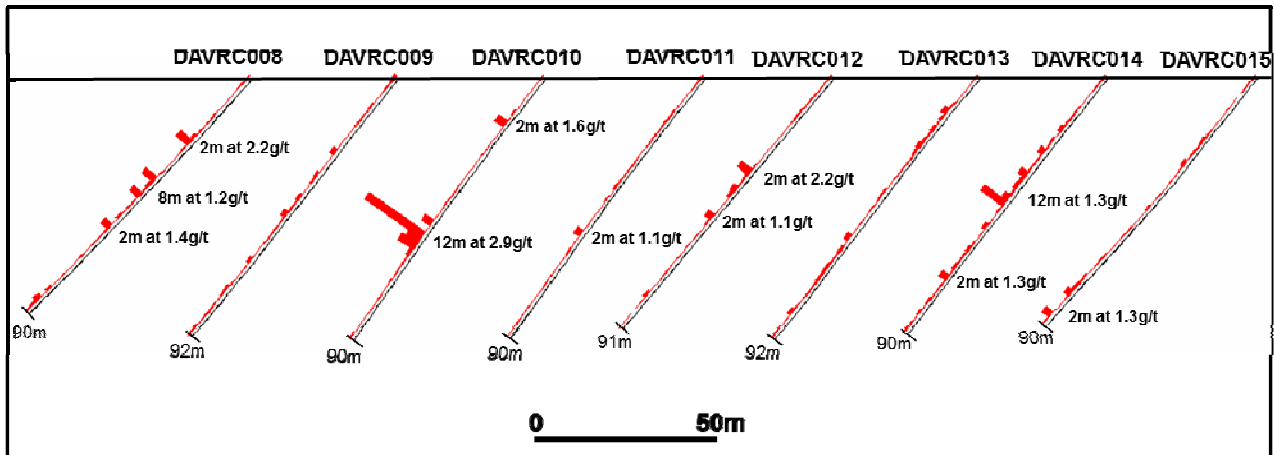


Figure 5 – Cross section looking towards the north-east on the eastern drill line, Dave East prospect (400m along strike from Figure 4). The red histogram denotes gold assay results on a linear scale.

Further Power Auger Results

Infill and extension power auger drilling has now shown that the Dave and Dave East geochemical anomalies are continuous at a 50ppbAu level. The anomaly is now 3.6km long with an average width of 0.3km and still open to the east and west. The highest value interface samples obtained on the westernmost and easternmost lines sampled to date were 3.1 g/t Au and 0.7 g/t Au respectively (Figure 6).

On the intermediate line between the two prospects, very few samples in this area penetrated through to weathered bedrock because of hardcap cover. It is likely that the broad gold mineralised zone which appears to be present at both Dave and Dave East extends unabated through the intervening area.

Given PDI's new Dave East drilling results and the historic Emerging African Gold drill results at Dave from the late 1990's¹, the possibility that PDI is drill testing a very well mineralised gold system has now emerged. The potential for multiple discoveries on the Laterite Hill Grid has also been highlighted given the large extent of other large comparable bedrock anomalies elsewhere on the Grid.

Ongoing program

Approximately 5,300m of RC drilling has now been completed at Dave and Dave East. Six 200 metre spaced lines of RC drilling totalling 2,700 metres were completed at Dave to 23rd June. The rig then returned to Dave East to extend and infill the drilling coverage there with the objective of having drilled up to 7 lines spaced 200 metres apart by the end of the field season.

Operation of the drill rig has been reduced to one shift per day for safety reasons because of the wet conditions. Weather and access permitting, the drilling will continue for one more week.

¹ These included 12m at 5.0g/t Au, 2m at 9.4 g/t Au, 10m at 2.4g/t Au and 22m at 1.2g/t Au.

The power auger program on the extensions of the Laterite Hill Grid came to an end on 30th June and will resume after the rainy season, expected in October this year.

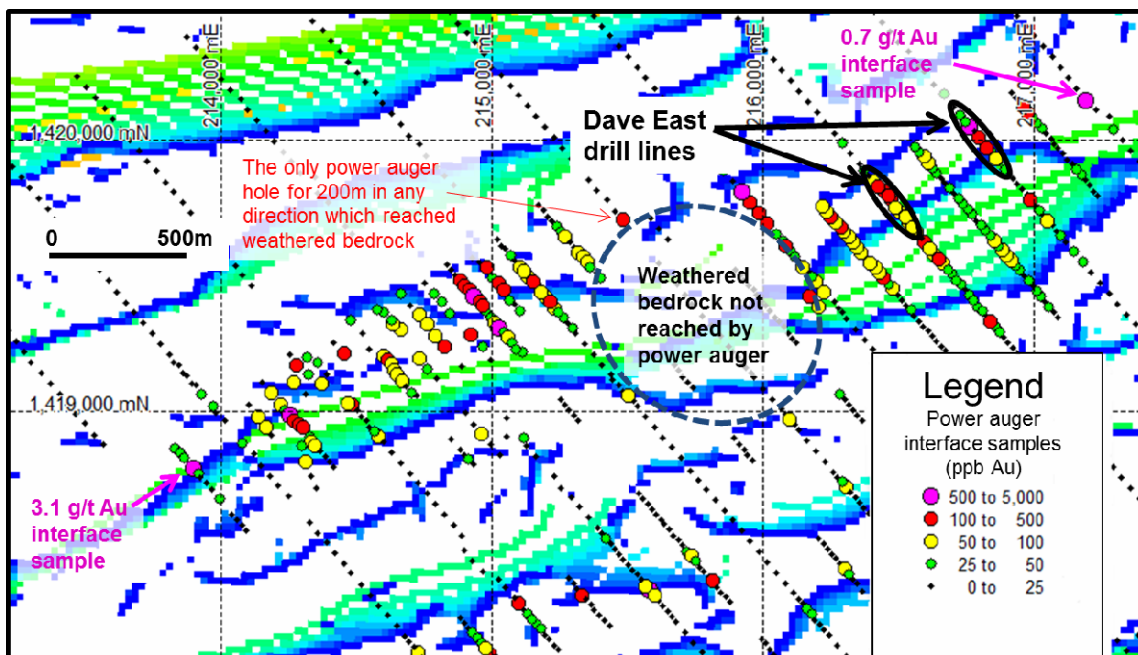


Figure 6: Power auger interface sample results from the Dave and Dave East Prospects. High values in interface samples (the contact between superficial cover and weathered bedrock) at the eastern and western ends of the anomaly are highlighted. Where the interface was not reached, assays are shown for bottom of the hole samples. In the central area, most samples did not penetrate through to weathered bedrock.

About Predictive Discovery:

Predictive Discovery Limited (PDI) was established in late 2007 to explore for gold and uranium. The Company is focused principally on exploration for gold in West Africa with two additional projects for uranium and gold in Australia. PDI has a distinctive technological capability, known as Predictore™, which is designed to increase drill targeting efficiency thereby reducing ore discovery cost. The Company's major focus is in Burkina Faso, West Africa where it is exploring for large open-pittable gold ore deposits.

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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). 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.

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