

ASX Announcement

31st July 2012

Quarterly Report for the Period Ended 30th June 2012

Highlights

EXPLORATION

□ **Bonsiega Project**

- **Bongou – A New Gold Discovery.** First, single RC drill hole intersected a gold mineralised zone including **54m at 2.1g/t Au** from 36m depth, open in all directions.
- **Dave Prospect** (formerly Dave and Dave East Prospects) – **Ongoing Drill Success:**
 - **26m at 5.0g/t Au from 26m including 2m at 31g/t Au**
 - **38m at 1.3g/t Au from surface including 4m at 5.6g/t Au**
 - **24m at 1.9g/t Au from 4m**
 - **28m at 1.6g/t Au from 30m**
 - **24m at 1.1g/t Au from 0m**
 - **8m at 3.3 g/t Au from 46m**
 - **22m at 1.0g/t Au from 44m**
- **Prospect 71 - New Higher Grade Lode:**
 - **4m at 7.1g/t Au from 20m**
 - Along strike from historical intercepts of:
 - **4m at 15g/t Au from 22m**
 - **2m at 7.5g/t Au from 32m**
 - **At least 250m strike** now recognised and open in all directions
- Dave Prospect now **at least 5.5km long** with **good correlation and continuity** of several mineralised zones covering 800m of strike, and highlighting resource potential in sub-parallel lodes along its entire length



- **Eight separate gold mineralised zones** now identified in entire Laterite Hill Gold Field with gold mineralised strike length identified from RC drilling now **at least 8km long**
- **Tangagari and Aoura permits** - over 5km of strong bedrock gold anomalies identified with a **peak value of 15g/t Au**
- **Bangaba Project:**
 - **Solna Prospect – Further High Grade Intersections:**
 - **2m at 20.4g/t Au** from 70m including **1m at 40g/t Au**
 - **4m at 8.0g/t Au** from 194m including **1m at 29g/t Au**
 - **5m at 5.7g/t Au** from 39m including **1m at 12g/t Au**
 - **2m at 10g/t Au** from 134m including **1m at 19g/t Au**
 - **2m at 10g/t Au** from 51m
 - Analysis of 1m samples from 2m composites upgrades the **SOLRC011** intersection from 6m at 12g/t Au from 40m to **6m at 20g/t Au** including **1m at 111g/t Au**
 - **Tambiri – Ongoing Drill Success:**
 - **20m at 2.3g/t Au** from 48m including **1m at 15g/t Au**
 - **20m at 2.2g/t Au** from 138m including **4m at 7.0g/t Au**
 - **12m at 1.7g/t Au** from 88m
 - **12m at 1.4g/t Au** from 96m
 - **12m at 1.4g/t Au** from 108m
 - Untested power auger gold bedrock geochemical anomalies along strike from Solna and Tambiri offer considerable scope for further discoveries over at least 8km..
- **Project Acquired in Cote D'Ivoire, subject to grant**
- **Exploration for the quarter on the Burkina Faso properties included:**
 - 100 RC drill holes on Bonsiega and Bangaba, totalling 10,790m
 - 1,491 power auger drill holes on Bonsiega, Bangaba and Boussouma, totalling 8,620m.
 - 124km² of geological mapping.
 - 5,980 samples were submitted to PDI's Burkina Faso laboratory during the Quarter.
- **CORPORATE**
 - \$1.0 million of cash at 30 June 2012 and no debt



Managing Director's Assessment of Progress in the Quarter

Mr Paul Roberts, PDI's Managing Director commented: *"Our objective on Eastern Burkina Faso ground is to discover more than 2 million ounces in resources with an average grade greater than 2g/t Au as the basis for developing a major mining operation, feeding a central mill.*

Our large exploration program for the field season, which was completed during the June Quarter, has advanced us substantially towards our objective. We have obtained ore grade and width gold intercepts from 10 separate mineralised zones, including some excellent grades, particularly on the northern, Bangaba permit. We have discovered new gold mineralised zones beneath thin cover and extended others, not least of which being the Dave Prospect, which is now known to extend over more than 5km.

All of our results indicate that we are dealing with very large gold mineralised systems with ample opportunity to identify a large gold resource inventory as infill and extension drilling proceeds."

INTRODUCTION

PDI's major country focus is Burkina Faso, West Africa where it has established a large Burkina-based exploration team and a large regional tenement package mainly in the north east of the country (Figure 1).

PDI's tenement holding covers approximately 100 km of strike length in the Samira Hill greenstone belt in eastern Burkina Faso (the "Bonsiega permit group", Figure 1). This belt hosts the 2.5 million ounce Samira Hill gold mine across the border in Niger and contains numerous active artisanal gold mine sites along its length. The Bangaba permit covers 10km of strike of the nearby Sebba Belt, including the largest known artisanal workings in the area.

Encouraging drill results from the Bonsiega and Bangaba permits has led PDI to consider its entire Eastern Burkina Faso ground holdings effectively as one project. Based on the encouraging results, the company's goal is to identify sufficient resources to support a major central gold treatment plant, the first in the area, drawing ore from multiple deposits. High grades have been obtained from the Bangaba permit, 60km to the north, which suggests that ore from there might be transported to a treatment plant on the Laterite Hill Gold Field. The terrain between the two areas is flat with only one sandy river bed to cross (Figure 2), providing easy access for road construction.



A major program of exploration was completed in Burkina Faso during the June Quarter. Since the beginning of November 2011, when field programs began after the rainy season, the Company has completed 65,000m of drilling. This year's drilling programs had two objectives – first to identify the scale of potential gold mineralised systems on PDI's properties and second to infill drill the best prospects with RC and diamond drilling in order to advance them towards a JORC Resource. The Company is making rapid progress towards this goal as indicated by numerous encouraging drill results reported in the June Quarter, adding to the strong results reported in the previous March Quarter.

PROJECTS

Burkina Faso

Bonsiega Permit Group

Stratos Joint Venture (PDI - 72%)

The Stratos Joint Venture covers four permits within the Bonsiega Project (Figures 2 and 3). PDI's partner is Stratos Resources Limited (ASX: SAT), formerly Eldore Mining Corporation Limited.

In the past 18 months, power auger drilling has identified a 20km long zone of strong bedrock gold anomalies in the Laterite Hill Grid area. Also, RC drilling in the 12 months to the end of March, 2012 yielded significant gold mineralised intercepts in six prospects, including:

- Dave Prospect (formerly Dave and Dave East)
 - **10m at 18g/t Au from 74m, including 2m at 74g/t Au**
 - **13m at 4.7g/t Au from 67m including 1m at 33g/t Au**
 - **28m at 1.6g/t Au from 30m**
 - **7m at 5.3g/t Au from 54m including 1m at 20g/t Au**
- Tamboana Zone (new discovery):
 - **5m at 5.1g/t Au from 36m including 1m at 22g/t Au**
- Koundi Zone (new discovery):
 - **4m at 5.7g/t Au from 76m (stopped in mineralisation)**
- Laterite Hill Shear Zone (includes Laterite Hill artisanal mine site):
 - **26m at 1.2g/t Au from 71m including 14m at 1.8g/t Au**
 - **22m at 1.4g/t Au from 48m**
- Prospect 71 (two new zones):



- **32m at 1.7g/t Au from 26m including 24m at 2.1g/t Au**
- **18m at 1.0g/t Au from 54m including 6m at 2.3g/t Au** (stopped in mineralisation)

The June Quarter drilling program was focused on infill and extension RC drilling on the Dave Prospect, limited infill drilling on the Laterite Hill shear zone, and two small RC programs on the Aoura and Fouli permits.

RC Drilling Programs – Laterite Hill Gold Field (Sirba and Madyabari Permits)

A total of 3,566m of RC drilling was completed on the Laterite Hill Gold Field in the June Quarter. The program was directed at testing lateral extensions of several gold mineralised zones in the Laterite Hill Gold Field, infill drilling around two earlier high grade intercepts and to test beneath the as yet undrilled Bongou Prospect.

A substantial number of assays from earlier drilling were also received during the June Quarter.

Locations of all holes drilled to date in the Laterite Hill Gold Field are shown in Figure 4.

The majority of holes were drilled at an inclination of -50 degrees. Some holes were drilled vertically in an area adjacent to the river where earlier power auger drilling was unable to penetrate through thick alluvium. Down hole trajectories for the angle holes were surveyed using a gyroscopic instrument. Analytical standards and blanks were inserted at regular intervals for quality control, and samples were submitted for fire assay to the SGS Laboratory in Ouagadougou.

Bongou Prospect

The Bongou Prospect is located 8km north of the Laterite Hill Gold Field (Figures 3 and 4). Surface rock chip sampling and limited trenching were carried out in 2010 and the highest gold value obtained was 4.5g/t Au from a rock chip sample.

In the recent program one angled RC hole 140m long was drilled underneath an artisanal open pit in an area of east-west oriented workings about 160m long. The mineralisation is located at a rock type boundary, between gabbro and felsic volcanics (Figure 5) and appears to be open along strike beneath alluvial cover both to the east and west.

Hole BNGRC001 intersected **54m at 2.1g/t Au** including **20m at 4.8/t Au** and **2m at 24g/t Au**. A large part of the mineralisation was in unweathered rock, suggesting it may extend at depth.

This is a significant new result that indicates the untapped potential of PDI's ground holding.

Dave Prospect (Figures 6-10)

Assays for holes were received for many holes drilled at the Dave Prospect during the March Quarter. As in previous drilling, numerous gold intercepts were obtained above a cut-off grade of 0.5g/t Au, mostly in oxidised rocks. Better intercepts included:

- 26m at 5.0g/t Au from 26m, including 2m at 31g/t Au
- 38m at 1.3g/t Au from 0m including 4m at 5.6g/t Au
- 24m at 1.9g/t Au from 4m
- 28m at 1.6g/t Au from 30m
- 8m at 3.3g/t Au from 46m
- 24m at 1.1g/t Au from 0m
- 22m at 1.0g/t Au from 44m including 4m at 3.4g/t Au
- 12m at 1.7g/t Au from 16m
- 12m at 1.5g/t Au from 56m
- 8m at 2.0g/t Au from 72m
- 10m at 1.4g/t Au from 48m
- 8m at 1.5g/t Au from 40m
- 8m at 1.3g/t Au from 34m

With this additional infill drilling, it is now possible to generate a geological interpretation of the more intensely drilled zone at the eastern end of the Dave Prospect (formerly known as “Dave East”). A plan and several cross sections from this area are provided as Figures 7 to 9. These cover several ENE trending parallel lodes which have now been intersected on nine cross sections spaced between 50m and 150m apart and **extending over a strike length of 800m**. The interpreted shape of the gold mineralisation on each section indicates a moderate to steep dip to the SE, overprinted by some near surface weathering effects which have caused the mineralisation shape to become somewhat irregular in the shallow subsurface. High grades have also been found in fresh rock in a few drill holes in the Prospect, suggesting the presence of a series of narrower higher grade primary gold mineralised zones might at depth, possibly at an oblique angle to the overall trend.

These results appear to establish continuity between sections to enable a future estimation of JORC compliant resources both in the 800m strike length described here and in a series of sub-parallel gold mineralised structures that appear to be present along the length of this gold mineralised system.

Extension Drill Program

Assays were received from the RC/aircore geochemical drilling into areas previously not penetrated by the auger rig. The holes were shallower than the RC drilling elsewhere on the Dave Prospect with the result that approximately 50% coverage of the target zone was achieved on each section. Despite the incomplete coverage, numerous plus 0.5g/t Au intercepts were returned, including the following:

- 10m at 2.0g/t Au from 35m
- 7m at 2.7g/t Au from 6m
- 12m at 1.2g/t Au from 11m



Figure 10 shows a plan of the drill results combined with the earlier power auger bedrock gold geochemistry. Bedrock gold values were calculated by averaging all the values in the hole beneath alluvial or ferricrete cover. These results demonstrate that the gold mineralised system identified on the Dave Prospect extends over a distance of 5.5km, from the west beneath the Sirba River and as far east as the limit of the RC and aircore drill coverage.

These results strengthen the probability of outlining a significant gold deposit at the Dave Prospect alone.

Prospect 71 (Figure 11)

Assays from 14 drill holes drilled in the March Quarter were received. In an area with no artisanal workings a high grade zone was identified with an intercept of **4m averaging 7.1g/t Au from 20m down-hole depth**. Previous RC drilling by a Canadian company, Emerging African Gold in 1996-97, is reported to have intersected **4m at 15g/t Au** approximately 130m north-east of this intercept and **2m at 7.5g/t Au** about 100m south-west of it. This suggests a north-east strike orientation, consistent with other higher grade lodes intersected elsewhere on the Laterite Hill Grid.

Elsewhere, narrow low to moderate grade gold intercepts were encountered in most holes.

Power Auger Drilling Program – Sirba Permit

A reconnaissance power auger sampling program was completed over the south-western extension of the Laterite Hill Grid. 484 holes were drilled, totalling 2,994m. Assays are pending.

Geological Mapping – Sirba and Madyabari Permits

Geological mapping covering 88 km² was completed on the Sirba and Madyabari permits.

Power auger drilling – Fouli permit

Assays were received from power auger drilling completed on the Fouli permit in the March Quarter. A number of gold anomalies were identified (Figure 12).

Aoura and Tangagari Permits (PDI Earning 95%)

Power Auger Drilling Program

Assays were received from power auger drilling completed in the March Quarter. A series of strong bedrock gold anomalies with a total strike length exceeding 5km were identified, and with a peak value of **15g/t Au** (Figure 13)

RC Drilling Program - Aoura

A limited 6 hole RC program, totalling 480m, was completed to test targets east of the Aoura workings where previous drilling had intersected up to **2m at 14.4g/t Au**.



The holes were drilled at an inclination of -65 degrees. Down hole trajectories for the angle holes were surveyed using a gyroscopic instrument. Analytical standards and blanks were inserted at regular intervals for quality control, and samples were submitted for fire assay to the SGS Laboratory in Ouagadougou.

Anomalous gold values were obtained (see Assay Table) but no ore grade and width gold intercepts were encountered.

Kodogou South Permit (PDI Earning 100%)

Power Auger Drilling Program

A reconnaissance power auger sampling program was completed over structures highlighted by Predictore™ analysis. 457 holes were drilled, totalling 2,807m. Assays are pending.

Geological Mapping

36 km² of geological mapping were completed on the Kodogou South Permit.

Bangaba Permit (PDI earning 95%)

Background

The Bangaba project in Eastern Burkina Faso (Figure 1) covers areas of extensive artisanal mining. PDI is earning a 95% interest in the 128 km² Bangaba exploration permit by making a series of staged payments in cash and shares. PDI's equity now stands at 68%.

It is estimated that artisanal miners have produced several tonnes of gold at Bangaba over 27 years. Artisanal workings are located on two complex structures on the north-west and south-east contacts of a granodiorite-diorite body (Figure 14).

Previous RC and diamond drilling programs at the two major sites of artisanal mining, Solna and Tambiri, have generated a series of high grade intercepts, including: **2m at 56g/t Au, 5m at 17g/t Au, 7m at 13g/t Au, 9.3m at 4.9g/t Au and 5.6m at 16g/t Au.**

RC Drilling Program

An RC drill program, totalling 6,584m, was completed during the Quarter. It was designed primarily to infill or test extensions of the known mineralisation at Solna and Tambiri, and resulted in gold intersection spacings of between 40 and 80m. Results from all the holes drilled are tabulated at the end of this release.

The holes were drilled at an inclination of -65 degrees. Down hole trajectories for the angle holes were surveyed using a gyroscopic instrument. Analytical standards and blanks were inserted at regular intervals for quality control, and samples were submitted for fire assay to the SGS Laboratory in Ouagadougou.



Tambiri (Figure 15)

At Tambiri, better intercepts included:

- **20m at 2.3g/t Au** from 48m including **1m at 15g/t Au** - northern extension
- **20m at 2.2g/t Au** from 138m including 4m at 7.0g/t Au – southern extension
- **12m at 1.7g/t Au** from 88m
- **12m at 1.4g/t Au** from 96m
- **12m at 1.4g/t Au** from 108m

The Tambiri Prospect is an open pit target with underground potential. These drill results confirmed the earlier geological interpretation and extended the outline of known mineralisation both to the north and south (Figure 15) as seen in the two 20m intercepts listed above. The northern intercept was approximately 40m below surface and the southern intercept was about 130m below surface, indicating an overall shallow southward plunge. Mineralisation remains open to the north and south.

The Tambiri gold mineralisation is also open at depth directly beneath the zone of higher grade intercepts (pink shaded area on Figure 15). Several holes in this area steepened more than was anticipated with the result that one hole stopped in low grade mineralisation and a second hole may have failed to reach the lode position.

The gold mineralisation dips steeply to the south-east and all intercepts correlate clearly within a gold-bearing quartz vein system that is typically between 5 and 20m thick.

These results indicate the potential to extend the Tambiri mineralization along strike away from the current artisanal workings.

Solna (Figure 16)

At Solna, better drill hole intercepts included:

- **2m at 20.4g/t Au** from 70m including **1m at 40g/t Au**
- **4m at 8.0g/t Au** from 194m including **1m at 29g/t Au**
- **5m at 5.7g/t Au** from 39m including **1m at 12g/t Au**
- **2m at 10g/t Au** from 134m including **1m at 19g/t Au**
- **2m at 10g/t Au** from 51m

The Solna Prospect is targeted as an open pit and underground gold deposit. A revised interpretation based on the new results (Figure 16) suggests a simpler situation than previously understood. The bulk of the gold mineralisation is located within the “B Lode” which generally dips to the south-east at an angle of approximately 50 degrees. A higher grade zone (e.g. **5.6m at 16g/t Au**, **7m at 13 g/t Au**, **4m at 8g/t Au**, **2m at 10g/t Au**) appears to plunge shallowly towards the east (Figure 16). These



grades and widths are likely to support underground mining and warrant follow-up because mineralisation remains open at depth.

South of the B Lode, two other lodes are identified, both with high grade cores which peak at **2m at 56g/t Au** (“A Lode”) and **6m at 20g/t Au** (“D Lode”). The second intercept is an upgraded value resulting from recent analysis of 1m samples taken from the previously reported 2m composites; it includes a single metre interval of **1m at 111g/t Au**. Both lodes are open at depth.

Drilling in the recent program targeted at the northern extension of the “C Lode” (Figure 16). Although high grade mineralisation was not intersected, recent geological re-interpretation suggests that this lode may trend in a different orientation towards the north-east and remains to be effectively tested.

Power Auger Drill Program Results

Commencing in late 2011, PDI conducted two phases of power auger geochemistry over the Bangaba Permit with the goal of extending the known mineralised zones under cover and discovering new ones. 2,835 holes were drilled totalling 11,531 metres. The drilling was targeted on and around the contacts of the diorite-granodiorite body (Figure 14) and structures identified by a detailed aeromagnetic survey.

Initially, holes were drilled 50m apart on mostly 400m spaced lines. Follow-up infill sampling was largely on 200m spaced lines with 25m hole spacing. Some closer infill drilling was carried out in the immediate vicinity of the Solna Prospect. Wherever possible, samples were collected at the interface between surficial materials (laterite or alluvium) and weathered bedrock and from the weathered bedrock itself. If the holes did not penetrate through to weathered bedrock, samples were taken at the bottom of hole. Gold analysis by AAS was carried out by the SGS laboratory in Ouagadougou.

Large gold anomalies with values exceeding 50ppb Au over distances of 3.5km and 3.0km were identified along strike from the Tambiri and Solna Prospects respectively (Figure 17). Further, significant anomalies were identified in the south-western part of the Project area. The cumulative strike length of gold anomalies now exceeds 8km. Most of the gold anomalous results were obtained from beneath thin cover, indicating potential for a series of new, shallowly concealed gold deposits.

The Tambiri and Solna artisanal workings occur in areas where the mineralised structures are at the surface. PDI has identified significant potential adjacent to the artisanal workings and elsewhere where the structures occur under shallow cover.

Boussouma permit (PDI earning 95%)

Boussouma is located in central Burkina Faso (Figure 1).

Field work during the June Quarter consisted of a power auger program. 550 holes were drilled, totalling 2,819m. Holes were drilled on lines spaced between 800m and 2km apart, and were

designed to test the major fault structures and/or rock contacts identified by PDI's earlier aeromagnetic survey.

Wherever possible, samples were collected at the interface between surficial materials (laterite or alluvium) and weathered bedrock and from the weathered bedrock itself. If the holes did not penetrate through to weathered bedrock, samples were taken at the bottom of hole. Gold analysis by AAS was carried out by the SGS laboratory in Ouagadougou.

Bedrock gold anomalies, **peaking at 1.8g/t Au**, were identified on a number of lines (see Figure 18). Most of these anomalies are worthy of follow up, given the very broad line spacings.

Planned September Quarter Exploration – Burkina Faso

The rainy season commenced late in the June Quarter this year. Therefore, apart from limited geological mapping, no field work will be carried out during the September Quarter. PDI's has a substantial amount of data to evaluate due to the significant hold up with assay returns over the past six months. Our focus will be on geological interpretation and prioritisation as assay results come to hand and on planning for the next field season which will commence in October, 2012.

Cote D'Ivoire

Komoro Permit

This permit is located in the north of Cote D'Ivoire with an area of 169 km² (Figure 19). It covers part of a greenstone belt containing active artisanal workings and extensive gold geochemical anomalies. The project holder has reported a series of high grade values **ranging up to 52g/t Au** from reconnaissance soil and bedrock sampling. However, as far as PDI is aware, the area has not been drill tested.

The Komoro permit application was made by BIPTFOP, an Ivoirian company. It covers a portion of a Birimian greenstone belt containing abundant gold occurrences and active artisanal workings.

The permit application has been recommended to the President of Cote D'Ivoire for grant by a Government committee, known as the COMINES, which was established to review exploration permit applications. The mining legislation in Cote D'Ivoire is currently being reviewed and the future status of the COMINES is uncertain. Nevertheless, PDI believes that the Komoro permit is likely to be granted because of BIPTFOP's previous exploration activities and by virtue of the agreement between PDI and BIPTFOP.

Prospect Assessment

BIPTFOP has undertaken a regional soil and rock chip geochemical sampling program and some geological mapping. The geochemical program identified widespread gold anomalous values including a number of high grade values. **36 samples contained more than 1g/t Au**, with peak values of 51 and 52g/t Au (Figure 20). Higher grade values are from what is described as saccharoidal quartz.

PDI sampling of this rock type obtained peak values of 14 and 18g/t Au, indicating that the BIPTFOP data are probably valid.

BIPTFOP's geological mapping indicates that much of the area is covered by lateritic material. PDI's geological inspection suggests that much of this laterite is transported, indicating that a bedrock sampling method may identify additional target areas.

While there is insufficient outcrop to determine the potential width of mineralisation, the examined prospects contain very attractive grades at shallow depths. Artisanal workings suggest the presence of multiple gold-bearing quartz veins. Therefore, based on its field examination and the BIPTFOP data, the Company has concluded that the permit has potential for one or more large, open pittable gold deposits.

Option Agreement

Key terms in the agreement with BIPTFOP are as follows:

- The agreement only takes effect when the exploration permit is granted
- Minimum commitment before withdrawal – USD300,000
- Three stage earn-in:
 - USD1M in exploration expenditure to earn a 35% interest
 - Additional USD1M in exploration expenditure (at PDI's sole election) for an additional 35% bringing PDI equity to 70%
 - After the 70% is earned, BIPTFOP may elect to contribute at a 30% level through to commencement of mine production. If BIPTFOP does not contribute, its interest will be converted to a 10% free carried interest
- PDI must complete the USD2M spend in a maximum time of 4 years.
- PDI will grant cash or shares with the following values to BIPTFOP as follows:
 - When the permit is granted and the agreement comes into effect - USD40,000
 - On achievement of a 35% equity - USD100,000
 - On achievement of a 70% equity - USD160,000

Australia

Victoria - Gold (PDI 100%)

Cape Clear Joint Venture

PDI withdrew from the Cape Clear Joint Venture, signed in the March Quarter, when it became apparent that the joint venture partner had not met expenditure commitments on the Exploration Licence and therefore was in breach of the agreement.



Skipton Exploration Licence

No field work was undertaken during the Quarter.

CORPORATE

At 30th June, 2012, PDI held cash and term deposits of \$1.0 million and no debt.

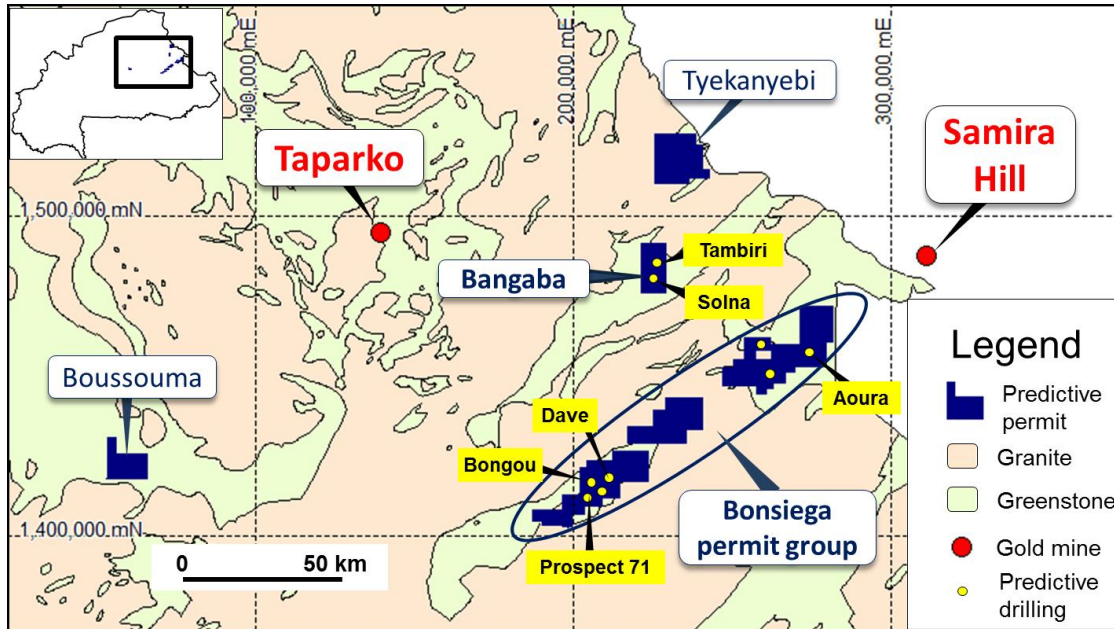


Figure 1: Locality Plan – PDI Projects in Eastern Burkina Faso superimposed on Government geological map. Results from the yellow labelled Prospects are provided in this Quarterly Report.

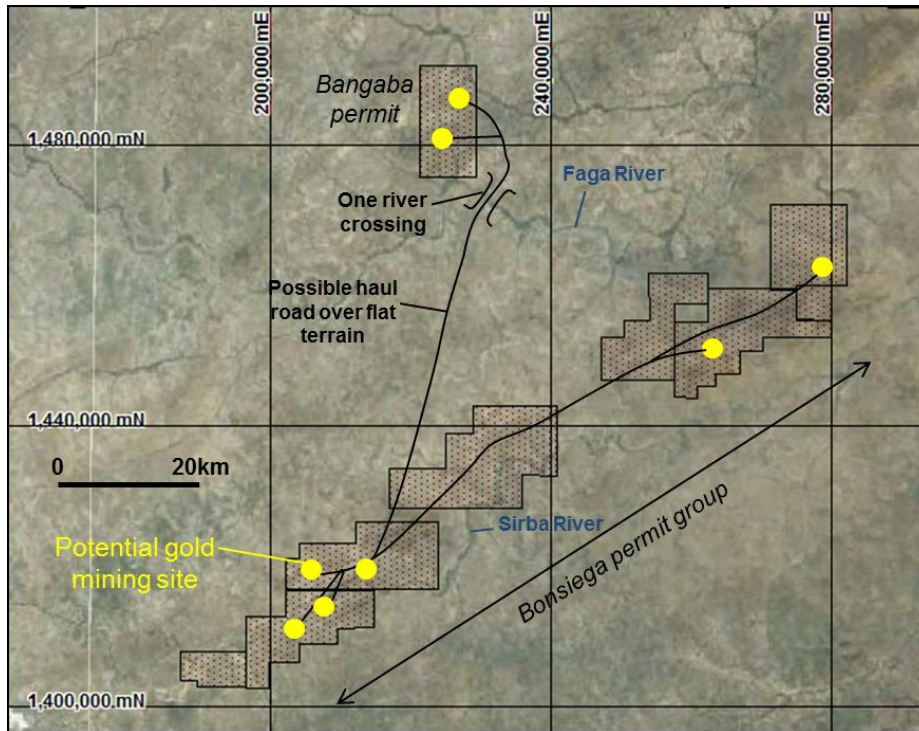


Figure 2: Conceptual plan on a satellite imagery base showing conceptual location of haul roads feeding a suitably located gold ore treatment plant drawing feed from possible gold deposits in PDI's Eastern Burkina Faso ground holdings. Note that there is only one significant river crossing between the Bangaba and Bonsiega and that the terrain between Bangaba and the Dave Prospect is mostly very flat providing easy access for road construction.

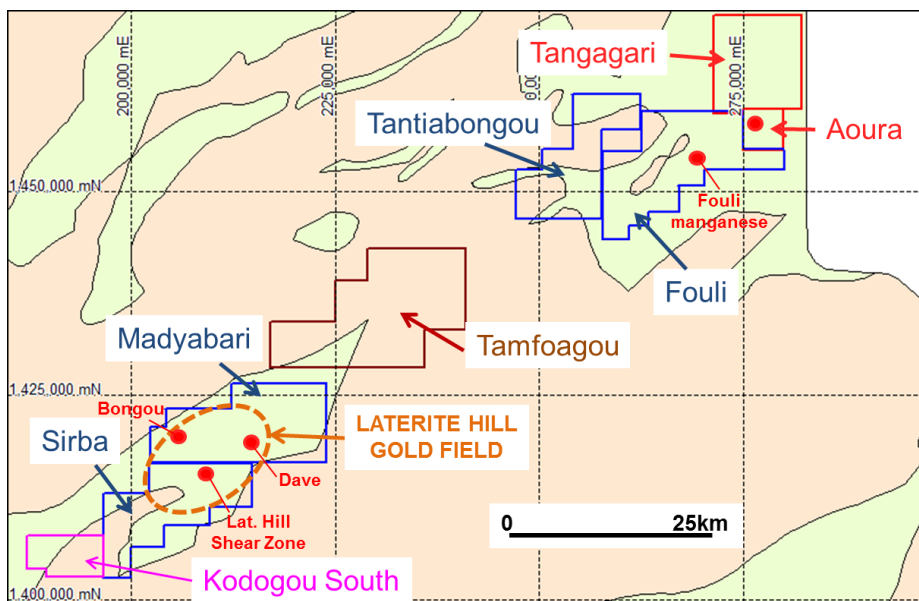


Figure 3: Locality Plan - Bonsiega permit group, showing permit names and the prospects which were drill tested in the June Quarter (filled red circles). Superimposed on Government geological mapping (pale green =volcanics and sediments; pink = granite).

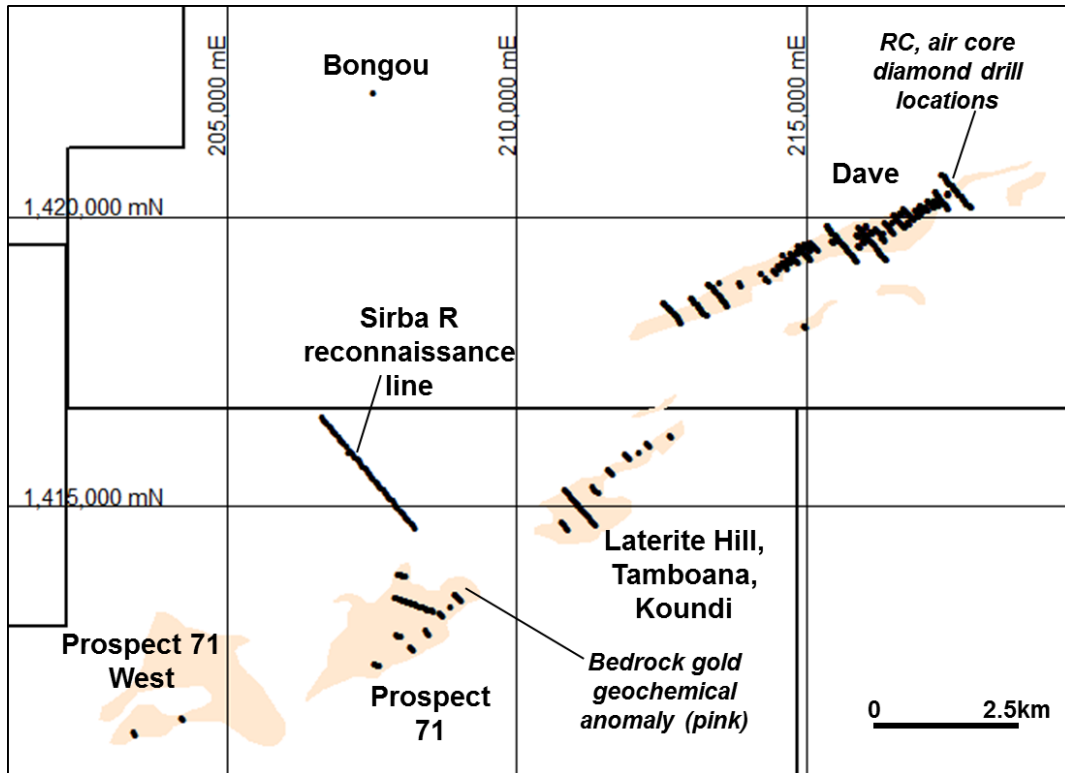


Figure 4: Laterite Hill Grid showing Prospect and drill locations superimposed on map showing power auger grid and locations of bedrock gold geochemical anomalies greater than 25ppb Au.

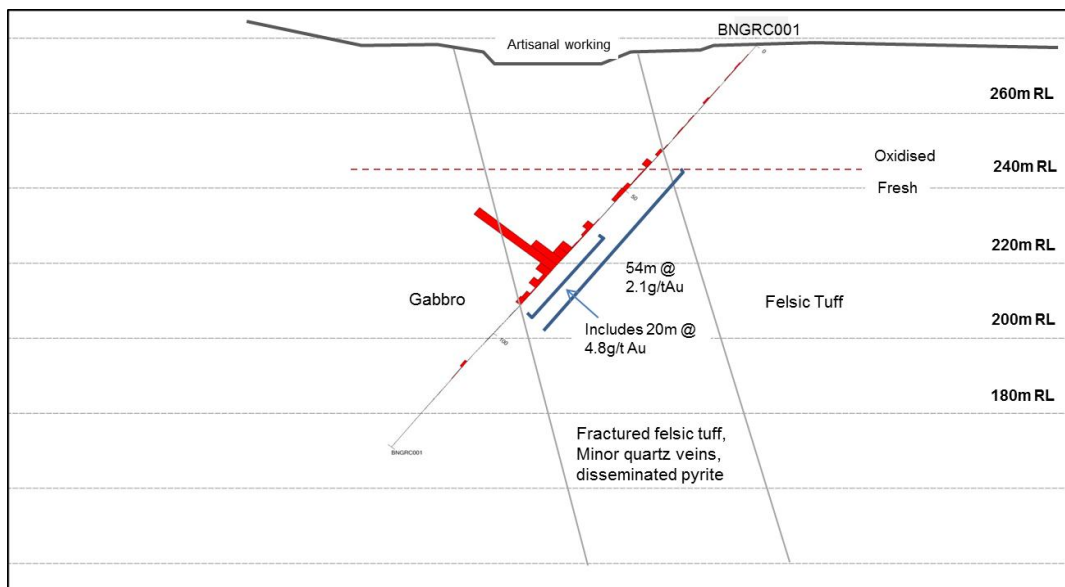


Figure 5: Drill cross section through Bongou Prospects. No vertical exaggeration. Scale indicated by depth levels (e.g. 260m RL)

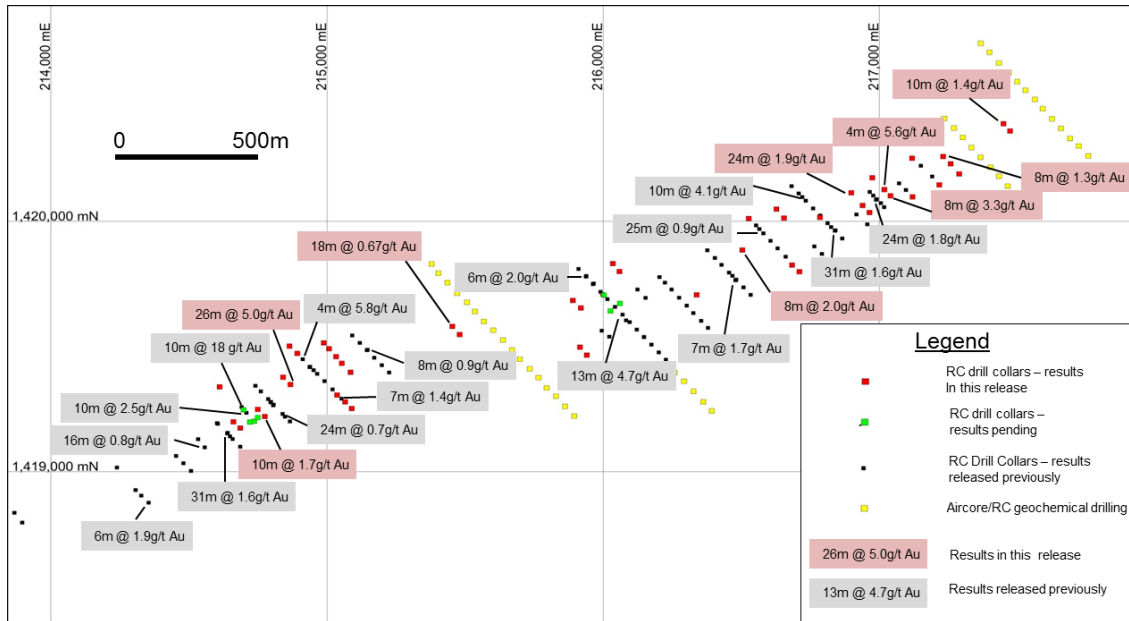


Figure 6: Dave Prospect - infill drill result highlights. See Figure 9 for compilation of aircore, RC and geochemical drilling results.

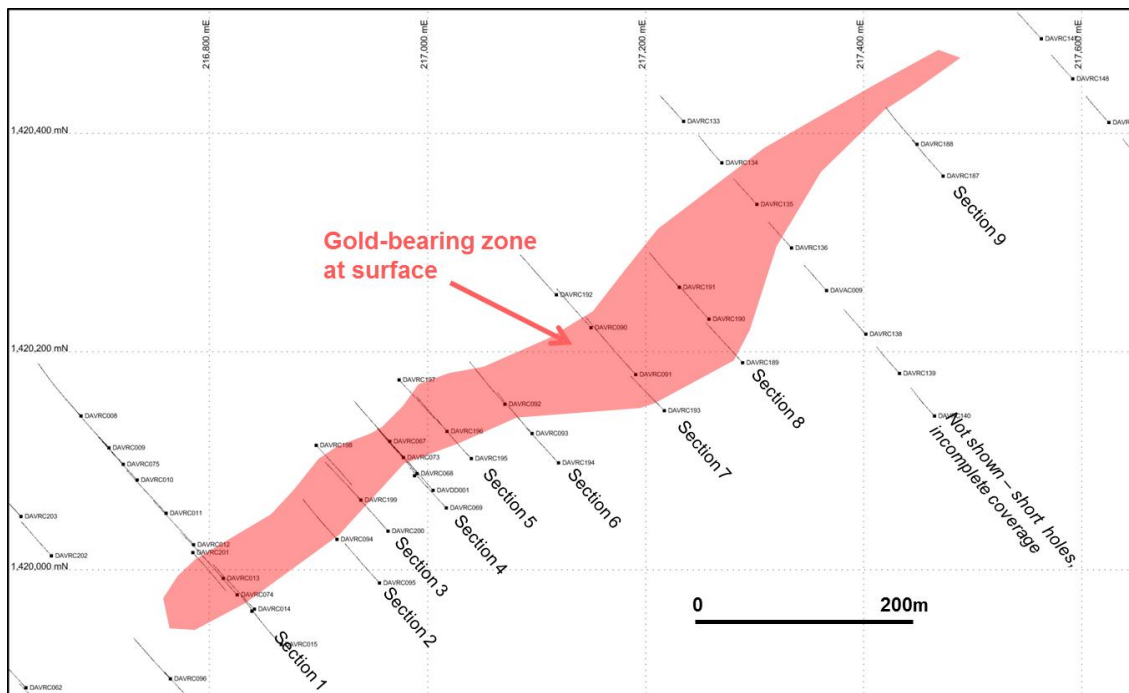


Figure 7: Plan of eastern end of Dave Prospect, showing infill drill lines and mineralised trend location.

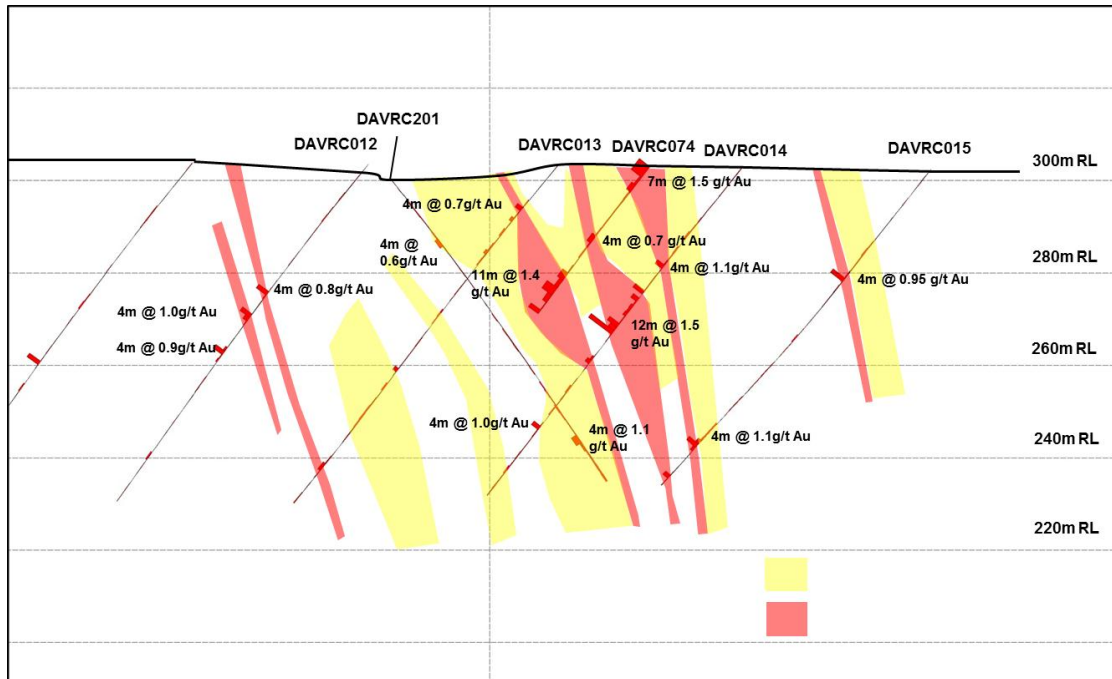


Figure 8: Section 1 (see Figure 7 for locality). No vertical exaggeration. Scale indicated by depth levels (e.g. 300m RL)

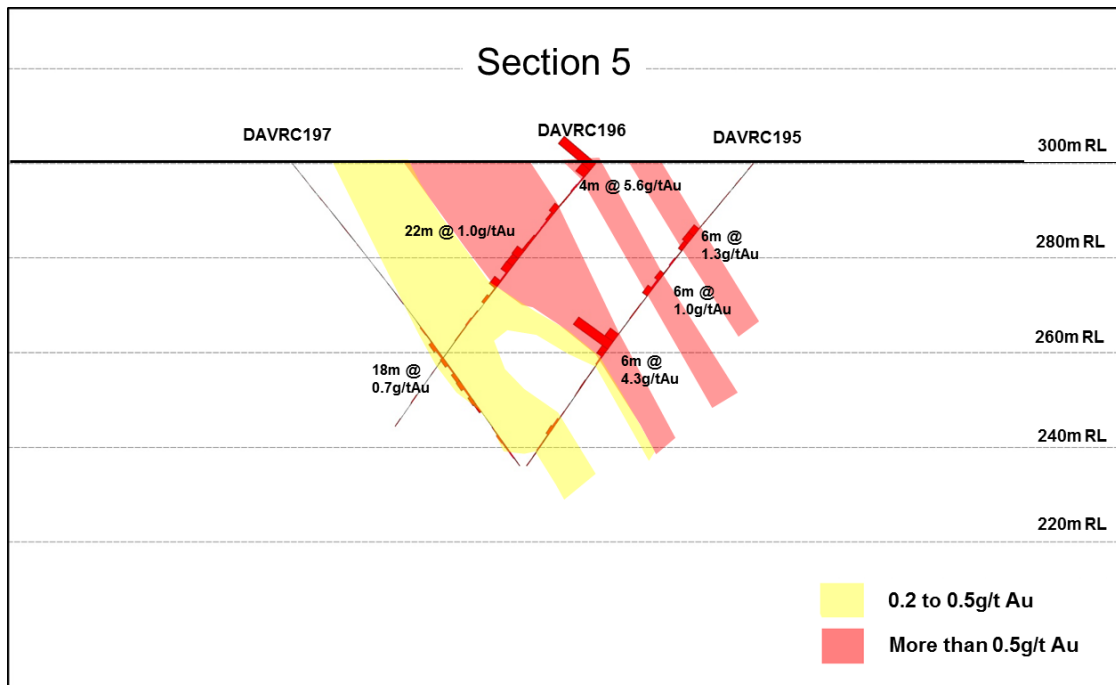


Figure 9: Section 5 (see Figure 7 for locality). No vertical exaggeration. Scale indicated by depth levels (e.g. 300m RL)

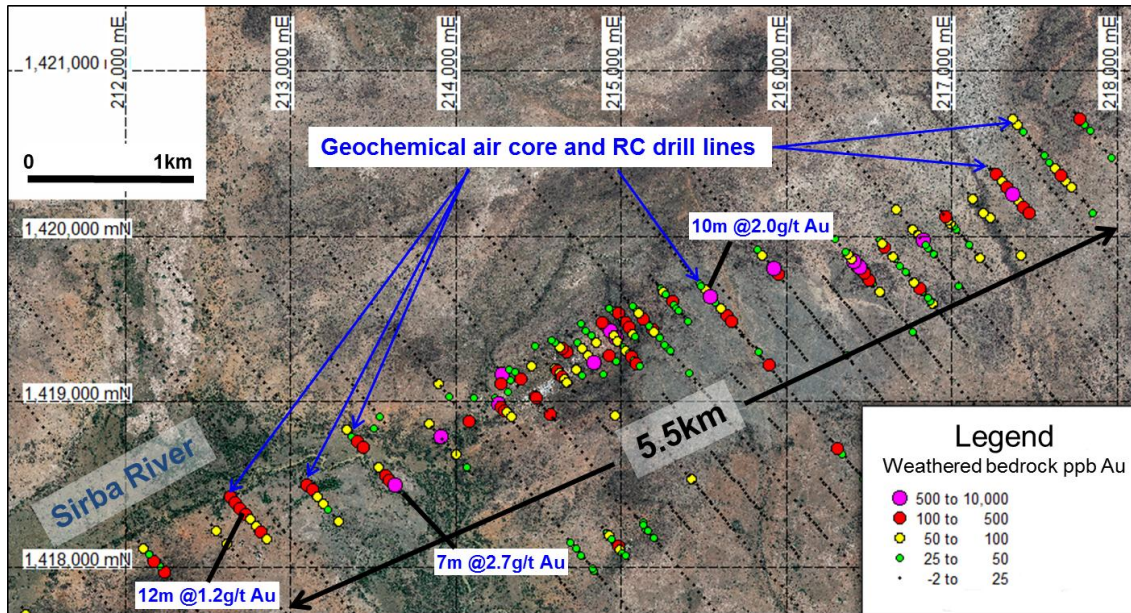


Figure 10: Image of power auger bedrock data combined with gold assays from geochemical air core and RC drill lines in areas where the superficial cover could not be penetrated by the power auger. Gold values in the RC holes were averaged over the length of weathered bedrock material in each hole. Better results from the geochemical air core-RC program are highlighted. This analysis shows that the Dave mineralised system persists over at least 5.5km.

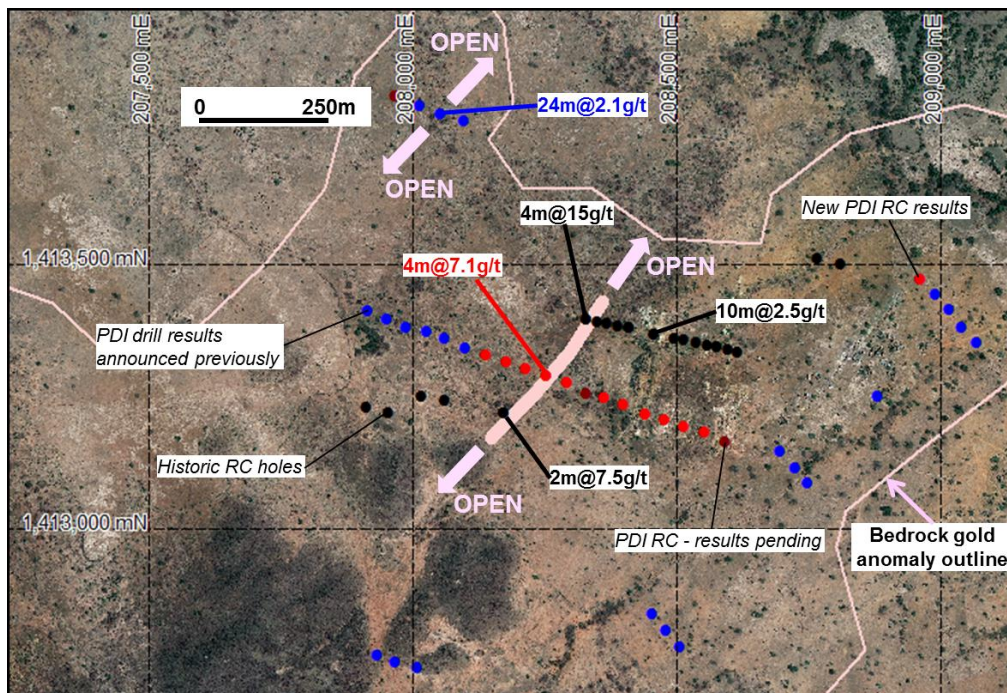


Figure 11: Prospect 71 – drill locations and assay highlights superimposed on aerial photography. Positions of historic (Emerging African Gold) drill holes are approximate only.

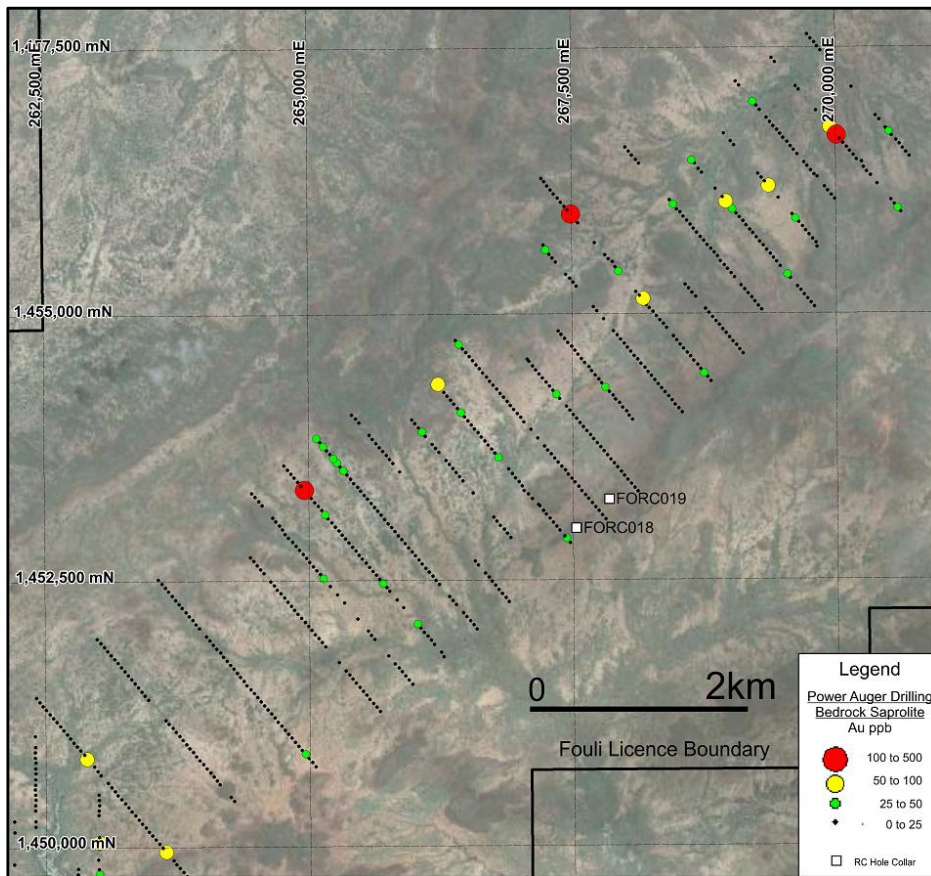


Figure 12: Fouli power auger gold in bedrock drill results superimposed on satellite image. The RC hole collars tested part of a 7km long manganese-bearing horizon.

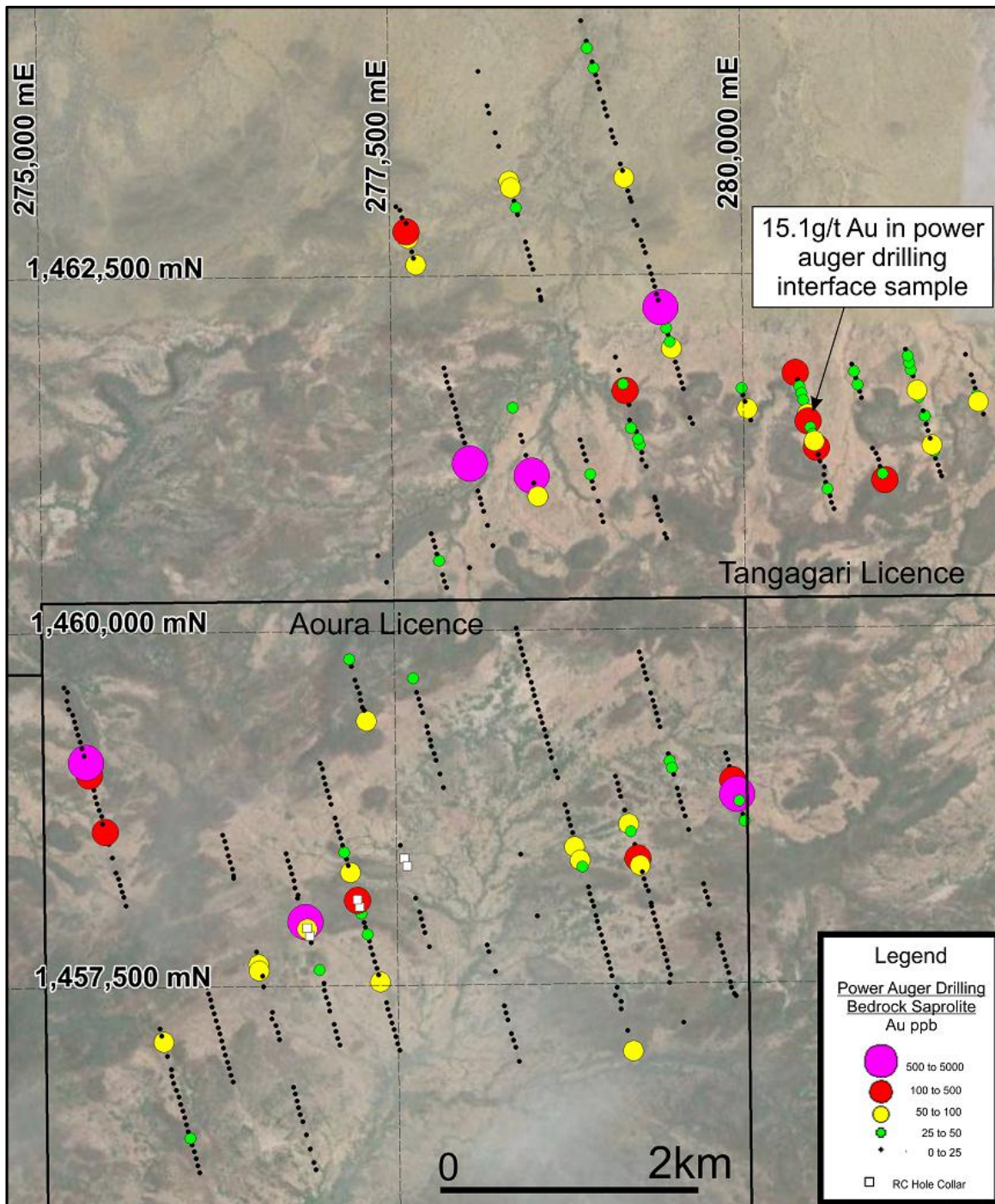


Figure 13: Aoura-Tangagari power auger gold in bedrock drill results superimposed on a satellite image.

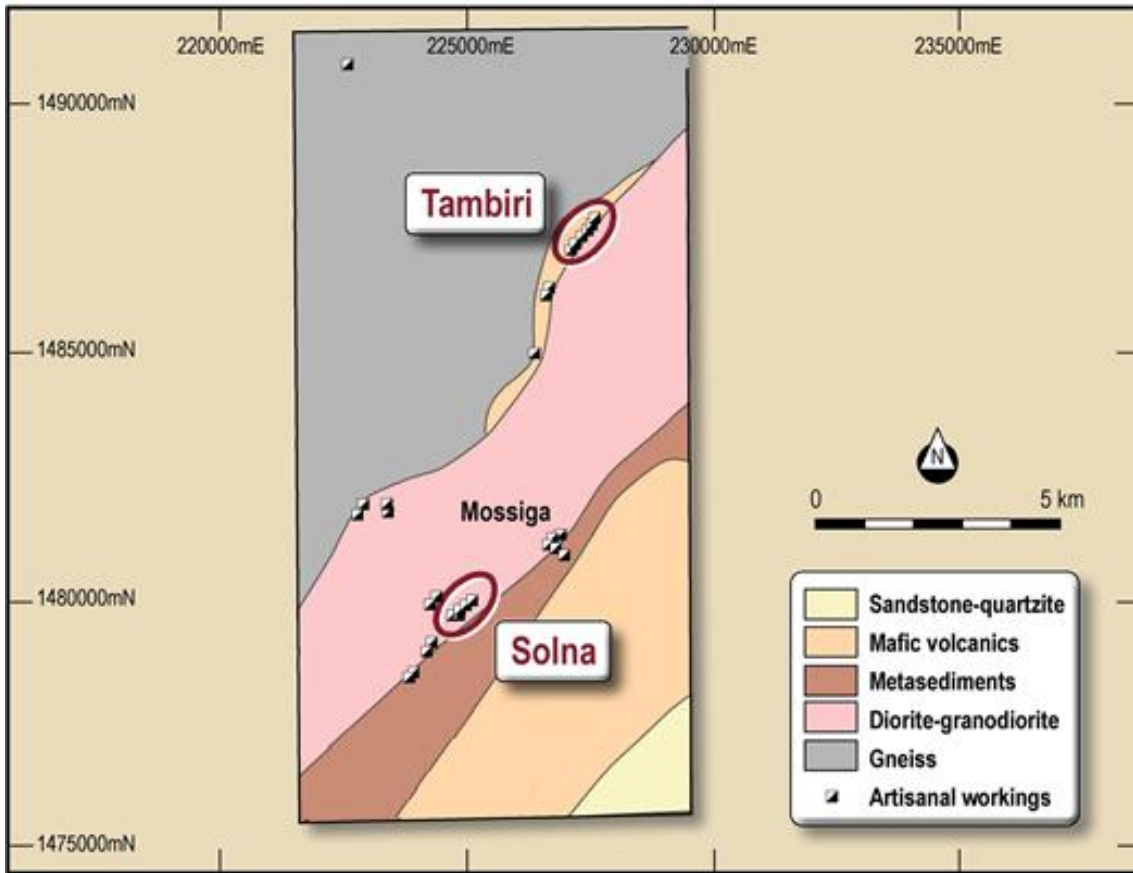


Figure 14: Bangaba geological interpretation showing location of Solna and Tambiri Prospects.

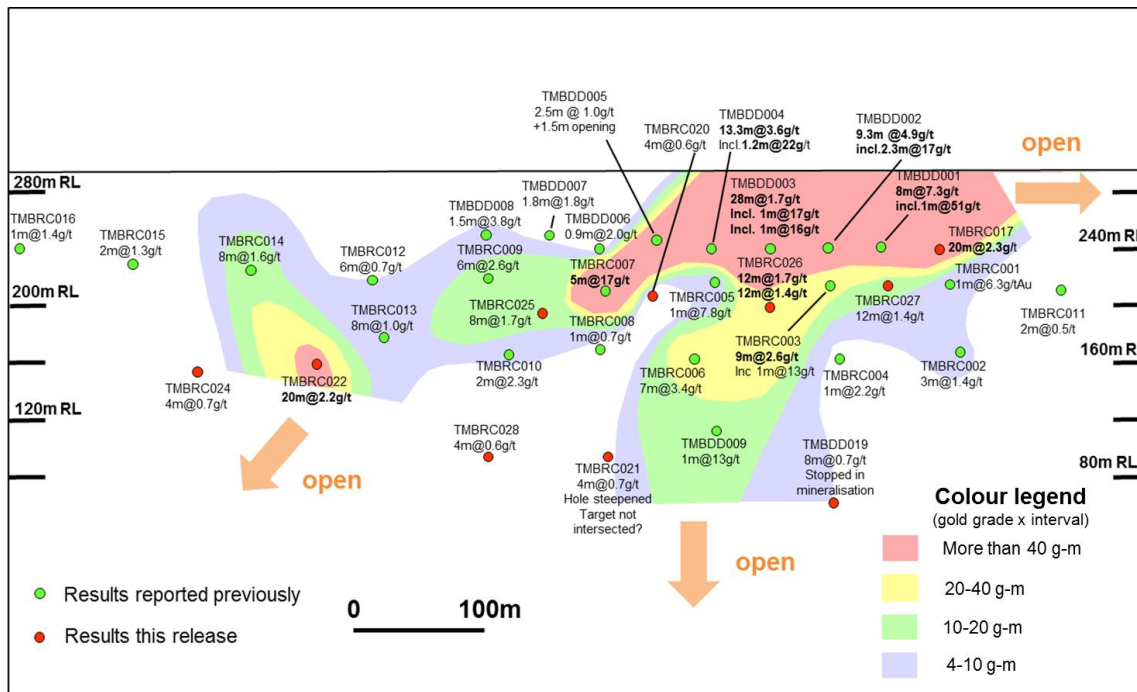


Figure 15: Tambiri longitudinal projection, showing gold grade x interval metre contours

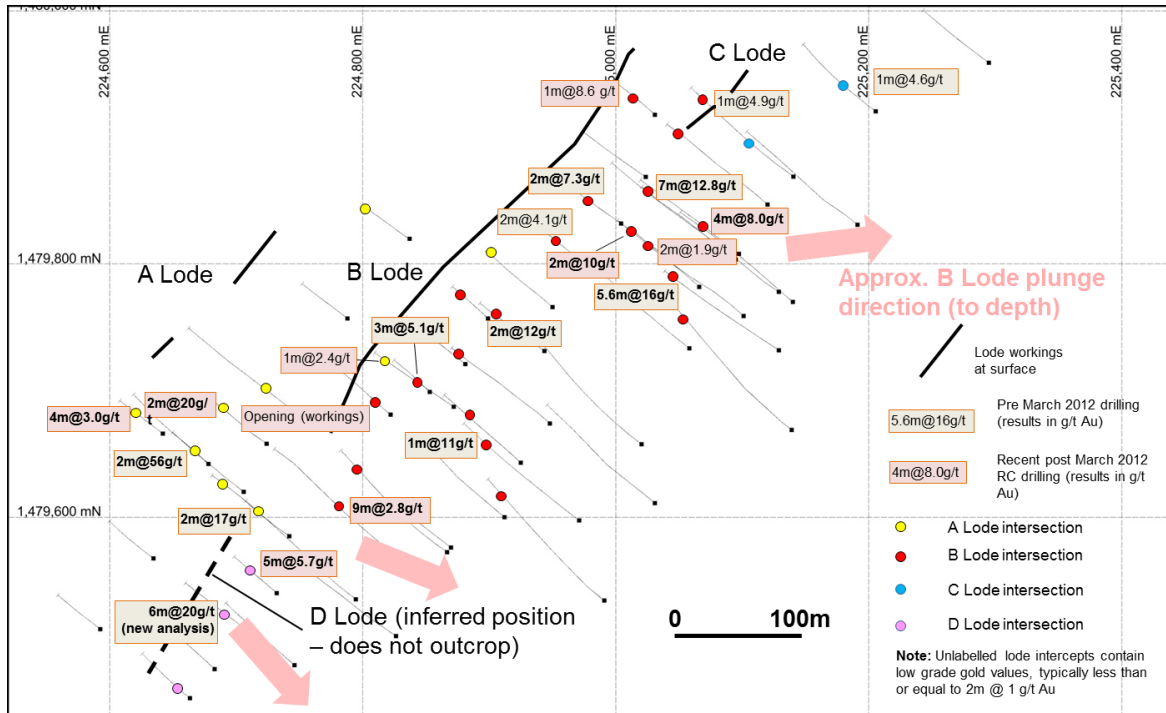


Figure 16: Solna plan view of drill holes, showing interpreted lode positions and ore grade and width intercepts

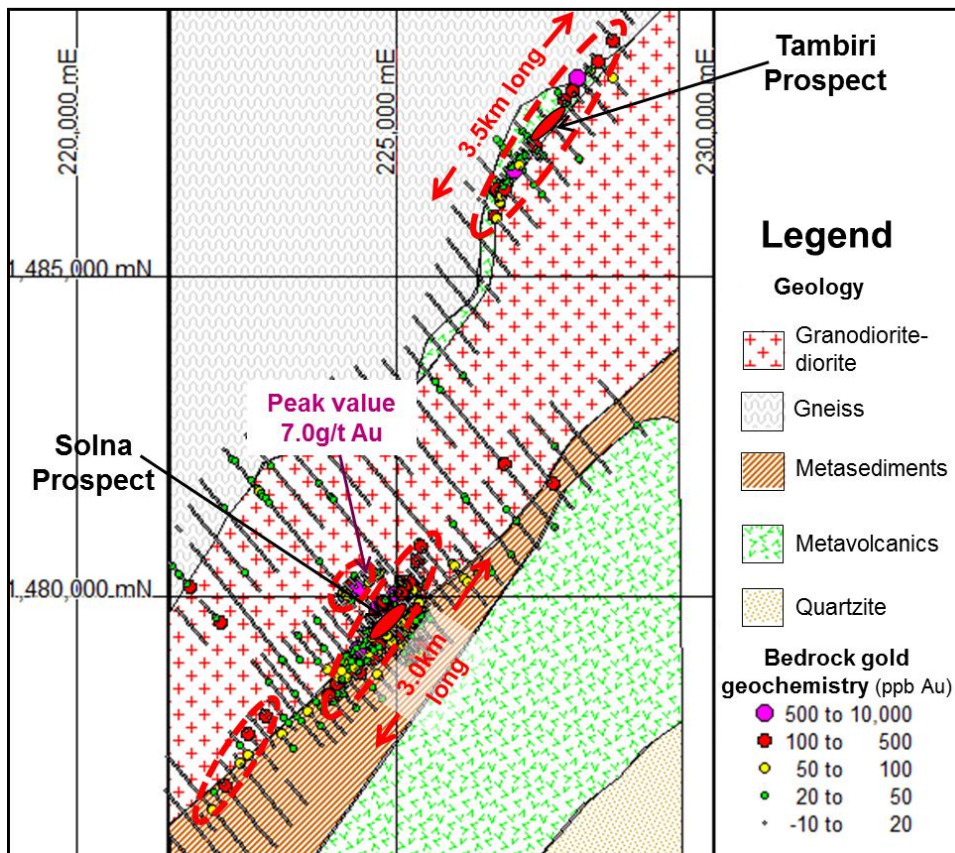


Figure 17: Geological map of part of the Bangaba Project showing the location of the power auger drill sites and gold anomalous results. The areas which have been drill tested to date at the Solna and Tambiri Prospects are shown as small red ellipses within the more extensive geochemical anomalies.

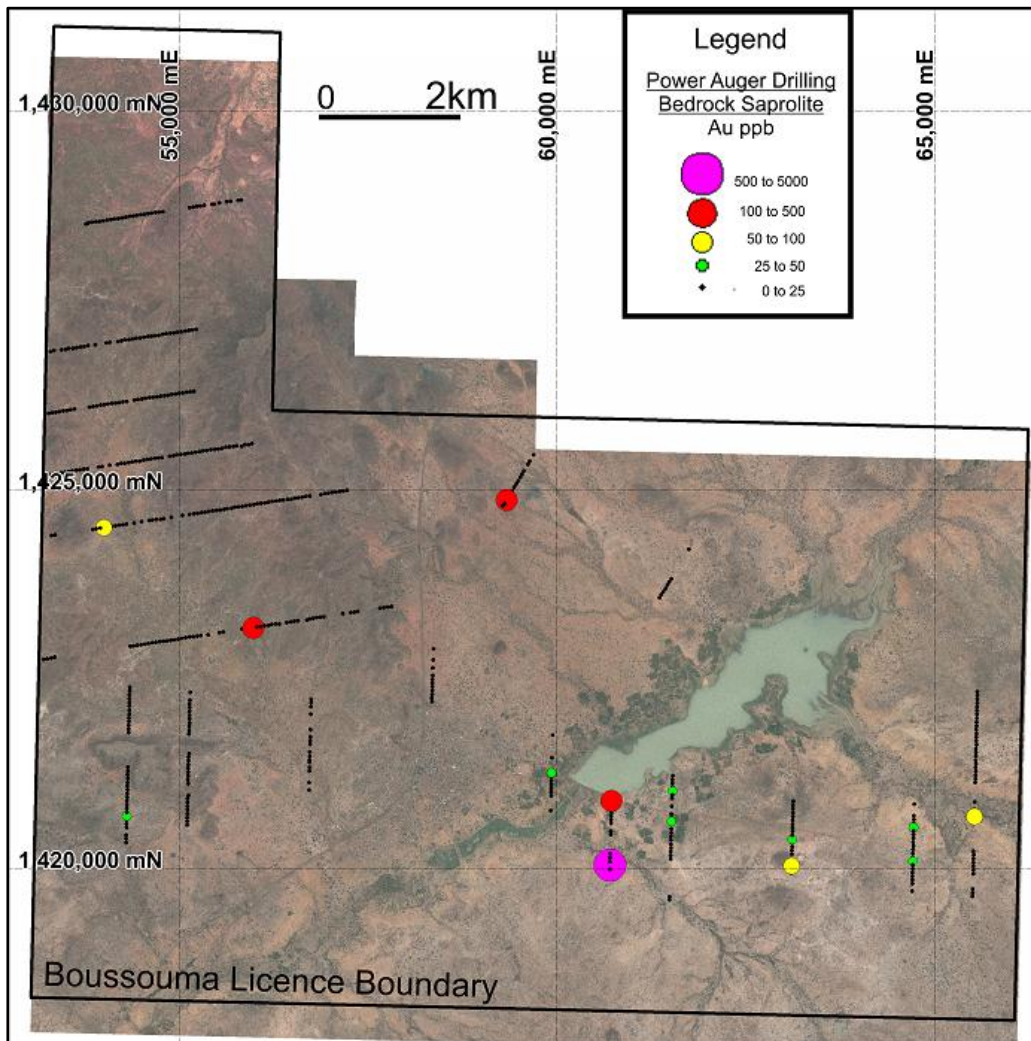


Figure 18: Boussouma permit – power auger bedrock gold geochemistry results superimposed on satellite imagery.

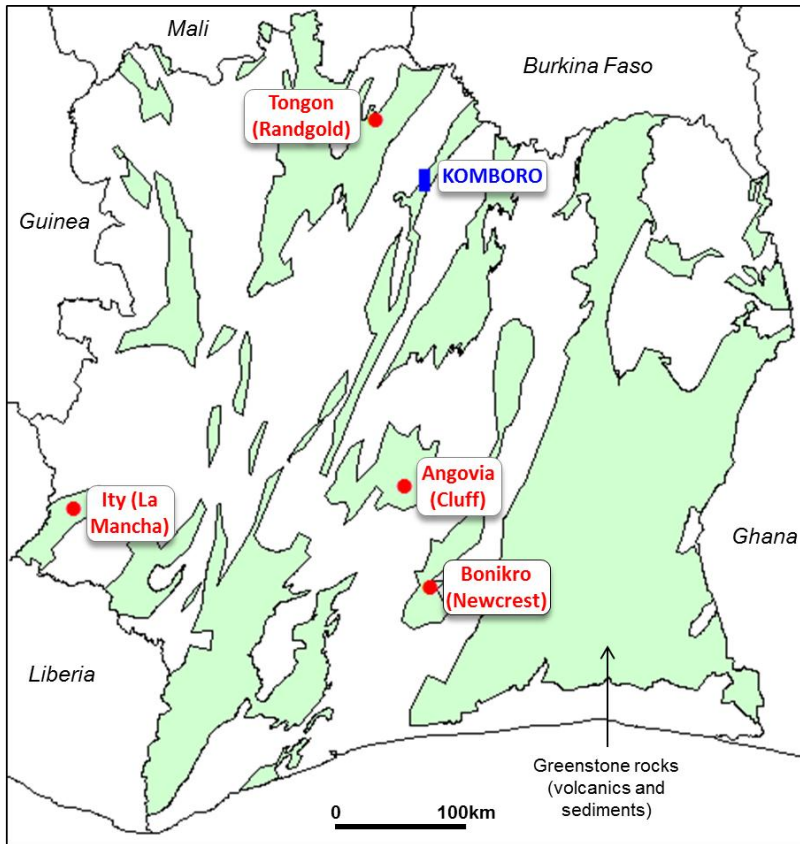


Figure 19: Kombokoro Project locality plan. Red circles denote gold mines. Greenstone areas, which host gold mineralisation, are coloured pale green.

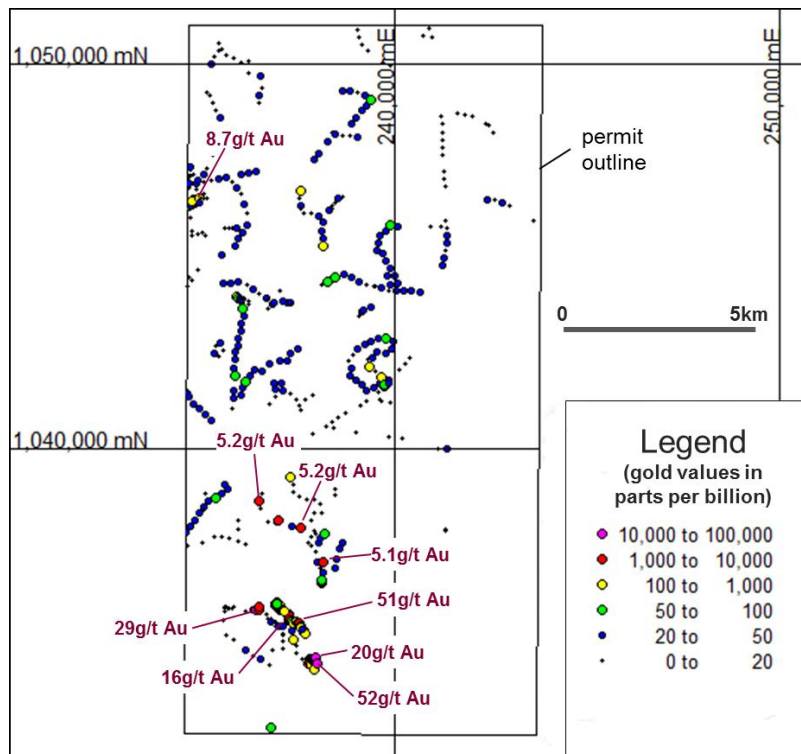


Figure 20: BIPTFOP geochemical results, Kombokoro Project. Note the presence of two gold-rich zones each extending over several kilometres in the southern part of the permit, and both open to the south-east.

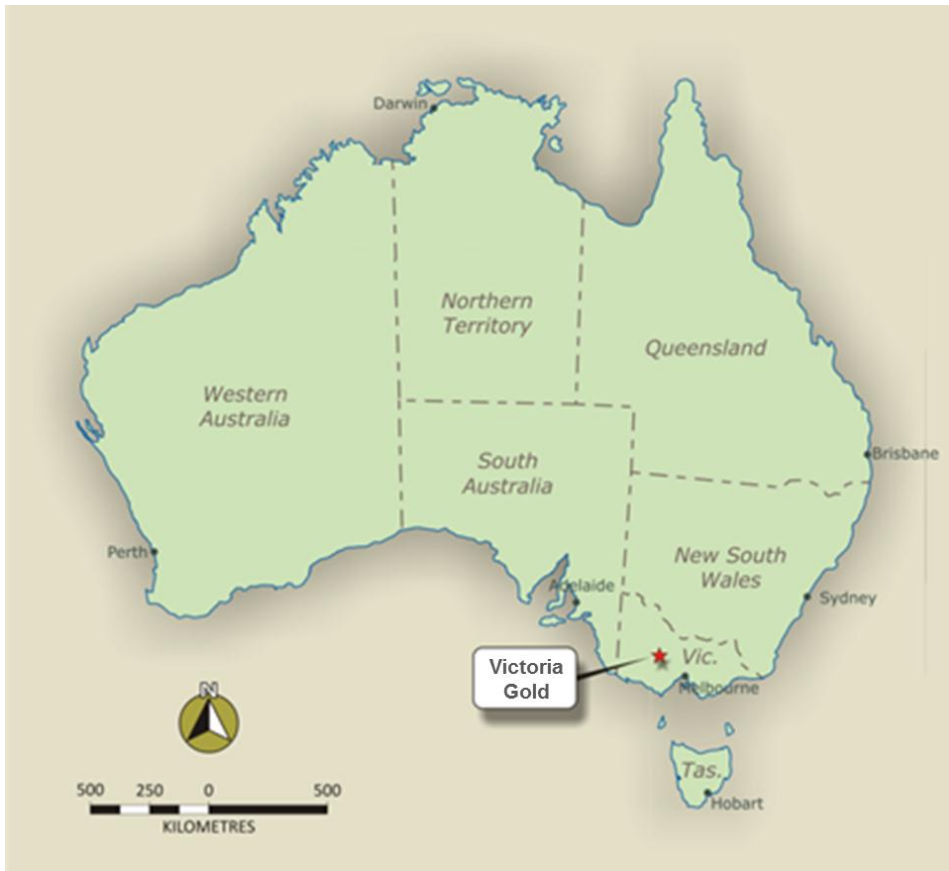


Figure 21: Location of PDI's Victorian Gold Project

DRILL ASSAY RESULTS TABLE

Hole Number	Collar coordinates (UTM, WGS84, 31N)		Azimuth	Inclination	0.5g/t Au cut-off			Comments
	Easting	Northing			Depth From	Width	Average Au g/t	
BONGOU PROSPECT								
BNGRC001	207544	1422132	350	-50	36	6	0.78	Within 54m at 2.1g/t Au and includes 2m at 24g/t Au
					48	6	1.1	
					62	4	1.3	
					70	20	4.8	
DAVE PROSPECT - RC DRILLING								
DAVRC090	217147	1420225	320	-50	6	8	1.1	
DAVRC091	217189	1420177	320	-50	0	24	1.1	
					52	6	1.6	
DAVRC092	217074	1420153	320	-50	36	2	1.3	
DAVRC093	217097	1420126	320	-50	30	28	1.6	
DAVRC094	216918	1420029	320	-50	56	12	1.5	

DAVRC101	216023	1419539	320	-50	74	2	1.1	
DAVRC119	215637	1419525	320	-50	31	4	0.84	
DAVRC122	215734	1419410	320	-50	0	4	0.6	
DAVRC127	215895	1419222	320	-50	40	10	0.6	
DAVRC134	217270	1420373	320	-50	17	4	0.87	
DAVRC136	217334	1420295	320	-50	12	4	0.88	
DAVRC139	217433	1420180	320	-50	17	4	0.52	
					37	4	0.55	
DAVRC140	217465	1420141	320	-50	39	4	0.55	
DAVRC159	213099	1418500	140	-50	24	4	0.86	
DAVRC161	213158	1418428	140	-50	29	4	0.55	
DAVRC169	213437	1418723	140	-50	36	4	0.75	
DAVRC173	213576	1418552	140	-50	34	4	0.67	
DAVRC175	213627	1418495	140	-50	6	7	2.7	
DAVRC179	212635	1418425	140	-50	40	5	0.95	
DAVRC182	212728	1418320	140	-50	11	12	1.2	
DAVRC187	217473	1420361	320	-50	38	4	0.55	
DAVRC188	217449	1420390	320	-50	48	10	1.4	
DAVRC189	217289	1420190	320	-50	14	4	0.74	
DAVRC190	217258	1420230	320	-50	20	8	0.98	
					42	8	0.98	
DAVRC191	217231	1420259	320	-50	34	8	1.3	
					62	6	0.57	
DAVRC193	217217	1420146	320	-50	24	4	0.64	
DAVRC194	217120	1420098	320	-50	10	4	1.1	
					42	6	1.2	
DAVRC195	217040	1420102	320	-50	18	18	0.84	
					46	6	4.3	
DAVRC196	217018	1420127	320	-50	0	4	5.6	
					12	22	1.0	
DAVRC197	216974	1420174	140	-50	48	18	0.67	
DAVRC198	216898	1420114	140	-50	4	24	1.9	
					46	4	0.93	
					60	4	1.5	
					74	4	1.5	
DAVRC199	216939	1420064	320	-50	0	12	0.75	
					32	24	0.76	
					50	6	1.4	
					72	4	0.56	
DAVRC200	216964	1420036	320	-50	40	6	1.2	
DAVRC201	216785	1420016	140	-50	14	4	0.55	
					68	4	0.94	
DAVRC202	216655	1420013	320	-50	20	4	1.4	
DAVRC203	216627	1420049	320	-50	64	6	0.53	
DAVRC204	216527	1420011	140	-50	50	4	1.0	
DAVRC205	216684	1419825	320	-50	52	8	0.58	
DAVRC207	216504	1419885	320	-50	44	4	3.4	

					54	4	1.0	
					72	8	2.0	
DAVRC208	216338	1419706	320	-50	60	4	1.5	
DAVRC209	216035	1419831	320	-50	20	4	1.3	
DAVRC210	216059	1419800	320	-50	58	4	0.7	
DAVRC211	215919	1419654	320	-50	26	4	0.55	
					50	4	0.66	
					64	4	1.7	
DAVRC215	215480	1419548	320	-50	24	10	0.73	
DAVRC216	215454	1419580	320	-50	8	4	1.1	
					60	18	0.67	
DAVRC217	214988	1419514	140	-50	22	4	2.1	
DAVRC223	215065	1419278	140	-50	12	6	1.1	
DAVRC225	214864	1419501	140	-50	34	4	0.59	
					48	4	1.0	
					58	4	0.98	
DAVRC226	214892	1419472	140	-50	12	4	1.5	
DAVRC228	214867	1419348	140	-50	26	26	5.0	Includes 2m at 24g/t Au
DAVRC230	214661	1419199	140	-50	28	6	1.5	
					56	4	2.7	
					66	4	0.55	
DAVRC231	214686	1419174	140	-50	62	4	0.93	
DAVRC232	214611	1419338	140	-50	24	12	0.69	
DAVRC233	214749	1419248	140	-50	6	4	0.9	
					40	8	1.5	
DAVRC234	214775	1419220	140	-50	16	10	1.7	
DAVRC235	215012	1418081	320	-50	46	4	0.55	
DAVE PROSPECT - AIR CORE DRILLING								
DAVAC006	215535	1419639	320	-50	40	5	3.6	
DAVAC009	217366	1420256	320	-50	12	12	0.72	
					40	8	0.74	
AOURA PROSPECT - RECONNAISSANCE RC DRILLING								
	Collar coordinates (UTM, WGS84, 31N)				0.2g/t Au cut-off			
Hole Number	Easting	Northing	Azimuth	Inclination	Depth From	Width	Average Au g/t	Comments
AOURC001	276877	1457852	345	-65	6	6	0.71	
AOURC002	276858	1457908	345	-65	8	10	0.41	
					30	8	0.76	
					52	8	0.35	
AOURC003	277232	1458056	345	-65	44	2	0.34	
AOURC004	277219	1458107	345	-65	14	10	0.21	
AOURC005	277554	1458394	345	-65	28	2	0.48	
AOURC006	277574	1458341	345	-65				No significant results



FOULI MANGANESE PROSPECT - RECONNAISSANCE RC DRILLING								
Hole Number	Collar coordinates (UTM, WGS84, 31N)		Azimuth	Inclination	3% Mn cut-off			Comments
	Easting	Northing			Depth From	Width	Average Mn %	
FORC018	267537	1452987	320	-50	32	36	7.5	
FORC019	267846	1453256	320	-50	50	11	5.3	
SOLNA PROSPECT, BANGABA PERMIT - RC DRILLING								
Hole Number	Collar coordinates (UTM, WGS84, 31N)		Azimuth	Inclination	0.5g/t Au cut-off			Comments
	Easting	Northing			Depth From	Width	Average Au g/t	
SOLRC017	225373	1480517	-50	310				No significant results
SOLRC017	225373	1480517	-50	310				No significant results
SOLRC018	225128	1480200	-50	310	25	1	1.7	
SOLRC019	224724	1479658	-50	310	70	2	20.3	Including 1m @ 40g/t Au
SOLRC020	225362	1480007	-50	310				No significant results
SOLRC021	225295	1479959	-50	310				No significant results
SOLRC022	224788	1479757	-50	310	15	1	1.4	
SOLRC023	224818	1479576	-50	310	63	1	8.3	
					71	1	4.9	
SOLRC024	224837	1479820	-50	310				4m @ 0.46 g/tAu from 66m; 4m composite
SOLRC025	225191	1479831	-60	310	222	4	1.4	
SOLRC026	225129	1479778	-50	310				No significant results
SOLRC027	225140	1479770	-60	310	166	1	3.6	
					194	4	8.0	Including 1m @ 29g/t Au
SOLRC028	225120	1479847	-50	310	59	1	0.84	
SOLRC029	225031	1479918	-50	310	42	1	8.6	
SOLRC030	224822	1479681	-50	310				No significant results
SOLRC031	224881	1479721	-50	310	86	1	2.4	
SOLRC032	224948	1479674	-50	310	133	1	0.82	
SOLRC033	225031	1479611	-60	310				No significant results
SOLRC034	224950	1479766	-50	310				1m @ 0.23 g/tAu from 118m
SOLRC035	225139	1479669	-60	310	219	1	1.1	
SOLRC036	225101	1479759	-50	310	191	2	1.9	
SOLRC037	225066	1479782	-50	310	134	2	10.2	Including 1m @ 19g/t Au
SOLRC038	224991	1479534	-60	310				1m @ 0.55 g/tAu from 208m
SOLRC039	224912	1479600	-50	310				No significant results

SOLRC040	224732	1479540	-50	310	39	5	5.7	Including 1m @ 12g/t Au
SOLRC041	224746	1479483	-50	310				No significant results
SOLRC042	224683	1479480	-50	310				No significant results
SOLRC043	224401	1479144	-50	310	20	1	2.9	
SOLRC044	224406	1480114	-50	310	13	6	0.74	
SOLRC045	225355	1479126	-50	310				No significant results
SOLRC046	225321	1479152	-50	310				No significant results
SOLRC047	224925	1479643	-50	310	88	92		
SOLRC048	224742	1479585	-50	310				4m @ 0.45 g/tAu from 108m; 4m composite
SOLRC049	224853	1479699	-50	310				No significant results
SOLRC050	224899	1479757	-50	310				No significant results
SOLRC051	224678	1479642	-50	310	51	2	10.4	Including 1m @ 20g/t Au
TAMBIRI PROSPECT, BANGABA PERMIT - RC DRILLING								
	Collar coordinates (UTM, WGS84, 31N)				0.5g/t Au cut-off			
Hole Number	Easting	Northing	Azimuth	Inclination	Depth From	Width	Average Au g/t	Comments
TMBRC017	227639	1487620	-50	310	48	20	2.3	Includes 3m internal waste. Including 1m @ 15g/t Au
TMBRC018	227627	1487472	-50	310				Stopped short, no intersection
TMBRC019	227703	1487462	-50	310	252	8	0.69	Stopped in mineralisation; 4m composites
TMBRC020	227541	1487439	-50	310	92	4	0.6	4m composite
TMBRC021	227559	1487375	-60	310	200	4	0.7	4m composite
TMBRC022	227406	1487242	-50	310	138	20	2.2	Including 4m at 7.0g/t Au: 4m composite
TMBRC023	227461	1487260	-60	310				Hole over-steepened, no intersection
TMBRC024	227356	1487177	-50	310	150	4	0.65	4m composite
TMBRC025	227493	1487377	-50	310	104	8	1.7	4m composites
TMBRC026	227600	1487502	-50	310	88	12	1.7	4m composites
					108	12	1.4	4m composites
TMBRC027	227644	1487574	-50	310	96	12	1.4	4m composites
TMBRC028	227545	1487281	-50	310	232	4	0.6	4m composite

Notes regarding the drilling and the assay table:

1. Down-hole surveys were performed on all holes.
2. Analytical standards, blanks and duplicates were added to all sample batches for quality control.



3. Analyses were performed by fire assay at the SGS laboratory in Ouagadougou.
4. Average assay values are calculated with a maximum of 1m of internal waste except where noted.
5. Assays pending on 1m samples from within 4m composites from Tambiri prospect, where noted in Comments column.

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 one additional gold project 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 has assembled a substantial regional ground position totalling 1,544km² and 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.

For further details please contact:

Paul Roberts

Ian Hobson

Managing Director

Company Secretary

Tel: +61 8 9216 1020

Tel: +61 8 9216 1020

Email:

Email: ianhobson@bigpond.com

paul.roberts@predictivediscovery.com