8 July 2011

ASX Announcement

Level 2, 9 Colin Street
West Perth WA 6005
ABN 11 127 171 877
p (08) 9216 1000
f (08) 9481 7939
w www.predictivediscovery.com
e info@predictivediscovery.com
ASX Code: PDI

High Grade Gold Drill Intersections From Bangaba Project

Highlights

- **Significant high grade gold intercepts from 9 reverse circulation (RC) holes completed at Solna Prospect, Burkina Faso with best results of:**
  - **Hole SOLRC008: 2m at 55.8/t Au including 1m at 93.3g/t Au**
  - **Hole SOLRC002R: 7m at 12.8g/t Au including 1m at 80g/t Au**
  - **Hole SOLRC004: 20m at 1.1g/t Au including 2m at 7.3g/t Au**
  - **Hole SOLRC07R: 2m at 10.4g/t Au**
  - **Hole SOLRC005: 1m at 11.4g/t Au**
- **Gold mineralisation in multiple zones over at least 400 metres of strike length with best drill results on southernmost line.**
- **Aeromagnetics over the Bangaba project followed by Predictore™ analysis and power auger geochemistry will determine Solna's strike extent and potential for new zones of mineralisation.**
- **Diamond drilling is planned after the wet season.**

Predictive Discovery Limited (**ASX: PDI**) is pleased to announce outstanding high grade gold assay results from its initial 9 hole reverse circulation (RC) drilling program at Solna, on the Bangaba Project in Eastern Burkina Faso (Figure 1). Following on from the encouraging drill results from the Tambiri Prospect announced earlier, these results significantly enhance the potential of Bangaba.

Mr Paul Roberts, PDI's Managing Director stated that "*These new drill results confirm that the Bangaba Project covers a high grade gold field with considerable potential. New high grade zones at the Solna Prospect not mined by artisanal workers were identified along with a clearer understanding of the geological setting, thereby enhancing the area's potential. The Solna zone is also open along strike to the south-west and north-east and is part of a shear zone that extends for 10 kilometres, largely beneath thin cover. This will be the target of extensive exploration after the current wet season.*"

Background

The Bangaba project in Eastern Burkina Faso, covers areas of extensive artisanal mining. Significant quantities of gold have been produced at Bangaba for some 27 years and cumulative gold production is estimated to be several tonnes or more. Permit-wide mapping has shown that the known workings are located on two large structures on the north-west and south-east contacts of a diorite-granodiorite body (Figure 2). These contact zones are largely hidden beneath shallow cover and are each over 10km long within the permit. There is considerable potential to discover additional zones of high grade mineralisation in these areas. PDI is earning a 95% interest in this 128 km^2 Bangaba exploration permit with the Company's current equity in the project at 51%.

Commencing in April 2011, PDI carried out a total of 3,420m of RC drilling at two prospects on Bangaba, Tambiri to the north (already reported) and Solna to the south. This initial drilling program aimed to test the down dip extension of mineralised structures below the artisanal workings and to confirm previous high grade results from limited historical drilling.

Assays from the Solna drilling have recently been received.

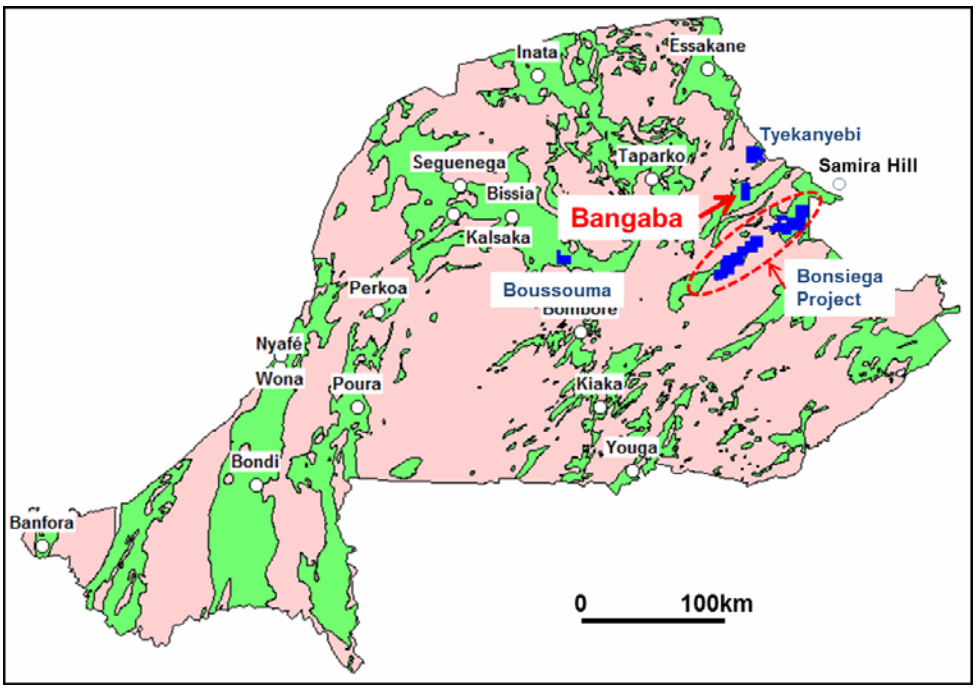

Figure 1: Geological map of Burkina Faso showing PDI's tenements and the location of Bangaba highlighted.

Solna RC Drilling Program

Solna is one of three major areas of artisanal workings (Figures 1 and 2) and covers a 600 metre long zone over a north-east trending shear that contains sub-parallel gold-bearing quartz veins.

Artisanal workings are focused on gold bearing quartz veins that occur in sheared diorite-granodiorite rocks adjacent to a contact with metasediments. Quartz veins in the workings are believed to dip at an average of 40 degrees to the south-east.

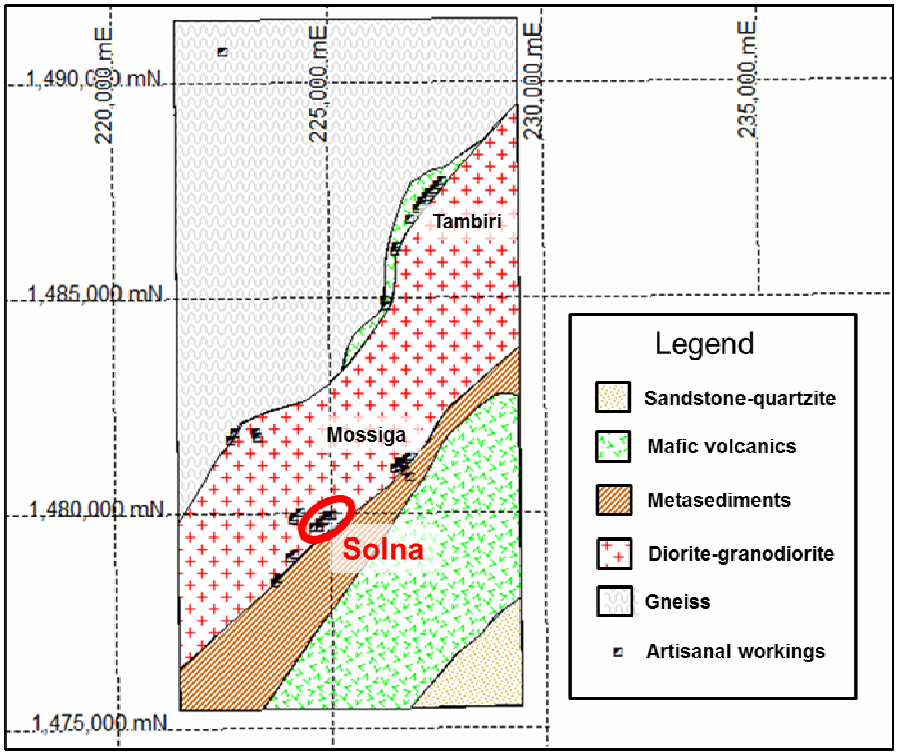

Figure 2: Geological interpretation map of the Bangaba permit showing Solna location.

Drilling was targeted beneath the main area of the Solna shafts (Figure 3) to test the mineralised quartz veins at vertical depths of 60 to 90 metres, below the deepest of the artisanal workings. Nine holes (including two redrills) totalling 1,855 metres were completed in May. They were drilled at inclinations of between 45 and 50 metres on sections 80 metres apart. Holes were gyroscopically surveyed to measure their exact trajectories.

A plan view of the drill holes is shown in Figure 3.

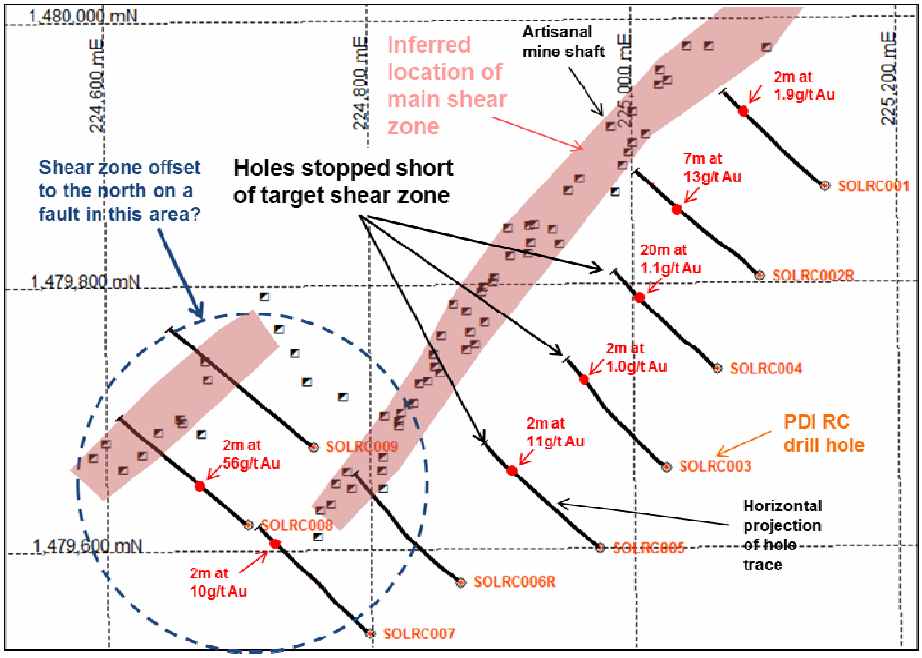

Figure 3: Solna plan view of completed RC holes showing drill collars and drill traces.

Table 1 – Gold intercepts exceeding 1g/t Au, Solna RC drilling program

Hole Number	Collar coordinates		Down hole depth from (m)	Interval (m)	Au (g/t)	Comments
	UTM East	UTM North				
SOLRC001	225146	1479872	58	1	1.1	
SOLRC001	225146	1479872	136	2	1.9	
SOLRC002R	225096	1479805	**117**	**7**	**12.8**	**Includes 1m at 80 g/t Au**
SOLRC002R	225096	1479805	165	1	4.8	
SOLRC003	225024	1479661	159	2	1.0	
SOLRC004	225063	1479735	**120**	**20**	**1.1**	**Includes 2m at 7.3 g/t Au**
SOLRC005	224973	1479600	**133**	**1**	**11.4**	
SOLRC007	224798	1479537	6	2	1.9	
SOLRC007	224798	1479537	**134**	**2**	**10.4**	
SOLRC008	224706	1479620	**65**	**2**	**55.8**	**Includes 1m at 93.3 g/t Au**
SOLRC008	224706	1479620	91	1	3.6	

Interpretation

Drill holes were designed to intersect the veins down-dip from their surface position beneath the workings at vertical depths of 80 metres or greater, however drilling and geological observation have suggested that the veins are contained in a more steeply dipping shear structure and many holes were therefore unable to reach mineralisation because of depth limitations of the RC drill rig as shown in Figure 3.Drilling mainly intersected undeformed diorite-granodiorite containing thin quartz-bearing shear zones, some of which are gold-bearing. The contact zone between the diorite-granodiorite and the metasediment (Figure 2) appears to be broad and contains many thin shear zones which increase in frequency and coalesce into a single semi-continuous zone in the areas of the numerous shafts[1] (Figure 3).

The results of the drilling program suggest that Solna's gold potential is in a series of stacked shallow veins located beneath and slightly to the south-west of the shaft zone (Figure 4) rather than in the area tested by the majority of the RC holes. In spite of this, a number of high grade intercepts were obtained, indicating that there are other mineralised shear positions within the area undiscovered by the artisanal miners. Some high grades intercepts are relatively shallow including 2m at 55.8 g/t Au intersected in SOLRC008 at a vertical depth of 46m.

These results imply that the distribution of gold mineralisation is more widespread than anticipated thereby improving the potential of the Project.

[1] *Hole SOLRC006R intersected a thick zone of shearing in the expected position. The lack of a high grade gold intercept in that hole may be due to a fault offset in the area indicated by the step across to a second line of workings (see Figure 3).*

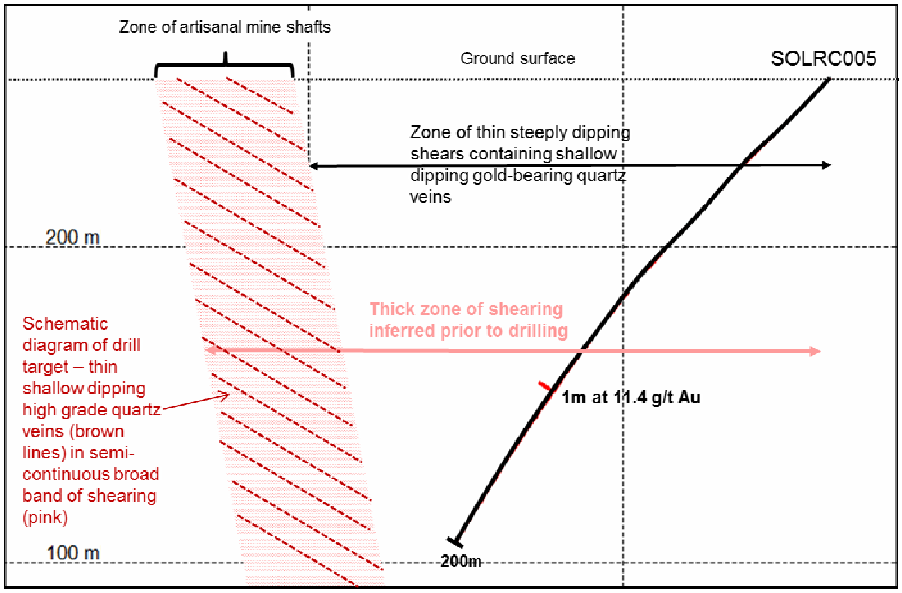

Figure 4: NW - SE Cross section through hole SOLRC005 indicating the zone of untested potential at Solna. The intersection of 1m at 11.4 g/t Au coincides with a thin quartz and pyrite-mineralised shear zone which is inferred to dip steeply to the south-east.

Planned Exploration Activities

The initial drilling programs at Solna and Tambiri have confirmed the potential of the Bangaba project to contain a significant gold deposit. They have also identified geological complexities that, if understood, have the potential to considerably upgrade this potential.

In line with Predictive Discovery's strategy, an airborne magnetic and radiometric survey will be conducted in the next 3 weeks to be followed by the application of Predictore^{TM} to help map and prioritise gold bearing structures. This will be followed by oriented diamond core drilling and targeted bedrock geochemistry surveys in the next 6 months, scheduled in conjunction with activities on the Company's Bonsiega Project.

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.

For further details please contact:

Paul Roberts
Managing Director
Tel: +61 8 9216 1020
Email: paul.roberts@predictivediscovery.com