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## ASX Announcement

# PDI Acquires Gold Project in Cote D'Ivoire

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ASX Code: PDI

Predictive Discovery Limited (**ASX: PDI**) announces that it has signed an agreement for the acquisition of a gold exploration permit in Cote D'Ivoire, known as Komboro (subject to grant). Under the terms of the agreement, PDI may earn up to a 90% interest in the permit.

While Predictive Discovery is taking this initial step into Cote D'Ivoire, its **primary focus remains on the Bonsiega and Bangaba Projects in eastern Burkina Faso**, where ongoing drilling programs continue to make promising new gold discoveries.

### Background

The project is located in the north of Cote D'Ivoire with an area of 169 km<sup>2</sup> (Figure 1). 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.

PDI has been actively investigating project acquisition opportunities in Cote D'Ivoire since the change of Government in 2011. Under the new administration of President Ouattara, the political situation has stabilised and new areas are being opened up for permit application. This represents a unique opportunity for new operators to establish themselves in the country. Cote D'Ivoire contains a greater area of the Birimian greenstone belts which host the West African gold deposits than any other country. Therefore PDI sees an entry into Cote D'Ivoire as a significant strategic opportunity.

### Ground Selection Strategy

PDI aims to discover large gold ore deposits in the Birimian greenstone belts of West Africa. The Company's ground selection process considers both political risk and mineral prospectivity. PDI generally acquires all of the large scale geological and geophysical data sets from a country in order to identify areas of high prospectivity within well mineralised terrains. Where airborne geophysical data are available, as in Cote D'Ivoire, a component of the Predictore™ system is employed to identify very deep, ore-controlling fault zones. High priority areas are then identified by the coincidence of these structures with known mineralised areas and other important geological features. The Komboro Project area was identified using this method.

### Komboro Project

The Komboro Project area consists of an exploration permit application of 169 km<sup>2</sup>. The application was made by BIPTFOP, an Ivoirean company. It covers a portion of a Birimian greenstone belt containing abundant gold occurrences and active artisanal workings.

The Komboro 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 Komboro 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, totalling 579 samples, 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 2). 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

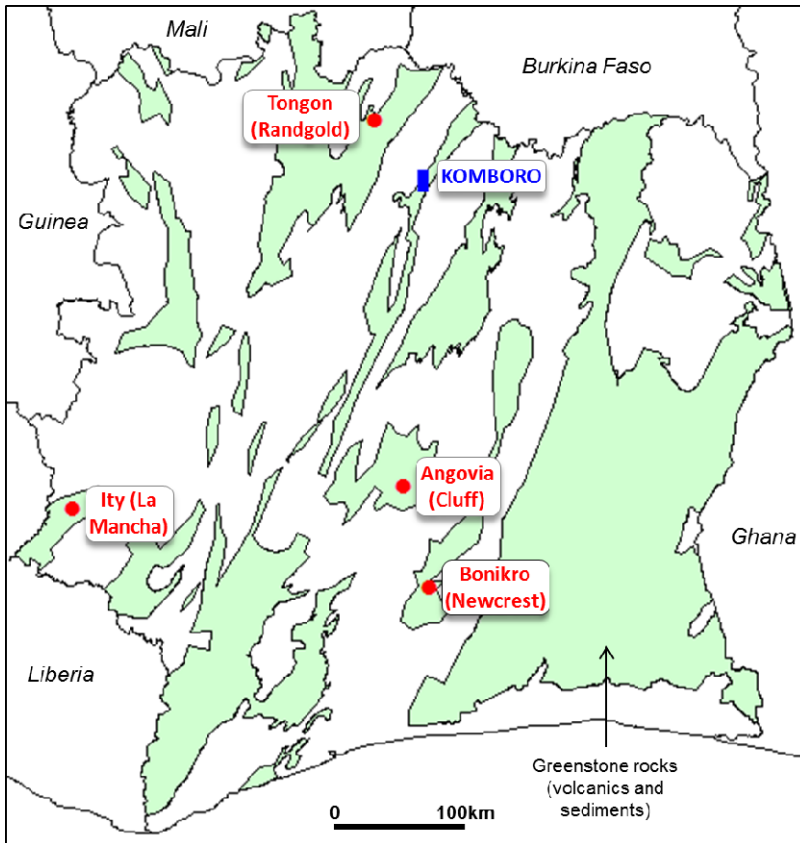


Figure 1: Kombokoro Project locality plan. Red circles denote gold mines. Greenstone areas, which host gold mineralisation, are coloured pale green.

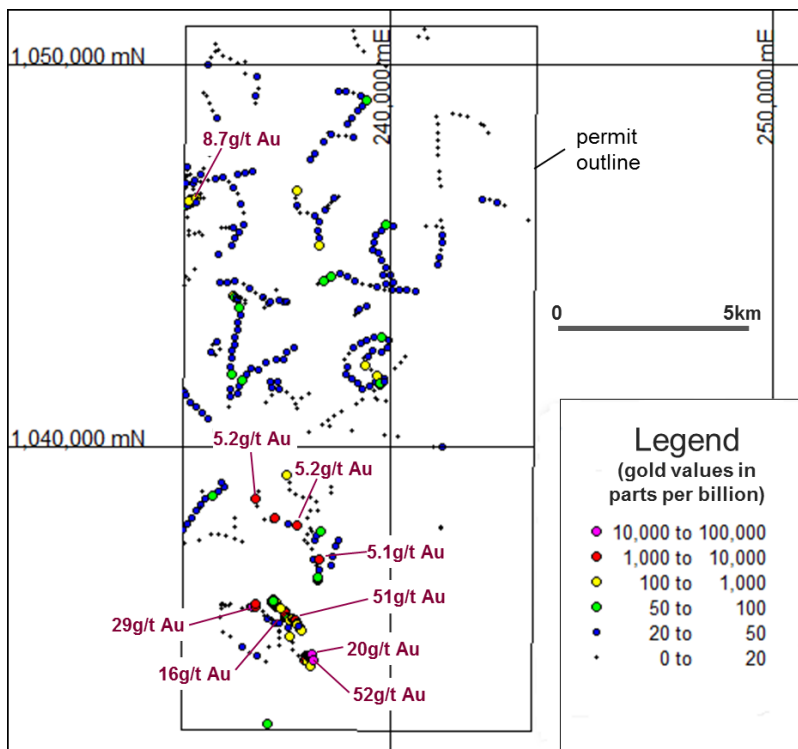


Figure 2: BIPTFOP geochemical results, Kombokoro Project. Note the presence of two gold-rich zones each extending over several kilometres in the southern part of the permit, and both open to the south-east.

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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