



ABN 11 127 171 877
Level 2, 9 Colin Street
WEST PERTH WA 6005
PO Box 1710 West Perth WA 6872
p (08) 9216 1000
f (08) 9481 7939
w www.predictivediscovery.com

Predictive Discovery Limited ACN 127 171 877

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM

A PROXY FORM IS ENCLOSED

The Extraordinary General Meeting of Shareholders of Predictive Discovery Limited

will be held at 2.00 pm (Melbourne time) on Monday 3 December 2012

at level 17, 530 Collins Street, Melbourne.

If you are unable to attend the Extraordinary General Meeting of Shareholders you may complete and return the enclosed proxy form or vote online in accordance with the specified directions.

These papers should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional adviser without delay.

ACTION REQUIRED BY SHAREHOLDERS

Step 1: Read the Notice and Explanatory Memorandum

The Explanatory Memorandum sets out details of the Resolutions to be voted on at the Meeting. This information is important. You should read this document carefully and if necessary seek independent advice on any aspects about which you are not certain.

Step 2: Vote on the Resolutions

Your vote is important. The Meeting is scheduled to be held at 2.00 pm (Melbourne time) on Monday 3 December 2012 at level 17, 530 Collins Street, Melbourne.

If you cannot attend the Meeting in person and wish to vote on some or all of the Resolutions, you can lodge your completed proxy form by:

- mailing it to Predictive Discovery Limited, at PO Box 1710 West Perth WA 6872;
- emailing it to Ian Hobson (Company Secretary) at ianhobson@bigpond.com;
- by facsimile to (08) 9481 7939; or
- hand delivering it to Predictive Discovery Limited, at Level 2, 9 Colin Street, West Perth WA 6005,

by 2.00 pm (Melbourne time) on 1 December 2012.

Please refer to the enclosed proxy form for more information about submitting proxy voting instructions.

Questions

If you have any questions about any matter contained in the Notice or the attached Explanatory Memorandum, please contact Ian Hobson (Company Secretary) on +61 8 9388 8290.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of the Shareholders of **PREDICTIVE DISCOVERY LIMITED** will be held at the following time and place:

Time: 2.00 pm (Melbourne time)

Date: 3 December 2012

Place: Level 17
530 Collins Street
Melbourne, Victoria 3000

AGENDA

Information on each of the following resolutions is set out in the attached Explanatory Memorandum which forms part of this Notice.

Resolution 1 – Ratification of prior issue of 19,998,037 Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

*“That for the purposes of Listing Rule 7.4, and all other purposes, Shareholders ratify and approve the issue by the Company of **19,998,037** Shares to **identified professional and sophisticated investor**, on the terms and conditions set out in the Explanatory Memorandum.”*

Resolution 2 – Issue of 66,390,643 Shares

To consider and, if thought fit, to pass the following as an **ordinary** resolution:

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of **66,390,643** Shares to **identified professional and sophisticated investors**, on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Resolution 3 – Issue of Shares to Mr Phillip George Harman

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company to Mr Phillip George Harman (or his nominee) of 1,052,632 Shares, on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 4 – Issue of Shares to Dr Thomas Whiting

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Dr Thomas Whiting (or his nominee) of 526,316 Shares, on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 5 - Issue of Shares to Mr Phil Henty

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Phil Henty (or his nominee) of 2,500,000 Shares, on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 6 - Issue of Shares to Mr Paul Roberts

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Paul Roberts (or his nominee) of 131,579 Shares, on the terms and conditions detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statements

In accordance with the Listing Rules, the Company will disregard any votes on the respective Resolutions cast by or on behalf of the following persons:

Resolution	Persons excluded from voting
Resolution 1 (Ratification of prior issue of 19,998,037 Shares)	Each person who participated in the issue the subject of Resolution 1 and an associate of those persons.
Resolution 2 (Issue of 66,390,643 Shares)	A person who may participate in the proposed issue the subject of Resolution 2 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of those persons.
Resolution 3 (Issue of Shares to Phillip Harman)	Mr Phillip Harman and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Phillip Harman or those persons.
Resolution 4 (Issue of Shares to Dr Thomas Whiting)	Dr Thomas Whiting and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Dr Thomas Whiting or those persons.
Resolution 5 (Issue of Shares to Phil Henty)	Mr Phil Henty and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Phil Henty or those persons.
Resolution 6 (Issue of Shares to Paul Roberts)	Mr Paul Roberts and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed, and associates of Mr Paul Roberts or those persons.

However, the Company need not disregard a vote on any of the Resolutions if it is cast by a person as a proxy for the person who is entitled to vote on that Resolution, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote on that Resolution, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice. Terms defined in the Explanatory Memorandum and used in the Notice have the same meaning as in the Explanatory Memorandum.

Determining who holds shares for the purpose of the Meeting

It has been determined that under Corporations Regulation 7.11.37, for the purposes of this Meeting, Shares will be taken to be held by the persons who are the registered holders at 2.00 pm (Melbourne time) on 1 December 2012. Accordingly, share transfers registered after that time will be disregarded in

determining entitlements to attend and vote at the Meeting.

Proxies

Each Shareholder who is entitled to attend and vote has a right to appoint a proxy, and if a Shareholder is entitled to cast two or more votes that Shareholder may appoint 2 proxies. If a Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes, each proxy may exercise one half of the Shareholder's votes. A proxy need not be a Shareholder of the Company.

Proxy forms must be received by:

- mailing it to Predictive Discovery Limited, at PO Box 1710 West Perth WA 6872;
- emailing it to Ian Hobson (Company Secretary) at ianhobson@bigpond.com;
- by facsimile to (08) 9481 7939; or
- hand delivering it to Predictive Discovery Limited, at Level 2, 9 Colin Street, West Perth WA 6005,

by no later than 2.00 pm (Melbourne time) on 1 December 2012.

An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing or, if the appointor is a body corporate, by a Director jointly with either another Director or company secretary or if the company has only a sole Director by the sole Director, or by the company's duly authorised attorney.

Corporate Representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- a letter or certificate executed in accordance with section 250D of the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting; or
- a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or Director of the corporate Shareholder.

Voting by proxies

Shareholders are encouraged to direct their proxy as to how to vote on all resolutions, by marking the appropriate box on the proxy form under the heading 'Voting on Business of the Meeting'.

Recent changes to the law have impacted on the way proxies vote at company meetings. Broadly, these changes include that:

- if a proxy holder votes, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman who must vote the proxies as directed.

The Chairman will vote all undirected proxies in favour of all Resolutions.

Key Dates

Event	Date
Determination of voting eligibility	2.00 pm (Melbourne time) on 1 December 2012
Deadline for lodgement of proxy forms	2.00 pm (Melbourne time) on 1 December 2012
General Meeting	2.00 pm (Melbourne time) on 3 December 2012

Dated 1 November 2012**By Order of the Board**

Ian Hobson
Company Secretary

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice.

This Explanatory Memorandum forms part of and should be read in conjunction with the Notice.

The Directors of the Company recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact your accountant, solicitor or other professional adviser.

Resolution 1 – Ratification of prior issue of 19,998,037 Shares

Background

On 30 October 2012, Predictive announced the issue of **19,998,037** Shares to **identified professional and sophisticated** –see table below investors (**Placement**). The Placement was at an issue price of \$0.038 per Share to raise a total of \$759,925 before costs.

Shareholder approval

Subject to certain exceptions, Listing Rule 7.1 provides that a company may not issue more than 15% of its issued capital in any 12 month period without shareholder approval. Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1 if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

The Shares the subject of the Placement have been issued and were issued under the 15% limit permitted by Listing Rule 7.1. However, without Shareholder approval pursuant to Listing Rule 7.4, the issues will be counted towards the Company's 15% capacity and will therefore reduce the Company's capacity to issue Shares in the future without obtaining Shareholder approval.

Accordingly, approval is sought from Shareholders to allow the Company to refresh its 15% capacity and maximise its ability to issue further Shares up to the 15% limit without obtaining Shareholder approval.

Specific disclosure required in accordance with Listing Rule 7.5

Listing Rule 7.5 requires the following information to be provided to Shareholders:

Number of Shares issued	19,998,037 Shares.
Issue price of each Share	\$0.038
Terms of the issue	The Shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.

Allottees	The proposed allottees will be identified professional and sophisticated investors who do not require a disclosure document to be issued in respect of the issue of Shares , including those who are clients of stock brokers.
Use or intended use of the funds raised	The Shares were issued to fund the drilling program and exploration programs on the Company's Bangaba permit and Bonsiega permit groups in Burkina Faso.

Voting Exclusion

A voting exclusion statement for the Resolution is in the Notice.

Directors' Recommendation

The Directors recommend Shareholders vote in favour of Resolution 1.

Resolution 2 - Issue of 66,390,643 Shares

Background

On 30 October 2012, Predictive announced the proposed issue of **66,390,643** Shares to **identified professional and sophisticated** investors. The proposed issue is subject to shareholder approval and will be at the same issue price as the Placement (ie issue price of \$0.038) to raise \$2,522,844 before costs.

Requirement to obtain approval - Listing Rule 7.1

In order to preserve the Company's ability to issue equity securities within the 15% annual limit under Listing Rule 7.1, the Company seeks advance Shareholder approval under Listing Rule 7.1 for the issue of the Shares. In the absence of such approval, the issue of the Shares can still occur subject to capacity under the Listing Rules.

Specific disclosure required in accordance with Listing Rule 7.3

Listing Rule 7.3 requires the following information to be provided to Shareholders:

Maximum number of Shares to be issued	66,390,643 Shares.
Issue price of each Share	\$0.038
Proposed Allottees	The proposed allottees will be identified professional and sophisticated investors who do not require a disclosure document to be issued in respect of the issue of Shares , including those who are clients of stock brokers.
Terms of the issue	The Shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.

Use or intended use of the funds raised	The Company intends to use the funds raised to continue exploration and feasibility studies on the Company's current assets, to acquire new assets or investments or for working capital purposes. It is most likely envisaged the funds raised will be used to fund the drilling program and exploration programs on the Company's Bangaba permit and Bonsiega permit groups in Burkina Faso.
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Date of issue	It is anticipated that the Company will issue and allot the Shares on one date on or around 5 December 2012, but in any event within three months of the date of receipt of the Shareholder approval (or such later date as permitted by ASX waiver or modification of the Listing Rules).
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Voting Exclusion

A voting exclusion statement for the Resolution is in the Notice.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

Resolutions 3 to 6 – Issue of Shares to Directors

Background

On 30 October 2012, Predictive announced the proposed issue of a total of 66,390,643 shares, of which 4,210,526 Shares are proposed to be issued to Mr Phillip Harman, Dr Thomas Whiting, Mr Phil Henty and Mr Paul Roberts, each of whom are directors of the Company (**Director Shares**). The proposed issue is subject to shareholder approval and will be at the same issue price as the Placement (ie an issue price of \$0.038 per Share) to raise a total of \$160,000 before costs.

Resolutions 3, 4, 5 and 6 seek separate Shareholder approval for the grant of the Director Shares to the relevant Directors.

Requirement to obtain Shareholder approval

Listing Rule 10.11 requires the Company to obtain Shareholder approval in order to grant Shares to a Director. Approval under Listing Rule 7.1 is not required in order to issue the Director Shares as approval is being sought under Listing Rule 10.11.

Specific disclosure required in accordance with Listing Rule 10.13

Listing Rule 10.13 requires the following information to be provided to Shareholders in respect of Resolutions 3 to 6:

Name of Director, number of Shares to be issued to each of them and amount raised before costs	Mr Phillip Harman	1,052,632 Shares	\$40,000
	Dr Thomas Whiting	526,316 Shares	\$20,000
	Mr Phil Henty	2,500,000 Shares	\$95,000
	Mr Paul Roberts	131,579 Shares	\$5,000

Issue price of each Share	\$0.038
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Terms of the issue	The Shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.
Use or intended use of the funds raised	The Company intends to use the funds raised to continue exploration and feasibility studies on the Company's current assets, to acquire new assets or investments or for working capital purposes. It is most likely envisaged the funds raised will be used to fund the drilling program and exploration programs on the Company's Bangaba permit and Bonsiega permit groups in Burkina Faso.
Date of issue	It is anticipated that the Company will issue and allot the Shares on one date on or around 5 December 2012, but in any event within one month of the date of receipt of the Shareholder approval (or such later date as permitted by ASX waiver or modification of the Listing Rules).

Voting Exclusions

Voting exclusion statements for each of the Resolution are in the Notice.

Directors' recommendations

- (a) Each Director other than Dr Bobby Danchin abstains from providing a recommendation in respect of the resolution which proposes an issue of Director Shares to him. This is because of the potential for there to be a perceived interest that he may have in the outcome of that resolution.
- (b) Each remaining Director recommends shareholders approve the issue of Director Shares to the named Director.

Voting Exclusion

A voting exclusion statement for the Resolution is in the Notice.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

Additional Information

Shareholders should contact the Company Secretary on +61 8 9388 8290 if they have any queries.

GLOSSARY

\$ means Australian dollars, unless otherwise stated.

ASX means ASX Limited.

Board means the Company's Board of Directors.

Company means Predictive Discovery Limited (ACN 127 171 877).

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company from time to time.

Explanatory Memorandum means this Explanatory Memorandum attached to the Notice of Meeting.

Extraordinary General Meeting or **Meeting** means the general meeting convened by the Notice.

Listing Rules means the Official Listing Rules of ASX.

Notice, Notice of Meeting or **Notice of Extraordinary General Meeting** means the notice of meeting which forms part of this Explanatory Memorandum.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Shareholder means a holder of Shares.

Share means a fully paid ordinary share in the Company.

Stratos means Stratos Resources Limited (ASX: SAT) formerly known as Eldore Mining Corporation Limited.

WST means Western Standard Time, Australia.

PROXY FORM

APPOINTMENT OF PROXY
 PREDICTIVE DISCOVERY LIMITED
 ACN 127 171 877

SHAREHOLDER NAME:.....SHARES HELD:.....

ADDRESS:.....

EXTRAORDINARY GENERAL MEETING

I/We being a member(s) of Predictive Discovery Limited (Company) and entitled to attend and vote at the Extraordinary General Meeting of the Company to be held at 2.00 pm (Melbourne time), on 3 December 2012 at Level 17, 530 Collins Street, Melbourne, hereby appoint:

	the Chairman of the Meeting (mark box)	OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy (do not insert your own name). I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.	
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If no person/body corporate is named, the Chairman of the Meeting is appointed as my/our proxy and to vote for me/us on my/our behalf at the Meeting and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Voting on Business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of prior issue of 19,998,037 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Issue of 66,390,643 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Shares to Mr Phillip Harman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Shares to Dr Thomas Whiting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Shares to Mr Phillip Henty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Shares to Mr Paul Roberts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for the Resolution, you are directing your proxy not to vote on the Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s)

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

**Predictive Discovery Limited
ACN 127 171 877**

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. If a member appoints only one proxy, that proxy may vote on a show of hands. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. If a box is not marked the proxy may vote as they choose. If more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then:
 - the proxy's authority to speak for that member is suspended while the member is present at the General Meeting; and
 - the proxy's authority to vote for the member on any resolution is not suspended while the member is present but is revoked by the member voting in person on that resolution.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - mailing it to Predictive Discovery Limited, at PO Box 1710 West Perth WA 6872;
 - emailing it to Ian Hobson (Company Secretary), at ianhobson@bigpond.com;
 - by facsimile to (08) 9481 7939; or
 - hand delivering it to Predictive Discovery Limited, at Level 2, 9 Colin Street, West Perth, WA 6005.

so that it is received not later than 2.00 pm (Melbourne time) on 1 December 2012.

Proxy forms received later than this time will be invalid.