ASX Announcement 8th July 2013

Ground Acquisition Adds to Highly Prospective Cote D'Ivoire Exploration Portfolio

Highlights:

- Acquisition of exciting new prospect and grant of a further permit application expands Cote d'Ivoire portfolio.
- Based on two year country-wide assessment using the Predictore® technology* previously applied successfully in Burkina Faso.
- PDI well placed to take advantage of improved stability in Cote d'Ivoire.
- Kokumbo permit (400 km^2) covers extensive artisanal workings in the same belt as Bonikro gold mine (PDI earning 90%).
- Ferkessedougou (390 km^2) in Northern Cote D'Ivoire. Gold workings on favourable structural location (PDI 100%).
- Two additional permit applications lodged totalling 750 km^2 along with previously announced Komboro permit application.
- If all permits are granted, PDI will hold 1,710 km^2 of highly prospective ground in Cote D'Ivoire.
- Program leverages value from PDI's skill base and established team in West Africa and will be funded separately to maintain primary focus on Burkina Faso.
- PDI's remains focused on its advancing Burkina Faso gold projects including the highly prospective Bongou trend.

Mr Paul Roberts, the Company's Managing Director commented: *"Over the past two years PDI has been quietly using its technical approach to identify prospective ground in Cote D'Ivoire. This has placed us in a great position to take advantage of the emergence of the more stable working environment there. Today's announcement demonstrates that these efforts are starting to bear fruit. We plan to fund our initial exploration in Cote D'Ivoire separately through a subsidiary company. This will ensure that we maintain our focus on our exciting high grade Burkina Faso gold prospects, particularly on the Bongou trend."*

*Predictore® is a technological system based on geophysics and geology which uses specialist software and knowhow to prioritise target areas for more efficient ore discovery.

Predictive Discovery Limited is a West African focused gold exploration company with an advanced exploration project in Burkina Faso and strong technical capabilities.

ASX: PDI

Issued Capital: 234M shares

Share Price: 1.8 cents

Market Capitalisation: $4.2M

Cash (at 31 March 2013): $2.2M

Directors

Phillip Harman
Non-Exec Chairman

Paul Roberts
Managing Director

Phil Henty
Non-Executive Director

WHY COTE D'IVOIRE?

Predictive Discovery Limited (ASX:PDI) was established to apply Predictore®, a unique geological technology for the selection of exploration prospects[1]. Its principal focus is on West Africa where in eastern Burkina Faso, using this approach, it has built a large ground position and discovered a number of new and promising gold prospects. These include the Bongou trend where highly promising grades and widths of gold mineralisation have been discovered.

From the beginning, the Company has continued to carry out similar geological assessments on surrounding countries, in particular Cote d'Ivoire, which contains approximately one third of the total exposure of Birimian rocks in West Africa yet relatively few gold mines when compared with its neighbours (Figure 1).

Detailed work over the past two to three years has led PDI to identify a portfolio of high priority prospects and targets while political and social unrest over the past decade has severely limited any on-ground exploration. Since 2011 when elections established a more settled social and political environment, the Government has opened up large areas for permit application encouraging a new wave of exploration. PDI is well placed to take advantage of this change.

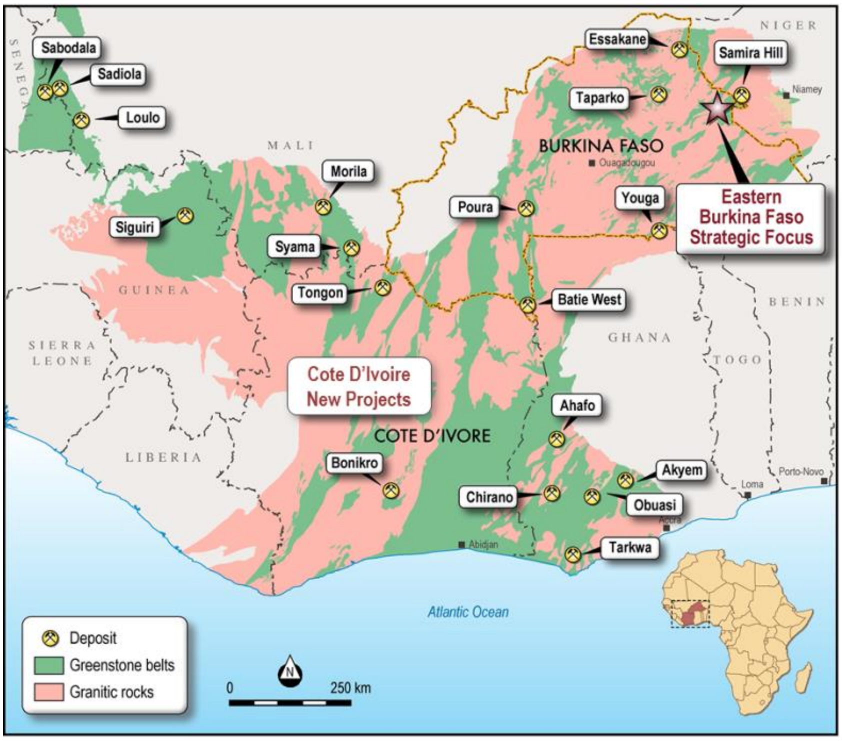

Figure 1: Geological map of the Birimian gold belt in West Africa showing the location of some of the many large gold deposits known there.

[1] Predictore® is a technological system based on geophysics and geology which uses specialist software and knowhow to prioritise target areas for more efficient ore discovery.

In 2012 the Company entered into an agreement to acquire the Komboro exploration permit in the north, held by local company BIPTFOP. It has since been building its portfolio by applying for a number of the other high priority targets that it has identified over the past few years, including the Kokumbo and Ferkessedougou permit areas.

PDI is developing a separate funding strategy, through a wholly owned subsidiary, for this highly prospective portfolio so as not to distract focus from its exciting exploration results in Burkina Faso.

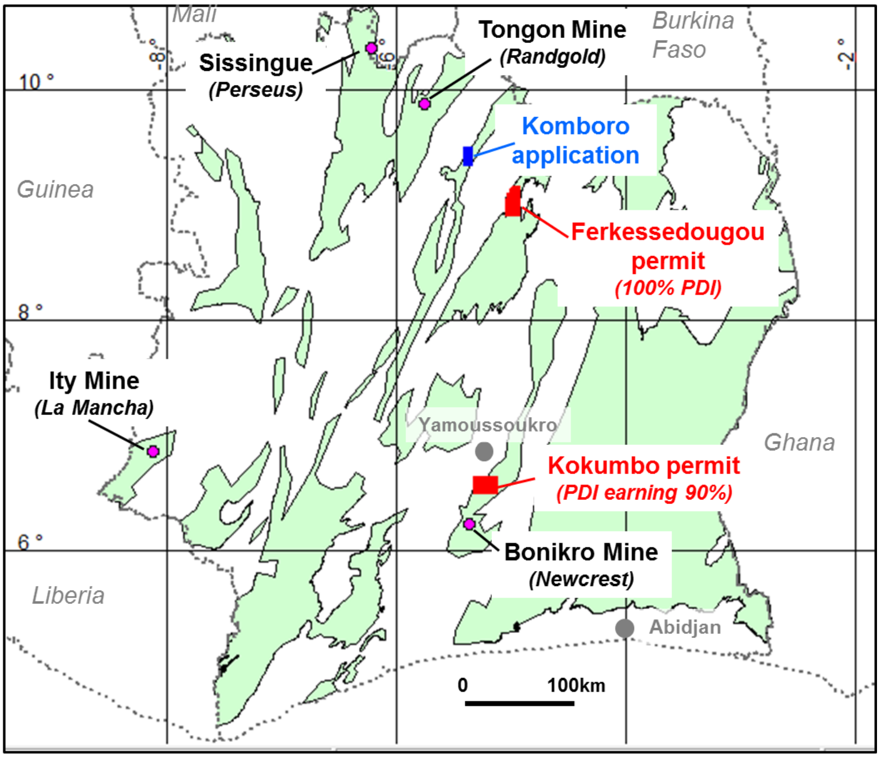

Figure 2: Locality map of PDI's interests in Cote D'Ivoire

KOKUMBO (PDI earning 90%)

The permit is held by local company Ivoir Negoce and covers an area of 400 km^2 in southern Cote D'Ivoire (Figure 2). Located 30km south of the country's administrative capital, Yamoussoukro, and about 40km north of Newcrest's operating Bonikro Gold Mine, it is serviced by a bitumen road and a power line. The area is covered by forested rolling hills and extensive lateritic cover.

The town of Kokumbo, near the centre of the permit, services a substantial population of artisanal miners who are working on numerous prospects throughout the area. These prospects consist of both quartz vein mine operations and processing of gold mineralised laterite.

The permit lies within the volcano-sedimentary Oume-Fetekro belt. These rocks are intruded by granites that could have been a focus for gold-bearing hydrothermal fluids.

The three principal gold prospects on the permit are known as Kokumbo Central, Aouadia (Figure 3) and Kpolessou. All three sites contain quartz vein-hosted gold mineralisation in multiple vein orientations. Host rocks include mafic volcanics, black shale and granite. Currently, the most active area of artisanal workings is at Aouadia.

Kokumbo has a long history of artisanal mining dating back to before colonial times in the late 19^{th} century. Commercial scale mining was carried out by various parties in from early in the twentieth century until 1953. Since then all mining in the area has been by artisanal miners.

In the 1980's Cote D'Ivoire's government geological agency, SODEMI, carried out sampling, pitting, ground geophysics and drilling. A resource estimate was made on alluvial and colluvial gold deposits at Kokumbo with average grades reported to exceed 3g/t Au.

Between 2002 and 2007 Equigold NL carried out soil sampling, aeromagnetic surveys, and RAB and RC drilling over parts of the current permit. Published Equigold quarterly reports indicate that gold soil geochemical anomalies and some gold drill intercepts were obtained including one of **12m at 2.5g/t Au** from **surface.** At the time, most of the Aouadia Prospect area was held separately and was only covered with limited soil sampling and a ground magnetic survey.

Figures 3: Surface artisanal workings on the Aouadia Prospect, Kokumbo Permit.

In June 2013 PDI reached agreement with the local owner of the permit application, Ivoir Negoce. Agreement details are summarised in Appendix 1. The permit was approved for grant by the Cote D'Ivoire Council of Ministers in June 2013 and issue of a Presidential Decree granting the permit is expected in the next month.

FERKESSEDOUGOU PERMIT (PDI 100%)

The Ferkessedougou permit is located in northern Cote D'Ivoire (Figure 2) and covers approximately $390km^2$. It was among the highest priority areas highlighted by PDI's Predictore®[2] analysis of the country and is reported to contain a series of gold occurrences.

This permit was also approved for grant by the Cote D'Ivoire Council of Ministers in June 2013 and issue of a Presidential Decree granting the permit is expected in the next month.

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[2] Predictore® is a technological system based on geophysics and geology which uses specialist software and knowhow to prioritise target areas for more efficient ore discovery.

OTHER PERMIT APPLICATIONS

Two applications covering approximately 750km^2 are currently being considered by the Cote d'Ivoire Department of Mines. Should they be granted, along with the previously announced Komboro permit, the Company would then hold 1,710 km^2 of highly prospective gold exploration ground in Cote D'Ivoire.

PROPOSED WORK PROGRAM

Work will commence with reconnaissance exploration activities. The rainy season in Cote D'Ivoire over the next four months will limit ground exploration. During this time PDI will acquire and compile historical exploration and mine data on all prospects with its principal focus on the Kokumbo ground. When field work becomes possible, geological mapping, surface geochemical and ground magnetic surveys are planned.

FUNDING

PDI is aware of the current difficult state of capital markets and will continue to focus on its prospective Burkina Faso project. However, the current situation provides a perfect opportunity to capture the fruits of the company's regional assessment over the past several years to obtain highly prospective ground and lever value from its established team in West Africa at incremental cost.

PDI plans to fund its work in Cote D'Ivoire through a separate subsidiary company, Predictive Discovery Cote D'Ivoire Pty Ltd, which will have beneficial ownership of the Company's Ivorian subsidiary. PDI is investigating various options to fund this vehicle at a modest level and has had positive preliminary discussions with various parties.

About Predictive Discovery:

Predictive Discovery Limited (PDI) was established in late 2007. The Company is focused on exploration for gold in West Africa. 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 1,605km^2 and is exploring for large open-pittable gold deposits. Exploration in eastern Burkina Faso has yielded a large portfolio of exciting gold prospects, including the Bongou trend where a series of high grade gold drill intercepts have been obtained recently.

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 2012 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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Appendix

Kokumbo Agreement Basic Terms

- PDI can earn 90% through expenditure of US$2 million within 4 years.
- Minimum expenditure commitment before withdrawal US$300,000.
- PDI to make cash payments over three years totalling US$375,000 as follows:
    - US$25,000 on receipt of the signed Presidential Decree awarding the permit.
    - US$50,000 on the first anniversary
    - US$100,000 on the second anniversary
    - US$200,000 on the third anniversary

    In addition, PDI will issue to Ivoir Negoce US$25,000 worth of PDI shares on receipt of the presidential decree. If Ivoir Negoce decides to sell those shares at some time in the future, they must be sold at a price exceeding the PDI share price at the time of issue.
- PDI to carry Ivoir Negoce's 10% share of expenditure until decision to mine when Ivoir Negoce must decide whether it will pay back its 10% share of expenditure after earn in or convert to a 3.5% NSR.
- PDI can purchase up to 2% of that NSR (leaving Ivoir Negoce with 1.5%), at any time at a price of US$1 million for each 1%.