



ASX Announcement

16 March 2017

ASX Code: ARM

Aurora Minerals Group of Companies

Diversified Minerals Exploration via direct and indirect interests

Predictive Discovery Limited (ASX: PDI) – 39.6%

- Gold Exploration / Development in Burkina Faso

Peninsula Mines Limited (ASX: PSM) – 29.3%

- Graphite, Lithium- Gold, Silver and Base Metals
- Molybdenum and Tungsten Exploration in South Korea

Aurora Western Australian Exploration – 100%

- Manganese, Base metals and gold

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PREDICTIVE DISCOVERY: New Partner to Fund Diamond Drilling at the Bobosso Project, Cote D'Ivoire

Predictive Discovery Limited, a company in which Aurora Minerals Limited holds a 39.6% shareholding, today reported it had entered into an agreement with Progress Minerals International Inc (PMI) for PMI to fund diamond drilling at the Bobosso Project in Cote D'Ivoire.

A copy of the announcement is attached.

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ASX Announcement

New Partner to Fund Diamond Drilling on Bobosso Project, Cote D'Ivoire

Predictive Discovery Limited (ASX: PDI) is pleased to advise that it has entered into an agreement with Canadian-based company Progress Minerals International Inc (**Progress**) to fund a large exploration program on the Bobosso Project in Cote D'Ivoire:

- Progress will earn a 30% interest in the project by funding a US\$1 million work program (**Stage 1**) including:
 - 1,500-2,500m of diamond drilling into the large Bobosso gold mineralised system, scheduled to commence in April.
 - Regional scale geological, geochemical and geophysical surveys to enable initial evaluation of the gold discovery potential of the 90km strike length of prospective greenstone belt within the project area.
- Other aspects of the agreement are:
 - Predictive to provide technical management, in conjunction with Progress, for work programs during the exploration phase.
 - After Progress has completed its Stage 1 funding, the Parties' equities will be PDI 30%, Progress 30% and local partner, West Africa Venture Investments (WAVI), 40%.
 - Progress may invest a further US\$1.5 million to increase its equity to 55% (**Stage 2**).
- PDI's present intention is to maintain its equity at 30% through Stage 2, in which case the equities will become PDI 30%, Progress 55% and WAVI 15%.
- Progress details:
 - Private Canadian-based company with strong mine development expertise.
 - Well supported by international shareholder group including Ausdrill (ASX:ASL).

Mr Paul Roberts, Predictive's Managing Director said: *"This agreement marks another step in the implementation of our strategy – to maximise drilling on our large and highly prospective gold exploration holdings in West Africa while maintaining substantial equities in the best projects and minimising dilutive capital raisings. We are particularly pleased to be partnering with Progress, which has significant mine development skills and financing networks to enable an efficient progression from ore discovery to mine development.*

Our immediate focus is to manage the diamond drilling program at Bobosso – in conjunction with Progress - aimed at understanding controls on gold ore continuity in order to support future resource estimation.

Results from the Bobosso drilling will add to substantial newsflow from our Cote D'Ivoire ground in 2017, including results of multiple drill programs on the Toro Joint Venture permits (e.g. Boundiali, Ferkessedougou North, Kokoumbo/Beriaboukro)."

Predictive Discovery Limited is a gold exploration company with strong technical capabilities focused on its advanced gold exploration projects in West Africa.

ASX: PDI

Issued Capital: 1.63B shares

Share Price: 1.1 cents

Market Capitalisation: \$17.9M

Directors

Phillip Jackson
Non-Exec Chairman

Paul Roberts
Managing Director

David Kelly
Non-Executive Director

INTRODUCTION

The Bobosso Project consists of two granted exploration permits, Bassawa and Wendene and one permit application, Dabakala, in northern Cote D'Ivoire (Figure 1), which are held by an Ivorian company, XMI SARI (XMI). This ground is located in the southern extension of the well mineralised Hounde Belt in Burkina Faso, which includes Semafo's Mana mine (5 Moz in ore resources and reserves¹) and Roxgold's high grade Yaramoko gold mine (1.6 Moz in ore resources at an average grade of 14g/t Au²).

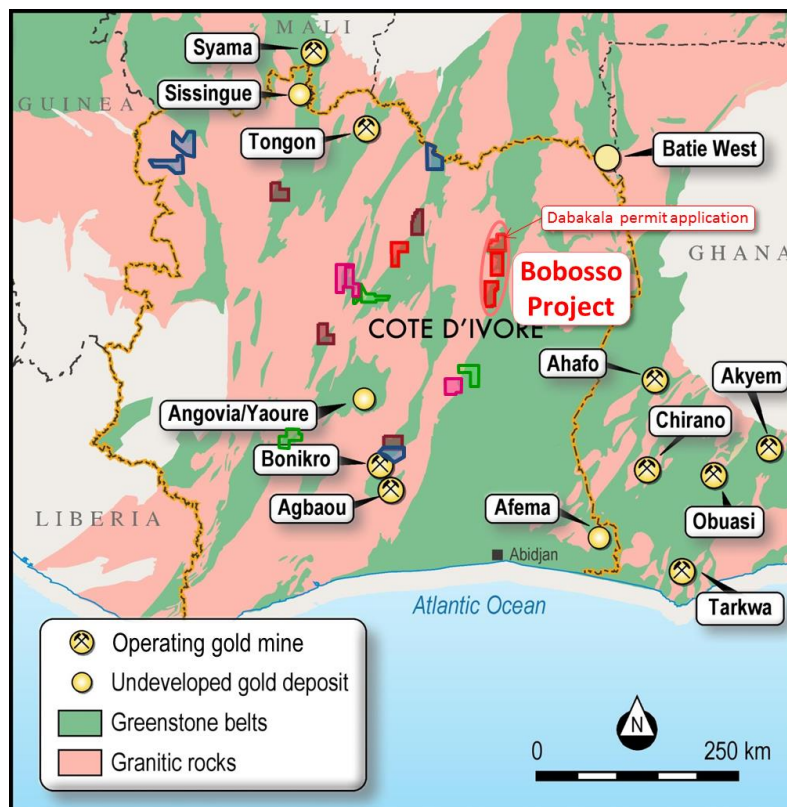


Figure 1: Locality map showing the Bobosso Project. The granted Wendene and Bassawa permits lie directly to the south of the Dabakala permit application (highlighted). The map also shows the initial Toro Joint Venture permits (brown), the GIV Joint Venture permits and permit applications (blue), the new wholly owned Ivorian Resources SARL permit applications (in green) and the new, optioned Sika Resources SARL permit applications (in magenta).

PDI has earned a 37% equity in the Bobosso project through a joint venture with XMI by expenditure of approximately A\$180,000 on the ground. This has involved a series of work programs consisting of geological mapping, historical data compilation, re-logging of historical drill core and RC chips, pitting and metallurgical testwork of near-surface material and regional target assessment.

¹ See <http://www.semafo.com/English/operations-and-exploration/reserves-and-resources/default.aspx>

² See <http://www.roxgold.com/s/Yaramoko.asp>

Prior to negotiating the agreement announced today with Progress, PDI had the option to increase its equity in Bobosso to 65% by expenditure of \$2.55 million. However, given the Company's plan to participate at 35% in the Toro Joint Venture and in keeping with its overall strategy, it has decided to bring in a partner to carry the majority of future expenditure on this project.

Historical exploration has revealed a large gold mineralised system in the Bobosso Project area.

AGREEMENT WITH PROGRESS MINERALS

Predictive has entered into a three way agreement between Progress Minerals International Inc (**Progress**) and a local Ivoirian Company, West Africa Venture Investment (**WAVI**), to enable funding of exploration programs on the Bobosso permits. This agreement supersedes an agreement between PDI, WAVI and XMI in October 2016 (ASX release 27/10/15) which was subsequently updated in November 2016. Key terms of this agreement are as follows:

- Investments in the Bobosso Project will be made through West African Mine Investments Pty Ltd (**WAMIL**), a Western Australian based private company, owned by Predictive Discovery Limited (37%) and WAVI (63%). At present WAMIL owns 50% of XMI with the remaining 50% of XMI to be transferred to WAMIL once permission to do so has been granted by the Cote D'Ivoire Minister of Mines. This is a standard requirement under Ivoirian law and is expected soon.
- Predictive will provide technical management of work programs during the exploration phase in conjunction with Progress. WAVI will provide local management support in Cote D'Ivoire.
- Equities in WAMIL will be earned as follows:
 - **Stage 1:**
 - Progress will invest US\$1 million (approximately A\$1.3 million) in exploration on Bobosso in one year or less to earn a 30% equity in WAMIL. These monies will be spent on a work plan agreed between the parties including:
 - 1,500-2,500m of diamond drilling on the Bobosso gold mineralised system.
 - Ground magnetics survey over 20 km² on the Bobosso soil geochemical anomaly and surrounding area to help interpret the detailed geological structure of the area prior to diamond drilling.
 - Geological mapping and BLEG gold geochemical surveys over the granted permits. These will be extended over the Dabakala permit application (Figure 1) if it is granted prior to the rainy season.
 - Follow-up RC drilling (also to be partially funded in Stage 2).

- This program is designed to ensure that Predictive has the key information it requires to make decisions about its participation in the Stage 2 work program (see details below).
- PDI and Progress will pay US\$75,000 in cash to WAVI in the next 10 days.
- Equities at the end of Stage 1 will be PDI 30%, Progress 30% and WAVI 40%.
- **Stage 2:**
 - At its option, Progress may invest a further US\$1.5 million (approximately A\$2 million) in WAMIL in 12 months or less to earn an additional 25% equity.
 - Assuming that Progress invests the US\$1.5 million, PDI has the option to purchase equity from WAVI such that its equity in WAMIL will remain at 30% and WAVI will be reduced to 15%. It is PDI's present intention to do this, however if PDI and WAVI cannot agree on a price for that transaction, PDI can choose to contribute pro rata to the Stage 2 exploration program to maintain its 30% equity or simply dilute to 19.1% (in the case of disappointing results).
 - If Progress contributes and PDI maintains its 30% equity, the parties' equities at the end of Stage 2 will be Progress 55%, PDI 30% and WAVI 15%.
- **After Stage 2:**
 - Any of the three partners may contribute to pre-approved work programs to maintain their respective equities in WAMIL or dilute down in accordance with a standard dilution formula.
 - Once WAVI's equity is reduced to 15%, it will be free carried at that level through to decision to mine, at which point it will be required to either contribute to a mine development or dilute down in accordance with a standard dilution formula.
- The Board of WAMIL will consist of representatives of PDI, Progress and WAVI.

PROGRESS MINERALS BACKGROUND

Progress is a private, Vancouver based, precious metals focused company, which aims to find and develop mid-sized gold assets in West Africa.

The management and directors of Progress have been responsible for the discovery, exploration, permitting, development and operation of multiple mining projects globally, including projects within East and West Africa. Summary CVs are as follows:

Karl van den Brenk – President & CEO, Director

Mining Executive with 25 years expertise in exploration, construction, mining operations and mine management. Strong career experience in remote mine development. International

experience: Australia, Africa, Latin America & Asia. Mr van den Brenk was the co-founder and Managing Director of the STRACON Group in Latin America.

Scott Ansell – VP Corporate Development, Director

Mining Executive with 25 years expertise in project management, feasibility studies, permitting and mining finance. Mr. Ansell worked most recently with Sunridge Gold Corp as VP Project Development on the successful Asmara Project in Eritrea. Mr Ansell was previously Technical Director of Studies and Manager of Consulting, Geology and Mining for AMEC Americas. He has previous experience in Africa with Nevsun Resources as Project Manager in Mali and Eritrea.

John Ingram – VP Exploration

Geologist with 20 years of mining industry experience and expertise in exploration, mine development, feasibility studies, permitting and mining operations including experience covering Australia, Africa, Latin America and Europe. Mr Ingram was most recently responsible for the construction of a gold mine in the Tanami Desert of Northern Australia.

Doug Reddy – Director

Mining Executive with 30 years international expertise in exploration, resource and business development and investor relations. He is a registered professional geoscientist (P.Geo. APEGBC). His most recent African role was as Executive VP Business Development with Endeavour Mining; and a key member of the team which fast-tracked four mines into production in West Africa over the past 5 years. Mr Reddy is the Senior Vice President - Technical Services for Leagold.

Tony Carr – Director

Executive with 30 years extensive investment and business management experience in the mining, exploration, civil, power generation, agriculture and transport sectors. Mr Carr was a founder and CEO of MonuRent, an African focused equipment rental business and is now the CEO of StarSight Power Utility Limited, a new Pan-African Sustainable Energy Company.

BOBOSSO PROJECT HISTORICAL EXPLORATION BACKGROUND

The Equigold and Lihir Gold Limited historical RC and diamond drilling on the Wendene permit consisted of 569 RC and 11 diamond drill holes. This work followed up soil sampling and widely spaced RAB drill lines on both the Wendene and Bassawa permits (respectively the central and southern red polygons shown on Figure 1).

The historical soil sampling obtained many anomalous results over the Bassawa and Wendene permits. Of particular note is a **7km² area** in Wendene in which most of the values are above 100ppb Au (Figure 2). This area contains 729 soil samples with an average arithmetic value of **394ppb Au (0.39g/t Au)** and peak values of **39.8g/t Au, 20.2g/t Au** and **6.89g/t Au**. There are numerous plus 100ppb Au anomalous values outside of this area, many of which are untested by any drilling.

569 RC holes and 11 diamond drill holes were completed within the 7km² anomaly (Figure 2). Of these, 221 holes contained at least one 2gxm intercept³ at a cut-off grade of 0.5 g/t Au. Most of these intercepts were at shallow depths. The average (vertical) depth tested by drilling was approximately 80m. The historical RC and diamond drill intercepts were reported to the ASX in the September 2015 Quarterly Report. High-grade and/or wide mineralised intercepts recorded in the database include the following:

- BRC047: **32m at 1.93g/t Au** from 12m
- BRC053: **2m at 29.70g/t Au** from 0m
- BRC083: **5m at 20.60g/t Au** from 48m
- BRC097: **7m at 5.36g/t Au** from 17m
- BRC262: **35m at 1.56g/t Au** from 65m
- BRC278: **7m at 9.52g/t Au** from 26m
- BRC311: **2m at 29.16g/t Au** from 66m
- BRC343: **25m at 1.45g/t Au** from 11m
- BRC552: **9m at 5.01g/t Au** from 4m
- BRC561: **9m at 4.21g/t Au** from 12m

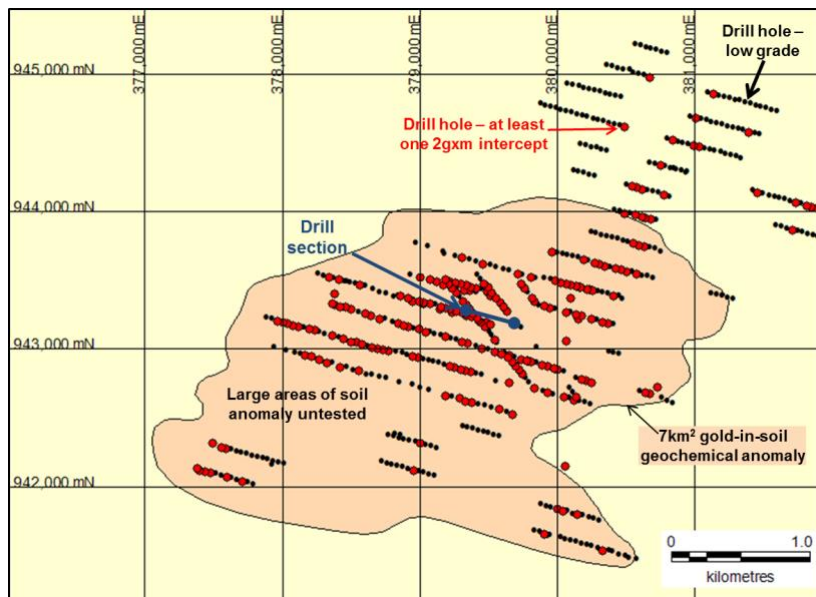


Figure 2: Bobosso gold in soil geochemical anomaly showing location of all historical RC holes, highlighting all holes with gold intercepts of at least 2 g x m (red dots) and showing cross section location.

Predictive’s observations of the geology of the Bobosso gold mineralisation system include the following:

³ e.g. 1m at 2g/t Au or 4m at 0.5g/t Au

- The drilled area covers a major gold mineralised system with numerous separate zones of gold mineralisation, apparently with variable vein and/or mineralised shear orientations.
- Gold mineralisation continuity is not the same everywhere. In places, convincing continuity can be seen but, elsewhere, continuity is not as clear. The Company believes this is partly explained by the observation that most drill holes were drilled at an oblique angle to a series of ENE orientated controlling structures which were mapped in airborne magnetic data after the drilling was finished.
- Gold grades in unweathered rocks are associated with silica-sericite-carbonate alteration with elevated pyrite.
- The principal host rocks are extensively carbonate-altered mafic volcanics.

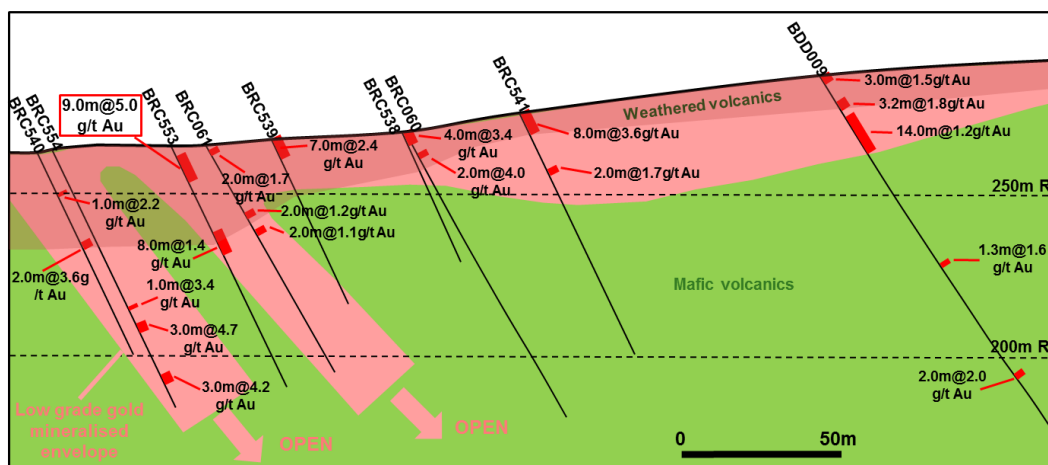


Figure 3: Drill cross section showing near surface gold mineralisation. Predictive’s observations of drill core in hole BDD009 indicate that the gold values in the top 30m are hosted within primary alteration indicating that the apparent dip of the mineralisation on this cross-section is horizontal. Drill results reported to the ASX in September 2015 Quarterly Report.

Predictive Discovery Limited (PDI) was established in late 2007 and listed on the ASX in December 2010. The Company is focused on exploration for gold in West Africa. The Company operates in Burkina Faso, West Africa where it has assembled a substantial regional ground position covering 1,200km² and is exploring for large, open-pitiable gold deposits. Exploration in eastern Burkina Faso has yielded a large portfolio of exciting gold prospects, including the high grade Bongou gold deposit on which a resource estimate was calculated in September 2014. PDI also has interests in a large portfolio of permits and permit applications in Côte D’Ivoire covering a total area of over 6,000 km².

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. 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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