

INITIAL COOLGARDIE DRILLING RESULTS CONFIRM THICK SHALLOW MINERALISATION WITHIN THE TYCHO DEPOSIT

HIGHLIGHTS

- Thick shallow mineralisation confirmed within existing pit shell of the Tycho deposit
- Assay results of the first 4 holes of initial 57 hole program received, highlights include:
 - 5m at 14.1g/t Au from 28m, including:
 - 1m at 68.5g/t Au
 - 28m at 1.70g/t Au from 47m, including:
 - 15m at 2.21g/t Au
 - 7m at 1.64g/t Au
 - 18m at 1.73g/t Au from 47m, including:
 - 11m at 2.17g/t Au
 - 3m at 1.81g/t Au
 - 6m at 1.48g/t Au from 39m
- Drilling program part of \$3.0M drill for equity agreement with Ausdrill
- Drilling program in advance of planned first production commencing in 2017

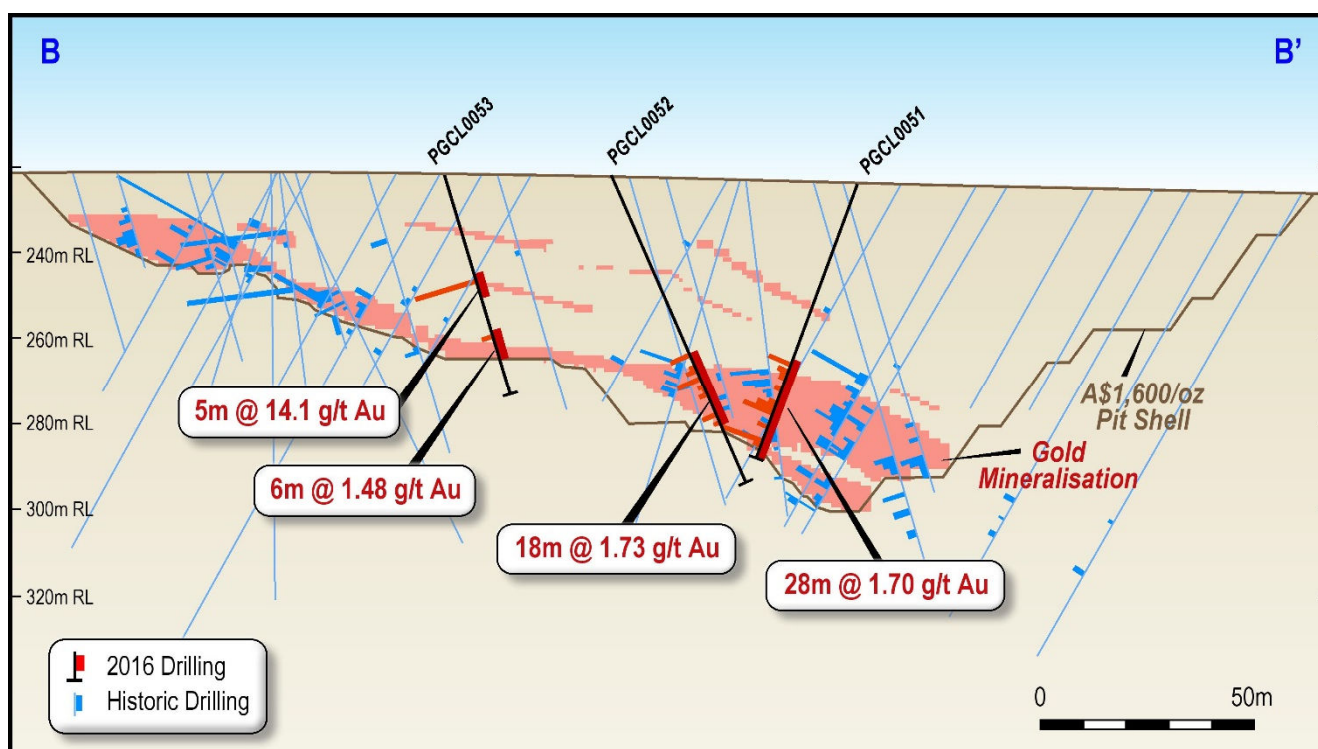


Figure 1: Cross section of drilling within the Tycho deposit

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Primary Gold Limited (ASX: PGO) is pleased to announce the assay results of the first four drill holes of the planned 7,000m, 57 hole at the Coolgardie Gold Project in Western Australia.

The results achieved to date demonstrate the strong potential for near term mining operations at the Tycho deposit, with thick zones of gold mineralisation occurring less than 50m from surface. The results also demonstrate the nuggetty gold nature of the resources, which is typical of the Coolgardie region.

The initial holes form part of infill drilling within the existing mineral resource area of Tycho, however the results are better than expected by comparison with adjacent historical drilling, showing both higher grades and thicker intersections. This has provided potential for an upgrade in Tycho mineral resources and also increased confidence in the overall project.

Highlights of results from the first four holes include:

Drill Hole	Depth (m)	Intersection (m)	Gold Grade (g/t)
PGCL0053	28m	5m	14.1g/t
PGLC0051	47m	28m	1.70g/t
PGLC0052	47m	18m	1.73g/t
PGCL0053	39m	6m	1.48g/t

The drilling program has initially focus on areas within and adjacent to the existing mineral resources of the Tycho and MacPhersons deposits, in order to generate sufficient data for completion of the Coolgardie Mine Optimisation Study currently underway.

Drilling is now continuing along the southern extent of the tonalite dyke (see Figure 3 overleaf), identified as the structure controlling gold deposition for the MacPhersons deposit (2.5Mt at 1.8g/t for 145,000oz gold).

The program will then assess areas of identified cross cutting structures of the tonalite dyke with complementary soil and magnetic anomalies.

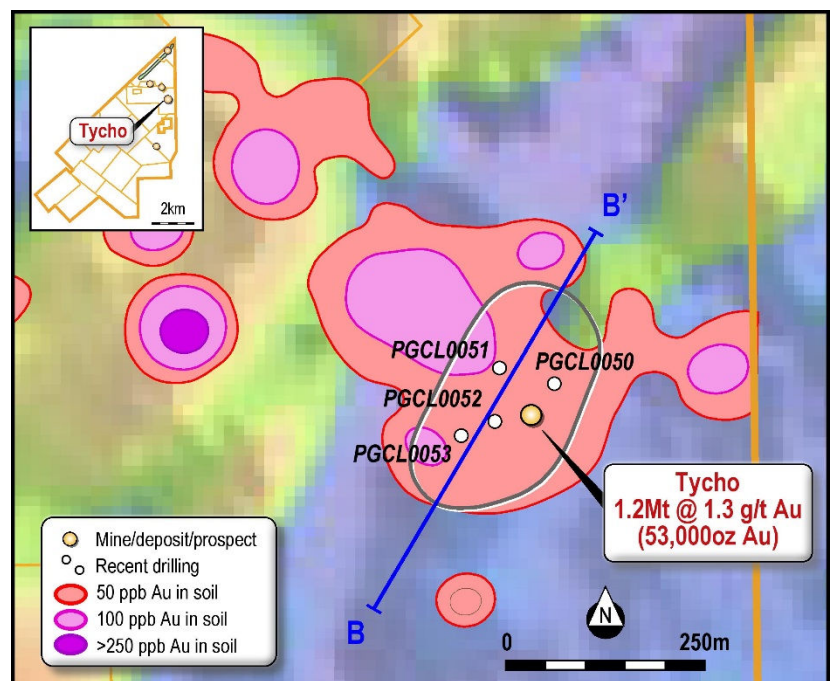


Figure 2: Tycho deposit drilling and cross section

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28 November 2016



Overall, the drilling program comprises 57 holes for an estimated 7,000m of drilling and is targeted for completion by the end of 2016. Primary Gold will assess the potential for follow up drilling of priority targets to continue in early 2017, pending results of the initial program.

This is the first program under the drilling for equity agreement between Ausdrill Limited and Primary Gold (see ASX announcement 05 September 2016), which provides a low capital mechanism to grow the Coolgardie resource base for planned first production in 2017.

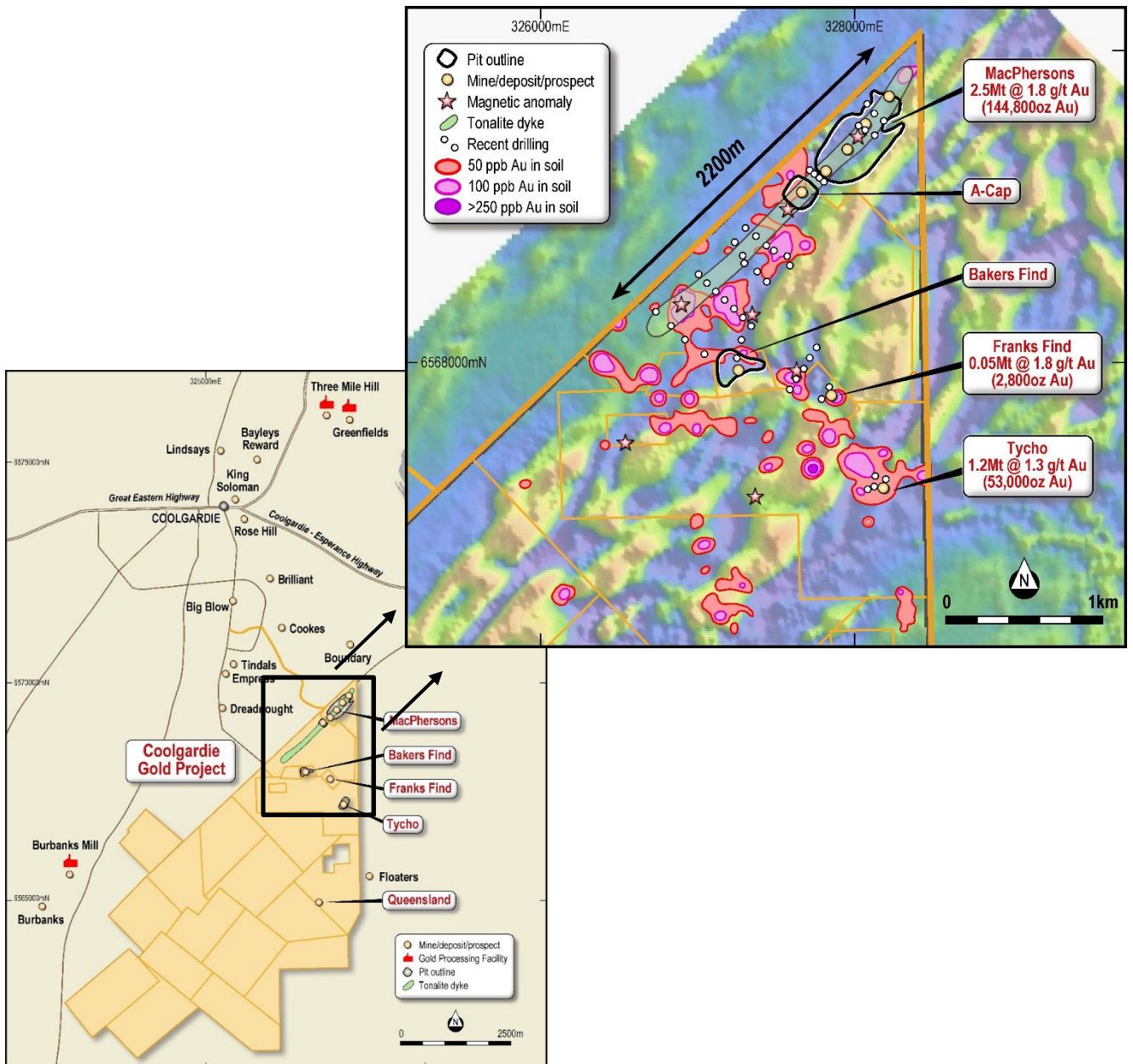


Figure 3: Coolgardie Gold Project location and proposed drilling program

For more information, please contact:

Patrick Walta +61 8 6143 6700

Primary Gold Limited
Suite 23, 513 Hay Street
Subiaco WA 6008
T: 08 6143 6700
ABN: 42 122 726 283

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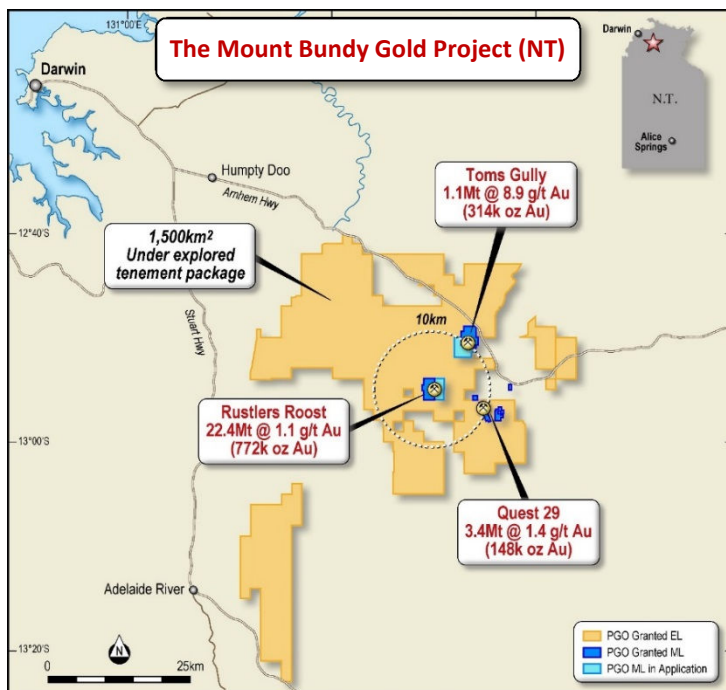
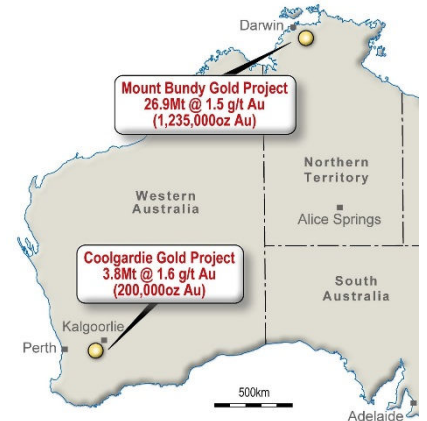
28 November 2016



About Primary Gold Limited (ASX: PGO)

Primary Gold is an ASX listed emerging gold producer and explorer with multiple near-term production and advanced exploration assets located in the Northern Territory and Western Australia.

Primary Gold's flagship asset is the **Mount Bundy Gold Project** in the NT, which includes the Rustlers Roost open pit project, Toms Gully high grade underground mine and 250ktpa processing facility, the Quest 29 deposit and a large lease holding of approximately 1,500km² of underexplored tenure across the Pine Creek region.



All deposits are located within a 10km radius, providing the opportunity for development of a large scale centralised processing facility.

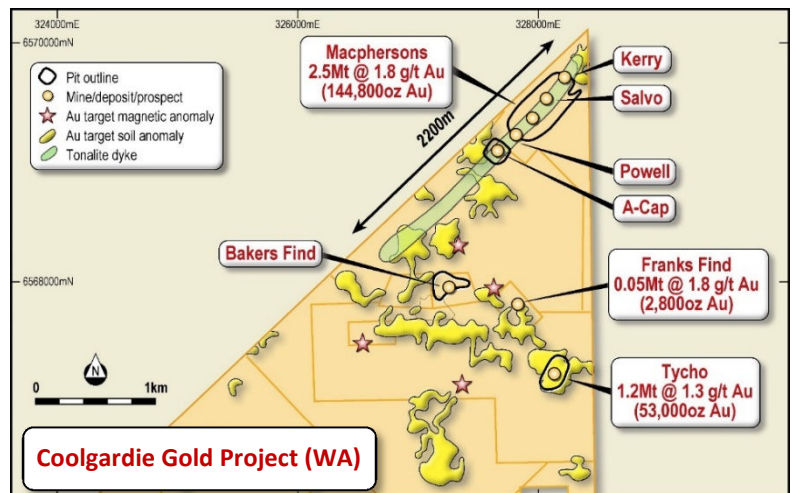
Current mineral resources at the Mount Bundy Gold Project are **26.9Mt at 1.5g/t for 1,235,000oz of gold**. Primary is focused on resource expansion at Mount Bundy in conjunction with development of a bulk mining operation.

The Company has also recently acquired the highly prospective **Coolgardie Gold Project** in WA, which includes the production ready open pit deposits at MacPhersons and Tycho.

The current mineral resources at Coolgardie are **3.8Mt at 1.6g/t for 200,000oz of gold**.

All existing resources are located on established mining leases and the presence of toll treatment mills within 8km of the Project provides the opportunity for near term production to occur.

In addition, the Coolgardie Gold Project has significant exploration potential as the southern half of the tenement package remains totally unexplored due to shallow alluvial cover.



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ASX: PGO

28 November 2016

**PRIMARY
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Mt Bundy Resources	Indicated			Inferred			Total		
	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)
Toms Gully	835	9.0	242	265	8.5	73	1,100	8.9	315
Rustlers Roost*	14,420	1.1	505	7,960	1.0	266	22,380	1.1	772
Quest 29	2,190	1.4	98	1,205	1.3	50	3,395	1.4	148
Total	17,445	1.5	845	9,430	1.2	389	26,875	1.5	1,235

*** PGO 80% Equity Ownership**

Reserves	Proved			Probable			Total		
	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)
Toms Gully				775	6.9	175	775	6.9	175

Coolgardie Resources	Measured			Indicated			Inferred			Total		
	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)	Tonnes (kt)	Grade (g/t)	Au (kOz)
Macphersons	690	1.36	30.1	1,216	1.71	66.9	616	2.41	47.8	2,523	1.79	144.8
Tycho				600	1.44	27.8	640	1.22	25.2	1,240	1.33	53
Franks Find							48	1.84	2.8	48	1.84	2.8
Total	690	1.36	30.1	1,816	1.61	94.7	1,304	1.80	75.8	3,811	1.63	200.6

Competent Persons Statement

The information in this announcement that relates to Mt Bundy Mineral Resources is based on, and fairly represents, information and supporting documentation compiled and prepared by Mr Brian Fitzpatrick. Mr Fitzpatrick is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Cube Consulting Pty Ltd. Neither Cube nor Mr Fitzpatrick holds any interest in Primary Gold, its related parties, or in any of the mineral properties that are the subject of this report. Mr Fitzpatrick has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fitzpatrick has provided prior written consent as to the form and context in which the Exploration Results and Mineral Resources and the supporting information are presented in this market announcement.

The information in this market announcement that relates to Toms Gully Ore Reserves is extracted from the report entitled Toms Gully Ore Reserve Estimate Summary Report, August 2013 as announced 27 August 2013. Both report and announcement are available to view on www.primarygold.com.au. Primary Gold Limited confirms it is not aware of any new information or data that materially affects the information in the original market announcements relating to Toms Gully ore reserves, that all material assumptions and technical parameters underpinning the Toms Gully mineral resource estimate continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Coolgardie mineral resources is based on information compiled by Mr Jeff Williams, who is a Competent Person according to the JORC 2012 Code. Mr Williams is a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience in estimation of resources of gold mineralisation, and has a strong expertise in the all aspects of data collection, interpretation and geostatistical analysis to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Williams consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information for was prepared and first disclosed in the ASX announcements by MacPhersons Resources Limited on 06 August 2012. All material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed since it was last reported.

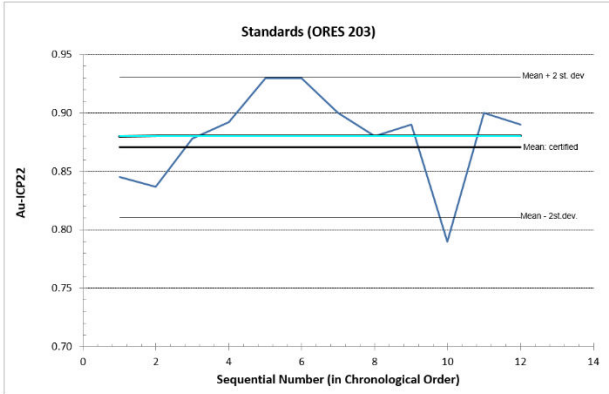
APPENDIX: JORC (2012) COMPLIANCE CHECK LIST**Reporting criteria presented in the Section 1 of the JORC Table 1 (Sampling techniques and data)**

Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Comments / Findings
(1.1.) Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 	<p>Standard procedure of the RC drilling and sampling. Samples are collected at the 1m intervals.</p> <p>All samples are logged and supplied to ALS laboratory in Kalgoorlie for preparation and analysis</p>
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<p>Samples are collected at the RC rig cyclone and then split using the riffle splitter.</p> <p>Approximately 3 kg sample is sent to the laboratory for aassaying.</p>
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>Standard procedure of using a reverse circulation drilling was applied. 1 m samples was collected from which approximately 3 kg was received and sent to the certified laboratory in Kalgoorlie (Kal) for preparation and assaying using conventional techniques. Gold was assayed from 60g aliquots using ICP-MS technique. The samples where grade exceeded 10 g/t was re-assayed using Fire assay with AA finish.</p>

<p><i>Drilling techniques (1.2.)</i></p>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<p>Reverse Circulation drilling</p>
<p><i>Drill sample recovery (1.3.)</i></p>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> 	<p>Sample weight was documented for every sample received in the laboratory. This was used as indirect indicator of the sample recovery and its consistency.</p>
	<ul style="list-style-type: none"> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<p>Drilling parameters were adjusted to maximise recovery. This included a frequent changes of the drill bits when drilling through tonalite dyke, where recovery was tending to drop, due to excessive hardness of the rocks.</p>
	<ul style="list-style-type: none"> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>No relationships between recovery and grade</p>
<p><i>Logging (1.4.)</i></p>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> 	<p>All samples was geologically logged to a details which will be sufficient for estimation of the Mineral Resources. Geotechnical logging of the RC samples is limited, and has included only degree of weathering and appearance of the water (water table) in the drill hole</p>
	<ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> 	<p>Logging was quantitative and consist of diagnostics of the rocks and minerals and their Recording in the electronic device.</p>
	<ul style="list-style-type: none"> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>100% of the drillholes were logged.</p>
<p><i>Sub-sampling techniques and sample preparation (1.5.)</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and wether quarter, half or all core taken</i> 	<p>Not applicable</p>

	<ul style="list-style-type: none"> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> 	All samples were dry. Sub-sampling was made using riffle splitter
	<ul style="list-style-type: none"> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> 	Standard sample preparation technique is used. This is referred as PREP – 31BY of ALS and broadly used by gold companies in Kalgoorlie region.
	<ul style="list-style-type: none"> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> 	Certified standards (ORES 203) systematically used for assays quality control. Standard samples are inserted with the every submitted batch of the samples. The standard samples constitute approximately 2% of the RC samples.
	<ul style="list-style-type: none"> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> 	Every 1m sample has a field duplicate collected at the same time when the sample was collected. Duplicates are stored in safe place in the mine office area and will be used for Confirmation the high grade intersections and for general QAQC purposes
	<ul style="list-style-type: none"> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	Samples are approximately 3kg which is a standard size in the Kalgoorlie region for the gold samples.
<i>Quality of assay data and laboratory tests (1.6.)</i>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> 	Samples collected at Tyco deposit were assayed using ICP-MS (Au-ICP22 method of ALS) which has detection limits 0.001 – 10 ppm. Higher grade samples were re-assayed using FA method with AA finish (Au-AA26 method of ALS). After completion drilling at the Tyco deposit analytical method was changed to Au-AA26, which is fire assay with atomic-absorption finish. This was made because of possibly more higher grade intersections when drilling the tonalite dyke.
	<ul style="list-style-type: none"> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> 	Not applicable



	<ul style="list-style-type: none"> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p>Certified standards (ORES 203) systematically used for assays quality control. Standard samples are inserted with the every submitted batch of the samples. The standard samples constitute approximately 2% of the RC samples.</p>  <p>All CRM results fall within the acceptable tolerance range (mean +/- 2st.dev.)</p> <p>Mean of the Assayed standard samples 0.88 ppm, the certified value is 0.87. 0.01 ppm difference is statistically insignificant.</p>
<p><i>Verification of sampling and assaying (1.7.)</i></p>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> 	<p>The current drilling was planned to verify results of the drilling at the Tyco.</p> <p>Which are confirmed by this programme</p>
	<ul style="list-style-type: none"> <i>The use of twinned holes.</i> 	<p>Current programme is using “scissor holes” approach which allows more accurately delineate gold lodes. Twinned holes will be drilled in case if new high grade intersections are obtain. Decision will be made after obtaining all assays</p>
	<ul style="list-style-type: none"> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> 	<p>All drill holes logged electronically into mobile database (Geobank-Mobile) using using Panasonic tough-book device.</p> <p>The database backed up and sent to PGO’s Perth office at the end of each week. During the week the database backed up on a field lap-top computer.</p> <p>Assay results sent electronically to the Perth office where they are stored on PGO’s server.</p>

ASX ANNOUNCEMENT


ASX: PGO

28 November 2016



	<ul style="list-style-type: none"> • <i>Discuss any adjustment to assay data.</i> 	No adjustments are made, and it is believed that data does not require any additional adjustments
<i>Location of data points (1.8.)</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> 	<p>Drill hole collars are located using hand held GPS. Reported accuracy of the instrument is approximately +/- 3m in horizontal dimensions. RL of the collars is deduced by projecting the collars onto the DTM surface.</p> <p>Down hole survey is made by Reflex tool with a measurements taken at 12m intervals. All holes were surveyed.</p>
	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> 	All data are recorded in a MGA51 (GDA94) grid
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	DTM file used in the current study was obtained from the Macphersons Resources, a previous owner of the project. The DTM was used for feasibility studies. This file is used in the current programme for estimation the RLs of the drillhole collars.
<i>Data spacing and distribution (1.9.)</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> 	Not applicable. The current report includes 4 holes drilled in to the Tyco resources for their confirmation and characterisation of the waste rocks.
	<ul style="list-style-type: none"> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> 	Not applicable. The current report includes 4 holes drilled in to the Tyco resources for their confirmation and characterisation of the waste rocks.
	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	Samples were taken at 1m intervals and assayed without compositing.



<p><i>Orientation of data in relation to geological structure (1.10.)</i></p>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<p>Drillholes direction was chosen with an objective to obtain the true intersection of the gold lodes, with an angle of intersection approximately 70 - 90°.</p> 
	<ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p>Not applicable. Drilling orientation is optimal for sampling the gold lodes and testing their controlling structures at the PGO's Coolgardie project</p>
<p><i>Sample security (1.11.)</i></p>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security</i> 	<p>Samples submitted to the lab at the end of the day. No unattended samples left on a drill sites.</p> <p>Duplicates are collected and transferred to the mine office area where they are securely locked.</p>
<p><i>Audits or reviews (1.12.)</i></p>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>Not applicable as this programme is a verification drilling by itself.</p>