ASX ANNOUNCEMENT
ASX: PGO

13 February 2017

FURTHER NEW GOLD MINERALISATION IDENTIFIED AT THE COOLGARDIE GOLD PROJECT

HIGHLIGHTS

- New high grade intersection along strike of the MacPhersons deposit:
    - 18m at 2.1g/t gold from 137m, including 2m at 15.3g/t gold
- Large intersections between MacPhersons and A-Cap deposits, indicating strong likelihood of deposit linkage and additional gold lodes outside of current resource block model:
    - 3m at 3.3g/t gold from 57m
    - 9m at 1.3g/t gold from 137m
    - 7m at 1.3g/t gold from 146m
- Greenfield drilling assays up to 2.7g/t gold within the structural corridor hosting Franks Find (historical: 2m at 51.2g/t gold from 39m) and Bakers Find (historical: 4m at 19.4g/t gold from 38m)
- Coolgardie holds strong potential for further resource growth, with drill out programs now being planned around the two new high grade zones in addition to Franks Find and Baker Find deposits

Primary Gold Limited (ASX: PGO) has completed its maiden drilling program at the Coolgardie Gold Project in Western Australia and is pleased to announce further assay results and new areas of mineralisation.

New Greenfield Gold Targets

The drilling program has identified several occurrences of new gold mineralisation outside of the known resources, with numerous mineralised assay results of 2m composites ranging up to 30.4g/t gold (see Table 1).

Assay results recently received from drill hole PGCL0005, which is located along strike from the existing MacPhersons deposit, has intersected the best results to date with an intersection of **18m at 2.1g/t gold from 137m, including 2m at 15.3g/t gold.**

This mineralisation is located within a splay sheer that offsets the existing tonalite structure which was targeted by the drilling program (see Figure 1 overleaf). It is also associated with a strong geochemical anomaly and warrants follow up drilling in the previously untested area to north, toward the MacPhersons deposit.

As previously announced, the program has also identified other significant gold zones within the splay shear target structures, with drill hole PGCL0056 intersecting **6m at 10.6g/t gold from 87m, including 2m at 30.4g/t gold**. **Importantly, this intersection was achieved in an area outside of any existing geochemical anomaly.**

Both intersections were obtained outside of the known resources and represent new exploration targets. The intersections provide strong potential for development of further resources within the Coolgardie Gold Project.

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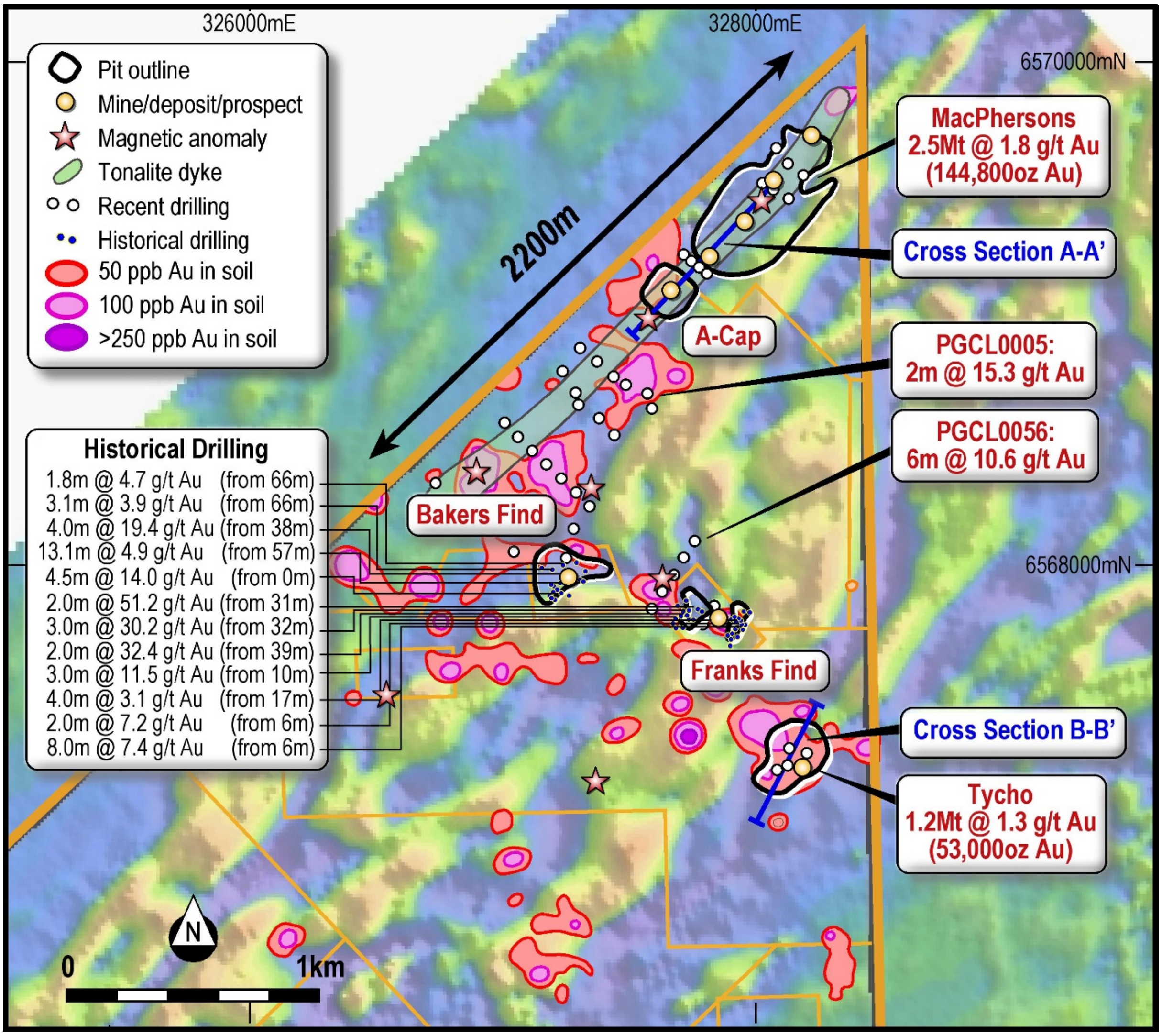

Figure 1: Greenfield gold intersections at the Coolgardie Gold Project

The new greenfield drilling result of PGLC0056 is associated with the same cross cutting structure that hosts the Bakers Find and Franks Find deposits. Historical assay results from these deposits include:

Franks Find

- 2.0m at 51.2g/t gold from 31m
- 2.0m at 32.4g/t gold from 39m
- 3.0m at 30.2g/t gold from 32m
- 3.0m at 11.5g/t gold from 10m
- 8.0m at 7.4g/t gold from 6m
- 2.0m at 7.2g/t gold from 6m
- 4.0m at 3.1g/t gold from 17m

Bakers Find

- 4.0m at 19.4g/t gold from 38m
- 4.5m at 14.0g/t gold from 0m
- 13.1m at 4.9g/t gold from 57m
- 1.8m at 4.7g/t gold from 66m
- 3.1m at 3.9g/t gold from 66m

The cross cutting structure clearly contains significant mineralisation within a corridor extending from the Tycho deposit through to the tonalite mineralisation hosting the MacPhersons deposit. **Primary is now planning drill out programs for both recent high grade hits in addition to the Bakers Find and Franks Find deposits.**

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Brownfield Exploration Results

Five holes were drilled in the area between the Macphersons and A-Cap deposits (see Figures 1 and 2). These drill holes have intersected multiple gold lodes, many of them were several metres thick with the grades exceeding 1g/t gold.

Assay results include:

- 3m at 3.3g/t gold from 57m;
- 9m at 1.3g/t gold from 137m; and
- 7m at 1.3g/t gold from 146m.

Importantly, as shown in cross section A-A' of Figure 2 below, the majority of intersections were made outside of current identified gold lodes. The results suggest that the area between MacPhersons and A-Cap deposits is better mineralised than what was previously considered at the time of the original resource block model development and pit shell design.

Primary plans to use the results of drilling to update the current pit shell design for operations over the MacPherson and A-Cap pits.

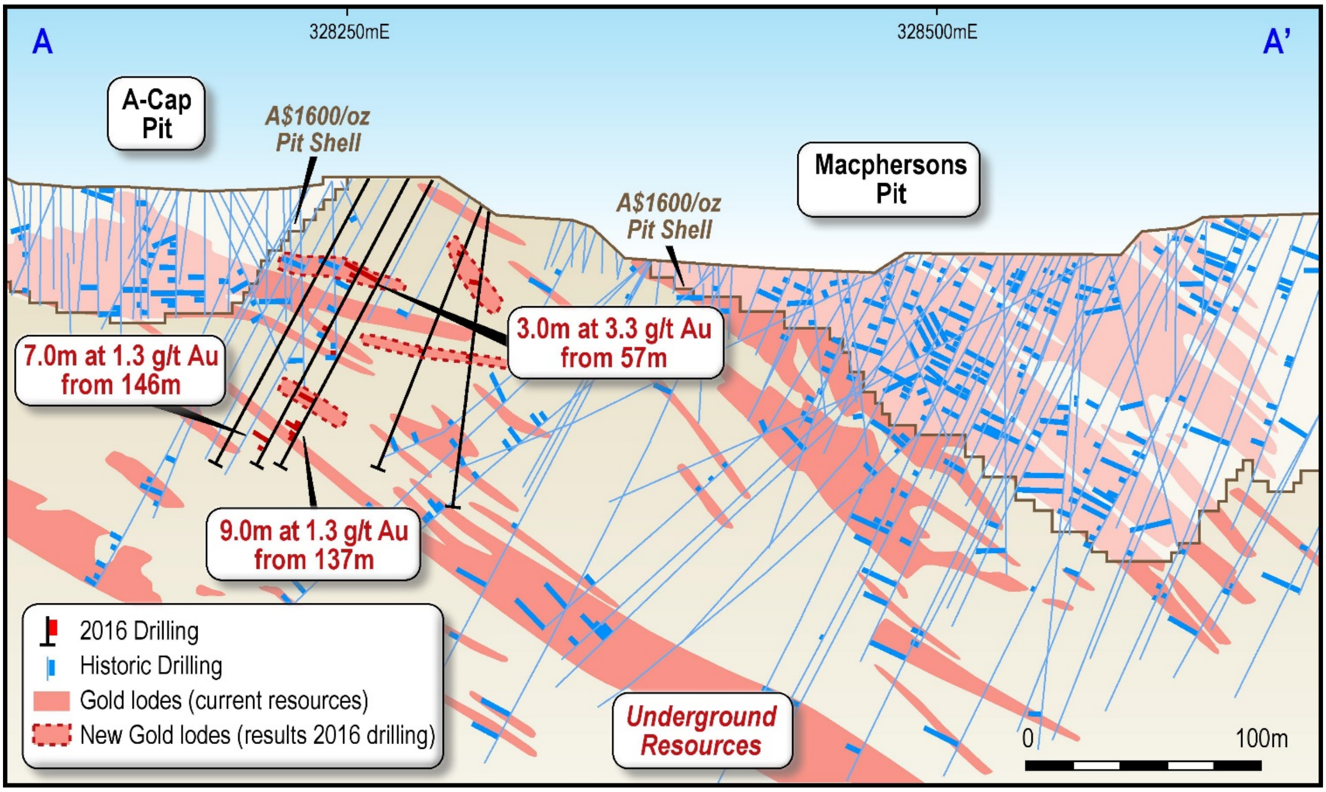

Figure 2: Oblique view through the drill traverse located between MacPhersons and A-Cap deposits within a window of +/- 150m from the cross-section plane. Location of the traverse is shown on the map (Figure 1). Shaded areas denote the resource block model.

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Tycho & MacPhersons Deposit Pit Shell Drilling

In December 2016 Primary Gold reported the results of drilling into the proposed pit shell at the Tycho deposit. The assay results confirmed the presence of the thick high grade lodes.

Overall results were better than expected when compared with the historical drilling that has been used to generate the Tycho resource block model (see Figure 4 below).

This has provided potential for an upgrade in Tycho mineral resources and also increased confidence in the overall deposit and its use as part of initial operations at Coolgardie.

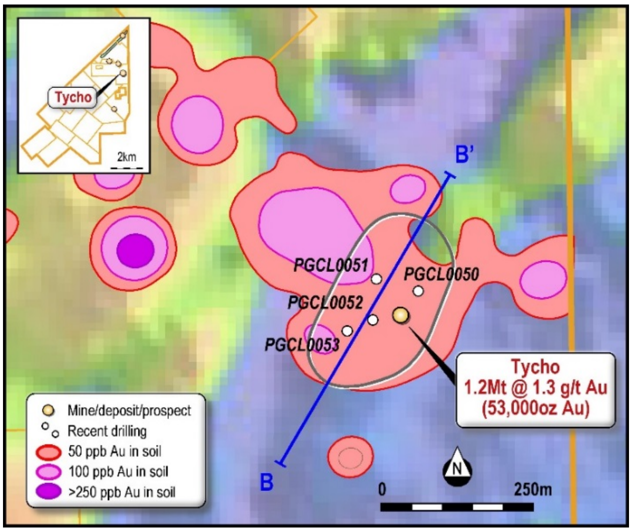

Figure 3: Tycho drilling cross section plan view

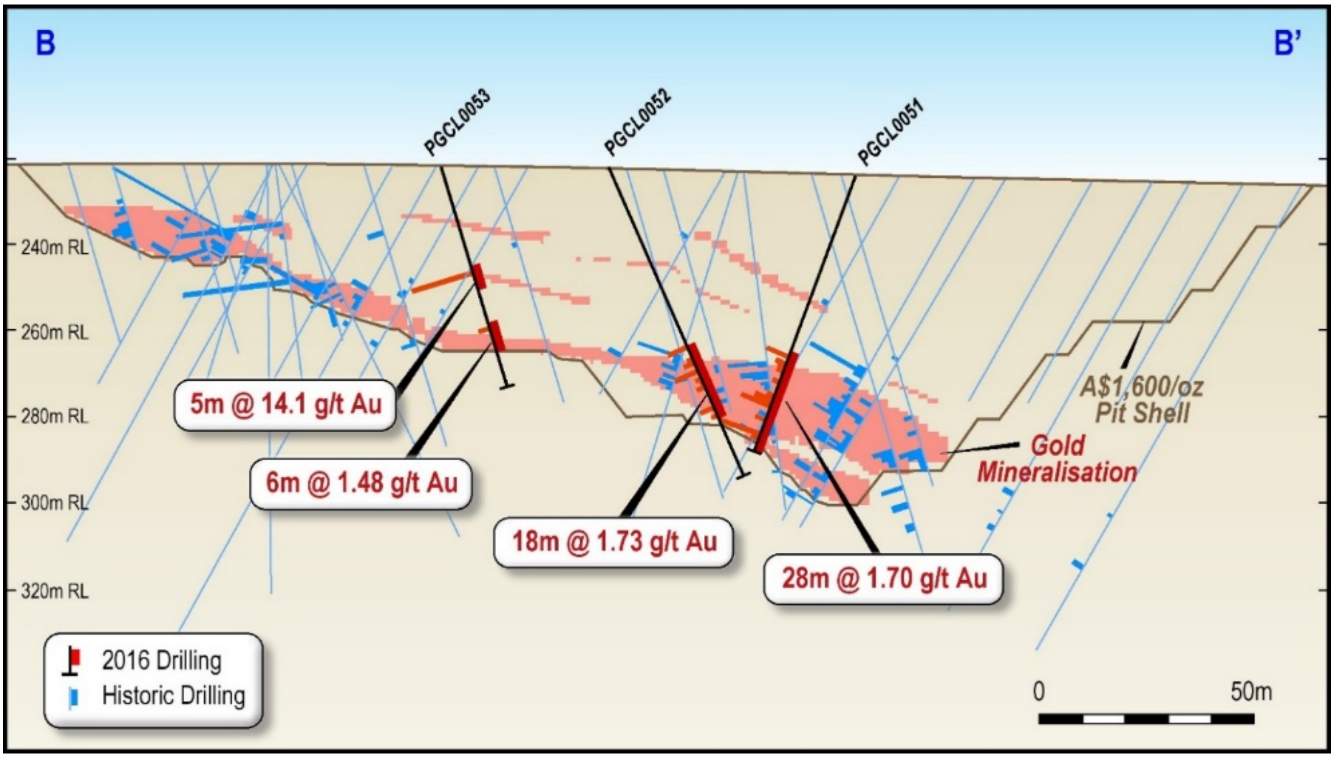

Figure 4: Cross section of drilling within the Tycho deposit

Drilling was also conducted within the MacPhersons pit, however mainly as a mechanism to perform trace element analysis required as part of the mining approvals process. This drilling still achieve thick mineralised intersections, including 12m at 1.3 g/t gold from 90m and 3m at 1.5g/t gold from 81m.

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Table 1: Summary of signficiant drilling results for initial Coolgaride program

Hole ID	Drill Hole Collar Coordinates (MGA51 GDA94)			Intersection Details				
	EASTING	NORTHING	RL	From	To	Length	AU g/t	Comments
New Gold Mineralisation (outside of the known prospects)								
PGCL0056	327747.3	6568099.7	389.9	87.0	93.0	**6.0**	**10.6**	**Includes 2m @ 30.4 g/t Au**
PGCL0005	327576.8	6568710.2	400.4	137.0	155.0	**18.0**	**2.1**	**Includes 2m @ 15.3 g/t Au**
PGCL0005				123.0	127.0	4.0	0.7	
PGCL0015	327673.2	6567983.3	386.5	41.0	43.0	**2.0**	**2.7**	
PGCL0033	326862.7	6568247.2	400.6	115.0	117.0	2.0	0.4	
PGCL0029	327019.1	6568090.3	395.2	41.0	43.0	2.0	0.6	
PGCL0025	327868.1	6567816.0	383.7	59.0	61.0	2.0	0.5	
PGCL0023	327320.6	6568129.3	389.6	39.0	41.0	2.0	0.6	
PGCL0014	327446.5	6568543.7	396.6	95.0	99.0	4.0	0.5	
PGCL0012	327379.2	6568619.0	399.6	38.0	40.0	2.0	0.9	
PGCL0012				26.0	32.0	6.0	0.6	
PGCL0012				88.0	98.0	10.0	0.3	
PGCL0011	327300.9	6568663.8	404.1	62.0	68.0	6.0	0.7	
PGCL0011				76.0	80.0	4.0	0.5	
PGCL0007	327235.6	6568756.7	415.9	119.0	120.0	1.0	0.7	
PGCL0003	327441.9	6568780.5	402.3	105.0	107.0	**2.0**	**1.4**	
PGCL0003				99.0	109.0	10.0	0.5	
PGCL0003				53.0	57.0	4.0	0.5	
PGCL0058	327701.5	6568037.5	386.8	71.0	75.0	4.0	0.7	
PGCL0058	327701.5	6568037.5	386.8	41.0	43.0	2.0	0.5	
Brown Field Target (area between Macpherson's and A-Cap Deposits)								
PGCL0048	327816.3	6569186.6	400.6	51.0	52.0	**1.0**	**3.1**	
				86.0	88.0	2.0	0.9	
				74.0	75.0	1.0	0.9	
				119.0	124.0	5.0	0.4	
				139.0	148.0	9.0	0.4	
PGCL0047	327773.1	6569216.0	401.8	57.0	60.0	**3.0**	**3.3**	**Includes 1m @ 8.8 g/t Au (57 - 58m)**
				99.0	100.0	1.0	1.7	
				124.0	130.0	**6.0**	**0.9**	**Includes 1m @ 4.0 g/t Au (124-125m)**
				137.0	146.0	**9.0**	**1.3**	**Includes 1m @ 3.6 g/t Au (139-140m)**
				150.0	152.0	**2.0**	**1.1**	
PGCL0046	327753.1	6569237.2	402.4	85.0	86.0	1.0	1.4	
				55.0	56.0	1.0	1.3	
				146.0	153.0	**7.0**	**1.3**	**Includes 1m @ 4.3 g/t Au (146-147m)**
PGCL0044	327816.3	6569186.6	400.6	95.0	96.0	1.0	1.6	
				41.0	45.0	4.0	0.6	
				129.0	132.0	3.0	0.6	
Macpherson's Deposit								
PGCL0054	328188.0	6569577.0	400.9	90.0	102.0	**12.0**	**1.3**	
				112.0	115.0	**3.0**	**1.4**	
				122.0	127.0	5.0	0.7	
				129.0	134.0	5.0	0.6	
PGCL0043	328078.3	6569526.2	394.0	81.0	84.0	**3.0**	**1.5**	
				53.0	55.0	**2.0**	**1.4**	
				133.0	134.0	1.0	1.2	
				27.0	33.0	6.0	0.9	
				115.0	117.0	2.0	0.8	
				61.0	63.0	2.0	0.8	
				92.0	96.0	4.0	0.8	
				103.0	105.0	2.0	0.7	
				152.0	160.0	8.0	0.6	
PGCL0042	328143.6	6569487.8	392.3	9.0	10.0	1.0	1.0	
Tycho Deposit								
PGCL0053	328093.9	6567212.9	379.8	28.0	33.0	**5.0**	**14.1**	
				39.0	45.0	**6.0**	**1.48**	
PGCL0052	328137.6	6567231.4	378.7	47.0	65.0	**18.0**	**1.73**	
PGCL0051	328142.9	6567296.8	377.7	47.0	75.0	**28.0**	**1.70**	
				32.0	34.0	2.0	0.5	
PGCL0050	328213.5	6567280.7	375.6	30.0	49.0	19.0	0.5	

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Marat Abzalov, who is a Competent Person according to the JORC 2012 Code. Dr Abzalov 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'. Dr Abzalov is employed as a director of Primary Gold Ltd. Dr Abzalov consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The Company confirms that results reported to market previously on 28 November 2016 and 9 January 2017 have not materially changed.

APPENDIX: JORC (2012) COMPLIANCE CHECK LIST

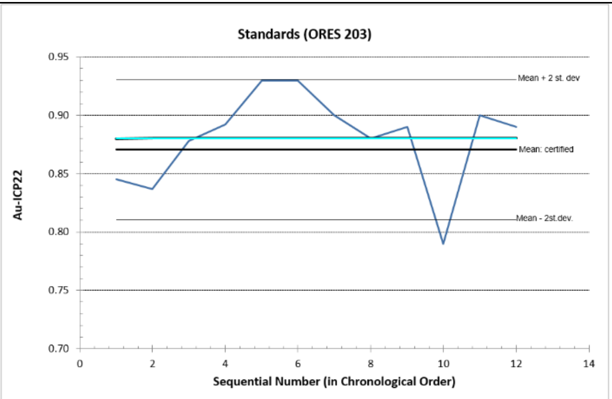
Reporting criteria presented in the Section 1 of the JORC Table 1 (Sampling techniques & data)

Criteria of JORC Code 2012	Explanation given in the JORC Code 2012	Comments / Findings
(1.1.) Sampling techniques	• *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.*	Standard procedure of the RC drilling and sampling. Samples are collected at the 1m intervals. All samples are logged and supplied to ALS laboratory in Kalgoorlie for preparation and analysis
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Samples are collected at the RC rig cyclone and then split using the riffle splitter. Approximately 3 – 6 kg sample is sent to the laboratory for assaying.
	• *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*	Standard procedure of using a reverse circulation drilling was applied. 1 m samples were collected from the drill-rigs cyclone, from which approximately 3 kg was received using the riffle splitter. Two methods of the samples processing were used. (1) Verification holes, drilled into the resources of Tyco and Macphersons deposits were sampled at 1m intervals from which 3 kg sample was received and sent to the lab and assayed for Au, As, Sb, S, Cu, Pb and Zn.

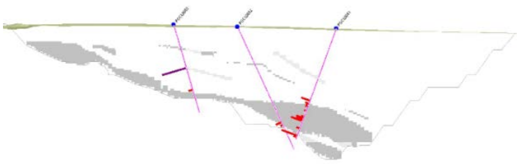
	explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	(2) The exploration drillholes, drilled for testing the exploration targets outside of the known resources, were sampled at 1m intervals. 3 kg samples were collected and these were grouped (composited) into 2m composites, approximately 6 kg. The composited samples were assayed for Au. 3kg samples, and 6 kg composites, were sent to the certified laboratory in Kalgoorlie (Kal) for preparation and assaying using conventional techniques. Gold was assayed from 60g aliquots. Samples collected at Tyco deposit were assayed using ICP-MS (Au-ICP22 method of ALS) which has detection limits 0.001 – 10 g/t. 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. The technique allows accurately determine the gold grade above 0.01 g/t and suitable for high – grade samples where grade exceeds 10 g/t.
Drilling techniques (1.2.)	• *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).*	Reverse Circulation drilling
Drill sample recovery (1.3.)	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	Sample weight was documented for every sample received in the laboratory. This was a part of the QAQC procedures.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	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.

	• *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.*	No relationships between recovery and grade
Logging (1.4.)	• *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.*	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
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Logging was quantitative and consist of diagnostics of the rocks and minerals and degree of the rocks weathering Recording of the observed characteristics was made into the electronic device.
	• *The total length and percentage of the relevant intersections logged.*	100% of the drillholes were logged.
Sub-sampling techniques and sample preparation (1.5.)	• *If core, whether cut or sawn and wether quarter, half or all core taken*	Not applicable
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	All samples were dry. Sub-sampling was made using riffle splitter
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Standard sample preparation technique is used. This is referred as PREP – 31BY of ALS and broadly used by gold companies in Kalgoorlie region.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	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.

	• *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.*	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
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Samples are approximately 3kg which is a standard size in the Kalgoorlie region for the gold samples.
Quality of assay data and laboratory tests (1.6.)	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Gold grade was assayed using fire assays. Samples collected at Tyco deposit were assayed by fire assay with ICP-AES finish (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). In both methods 50 g aliquot was used. 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 higher grade intersections when drilling the tonalite dyke. Cu, Pb, Zn, As, Sb and S were analysed using ICP-AES (ME-ICP61 method of ALS).
	• *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.*	Not applicable
	• *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.*	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.

		 All CRM results fall within the acceptable tolerance range (mean +/- 2st.dev.) Mean of the Assayed standard samples 0.88 ppm, the certified value is 0.87. 0.01 ppm difference is statistically insignificant.
Verification of sampling and assaying (1.7.)	• *The verification of significant intersections by either independent or alternative company personnel.*	Filed duplicates were collected for each 1m interval and will be processed and analysed for confirmation purpose
	• *The use of twinned holes.*	Current programme has used "scissor holes" approach which allows more accurately delineate gold lodes.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	All drill holes logged electronically into mobile database (Geobank-Mobile) using using Panasonic tough-book device. 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. Assay results sent electronically to the Perth office where they are stored on PGO's server.
	• *Discuss any adjustment to assay data.*	No adjustments are made, and it is believed that data does not require any additional adjustments
Location of data points (1.8.)	• *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.*	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. Down hole survey is made by Reflex tool with a measurements taken at 12m intervals. All holes were surveyed.

	• *Specification of the grid system used.*	All data are recorded in a MGA51 (GDA94) grid
	• *Quality and adequacy of topographic control.*	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.
Data spacing and distribution (1.9.)	• *Data spacing for reporting of Exploration Results.*	Average distance between drilling traverses approximately 300m drillholes with a distance between drillholes on a traverse approximately 100m
	• *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.*	Not applicable. The current report presents information on the drillhole intersections. Correlation between intersections not discussed because of large distances between the drilling traverses, which are approximately 300 m.
	• *Whether sample compositing has been applied.*	Two methods of the samples processing were used. (1) Verification holes, drilled into the resources of Tyco and Macphersons deposits were sampled and assayed at 1m intervals without compositing. Approximately 3 kg sample was collected from 1m drilled interval. (2) The exploration drillholes, drilled for testing the exploration targets outside of the known resources, were also sampled at 1m intervals, from which approximately 3 kg sample was collected. The samples were combined into pairs (i.e. 2m composites) by the geologist supervising the drilling. Composited samples, approximately 6 kg each, representing the 2m of drilled intervals, were sent to the lab and assayed for Au.
Orientation of data in relation to geological structure (1.10.)	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drillholes, drilled into the pit shells, were oriented to obtain the true intersection of the gold lodes, with an

		angle of intersection approximately 70 - 90°.  Drillholes, drilled for testing geochemical anomalies and structurally favourable setting were drilled at the Dip of 60 degree and drilling traverse was oriented across the strike of the gold-bearing structures.
	• *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.*	Not applicable. Drilling orientation is optimal for sampling the gold lodes and testing their controlling structures at the PGO's Coolgardie project
Sample security (1.11.)	• *The measures taken to ensure sample security*	Samples submitted to the lab at the end of the day. No unattended samples left on a drill sites. Duplicates are collected and transferred to the mine office area where they are securely locked.
Audits or reviews (1.12.)	• *The results of any audits or reviews of sampling techniques and data.*	High grade intersections will be re-assayed using the duplicate samples. The work is currently in progress

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