



POSITIVE SCOPING STUDY FOR MOUNT BUNDY GOLD PROJECT

HIGHLIGHTS

- Initial life of mine of 9 years from current resources of 26.9Mt at 1.5g/t Au (1.24Moz gold)
- AISC for first full 3 years at approximately \$900/oz with LOM \$1050
- Low strip ratio at 1.8:1 over Rustlers Roost and Quest 29 open pits
- Study based on 3.0Mtpa processing facility
- Estimated Project CAPEX of \$155M (includes underground refurbishment; excludes pre-production costs)
- Significant scope for growth in current resource base via:
 - brownfields exploration to exploit known mineralisation at depth on all deposits; and
 - identified greenfield targets
- Next phase of Mount Bundy development activity to include:
 - Commencement of exploration on the 1,500km² highly prospective tenement package:
 - brownfields extension drilling; and
 - follow up of previous reconnaissance work within 15km radius of Rustlers Roost on lookalike geological formations of Rustlers Roost and Toms Gully Deposits
 - drilling anticipated to commence in May 2017 once wet season subsides
 - Progressing environmental approvals
- Company to immediately initiate a PFS for Mount Bundy Gold Project
- Strong cash position of \$7.8m (31 March 2017) to continue work programs

Cautionary Statement concerning Scoping Study Results including Inferred Resources

The Scoping Study referred to in this announcement has been undertaken by Primary Gold Limited (the "Company") to ascertain whether a business case can be made for proceeding to more definitive studies on the viability of the Mount Bundy Gold Project. It is a preliminary technical and economic study of the potential viability of the Mount Bundy Gold Project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further exploration and evaluation work and appropriate studies are required before the Company will be in a position to estimate any ore reserves or to provide any assurance of an economic development case or that the conclusions of the Scoping Study will be realised.

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The Scoping Study is based on the material assumptions outlined in the announcement and to an accuracy level of +/-15-20% for mining costs and +/-30% for processing costs. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the outcomes indicated in the Scoping Study, funding of in the order of \$150 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when needed. It is also likely that such funding may only be available on terms that may be dilutive to or otherwise effect the value of the Company's existing shares.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

The Board has concluded that it has a reasonable basis for providing the forward-looking statements and production targets discussed in this announcement. The Board also considers that it has a reasonable basis to expect that it will be able to fund the development of the Mount Bundy Gold Project. The detailed reasons for those conclusions are outlined throughout this announcement and all material assumptions are disclosed in this document and in the JORC table disclosures of the relevant Resource Statements.

This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Production Targets and any Financial Information contained in this announcement are preliminary in nature as the conclusions are in-part based on low-level technical and economic assessments, and are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage. The outcomes of the Study provide a reasonable basis for the Company to release the results whilst not providing an assurance of economic development at this stage. This is based on the current mining inventory indicating that for the first 3 years of production all the material can be sourced from the Indicated Resources, and for the remainder of the forecast life of mine, 80% of the material can be sourced from the current Indicated Resources.

The Australian Securities and Investments Commission (ASIC) released Information Sheet 214, which concerns forward-looking statements by mining and resource companies (INFO 214). One of the matters raised is that forward-looking statements should only be made if the entity has reasonable grounds for concluding that funding will become available to the entity as and when required by the project's development or production schedules. Additional funding will be required by Primary Gold Limited to bring the Project into full production stage. The original Toms Gully plant with a design capacity of 250Ktpa is currently on care and maintenance but does not suit the new vision of bulk mining operations and will either be sold off or dismantled and stored. The Company notes that it has a current market capitalisation of ~A\$40 million and has successfully raised ~A\$12 million over the last 12 months.

The Board confirms that the results from the Scoping study are positive and that this justifies the Company committing to the next stage of exploration and development by progressing through to the Pre-feasibility Study.

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MOUNT BUNDY SCOPING STUDY SUMMARY

Primary Gold Limited (ASX: PGO) (“Primary” or the “Company”) is pleased to announce that it has received positive results from its recently completed Scoping Study on the Mount Bundy Gold Project (“Study”). The Board considers the results of this Study justify the Project moving to the pre-feasibility study (“PFS”) stage. This Study has identified and detailed the opportunity to create a significant Northern Territory gold centre.

The Mount Bundy Gold Project is located in the Northern Territory, approximately 100km south east of Darwin, and includes three previously mined deposits:

- a large scale open pit operation at Rustlers Roost;
- a smaller operation at the Quest 29 open pits;
- a high grade underground mine at Toms Gully; and
- an exploration portfolio that covers over 1,500km² of prospective ground.

Managing Director, Garry Mills, said “I am very excited with the results coming from the first study to be completed over the consolidated Mount Bundy gold resources in this underexplored mining centre. We are now commencing our programs to explore the potential to significantly grow the existing Toms Gully resource to allow us to extend the high grade feed to the mill beyond year 4. At Rustlers Roost we are keen to commence drill programs this quarter which will allow us to test extensions to mineralisation beyond the current 150m deep pit which bottoms out on lack of prior drilling. Similarly, drill programs planned for Quest 29 with explore the potential for amalgamating and deepening the current four pits in close proximity to each other. The immediate commencement of our PFS will include metallurgical test work to potentially increase recoveries and further lowering all-in-sustaining-costs.”

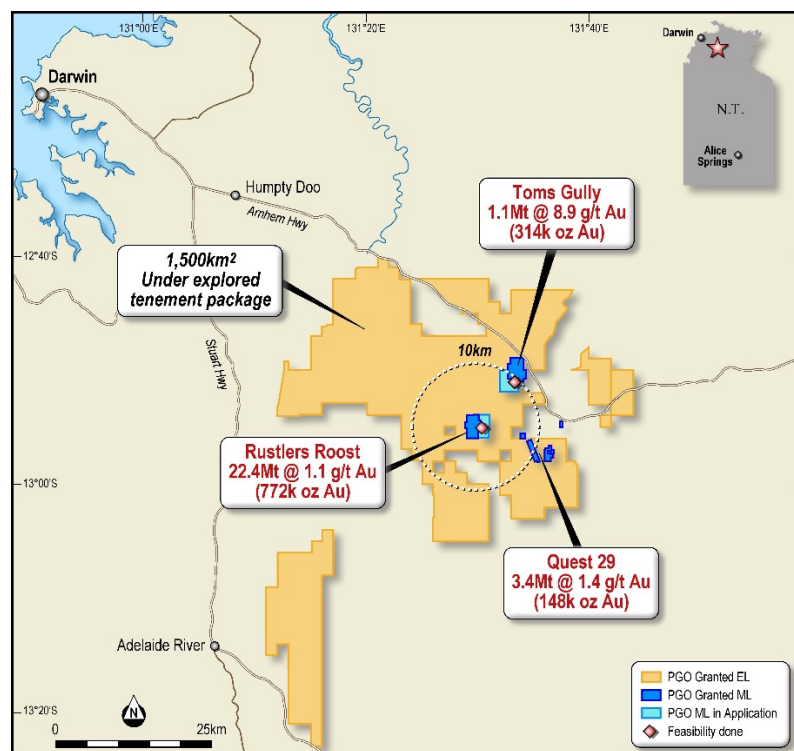


Figure 1: Location Map

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The Mineral Resource Estimate (“Resource”) used for the Study totals 1.235 million ounces across the Mount Bundy Gold Project (see Table 1) and was reported in accordance with the JORC Code (2012). The current mining profile from the Study indicates that, based on an assumed production profile staged to ramp-up to a peak production of 145koz per annum, that the following assumptions can be made:

- for the first 3 years of production all the ore can be sourced from the Indicated Resource Category; and
- for Years 4 to 9, 80% percent of production can be sourced from Indicated Resource Category.

The potential open pit and underground mines have combined AISC for the first full three production years of approximately A\$900. Applying a production ounce weighted calculation to the potential LOM AISC, Mount Bundy has an average estimated AISC of A\$1,054/oz (see page 11 for further details).

Table 1: Scoping Study Key Findings

| Item | Units | Value |
|-------------------------------|-------------|----------|
| Life of Mine | | |
| Open Pit | Years | 9 |
| Underground | Years | 4 |
| Total | Years | 9 |
| Mineral Inventory | | |
| Waste | Mt | 46.3 |
| Ore | Mt | 26.9 |
| Infrastructure Capital | | |
| Capital | \$/t ore | \$5.77 |
| | M\$ | \$155 |
| Mining Costs | | |
| Open Pit Mining | \$/t ore OP | \$8.46 |
| Underground Mining | \$/t ore UG | \$112.16 |
| Processing Cost | | |
| Processing | \$/t ore | \$17.50 |
| Mine Overheads | | |
| Overheads | \$/t ore | \$1.50 |

Notes:

1. Infrastructure capital includes \$130 million for plant and \$25 million for underground refurbishment and capex.
2. A gold price of A\$1,700/oz Au has been assumed.
3. Assuming 100% ownership of the Project. The Company currently owns 100% of the Toms Gully and Quest tenements and 80% of the Rustlers Roost tenements.
4. No provision for royalties have been included in this Study.

The independent mining component of the Scoping Study was undertaken by Entech Services Pty Ltd (“Entech”) that provided industry benchmark inputs for mining rates, resource recoveries and capex.

The Project geology offers substantial potential for additional ore as the operations expand. The intention of the next phase of the Project is to carry out an extensional drilling program for the areas associated with:

- the Rustlers Roost deposit laterally and at depth;
- Quest 29 laterally and at depth;
- Toms Gully underground laterally and down dip; and
- to continue with the exploration program which will focus on areas as described in the exploration program announcement dated 9th March 2017.

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In addition, the technical studies in the next work phase will confirm the selection of a preferred processing technology, optimise the production profile, review designs and development scenarios, deliver a series of targeted studies to validate a number of assumptions made in the Study and finalise the mineable resource that could be converted to an Ore Reserve.

The PFS, which incorporates the activities described above, is planned to start in H2 2017 and is estimated to take approximately 6 months to complete.

RESOURCES

Table 2 is a summary of the Mount Bundy Mineral Resources. The Mineral Resources that are the subject of the Mount Bundy Scoping Study and this announcement are for Rustlers Roost, Toms Gully and Quest 29.

Table 2: Mount Bundy Mineral Resources

| 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 |

PRODUCTION SCHEDULE

The detailed mine designs referred to below have been used to schedule a potential production profile for Mount Bundy. The mined material associated with the higher confidence Indicated Mineral Resources have been specifically scheduled as the early production sources. The mining inventory associated with the lower confidence Inferred Resources have been scheduled as later production sources.

Below is a summary of the mine and gold production schedule of the potential mining inventory that comprises Mount Bundy at the time of this Scoping Study. Key features include:

- An initial LOM of 9 years of mining delivering a 960,000oz mining schedule
- Total mine production is estimated at 26.9Mt
 - Open pit production totals 25.8Mt
 - Underground production totals 1.15Mt
- Total gold recovered is estimated at 86% delivering 824,000oz Au
- Peak production is in Years 2-4 where over 386,000oz of gold is recovered.
- Rustlers Roost and Quest 29 open pits recover an estimated 620,000oz of gold
- Toms Gully recovers an estimated 204,000oz of gold

A proportion of the production targets noted above is based on inferred mineral resources. Refer to the cautionary statements on pages 1-2 and Appendix 1 for further detail.

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RUSTLERS ROOST

Previous mining operations at the Rustlers Roost deposit occurred during the 1990s, with Valdora Minerals NL undertaking heap leaching of the oxide ore zone. Over 4 years the Company mined 4.7Mt at a grade 1.05g/t gold, producing 113,000oz at an average recovery of 70%. Valdora was subsequently acquired by Valencia Ventures Inc, who identified the use of resin-in-leach as a suitable mechanism for development of the sulphide ore zone, with feasibility testwork achieving recoveries of 90-94%. However, sulphide operations were never developed due to global economic constraints of the late 1990s and the price of gold at the time (~\$450/oz). For the purposes of this study Primary Gold has used standard CIP technology assumptions and hence lower recoveries of 85%. The PFS will review and investigate the use of new technologies to enhance recoveries beyond that presented in this study. The full extent of Rustlers Roost gold mineralisation both along strike and down dip remains open. The Rustlers Roost mine area is made up of four potential open pits, one at Rustlers Roost and three pits at Quest 29, however further drilling is expected to increase the size of the Quest 29 pits which may result in a joining of the zones into larger pits.

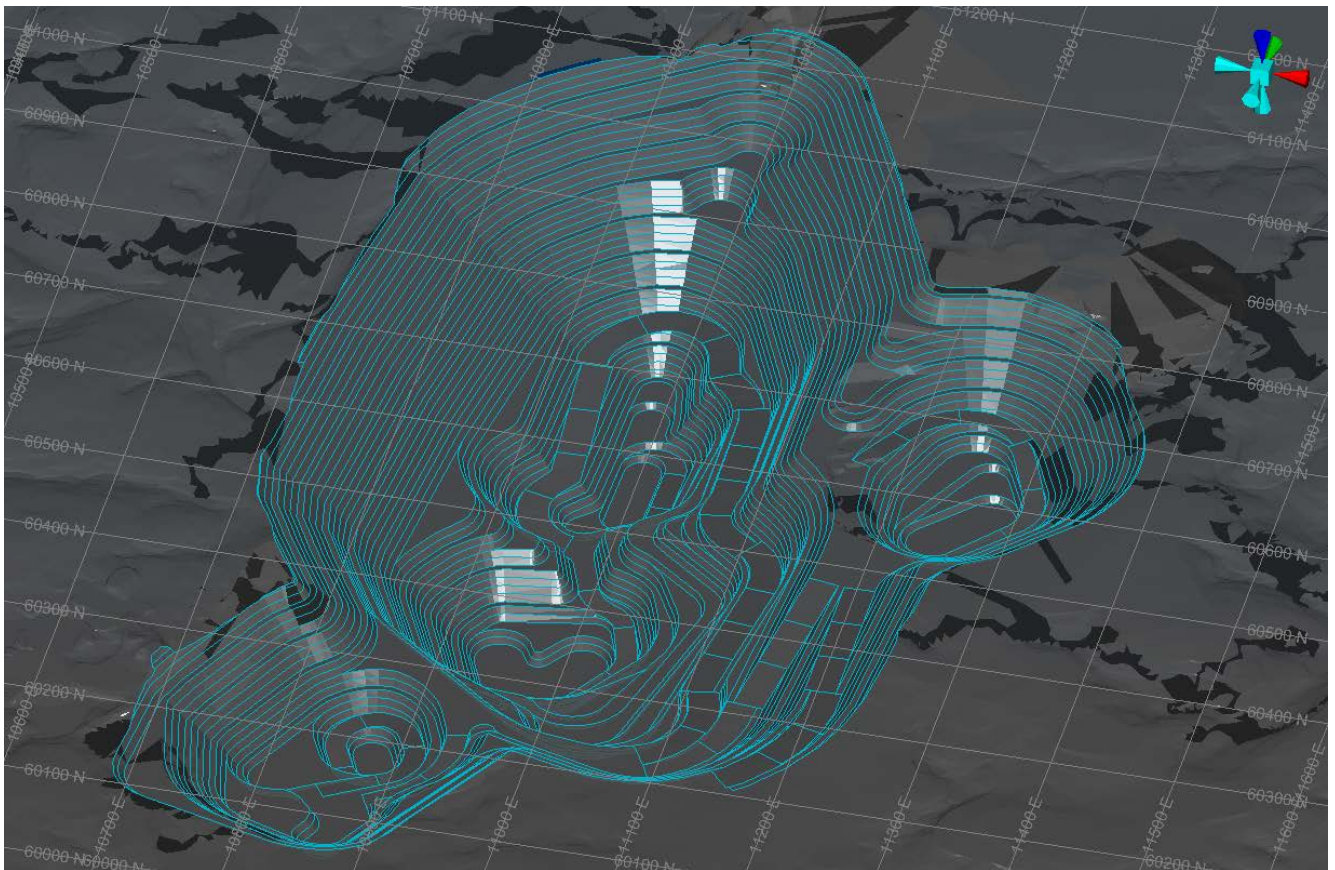


Figure 2: Potential open pit design for Rustlers Roost approximately 1km long (north to south).

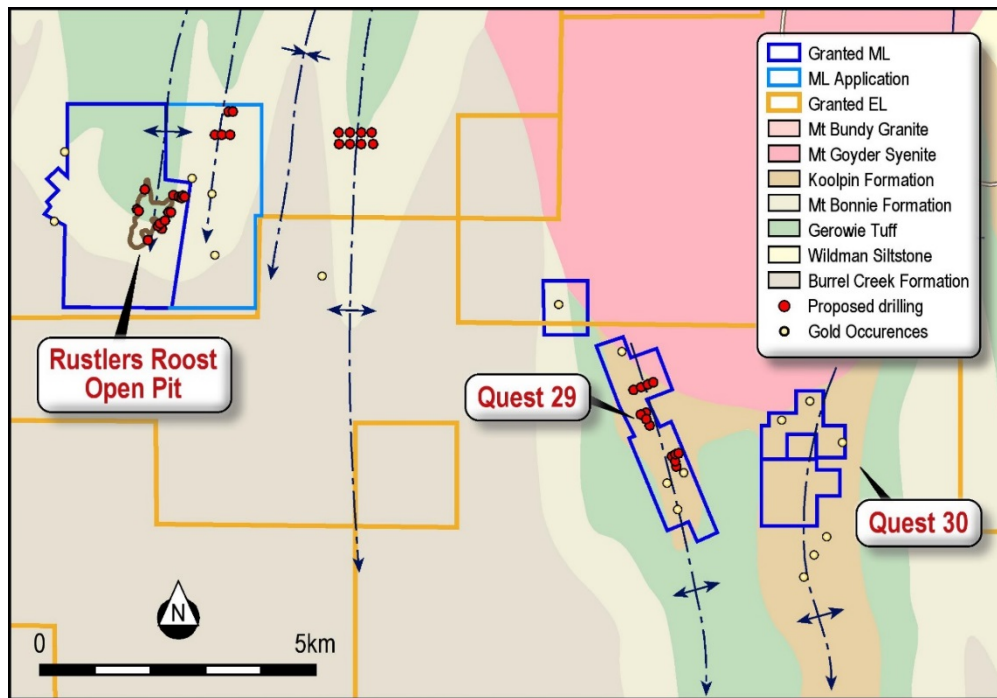


Figure 3: Rustlers Roost mine area comprising Rustlers Roost and Quest 29 tenements and the nearby Quest 30 tenements which have not yet been explored by the Company for potential mineralisation.

Estimated production from the Rustlers Roost open pit is 539,000oz of recovered gold. Production is scheduled to mine the shallow higher confidence Indicated Resources before mining the lower confidence and deeper Inferred Resources. Material planned to be mined from the higher confidence Mineral Resource is scheduled predominantly in Years 1 to 4 and from the lower confidence Mineral Resource from Years 5 to 9.¹ The potential Rustlers Roost open pit mines to a depth of 150m below surface and has a calculated strip ratio of approximately 1.5:1.

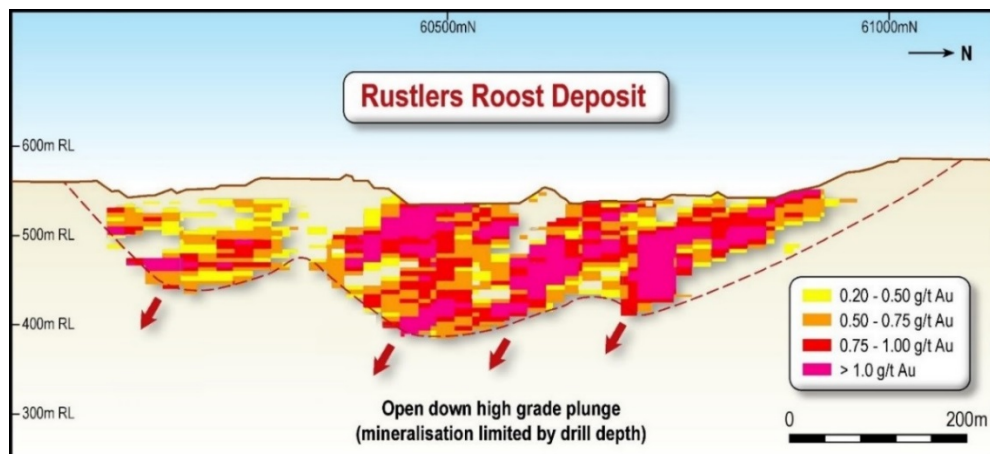


Figure 4: Indicative pit outline of Rustlers Roost

¹ Refer to the cautionary statements on pages 1-2 and Appendix 1.

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The Quest 29 pit is the second of the potential open pit areas that comprise the Rustlers Roost mine area. Four separate pits are represented as Quest 29 in this study. It was previously mined in the 1990s but has since had no mining activities. The estimated production from the Quest 29 open pits is 81,600oz of recovered gold. These represent production in Years 1-5.² The potential Quest open pits mine to depths of 60m below surface and with a combined strip ratio of 3.8:1.

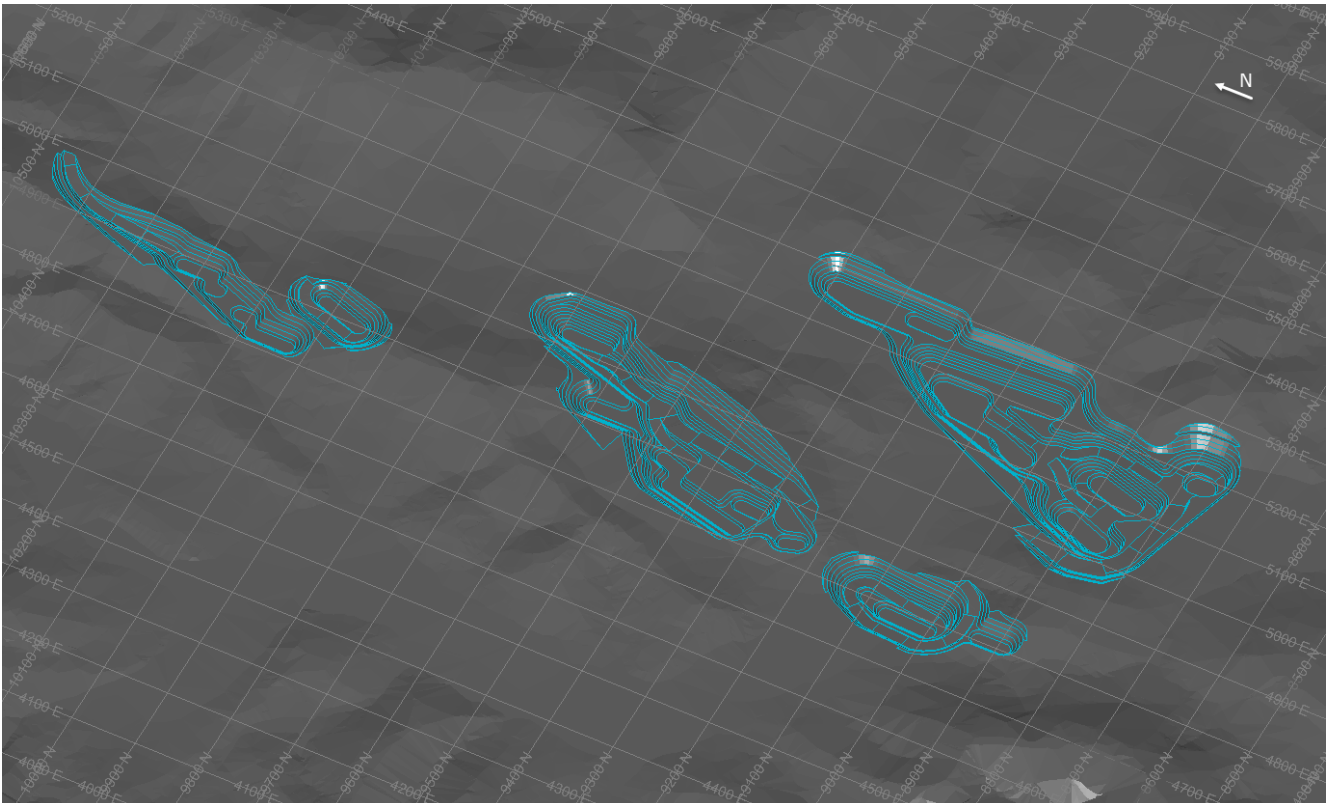


Figure 5: Potential open pit designs for Quest 29

TOMS GULLY

The Toms Gully mine was the previous focus of the Company with a feasibility completed on the project in late 2015 prior to the strategic decision to take a holistic approach to the Mount Bundy Gold Project. The stand-alone feasibility assessed at a much smaller operation (350ktpa) over a 40-month mine life, processing a mining inventory of 830kt at 7.1g/t Au, containing 190,000oz of gold. The current Board believe that blending existing high grade resources with the low-grade Rustlers Roost feed will provide great potential under a centralised processing strategy.

The potential designed mine plan considers mining the remaining ore after dewatering from the existing open pit and decline is complete and once refurbishing of the current access and underground workings is complete. Estimated production from the Toms Gully Underground is for 204Koz of recovered gold. Material planned to be

² Refer to the cautionary statements on pages 1-2 and Appendix 1.

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mined from the higher confidence Indicated Mineral Resource is scheduled in Years 1 to 3; and from the lower confidence Inferred Mineral Resource from then on.³

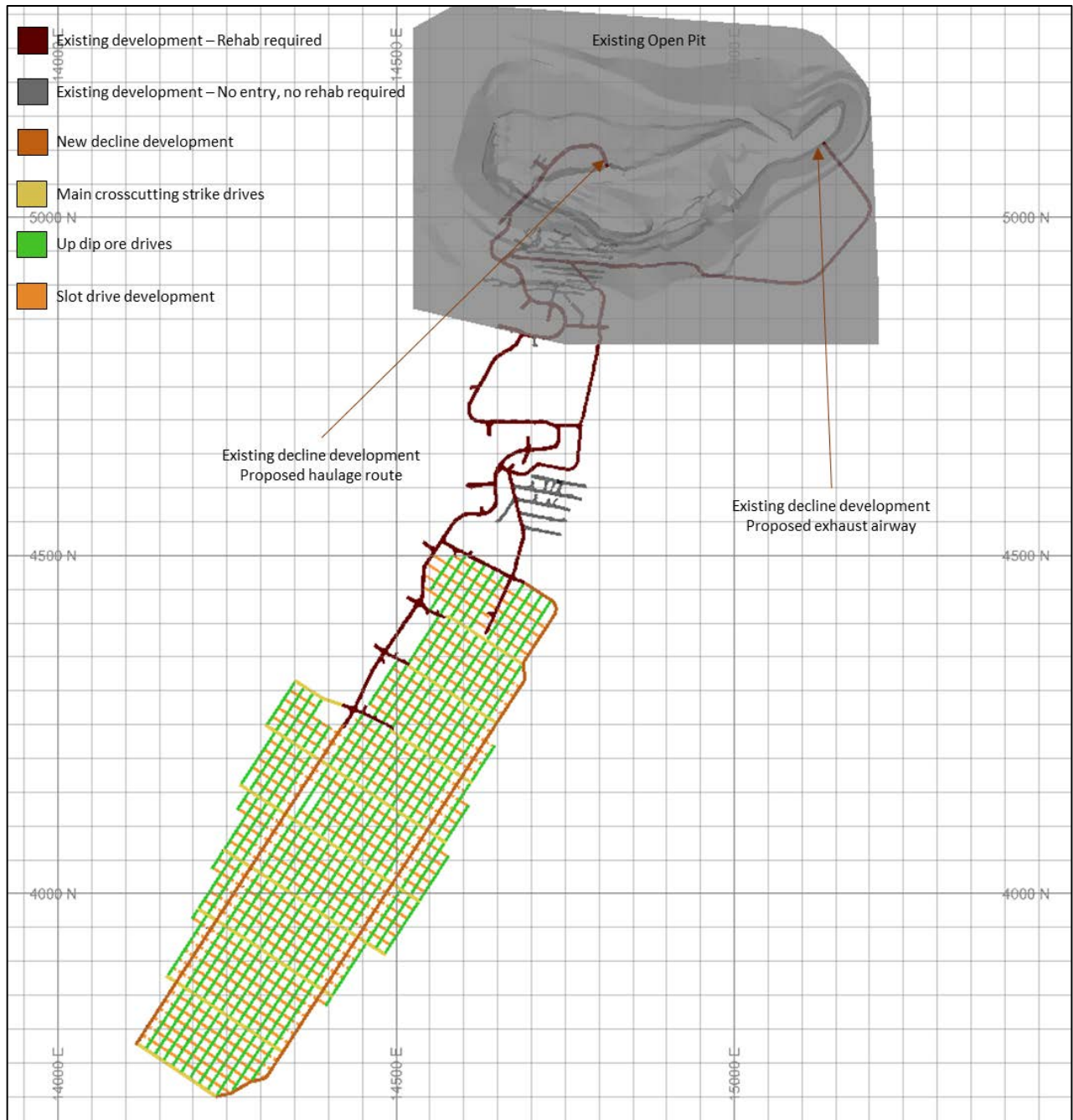


Figure 6: Potential underground mine layout of Toms Gully

³ Refer to the cautionary statements on pages 1-2 and Appendix 1.

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PROCESSING

The Mount Bundy Scoping Study considers the construction of a new 3.0Mtpa gold treatment plant producing an estimated average 130,000oz of gold per annum in the first 3 years. It is considered that the plant would be located adjacent to Rustlers Roost and this will be further investigated as part of the PFS. The potential Rustlers Roost mine area open pits yield approximately 26 million tonnes of lower grade material which will likely provide the base feed for a treatment plant. Given the higher volume and lower grade of material that may be mined from the open pits (compared to the Toms Gully), it follows that any treatment facility may be optimally located close to the Rustlers Roost open pits.

Primary has used previous metallurgical studies and looked at actuals achieved from previous production to obtain the data for the purposes of this Scoping Study, however, options of using new technologies will be incorporated in the PFS to enhance recoveries.

As part of the Mount Bundy Scoping Study, GR Engineering Services Limited (“GRES”) has assisted the Company estimate with scoping study-level estimates for the capital and operating costs of a new 3.0Mtpa purpose-built treatment facility. The potential flow sheet design assumes similar ore characteristics to those observed in the previous successful CIP treatment at Toms Gully and of similar ores. It is assumed that this flow sheet design is reasonably applicable for treating the potential ores from the sites that form Mount Bundy.

Additional detailed metallurgical test work and process design studies will feature in Primary’s ongoing feasibility studies.

INFRASTRUCTURE

Power

Power supply for the existing Mount Bundy site is via overhead transmission line from the national electrical grid from Darwin. The power is then reticulated by high voltage cable and overhead power line to the processing facilities and infrastructure at Mount Bundy. The Study assumes that the process plant will be connected into this high voltage reticulation network following upgrades to substations from the State grid.

Roads

The Mount Bundy Project is located less than 1 km off the Arnhem Highway, a major road leading directly to Darwin. Existing access and site roads are all in place and it is not anticipated that any major works will be needed.

Water

Budget costings to dewater both Toms Gully open pit and underground and the Rustlers Roost open pit have been received and included in the Study.

The technical aspects and logistics of dewatering are still under consideration and will be addressed more fully in the PFS.

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Camp

The Study proposes that an existing camp owned by a third party in close proximity to Mount Bundy can be utilised for all stages of the operation however the Company believes it will be able to source the majority of its workforce from the local employment pool in nearby greater Darwin area (approximately 100 km to the north-west).

Buildings

The Study proposes the construction of the following facilities on site:

- Plant and control room;
- Office complex;
- Workshop and stores buildings; and
- Contractors offices and laydown area.

Airstrip

Given the proximity to Darwin, no airstrip will be necessary on site.

CAPITAL AND OPERATING COSTS

GRES assisted the Company in developing the capital and operating cost estimates for the proposed processing plant. The capital costs were developed from similar gold plants currently under construction.

The estimated capital cost for the construction of a 3Mtpa treatment facility plus associated infrastructure at a scoping study level is \$130 million, with an additional \$25 million capital for underground development at Toms Gully. The operating costs for the potential plant, assuming power is supplied from the NT grid which passes adjacent to the existing Toms Gully operation and reticulated to Rustlers Roost via existing aerial powerlines, are estimated to be \$17.50/t.

Processing operating costs were developed largely from industry standard costs for similar sized process gold plants which were built up from first principles based on the process design criteria, capital costs, mechanical equipment list and an assessment of operational requirements.

Sustaining capital costs have been developed from typical allowances for general sustaining capital as a percentage of capital costs. Pre-production costs such as initial development, pre-production labour, corporate costs, feasibility study costs etc. have been largely covered in the underground or open pit mining schedules.

The potential open pit and underground mines have combined AISC for the first full three production years of approximately A\$900/oz. Applying a production ounce weighted calculation to the potential LOM AISC, Mount Bundy has an average estimated AISC of A\$1,054/oz. The estimated costs have been derived from independent mining and process engineering consultants. Operating cost sources for unit rates include budget pricing and estimates from similar operations.

FUNDING

Over the past 12 months, the Company's market capitalisation has grown to approximately A\$40 million, following achieving key milestones and the Project continuing to deliver positive results. The Company is targeting to commence PFS works shortly. The Company remains confident that its market capitalisation will converge closer



to the Company's future funding requirement as the Project is de-risked and greater certainty of initial development capital cost funding is obtained. This share price appreciation and the resulting increase in market capitalisation reduces the dilution from further equity financings and allows larger funding scenarios, improving the potential ability of the Company to finance the Project into production in the future. The Company is in a strong position with cash of A\$7.8 million (31 March 2017) and no debt.

Financing for development of mining companies often involves a broader mix of funding sources rather than just traditional debt and equity, and the potential funding alternatives available to the Company include, but are not limited to: prepaid off-take agreements; equity; joint venture participation; strategic partners/investors at project or company level; senior secured debt/project finance; secondary secured debt; and equipment leasing. It is important to note that no funding arrangements have yet been put in place, as these discussions will usually, and are expected to, commence concurrently with the commencement of feasibility studies. The composition of the funding arrangements ultimately put in place may also vary, so it is not possible at this stage to provide any further information about the composition of potential funding arrangement.

The Board of Primary Gold believes there is a reasonable basis to assume that the necessary funding for the Project will be obtained, because of (but not limited to) the following:

- The quantum of finance required is relatively small compared to the size and frequency of recent capital raisings by mining companies at a similar development stage on the ASX;
- The quantum of finance required is relatively small compared to the quantum of capital required by similar companies globally at a similar development stage;
- The economics of the Scoping Study are highly attractive and for this reason it is reasonable for the Company to anticipate that equity financing will be available to further develop the Project;
- In addition to future equity financing, the Company plans to commence discussions with potential debt providers and off-take partners, and will continue these discussions to progress funding options. It is expected given the economics of the project, the stable jurisdiction and long mine life debt financing will be readily available for a part of the project funding;
- The Company's cornerstone investors and shareholders have been strongly supportive of the Company since the discovery of the Project and continue to demonstrate strong support for the Company;
- The Board & Management have significant experience on ASX and have long track records of securing equity financing;
- The Company has a history of successful capital raisings and most recently (February 2017) completed a circa A\$8.5 million equity capital raising to sophisticated and professional investors, institutional investors and shareholders;
- The Company is confident there is a strong possibility that it will continue to increase the JORC Mineral Resource base at the Project to extend the mine life beyond what is currently assumed in the Scoping Study. As noted in this announcement, the Company is proposing to undertake further resource extension drilling at the project;
- The Company has received support in writing from an experienced broker, confirming that it is reasonable for the Company to anticipate that equity financing will be available to further develop the Project. This

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broker has assisted in raising billions of dollars in new equity over the last few years, a great deal of which has been applied to financing the development of resources projects.

Given the above, including the Project's economic metrics and its low-risk location in the Northern Territory, the Company has concluded it has a reasonable basis to expect that the Project's development capital cost could be funded following the completion of a positive Feasibility Study and obtaining the necessary project approvals.

ENVIRONMENTAL APPROVALS

In September 2015, an Environmental Impact Statement was lodged with the Northern Territory Environment Protection Authority to recommence operations at Toms Gully. This approval has progressed with Primary currently acquiring baseline data to support the supplementary response to regulator comments. The Company is currently undertaking the necessary baseline studies including flora and fauna, ground water and terrain in anticipation of preparing an EIS for the larger Mount Bundy Project incorporating the Rustlers Roost and Quest 29 mining areas.

EXPLORATION POTENTIAL

During the course of this Study it has been identified that exploration upside exists on the Mount Bundy leases with the potential to increase life of mine by proving up extensions to Rustlers Roost and Toms Gully underground and also follow up on the geology structures which potentially host lookalikes of current deposits in the region.

To this end approvals were sought and received for a 6,000m drill program and preparation of drill sites around the Rustlers Roost and Quest 29 for the testing of brownfields extensions to existing mines. Additionally, early stage greenfields drilling within 15km of the proposed process plant location will follow up previous geological reconnaissance field work completed last November 2016.

Drilling is expected to commence in May 2017 once the wet season subsides.

FORWARD WORK PLAN

As the Company commences the PFS for the Mount Bundy Project, the next phase of work will focus on further evaluation and refinement of the Project and consideration of the exploration upside potential identified, conversion of existing Resources into higher categories of confidence and ongoing definition of the scale of the Project.

Aspects of the Project that are to be covered include:

- Further resource drilling and geological modelling with Phase I drill program to commence Q2 2017;
- Determination of the mineable resource and potential ore reserve declaration;
- Metallurgical test work to explore enhancement of recoveries for the Project;
- Studies and development of mine design basis;
- Process plant evaluation, sizing, engineering and costing;
- Infrastructure evaluation, engineering and costing; and
- Overall capital and operating cost refinement.

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| | |
|--|--|
| Sensitivity Analysis | A sensitivity analysis has been completed with respect to gold price, capital expenditure, operating costs and foreign exchange rate AUD: USD (AUD\$1: USD\$0.75). A detailed breakdown of the sensitivity analysis is not provided given the margin of error factor incorporated within the Scoping Study. |
| Margin of Error | +/-15-20% for mining costs and +/-30% for processing costs. |
| Gold Price | A\$1,700 /oz has been assumed. |
| Timeframe of Development and Production | No timeframe for development and production has been identified as this will be dependent on the option chosen from the outcome of the PFS and accordingly the Study has been based on today's dollars. |
| Availability of Project Finance | The Company acknowledges the project funding will need to be sourced and this may take the form of issue of equity, debt or forward sales or a combination of these. |
| Sequencing of Resources | 80% of the Mineral Resource is classified as Indicated with 20% remaining in the Inferred category. Conversion of these resources to Indicated is intended to be undertaken following drilling to be done in 2017. Mine sequence will utilise solely Indicated Resources for years 1-3. The Inferred Mineral Resource was not considered a determining factor in the Project's viability. No exploration targets have been used in this Study. |

COOLGARDIE OPERATIONAL UPDATE

As advised by the Company in September 2016, a mining optimisation study was commissioned for the recently acquired Coolgardie Gold Project in Western Australia. During the course of the optimisation study being undertaken by independent consultant, Entech Pty Ltd, the Company made the strategic decision to increase the accuracy level from scoping study levels to the more accurate PFS standards.

The Company is pleased to advise that approximately 90% of the additional work required to elevate the study to PFS standard has now been completed with the only outstanding item being finalisation of treatment options and associated costings. It is anticipated that the results will be available for release to the market by the end of Q2 2017.

For further information, contact:

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Competent Persons' Statements

The information in this announcement that relates to Toms Gully, Rustlers Roost and Quest 29 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. See ASX Announcement dated 27 June 2016 for further information.

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 on 27 August 2013.



Appendix I

Supporting, Forward Looking and Cautionary Statements

This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Scoping Study results, Production Targets and any Financial Information contained in this announcement are preliminary in nature as the conclusions are in-part based on low-level technical and economic assessments, are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage.

The Company notes that an Inferred Mineral Resource has a lower level of confidence than an Indicated or Measured Mineral Resource and that the JORC Code 2012 advises that for an Inferred Mineral Resource it is reasonable to expect that the majority of the Inferred Resource could be upgraded to an Indicated Mineral Resource with continued exploration. Based upon the advice from relevant Competent Persons, the Company is confident that a significant portion of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with further exploration work.

The Company believes it had a reasonable basis for making the forward-look statements in this announcement, including Production Targets and cost information, based on this announcement and including the following:

- For Mineral Resources, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcements continue to apply and have not materially changed.*
- Further extensive resource drilling is planned in each of the subsequent study phases and there is a reasonable expectation, based on historical results, that the majority of the Inferred Mineral Resource can convert to Indicated Mineral Resource.*
- The Primary Gold Board and core technical team have a strong technical skill-set with direct experience in the engineering and geological fields.*
- Primary Gold's current market capitalisation is ~A\$43 million and the Company has successfully raised ~A\$12.5 million over the last 12 months.*
- There is strong broker support for the project with a major broking firm indicating an interest in being considered to assist with the provision of funding for the project through debt, equity or partnership.*
- Entech Pty Ltd have been used to conduct the independent study. Entech have extensive experience in undertaking feasibility studies of this nature in Australia.*