



## COOLGARDIE PROJECT UPDATE

- Primary Gold remains on track for Q4 commencement of mining at Coolgardie
- PFS based on 3 starter pits progressing well with only final costing detail for mining and milling outstanding
- Several processing options still being assessed
- Tenders for mining and haulage sent to prospective contractors
- Site visits conducted for drill/blast, mining and haulage
- Tender submissions due end of June for assessment and inclusion in final costings
- Final approvals applications for mining to be submitted early July
- 3 priority zones of exploration potential identified by Primary Gold for near term follow up for project growth
- 70% of tenement package still to be assessed

### PFS NEAR COMPLETION ON INITIAL STARTER PITS

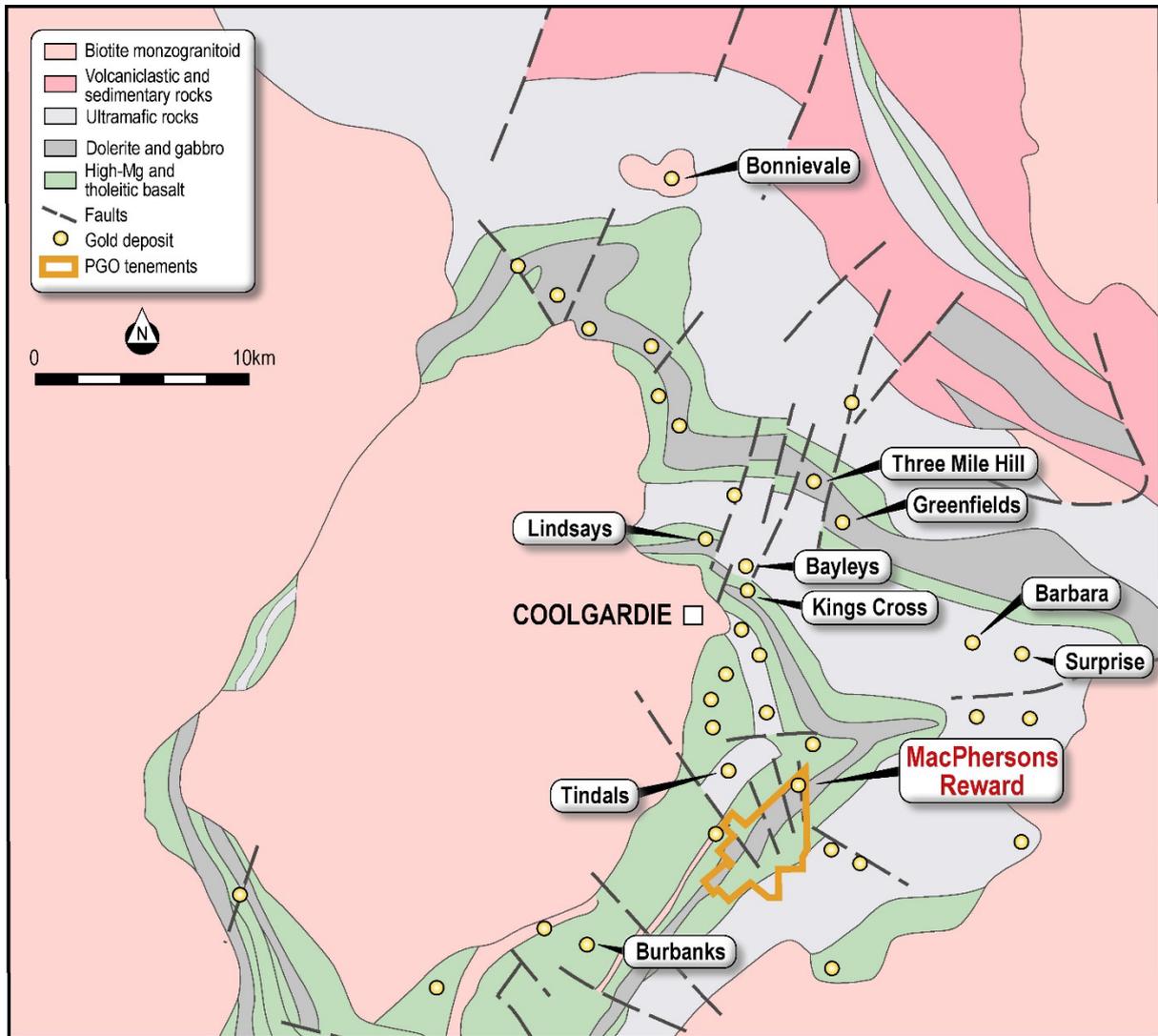
The prefeasibility study on the initial Coolgardie Project starter pits of MacPhersons, A Cap and Tycho is progressing well with final detail on processing costs and contractor mining costs still to be received. The complete PFS results and decision on mining contractor and timing is due early Q3.

Mining contractors, including drill and blast, mining and haulage, have been invited to tender on the mining schedule and a site meeting was recently conducted to facilitate this process. Tenders are due back by end of June.

### ON TARGET TO COMMENCE OPERATIONS

Primary Gold remains on target to commence operations at Coolgardie in the December quarter 2017 on the initial starter pits.

The Mining Proposal and Project Management Plan will be submitted to the Department of Mines and Petroleum in early July for approval to mine. Clearing permits, prescribed premises and ground water extraction licences have already been submitted to the relevant authorities for assessment.



*Fig. 1: Primary Gold's tenements near Coolgardie.*

## UPSIDE POTENTIAL TO UNCOVER VIRGIN DEPOSITS

Ongoing mapping and geological interpretation of the lease during the past quarter, combined with the recent drilling results (see ASX: 9 January and 13 February 2017) has revealed the potential to uncover virgin deposits with the potential for both open pit and underground operations.

Three initial distinct zones have now been identified by Primary Gold for their exploration potential (Fig. 2), with approximately 70 percent of the tenement package still to be assessed. The focus of historical activity has centred on less than 10 percent of the tenement package, around the very northern tip of the lease where the MacPhersons pit is located and only to a depth of approximately 40m. There has been no significant activity elsewhere across the lease holding.

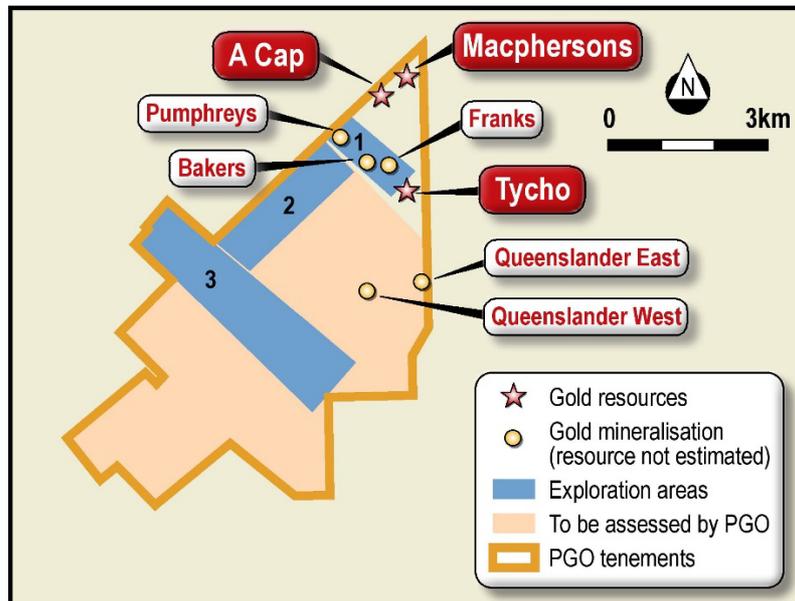


Fig. 2: Newly identified zones for prioritisation of exploration programmes.

The Company has all the necessary approvals to undertake the next drill program of 360 holes to methodically assess prospectivity for both satellite pit and underground deposits with the intention of undertaking exploration drilling concurrent with mining operations during 2018.

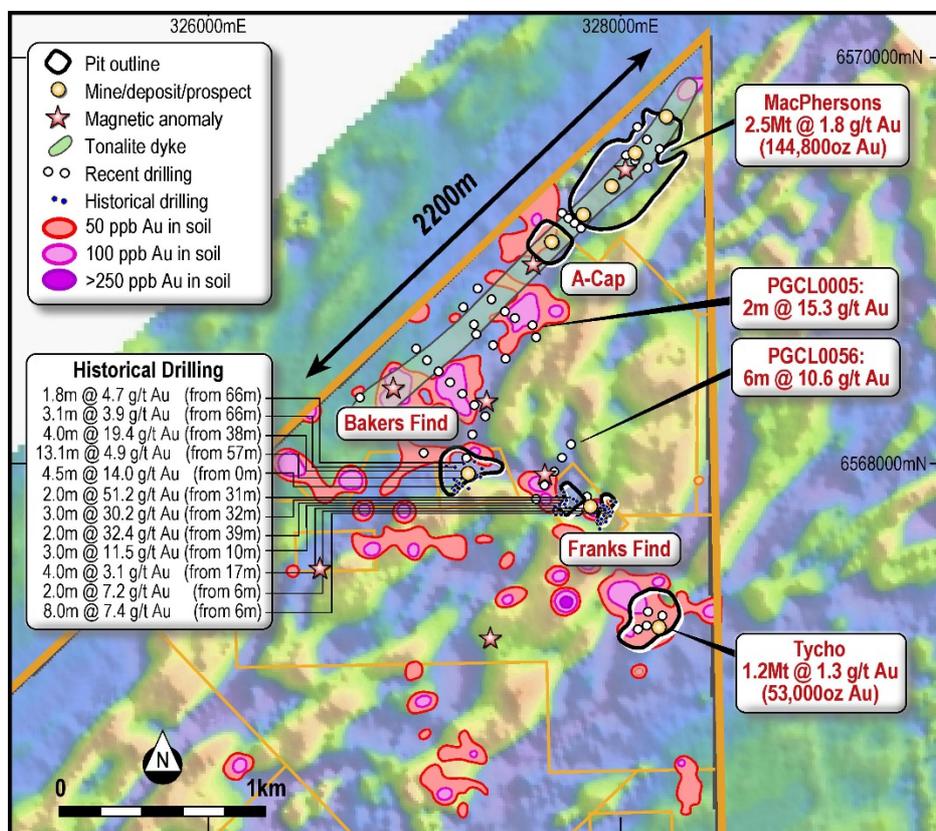


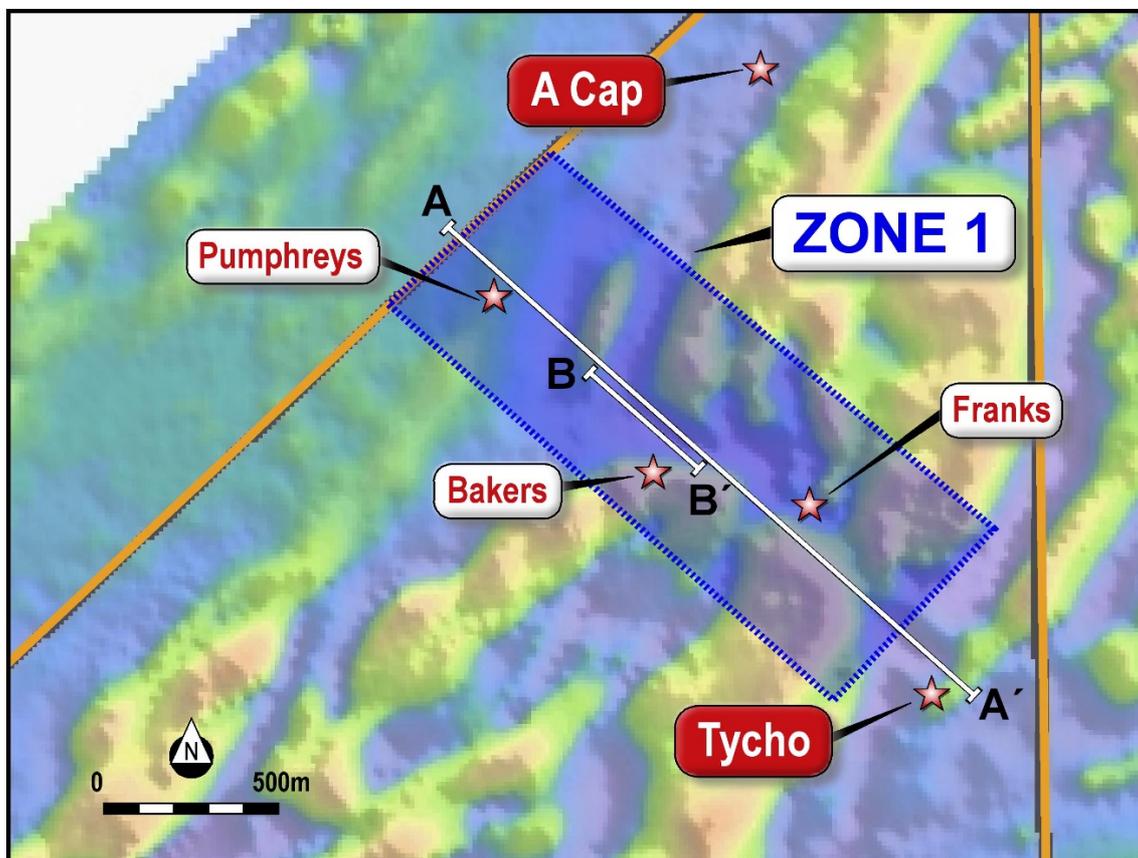
Fig. 3: Aeromagnetic image of northern area with significant drill results.



## EXPLORATION ZONE 1

A prominent feature of the Primary Gold leases is a set of shear zones oriented in the north-west south-east direction, commonly referred to as “cross-cutting structures”, denoted as Zones 1 and 3 on Figure 2.

Zone 1 contains a cross cutting structure extending from the vicinity of Bakers on the western side of the lease through Franks Find to the eastern side adjacent to Tycho. Surface expressions of old abandoned shallow shafts confirm the direction of these structures outlined in aeromagnetic surveys with previous results including **2m @ 51.2g/t Au** at Franks, **4m @ 19.4g/t Au** near Bakers and **2m @ 30.4g/t Au** midway between Franks and Bakers (Fig. 4).



**Fig. 4:** Zone 1 priority exploration area overlain on aeromagnetic image. See Figure 5 for cross sections.

Bakers deposit was partially mined in the past using shallow open pit with depths less than 25m and significant gold mineralisation remaining below the old pit. Historical drill holes confirm mineralisation extending to a depth of at least 100m and includes several high grade intercepts (Fig. 5) such as 2.0m @ 38.5 g/t Au and 3.5m @ 16.1 g/t Au.

Pumphreys and Tycho deposits are also located at either end of the known mineralisation along the strike of this cross-cutting structure where it intersects the major shear zones, striking in the NE-SW direction (Fig. 5).

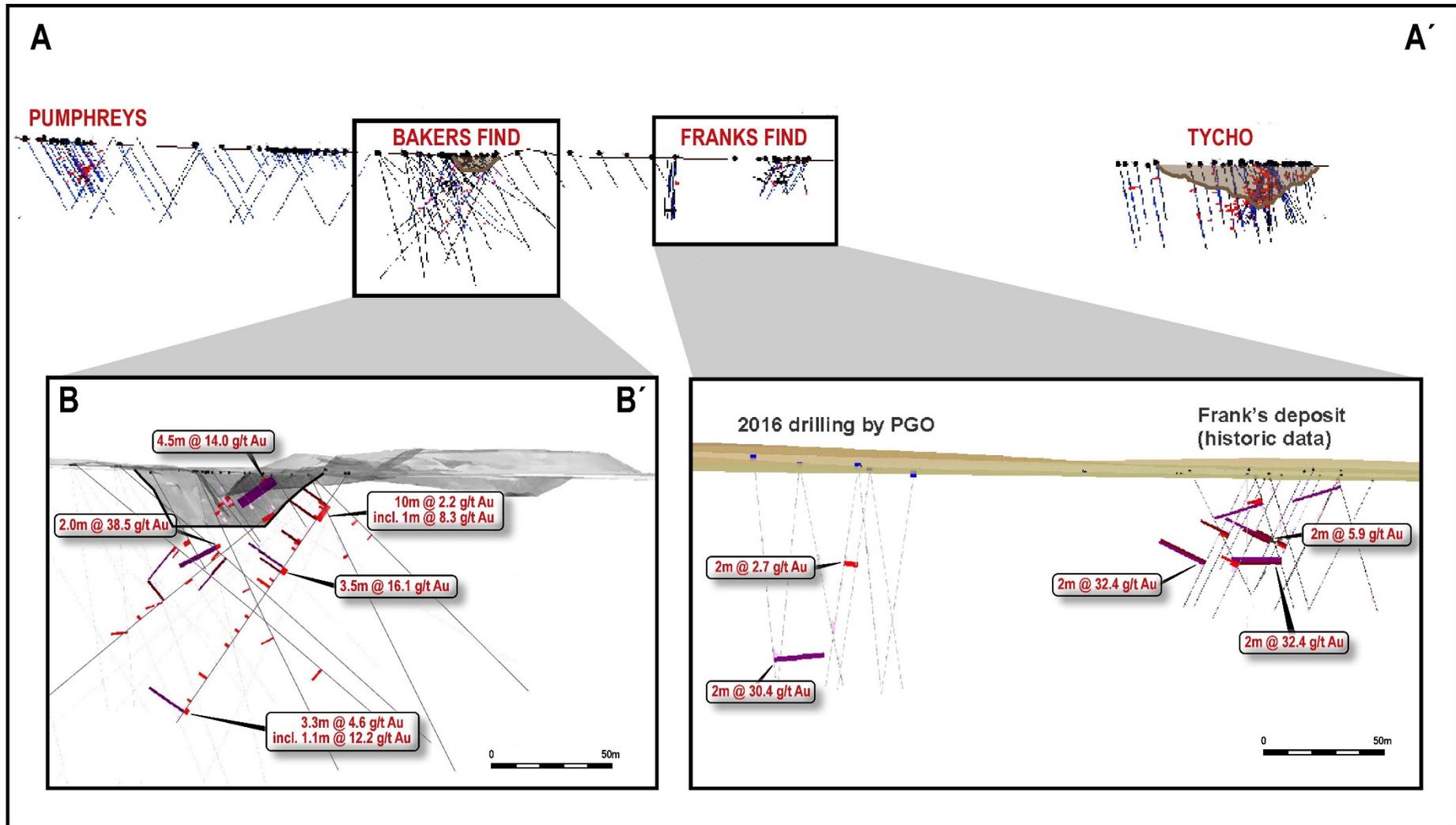
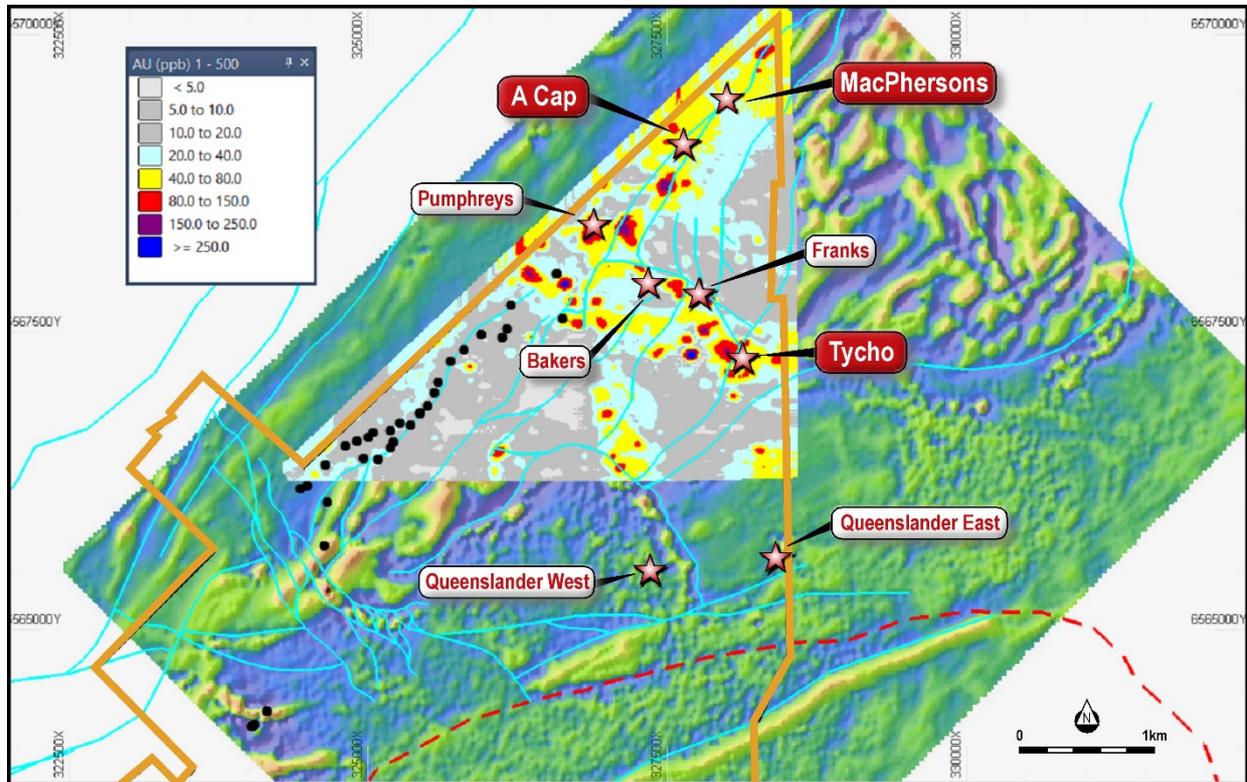


Fig. 5: Zone 1 cross section between Pumphreys and Tycho.

The structure is marked by gold soil anomalies with the values commonly exceeding 100 ppb Au (Fig. 6).

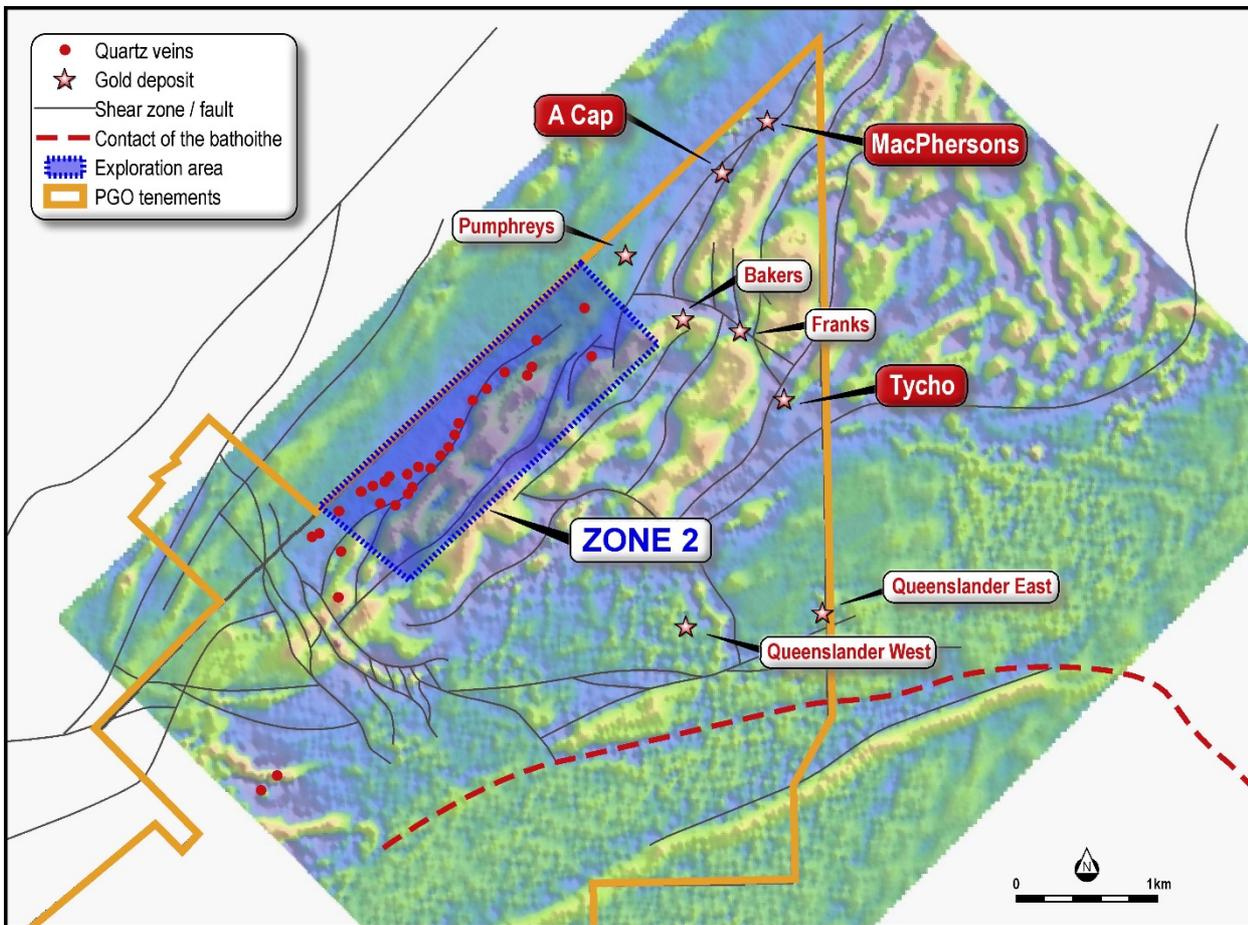


**Fig 6:** Auger soil geochemical survey results overlain over the aeromagnetic image.

Based on geochemical anomalies and surface structures, a targeted drill hole midway between Bakers and Franks prospects undertaken during Primary Gold's maiden drill program confirmed mineralisation with an intersection of 2m @ 30.4 g/t Au, indicating continuity of the gold-bearing structure at depth, 100m below the deepest existing operation in Zone 1.

## EXPLORATION ZONE 2

Exploration Zone 2 covers the major structure oriented in the NE-SW direction and running along the north-western boundary of the Primary Gold tenement package (Fig. 2 and 7). The structure hosts the gold-bearing tonalite dyke that hosts MacPhersons gold deposit and two smaller deposits, A-Cap and Pumpreys. Prospectivity of this structure was confirmed by Primary Gold's maiden drill campaign which discovered gold mineralisation at depth and along strike with results including 2m at 15.3g/t Au (see ASX: 9 January and 13 February 2017).

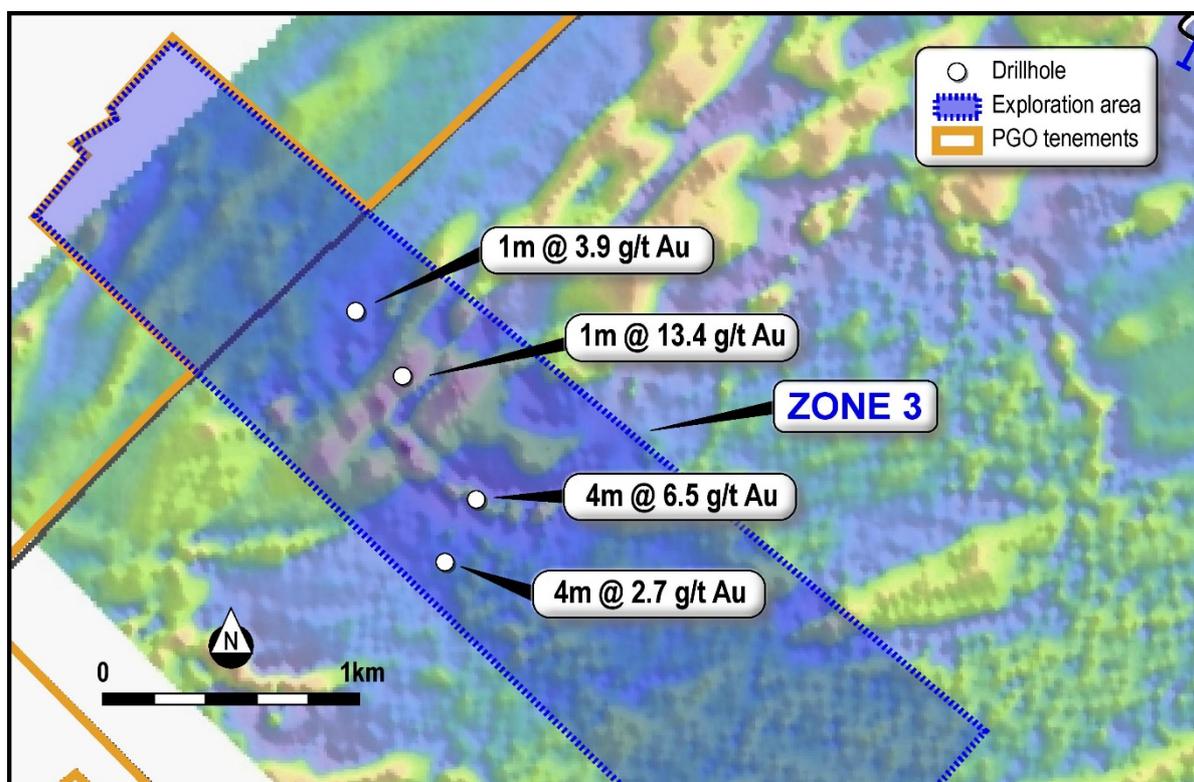


**Fig 6:** Zone 2 priority exploration area overlain over the aeromagnetic image with quartz veins highlighted.

Additionally, south-western extension of this structure is characterised by the presence of old mine workings, including small pits and shafts. Reconnaissance geological mapping in this area has found numerous outcrops of quartz veins distributed along the shear zone interpreted from the aeromagnetic data (Fig. 6).

### EXPLORATION ZONE 3

Exploration Zone 3 contains another structure crossing the central part of the Primary Gold leases and is represented by a set of cross-cutting shear zones (Fig. 2). Historical shallow drilling (40 – 60 m deep) intersected gold mineralisation with grades up to 13 g/t Au (Fig. 7). No follow-up exploration was undertaken and consequently this highly prospective area is left largely unexplored.



*Fig. 7: Distribution of the gold mineralisation along the cross-cutting structure located in the middle part of the PGO tenements*

## PAYMENT TO MACPHERSONS RESOURCES

The second of three payments under the acquisition agreement with MacPhersons Resources Limited was paid in June, with final payment due end of December 2017 (see ASX: 3 August 2016 for full details).

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### Competent Person's 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, 9 January 2017 and 13 February 2017 have not materially changed.