



PRIMARY GOLD INITIATES MINING OPTIMISATION STUDY AT THE COOLGARDIE GOLD PROJECT

HIGHLIGHTS

- Mining Optimisation Study awarded to experienced mining consultants Entech Pty Ltd
- Study targeting gold production from the Coolgardie Gold Project in 2017
- Results of the Study due by end of 2016

Primary Gold Limited (ASX: PGO) is pleased to announce it has awarded a contract to independent mining consultants Entech Pty Ltd for completion of a Mining Optimisation Study over the newly acquired Coolgardie Gold Project in Western Australia.

The Study will provide important confirmatory inputs required for Primary to achieve its target of becoming an established gold producer in 2017.

The Study will initially focus on the MacPhersons and Tycho deposits, which contain mineral resources of nearly 200,000oz of gold, with Entech to optimise the delivery of Primary's low cost development strategy via:

- Extraction of existing measured and indicated resources;
- Use of experienced local mining contractors; and
- Toll treatment of ore through local mills.

The Study is anticipated to include the results of the recently announced Coolgardie drilling program, which is scheduled to begin in October 2016.

This drilling will focus on further extensions of known gold mineralisation at the MacPhersons deposit, along the southern extent of the Tonalite Dyke.

To date nearly 150,000oz of gold has been identified along the Dyke, representing approximately 75% of the current mineral resources within the tenements.

Along with the expanded mineral resource, the scope of the Study also includes:

- Resource block model development and open pit optimisation studies;
- Future underground mining crossover plan;
- Detailed mine design and schedule; and
- Project financial modelling and valuation.

The Study is scheduled for completion in late 2016, providing important inputs into 2017 operations.

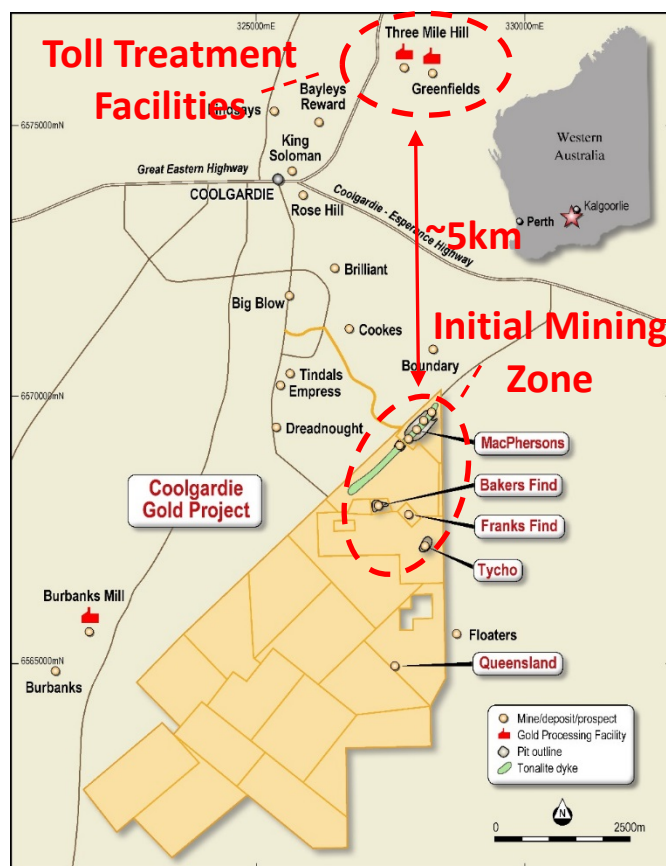


Figure 1: Coolgardie Gold Project location

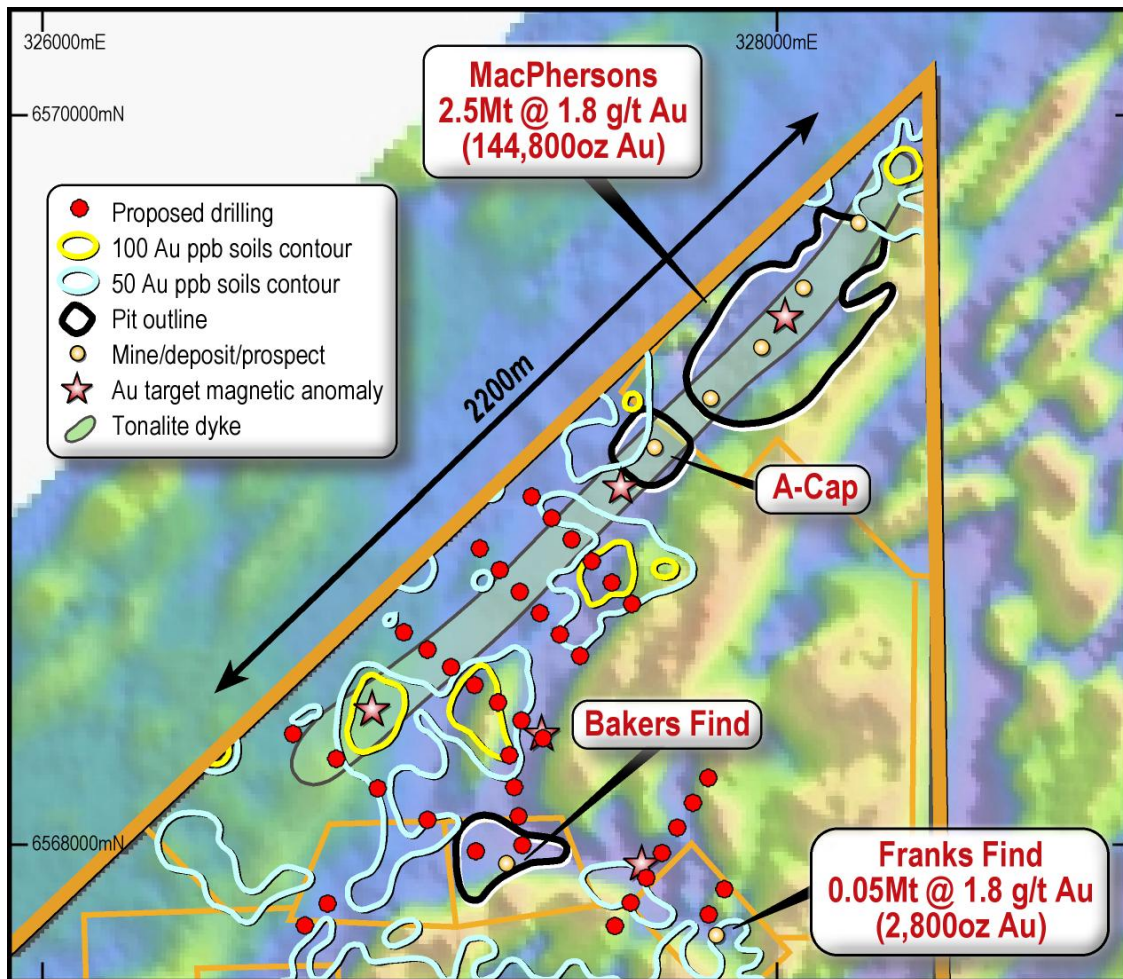


Figure 2: Planned drilling program over the Coolgardie Gold Project

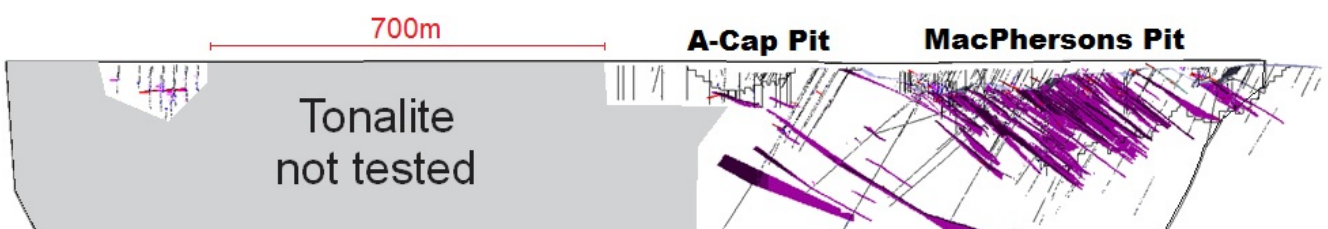


Figure 3: Cross section of the Tonalite Dyke within the Coolgardie Gold Project

For more information, please contact:

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ASX ANNOUNCEMENT

ASX: PGO

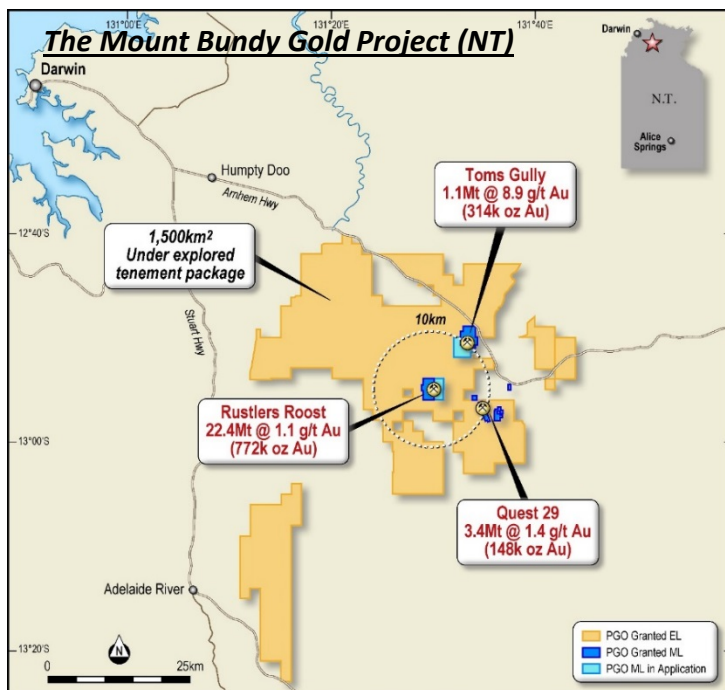
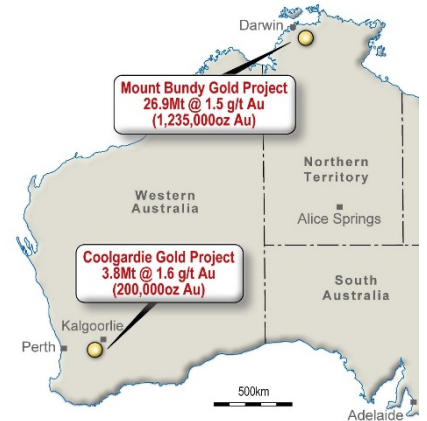
15 September 2016



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.

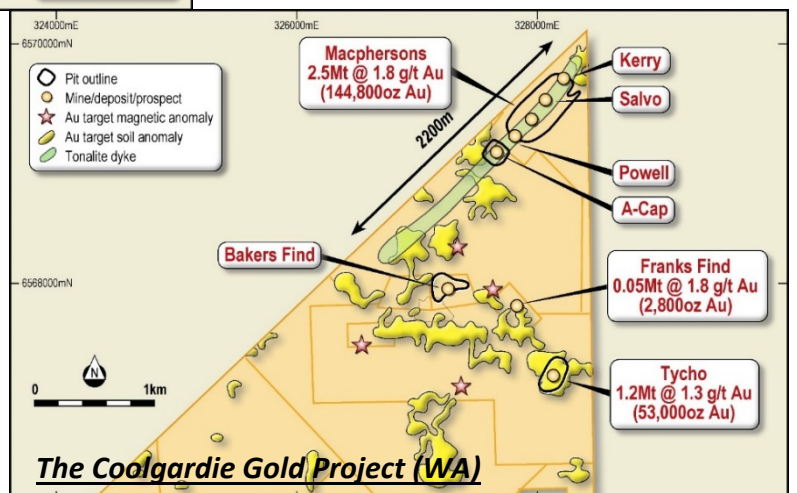
Current mineral resources at the Mount Bundy Gold Project are **26.9Mt at 1.5g/t for 1,235,000oz of gold**. Primary is focused on resource expansion at Mount Bundy in conjunction with development of a bulk mining operation.

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.





Competent Person's 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.

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 mineral resources for the Coolgardie Project 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 was prepared and first disclosed in the ASX announcement 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.

Dr Marat Abzalov, a geologist with 30+ years of experience and strong background in geology and resource estimation of the gold projects has reviewed the data and concurs with the previously published resources.