



DRILLING PREPARATIONS UNDERWAY AT THE COOLGARDIE GOLD PROJECT

HIGHLIGHTS

- All approvals given for first drilling by Primary Gold at Coolgardie
- Preparation of drill pads for initial program on site nearing finalisation
- Mobilisation of drill rig due by end of October 2016

Primary Gold Limited (ASX: PGO) is pleased to announce the receipt of all approvals for the commencement of drilling at the Coolgardie Gold Project in Western Australia, enabling the Company to begin its first round drilling over the Project.

The drilling also represents the first program associated with the formal drilling for equity agreement between Ausdrill Limited and Primary Gold (see ASX announcement 05 September 2016).

Despite the identification of several large untested magnetic and soil anomalies along strike from existing mineral resources (see Figure 3 overleaf), limited drilling has occurred on the site since the initial definition of the existing mineral resources base (3.8Mt at 1.6g/t for 200,600oz of gold) in 2012.



Figure 1: Site preparations underway at the Coolgardie Gold Project

In addition, approximately 50% of the tonalite dyke, identified as the main structure controlling gold deposition around the largest deposit at the Project known as MacPhersons (2.5Mt at 1.8g/t for 145,000oz gold), remains untested below shallow weathering cover.

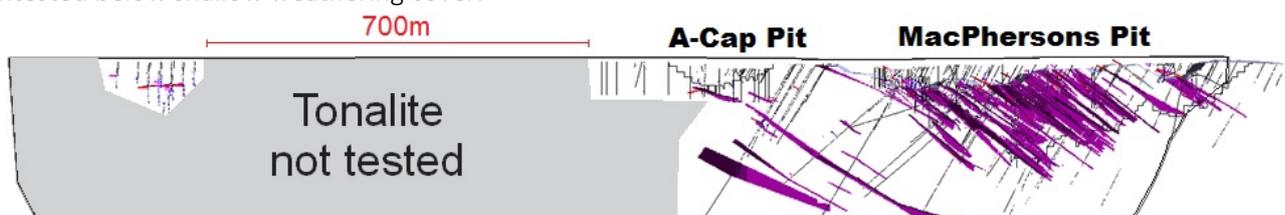


Figure 2: Cross section of the Tonalite Dyke within the Coolgardie Gold Project

For personal use only

ASX ANNOUNCEMENT

ASX: PGO

19 October 2016



The initial program will focus on further extensions of known gold mineralisation at the MacPhersons deposit, along the southern extent of the tonalite dyke. Drilling will also target cross cutting structures of the tonalite that also coincide with strong soil and magnetic anomalies.

The drilling program outlined in Figure 3 below will be assessed for expansion once the initial drilling results have been received and assessed.

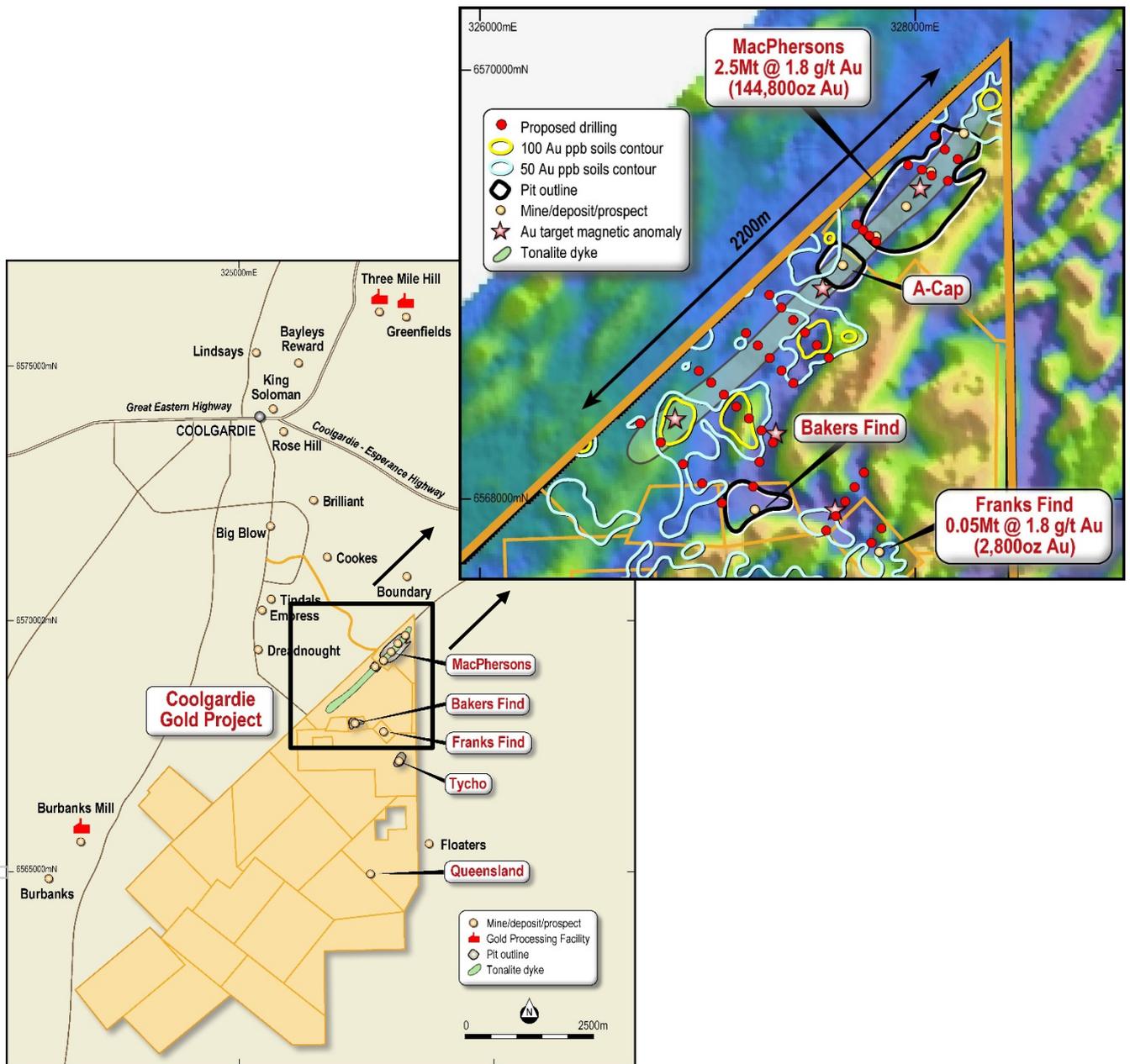


Figure 3: Coolgardie Gold Project location and proposed drilling program

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

ASX ANNOUNCEMENT

ASX: PGO

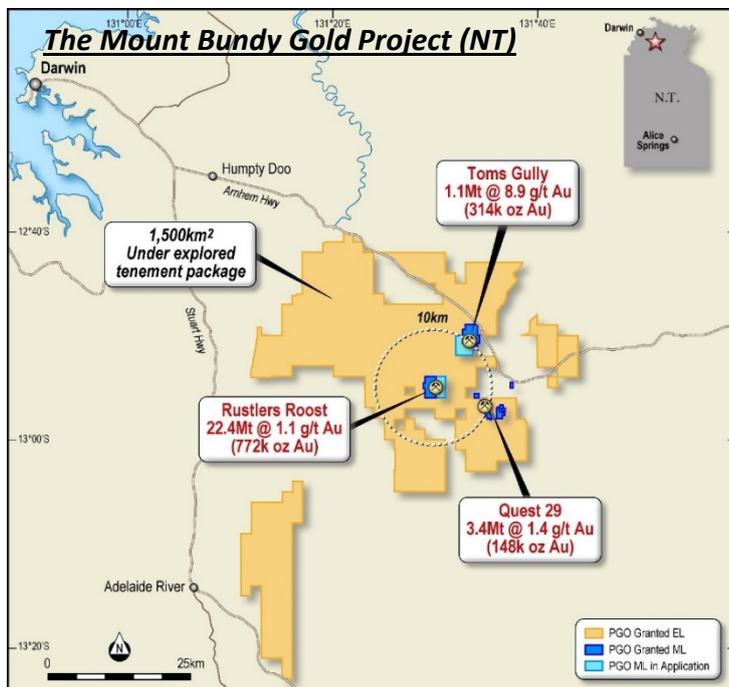
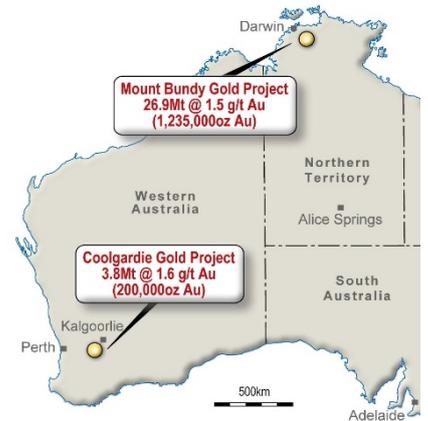
19 October 2016



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.

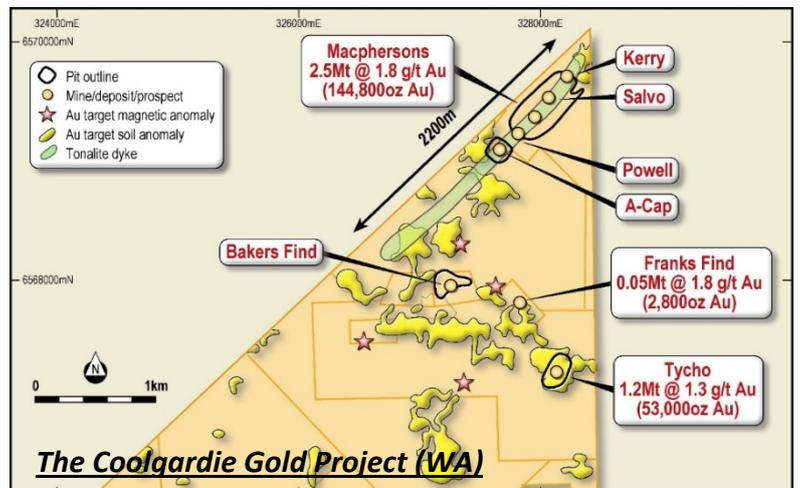
Current mineral resources at the Mount Bundy Gold Project are **26.9Mt at 1.5g/t for 1,235,000oz of gold**. Primary is focused on resource expansion at Mount Bundy in conjunction with development of a bulk mining operation.

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.



For personal use only

ASX ANNOUNCEMENT

ASX: PGO

19 October 2016

**PRIMARY
GOLD****JORC Resources Statement**

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	1.38	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.

For personal use only