



HIGHLIGHTS

Mount Bundy Gold Project

- Positive scoping study estimating 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 approx. \$900/oz with LOM approx. \$1050
- Low strip ratio at 1.8:1 projected 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)
- PFS initiated on Mount Bundy Project
- Significant scope for growth in resource base via brownfield and greenfield exploration
- Drilling commenced at Mount Bundy Gold Project, Northern Territory
- RC and diamond rigs drilling initial 5,600m program
- Initial RC program commenced on Rustlers East virgin zone for resource expansion potential
- Diamond drill currently drilling below Rustlers Pit for resource expansion and for metallurgical sampling for the PFS study

Coolgardie Project

- 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 August
- 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

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

For personal use only



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.

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\$35 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.

For personal use only



Mount Bundy Gold Project: Scoping Study Results

During the quarter the Company announced the 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 (ASX: 19 April 2017).

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.

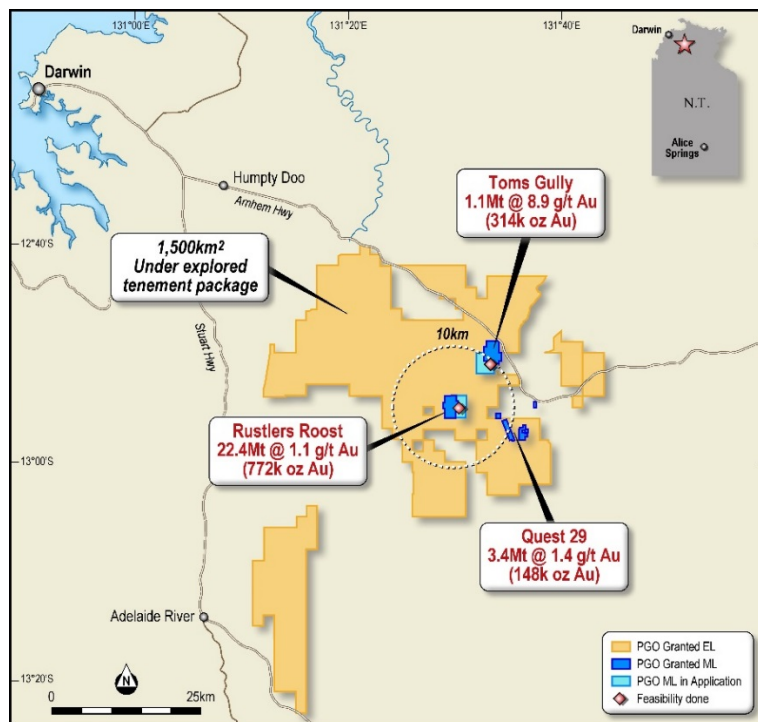


Figure 1: Location Map

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.

For personal use only



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.

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. For full details, see ASX Announcement date 19 April 2017

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.

For personal use only



Mount Bundy Gold Project: Drilling Program

On 31 May 2017, the Company announced the commencement of a drill program at Mount Bundy with one RC drill and one diamond drill drilling the initial program of 5,600m. This is the first drilling program in approximately the last 20yrs outside of the Toms Gully lease.

The Company has planned the drilling program focusing on the Rustlers Roost and Quest 29 historical pit areas and the virgin Rustlers North and Rustlers East regions to follow up reconnaissance programs of late 2016 along paralleling anticlines of similar geology with gold anomalies (Figure 2). This program is targeting high priority brownfields sites which will be assessed for their potential to expand the existing resource base of 26.9Mt at 1.5g/t gold (1,235,000oz gold), and provide sufficient metallurgical samples for planning the pre-feasibility study for the Project currently underway.

These targets were generated through previous detailed surface reconnaissance over identified but undrilled brownfield and greenfield gold targets across the tenement package, in particular look-a-like Toms Gully and Rustlers Roost style deposit anomalies. This previous work has identified approximately 60 targets.

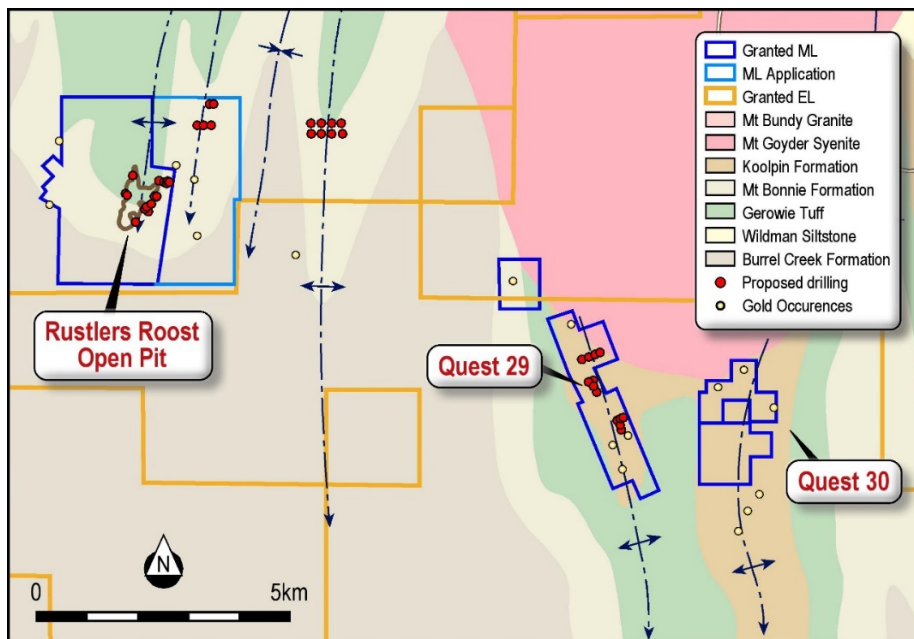


Figure 2: Initial drilling planned for the Mount Bundy Gold Project

Results will be released to the market as they become available.

COOLGARDIE GOLD PROJECT

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 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.

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

For personal use only

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.

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. 3), 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.

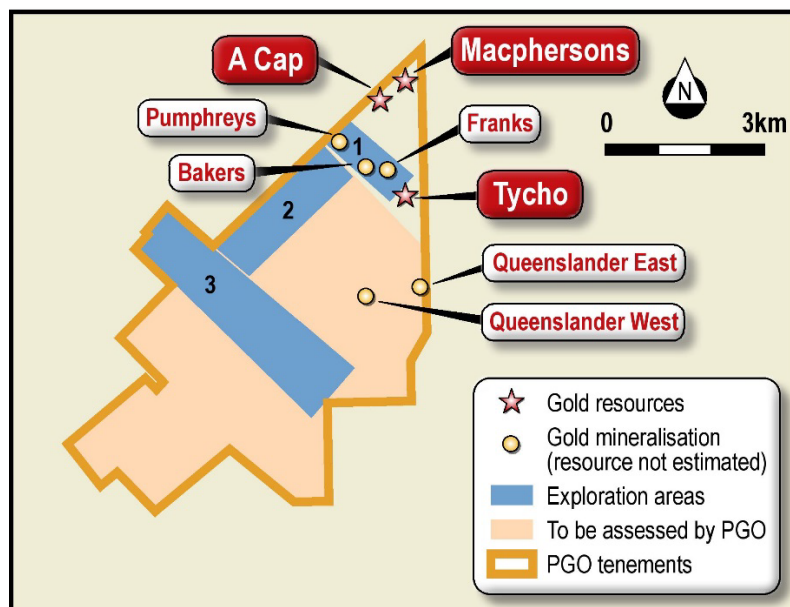


Figure 3: Newly identified zones for prioritisation of exploration programmes.

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.

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 3.

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).

For personal use only

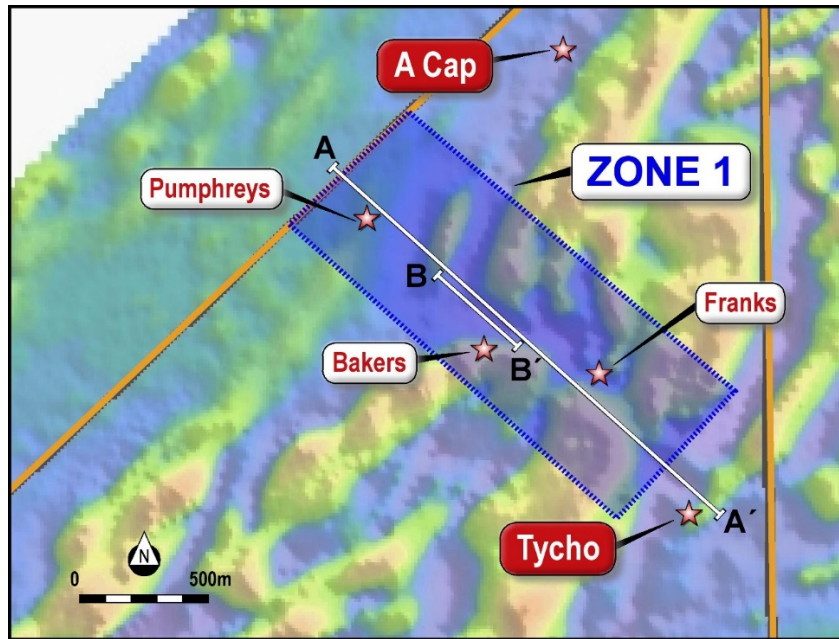


Figure 4: Zone 1 priority exploration area overlain on aeromagnetic image. See Figure 5 for cross sections.

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. The structure is marked by gold soil anomalies with the values commonly exceeding 100 ppb Au (Fig. 5).

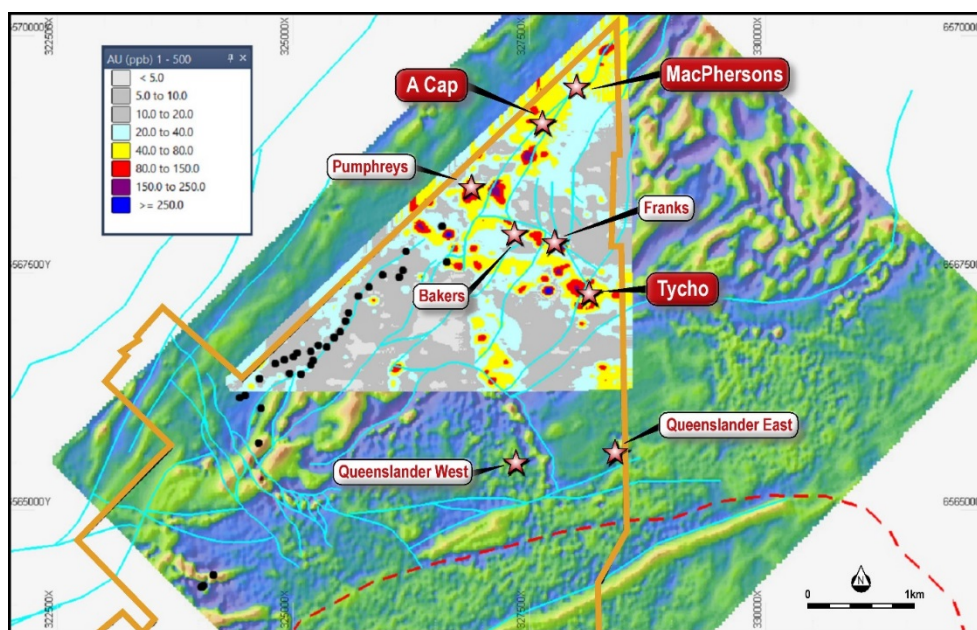


Figure 5: Auger soil geochemical survey results overlain over the aeromagnetic image.

For personal use only



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 6). The structure hosts the gold-bearing tonalite dyke that hosts MacPhersons gold deposit and two smaller deposits, A-Cap and Pumphreys. 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).

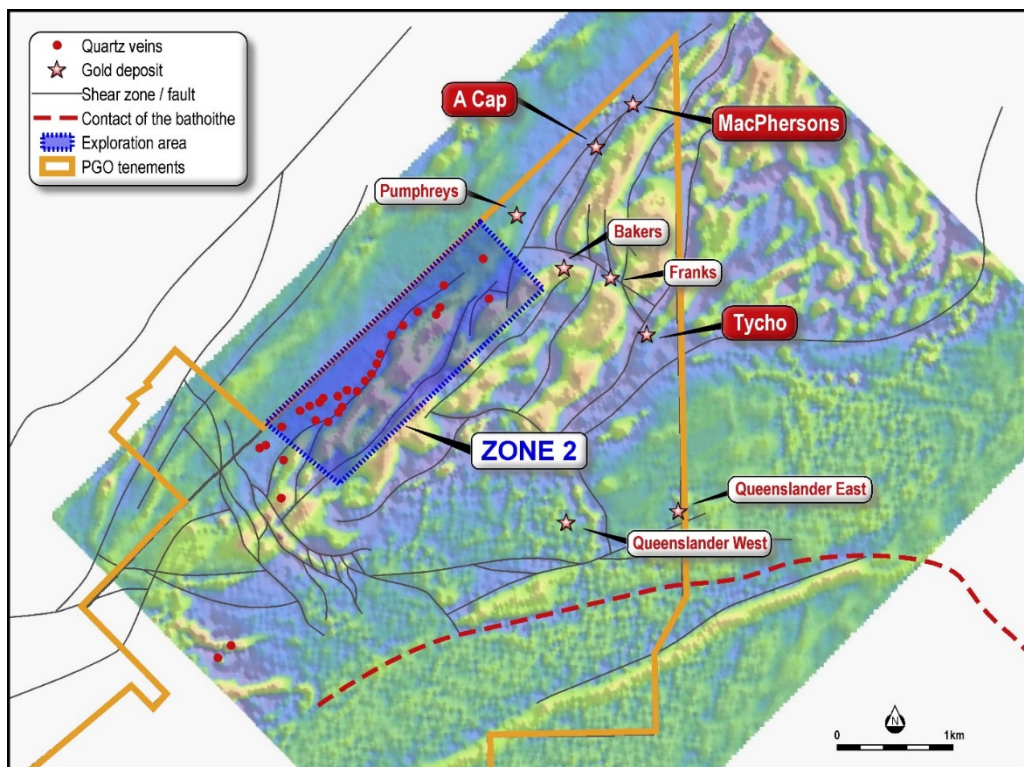


Figure 6: Zone 2 priority exploration area overlain over the aeromagnetic image with quartz veins highlighted.

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.

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.

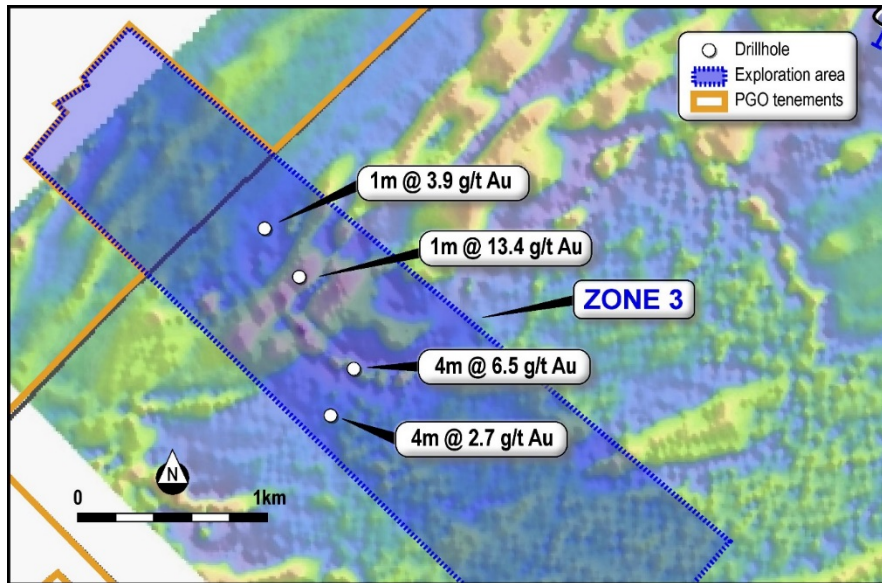


Fig. 7: Distribution of the gold mineralisation along the cross-cutting structure located in the middle part of the PGO tenements.

For more information, please contact:

Garry Mills – Managing Director: +61 8 6143 6700

Competent Persons' Statements

The information in this report that relates to the Exploration Targets, Exploration Results and Mineral Resources (as those terms are defined in the JORC Code) was reported by the Company on 27 August 2013, 27 June 2016, 28 November 2016, 9 January 2017 and 13 February 2017. The Company confirms that it is not aware of any new information or data that materially affects the Exploration Targets, Exploration Results and Mineral Resources, and that all material assumptions and technical parameters underpinning these continue to apply and have not materially changed.

For personal use only

Appendix 1

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.
- 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.

For personal use only

Appendix 2

Tenement information as required by Listing Rule 5.3.3 as at 30 June 2017

Tenement	Location	Interest
MLN1058	Mount Bundy, Northern Territory	100%
MLN1083	Mount Bundy, Northern Territory	80%
ML29781	Mount Bundy, Northern Territory	100%
ML29782	Mount Bundy, Northern Territory	100%
ML29783	Mount Bundy, Northern Territory	100%
ML29785	Mount Bundy, Northern Territory	100%
ML29786	Mount Bundy, Northern Territory	100%
ML29812	Mount Bundy, Northern Territory	100%
ML29814	Mount Bundy, Northern Territory	100%
EL29330	Mount Bundy, Northern Territory	100%
EL29717	Mount Bundy, Northern Territory	100%
EL30128	Mount Bundy, Northern Territory	100%
EL30234	Mount Bundy, Northern Territory	100%
EL30809	Mount Bundy, Northern Territory	100%
EL30824	Mount Bundy, Northern Territory	100%
EL29362	Pine Creek, Northern Territory	100%
EL29520	Pine Creek, Northern Territory	100%
EL29521	Pine Creek, Northern Territory	100%
EL30255	Mount Bundy, Northern Territory	Application
ML24828	Mount Bundy, Northern Territory	Application
MLN1155	Mount Bundy, Northern Territory	Application
P15/5892	Coolgardie, Western Australia	100%
L15/312	Coolgardie, Western Australia	100%
L15/352	Coolgardie, Western Australia	Application
M15/128	Coolgardie, Western Australia	100%
M15/133	Coolgardie, Western Australia	100%
M15/147	Coolgardie, Western Australia	100%
M15/148	Coolgardie, Western Australia	100%
M15/1808	Coolgardie, Western Australia	100%
M15/40	Coolgardie, Western Australia	100%
P15/5261	Coolgardie, Western Australia	100%
P15/5719	Coolgardie, Western Australia	100%
P15/5720	Coolgardie, Western Australia	100%
P15/5721	Coolgardie, Western Australia	100%
P15/5722	Coolgardie, Western Australia	100%
P15/5723	Coolgardie, Western Australia	100%
P15/5724	Coolgardie, Western Australia	100%
P15/5725	Coolgardie, Western Australia	100%
P15/5901	Coolgardie, Western Australia	100%
P15/5902	Coolgardie, Western Australia	100%
P15/6085	Coolgardie, Western Australia	Application
P15/6086	Coolgardie, Western Australia	Application
P15/6087	Coolgardie, Western Australia	Application
P15/6088	Coolgardie, Western Australia	Application
P15/6089	Coolgardie, Western Australia	Application
P15/6090	Coolgardie, Western Australia	Application

No tenements were acquired or relinquished during the June 2017 quarter.

For personal use only