



STRATEGIC ACQUISITION CONSOLIDATES PRIMARY GOLD'S FOOTPRINT AT COOLGARDIE PROJECT

HIGHLIGHTS

- Acquisition of outstanding central tenement consolidates Primary Gold's landholding at its Coolgardie Project
- Similar geological and structural setting to Primary's wholly-owned Tycho deposit
- Minimal drilling on the tenement to date on prospect known as Queenslander
- Priority targets to be assessed and included in 2018 exploration program

Primary Gold Limited (Primary or the Company) (ASX: PGO) is pleased to announce the acquisition of a 100% interest in Prospecting Licence 15/6071 (P15/6071) at the Coolgardie Project via its wholly owned subsidiary, MacPhersons Reward Pty Ltd (Acquisition). With the Acquisition of this central outstanding tenement, Primary's contiguous landholding at Coolgardie has now increased to 3,047.05 ha of granted tenements.

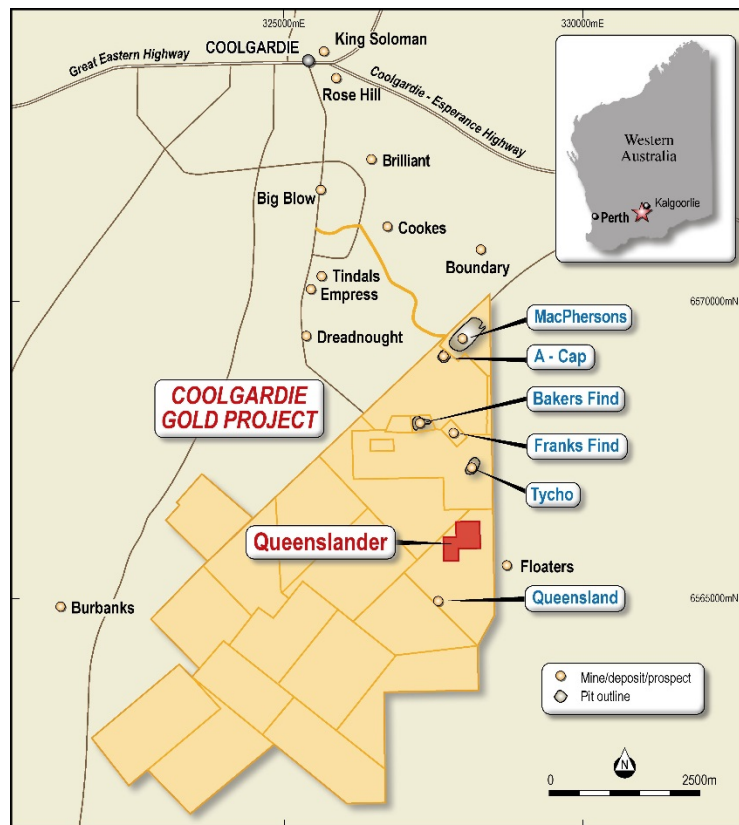


Figure 1: Coolgardie Project Location Map

For personal use only

ASX ANNOUNCEMENT

ASX: PGO

5 January 2018

PRiMARY
GOLD



The newly acquired tenement is considered prospective for gold mineralisation due to its positioning in a similar geological and structural setting to the known Tycho gold deposit which, along with MacPhersons and A-Cap, are to be the focus of mining operations at Primary's Coolgardie Project during Q1 2018 (refer to Figure 1 and announcement dated 3 January 2018).

Commenting on the Acquisition, Primary Executive Chairman and Managing Director, Garry Mills said:

"While mining ramps-up at the Coolgardie Project, Primary is also focussing on targeted exploration of its tenements with a clear objective to increase mineral inventory and mine life of the Project.

"The highly prospective acquisition of P15/6071 forms an important part of this strategy and further confirms Primary's intent and ambition to expand our landholding around our wholly-owned Coolgardie Project."

Queenslander Prospect

P15/6071 contains the Queenslander prospect which was historically mined at the turn of the 20th century.

Primary will now undertake a program of reviewing and validating the historical geological data acquired with the tenement before incorporating the information into its database. Based on this review and incorporation, Primary will identify priority targets for integration into its focused 2018 exploration program at the Coolgardie Project.

Similarities to Tycho Deposit

P15/6071 occurs in a similar sequence of folded mafic to ultramafic flows to Primary's Tycho deposit, which lies 900 metres to the north.

Historical workings across P15/6071 are orientated in a north-easterly direction and, to a lesser extent, south-easterly direction. Both of these orientations contain gold mineralisation within the Coolgardie Project.

The structurally controlled MacPhersons gold deposit (hosted in quartz veins) is associated with north-easterly structural controls while the Tycho gold deposit (hosted in shear zones) occurs along a south-easterly structural zone.

Tycho has a current JORC 2012 compliant mineral resource of 1.24Mt @ 1.3g/t Au for 53,000oz Au (600t @ 1.44gpt for 27,800oz indicated).

Previous drilling at Tycho confirmed thick zones of gold mineralisation occurring less than 50m from surface. High grade assay results included 5m at 14.1g/t gold from 28m including 1m at 68.5g/t 1m at 68.5g/t gold (refer to ASX announcement 28 November 2016).



For personal use only

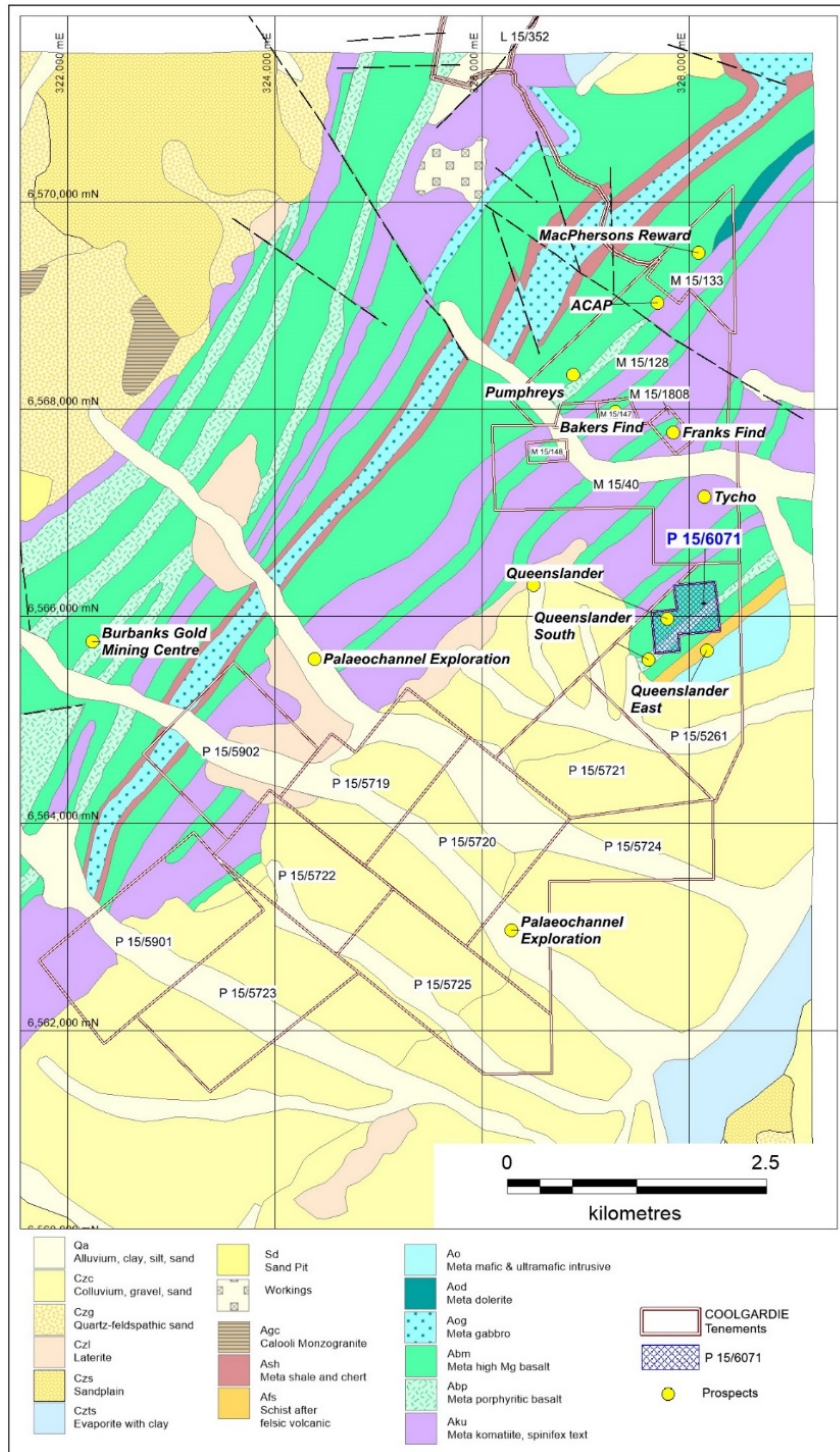


Figure 2: P15/6071 and Queensland Prospect locations overlaying geological map of Coolgardie Project and surrounds

Acquisition Terms

Consideration for the 100% interest in P15/6071 is \$10,000 in cash and 200,000 fully paid shares in Primary Gold Limited. MacPhersons Reward Pty Ltd, a wholly owned subsidiary of Primary, is acquiring the tenement from a private prospector. Completion is expected to occur shortly.

ASX ANNOUNCEMENT

ASX: PGO

5 January 2018

PRiMARY
GOLD



About the Coolgardie Project

Primary has recently received Mining Proposal and accompanying Mine Closure Plan from the Department of Mines, Industry Regulation and Safety, the final outstanding regulatory approval required to begin mining at its Coolgardie Project (please refer to ASX announcement dated 3 January 2018).

Mining operations at Coolgardie Project are expected to commence at the Tycho, MacPhersons and A-Cap pits during the first quarter of 2018.

MacPhersons, A-Cap and Tycho contain approximately 69,000 ounces Au (approximately 13,000oz Measured @ 1.5 g/t Au, 45,000oz Indicated @ 1.7 g/t Au and 11,000oz Inferred @ 1.7 g/t Au). The bulk of the Mineral Resources (approximately 145,000 oz) is contained within the MacPhersons deposit, which is the Company's key deposit at the Coolgardie Project.

A recently completed Pre-Feasibility Study for the Coolgardie Project (see ASX announcement dated 17 October 2017) confirmed the viability of a low capital cost start-up gold mining operation based on the extraction of shallow reserves across three initial starter pits at the Project – Tycho, MacPhersons and A-Cap – with the ore to be treated via a toll-treatment arrangement at a nearby processing facility.

ENDS

For further information please contact:

Garry Mills
Managing Director
Primary Gold Limited
T: +61 8 6143 6700

David Tasker
Chapter One Advisors
T: +61 433 112 936
E: dtasker@chapteroneadvisors.com.au

Download the Primary Gold App

ASX ANNOUNCEMENT

ASX: PGO

5 January 2018

PRIMARY
GOLD



About Primary Gold

Primary Gold Limited is an ASX listed emerging gold producer with a resource of approximately 2M oz gold across its Australian portfolio.

It has a 100% interest in both the Coolgardie Project in the goldfields region of Western Australia and the Mt Bundy Project in the Northern Territory (80% for Rustlers Roost).

The Coolgardie Project is a very low-cost development that will utilise contract mining and toll treatment.

The Mt Bundy Gold Project is the flagship asset of the Company with a combined +130,000oz/year potential. A 2017 Scoping Study indicated a 9-year LOM, however the project area has hardly been explored over the past 20 years.

The Company is contemplating a two stage Northern Territory development to minimise risk and maximise leverage:

- bring Toms Gully into production utilising existing plant refurbished
- drill out Rustlers Roost and environs for large scale low grade open pit

Primary is targeting a 150K oz pa production profile by 2020.

Statement of JORC 2012 Compliant Resources and Reserves

Resources	Measured			Indicated			Inferred			Total		
	'000t	g/t	Koz Au	'000t	g/t	Koz Au	'000t	g/t	Koz Au	'000t	g/t	Koz Au
Coolgardie Project												
Macphersons*	690	1.36	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	53.0
Franks Find							48	1.84	2.8	48	1.84	2.8
SUBTOTAL	690	1.36	30.1	1,816	1.61	94.7	1,304	1.81	75.8	3,811	1.64	200.6
Mt Bundy Project												
Rustlers Roost*				36,611	0.87	1,028.0	12,990	0.73	304.0	49,601	0.84	1,332.0
Toms Gully**				835	9.0	242.0	265	8.5	73.0	1,100	8.9	315.0
Quest 29***				2,190	1.4	98.0	1,205	1.3	50.0	3,395	1.4	148.0
SUBTOTAL				39,636	1.07	1,368.0	14,460	0.92	427.0	54,096	1.03	1,795.0
TOTAL	690	1.36	30.1	41,452	1.10	1,463.0	15,764	0.99	503.0	57,907	1.07	1,996.0

Notes: Figures have been rounded and hence may not add up exactly to the given totals. MacPhersons Resources include A-Cap.
Cut off: * 0.50g/t Au ** 6.00g/t Au *** 0.80g/t Au

Mineral Resources above are reported as inclusive of Ore Reserves.

Reserves	Proved			Probable			Total		
	'000t	g/t	Koz Au	'000t	g/t	Koz Au	'000t	g/t	Koz Au
Mt Bundy Project				775	6.9	175.0	775	6.9	175.0
Coolgardie Project	267	1.5	13.0	802	1.8	45.0	1,069	1.7	58.0
TOTAL	267	1.5	13.0	1557	4.3	220.0	1,844	3.9	233

ASX ANNOUNCEMENT

ASX: PGO

5 January 2018

PRiMARY
GOLD



Competent Persons Statement

The information in this announcement that relates to Mineral Resources and Reserves (as that term is defined in the JORC Code) in respect to the Coolgardie and Mt Bundy Projects was reported by the Company in its announcements released to ASX on 27 August 2013, 27 June 2016, 17 October 2017 and 31 October 2017. The information that relates to exploration results at the Tycho Deposit was reported in an announcement released to ASX on 28 November 2016. The Company confirms that it is not aware of any new information or data that materially affects the resource and reserve estimates, and that all material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed.

For personal use only