

## PRIMARY GOLD COMPLETES FORMAL ACQUISITION OF THE COOLGARDIE GOLD PROJECT

Drilling approvals and rig mobilisation imminent

### HIGHLIGHTS

- Coolgardie Gold Project: 200,000oz gold resource base, open pit, free milling ore
- Low capital operations planned through contract mining and local toll treatment
- Primary Board has extensive gold mining experience in Coolgardie/Kalgoorlie region
- Mine Optimisation Study underway as precursor for first production in 2017
- Coolgardie drilling program to begin in October 2016

Primary Gold Limited (ASX: PGO) is pleased to announce it has completed all documentation for the formal acquisition of the Coolgardie Gold Project in Western Australia, which was first announced on 03 August 2016.

The Project hosts existing resources of 3.81Mt at 1.63g/t for 200,600oz of gold (see Appendix for details). The majority of existing resources are all located beneath historical open pits on approved mining leases, providing the opportunity for near term production from mining operations.

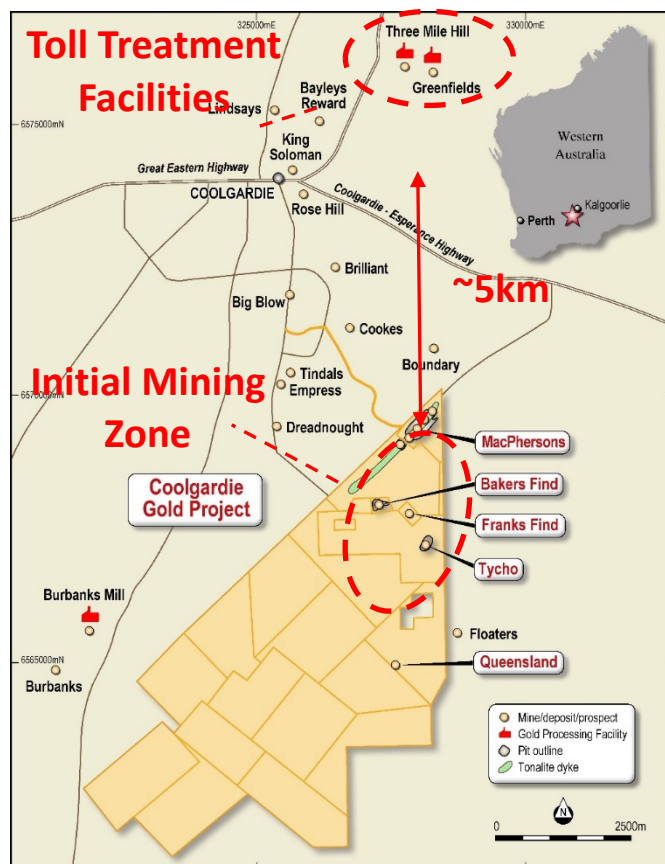
The Project has been acquired from MacPhersons Resources Limited (ASX: MRP), representing a non-core asset for that company due to a sole focus on their Nimbus Ag-Au-Zn Project near Kalgoorlie.

Primary is now in the process of finalising all approvals and obtaining confirmation of a rig mobilisation date for the planned Coolgardie drilling program.

The drilling will be performed by Ausdrill Limited under a formal drilling for equity agreement (see PGO's ASX announcement 5 September 2016).

In addition, the Mine Optimisation Study for the Coolgardie Gold Project continues, with the results of the Study to be used to finalise contract mining and toll treatment agreements. The Study is aimed to be completed by the end of 2016, with the results likely to be released in early 2017.

Primary is also planning a potential trial mining operation in early 2017 as a precursor to commercial production.



**Figure 1: Coolgardie Gold Project location**

## ASX ANNOUNCEMENT

ASX: PGO

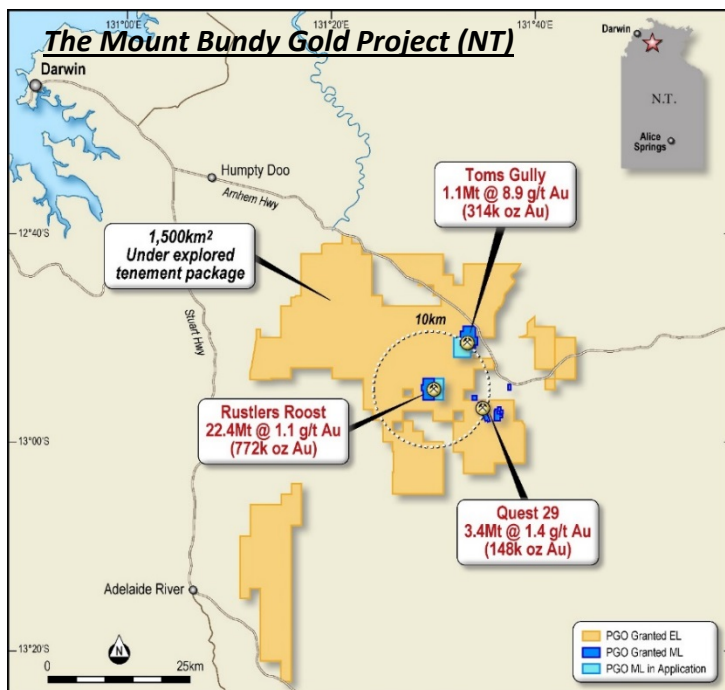
10 October 2016

# PRIMARY GOLD

### 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 1,500km<sup>2</sup> 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.

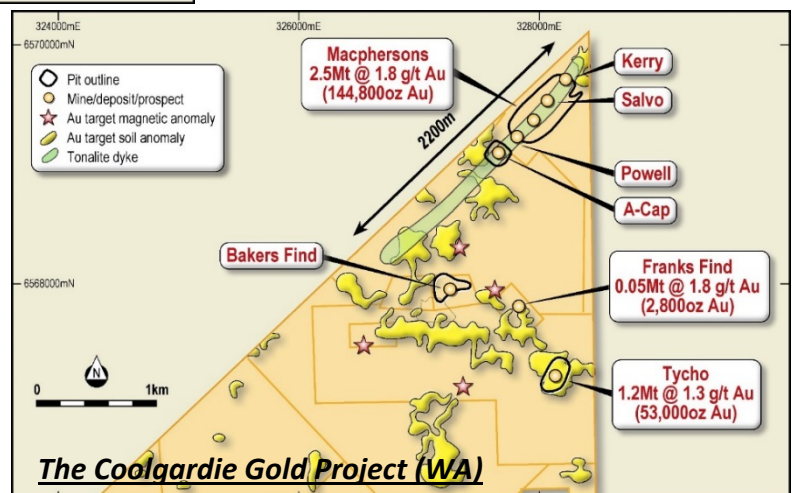
The current mineral resources at Coolgardie are **3.8Mt at 1.6g/t for 200,000oz of gold**.

All existing resources are located on established mining leases and the presence of toll treatment mills within 5km 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 tenements remaining unexplored due to shallow alluvial cover.

For more information, please contact:

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## Appendix

### 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
<b>Total</b>	<b>17,445</b>	<b>1.5</b>	<b>845</b>	<b>9,430</b>	<b>1.2</b>	<b>389</b>	<b>26,875</b>	<b>1.5</b>	<b>1,235</b>
<b>* PGO 80% Equity Ownership</b>									
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	1.36	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
Franks Find							48	1.84	2.8	48	1.84	2.8
<b>Total</b>	<b>690</b>	<b>1.36</b>	<b>30.1</b>	<b>1,816</b>	<b>1.61</b>	<b>94.7</b>	<b>1,304</b>	<b>1.80</b>	<b>75.8</b>	<b>3,811</b>	<b>1.63</b>	<b>200.6</b>

### 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](http://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.