

PRIMARY GOLD COMMENCES A SCOPING STUDY AT THE MOUNT BUNDY GOLD PROJECT

HIGHLIGHTS

- Scoping Study awarded to GR Engineering Services Limited & Entech Pty Ltd
- Study assessing potential for a large scale operation over the existing 1.24Moz gold resource base
- Targeting bulk mining operations around Rustlers Roost with high grade satellite feed inputs
- Mount Bundy drilling approvals awaiting final heritage survey signoff by NT Government
- Drilling to target resources growth as input for a DFS in 2017

Primary Gold Limited (ASX: PGO) is pleased to announce the commencement of a Scoping Study for the development of operations at the Mount Bundy Gold Project in the Northern Territory. The Study has been awarded to GR Engineering Services Limited (ASX: GNG) as lead consultant, with Entech Pty Ltd to provide important resource and mining inputs.

The Study will undertake an assessment of initial operating parameters and financial metrics for a large scale operation from the existing resource base of 26.9Mt at 1.5g/t (1,235,000oz gold).

The Study will progress Primary Gold's centralised bulk mining strategy for the Mount Bundy Gold Project, which targets an operation utilising resources from Rustlers Roost as a base load feed, with additional supply from satellite deposits at Toms Gully and Quest 29 (See Figure 1).

Primary Gold has also planned an expansive drilling program for the Mount Bundy Gold Project.

The drilling program is targeting material growth of the existing mineral resources from both brownfield and greenfield sources.

The program is awaiting final heritage approvals before proceeding. The heritage surveys themselves have been completed and the Company is liaising with the NT Department of Primary Industry and Resources to expedite final approvals.

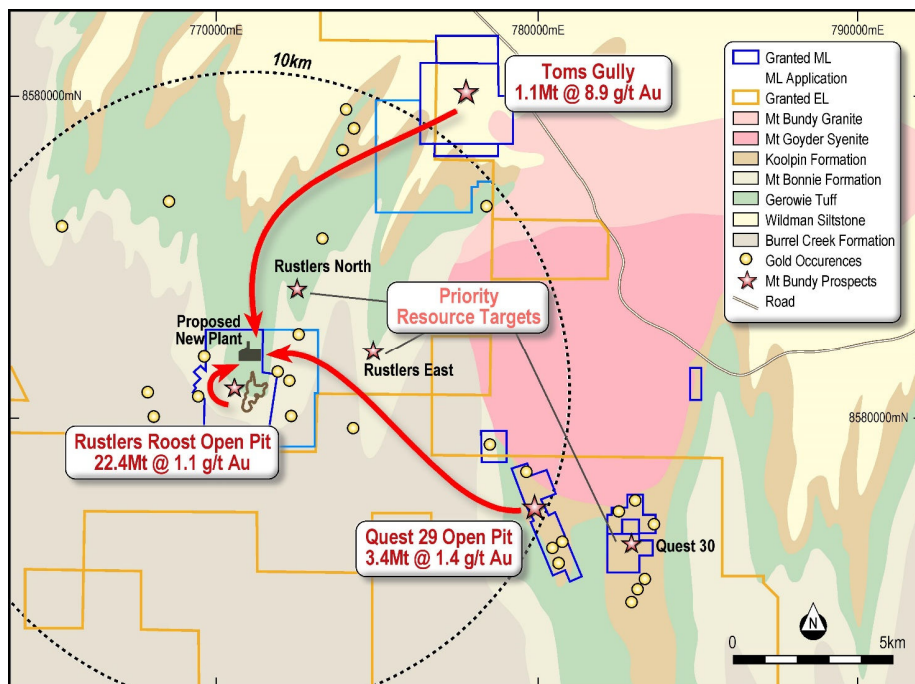


Figure 1: Proposed mineral resources feed for Mount Bundy gold operations

Extensive operational data is readily available at the Mount Bundy Gold Project due to the history of successful smaller scale gold mining operations that have already occurred at the three identified deposits. Primary Gold plans to leverage this data for development of its expanded production strategy for the Project, with the Scoping Study utilising existing data acquired from sources including:

- Geological data from historical drilling programs of all existing mineral resources;
- Mining and processing history from Rustlers Roost, Toms Gully and Quest 29 deposits; and
- Previous Definitive Feasibility Studies already completed at both Rustlers Roost Open Pit (2006) and Toms Gully Underground (2013).

The availability of this information has allowed Primary Gold to expedite areas of the Study for completion in a timely manner. An historical data review and initial Desktop Study has already been completed for the Project, and the Company is anticipating the completion of the Scoping Study and release to the market in Q1 2017.

Primary Gold is also planning to utilise the results of the Scoping Study, and any increase in mineral resources resulting from ongoing drilling programs, as part of a DFS for the Mount Bundy Gold Project in 2017.

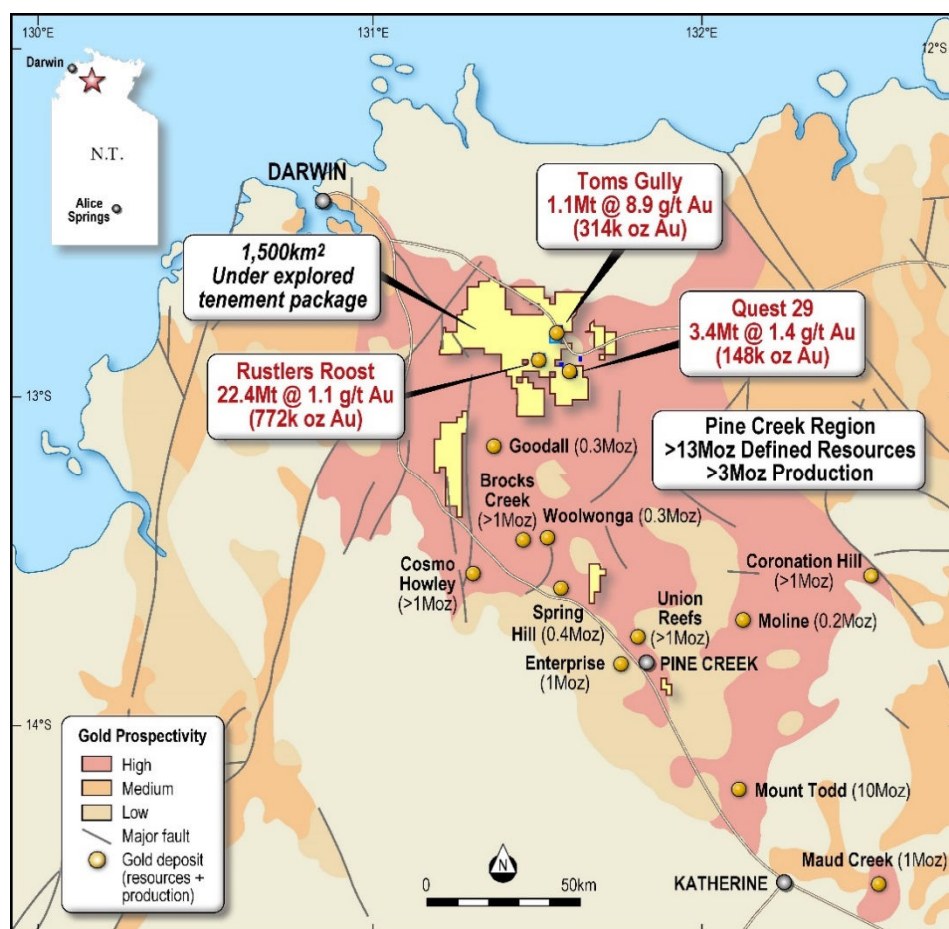


Figure 2: Location and resources of the Mount Bundy Gold Project

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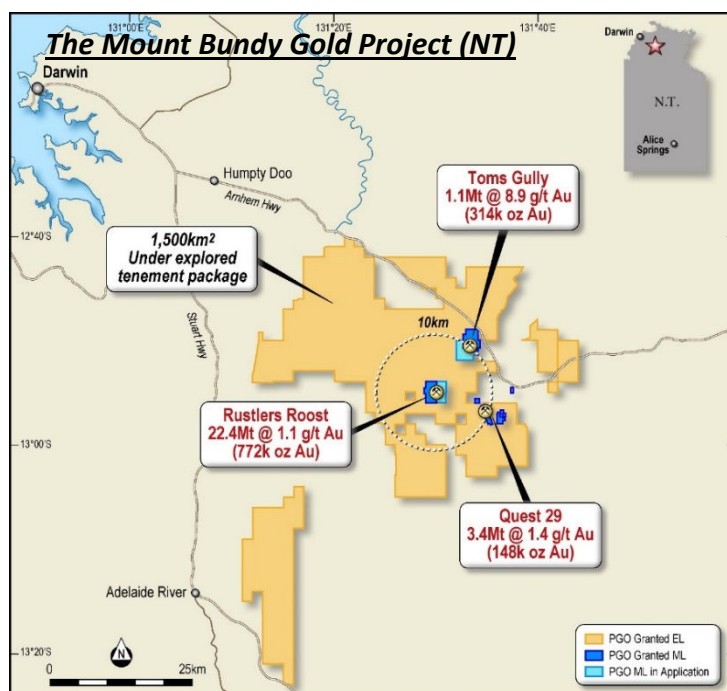
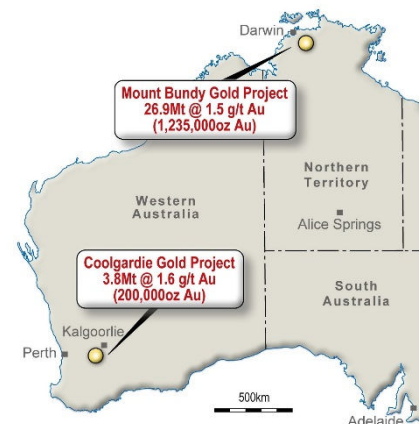
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About Primary Gold Limited (ASX: PGO)

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.

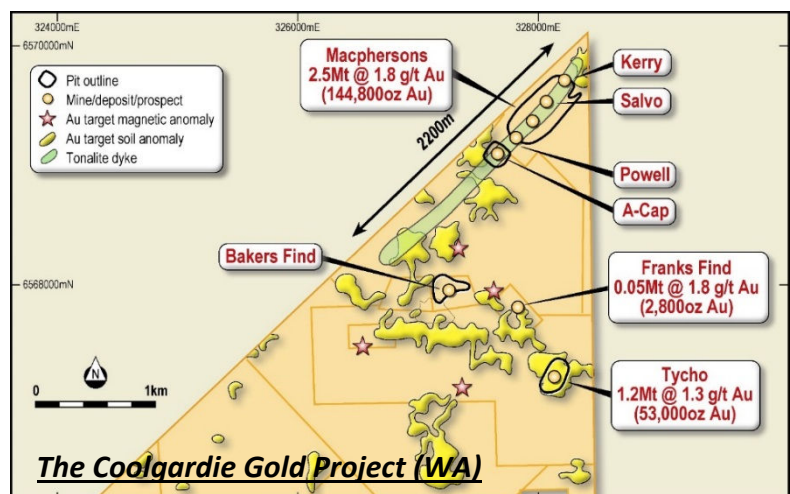
Current mineral resources at the Mount Bundy Gold Project are **26.9Mt at 1.5g/t for 1,235,000oz of gold**. Primary is focused on resource expansion at Mount Bundy in conjunction with development of a bulk mining operation.

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.



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**PRIMARY
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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	1.36	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
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.