REDUCTION REPORT

EL29383 - Mt Bundy Project

For partial surrender 2 blocks 09 October 2015

Target commodity: Gold
NT 1:250,000 map series – Pine Creek SD52-8
NT 1:100,000 map series – Batchelor 5171

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1 EXECUTIVE SUMMARY

EL29383 is a tenement of the Mt Bundy exploration group located about 68 km SSE of Darwin, along the Stuart Highway. The tenement is located approximately 35km and 45km respectively SW of the Primary Gold Rustlers Roost and Toms Gully Mines in adjacent tenements.

Primary Gold has not undertaken any field work on the relinquished portions of EL29383, there has been some prospecting activity within the tenement and this may have extended to the relinquished blocks, however, results of this exercise were in general poor.

The relinquished portion of the tenement is made up of rocks of the Burrell Creek Formation of the Finniss River group and extensive areas of Quaternary alluvium and sand. The Burrell Creek Formation interpreted as a sequence of fine to coarse marine sediments and appears to be part of continuous sedimentation process. Due to the lack of marker horizons and poor exposure the width of the unit is unknown but is thought to be >1000m. This Formation is considered prospective for large low-grade gold deposits and has the potential for small high-grade deposits.

A review of EL29383 was undertaken in response to a request for surrender of 2 blocks during the 2015 exploration year. The blocks identified for surrender are deemed to have a low likelihood to host economic mineralisation.
2 COPYRIGHT

This document and its content are the copyright of Primary Gold Ltd (PGO). The document has been written by Ben Cairns for submission to the Northern Territory Department of Resources as part of the tenement reporting requirements as per Regulation 86 of the Mineral Titles Act.

Any information included in the report that originates from historical reports or other sources is listed in the “References” section at the end of the document.

This report may be released to open file as per Regulation 125(3)(b).
3 INTRODUCTION

EL29383 is a tenement of the Mt Bundy exploration group located about 68 km SSE of Darwin, along the Stuart Highway. The tenement is located approximately 35 km and 45 km respectively SW of the Primary Gold Rustlers Roost and Toms Gully Mines in adjacent tenements. Toms Gully is currently the subject of a Feasibility Study which the company hope to complete by the end of the September Quarter 2013 and which will form a hub for exploration and future mining activities in the Mt Bundy Project.

This report documents the exploration activities conducted on the relinquished blocks for the life of Primary Gold tenure from 30th May 2012 to 9th October 2015.

4 LOCATION AND ACCESS

EL29383 is situated 68 km SSE of Darwin NT along the Stuart Highway. Access to the tenement is via station tracks off the Stuart Highway approximately 27 km south of the junction between the Stuart Highway and Marakai Road. These tracks provide good access for 4WD vehicles during the dry season, however areas of extensive black soil make these tracks impassable after heavy rain, and therefore no access is possible throughout the wet season.

Figure 1 shows the location of EL29383.

5 TENEMENT DETAILS

EL29383 was granted to Primary Gold Limited on 30th May 2012 for a period of six years, expiring on the 29th May 2018. The tenement is 14 blocks in size. In 2014 PGO sought and was granted a waiver from reduction whilst it completed an assessment of the potential of the license to host economic mineralisation. In October 2015 Primary Gold relinquished two blocks at the northern end of the tenement, SD52999B and SD52999C.

The tenement overlies portions of seven separate sections; Hundred of Howard Sections 181 and 168 the Hundred of Playford Sections 234, 198, 174, 170 and 235. It falls within the Pine Creek 1:250,000 map sheet and on the Batchelor 1:100,000 map sheet.
6 GEOLOGICAL SETTING

6.1 REGIONAL GEOLOGY

EL29383 is located within the Archean to Palaeoproterozoic Pine Creek Orogen, one of the major mineral provinces of Australia. The Pine Creek Orogen is a deformed and metamorphosed sedimentary basin up to 14 km maximum thickness covering an area of approximately 66,000 km$^2$ and extending from Katherine in the south to Darwin in the north. It hosts significant resources of gold, uranium and platinum group metals (“PGMs”), as well as substantial base metals, silver, iron and tin-tantalum mineralization.

The Pine Creek Orogen comprises series of late Archean granite-gneiss basement domes, which are overlain by a fluvial to marine sedimentary sequence. Several highly reactive rock units are included within this sedimentary sequence including carbonaceous shale, iron stones, evaporite, carbonate and mafic to felsic volcanic units of the South Alligator and Finniss River Groups. This sequence has been subjected to regional greenschist facies metamorphism and multiphase deformation, which has resulted in the development of a northwest trending fabric. Subsequent widespread felsic volcanism and the intrusion of granitoids caused contact metamorphism, in aureoles between 500 m and 2 km wide that overprint the earlier regional metamorphism. After the granitoid intrusions an extensive array of northeast and northwest trending dolerite dykes intruded the metasedimentary sequence during regional extensional deformation.

Gold mineralization within the Pine Creek Orogen is preferentially developed within strata of the South Alligator Group and lower parts of the Finniss River Group along anticlines, strike-slip shear zones and duplex thrusts located in proximity to the Cullen Granite Batholith. Of particular stratigraphic importance are the Wildman Siltstone, the Koolpin Formation, Gerowie Tuff, Mount Bonnie Formation and the Burrell Creek Formation.
6.2 Local Geology

The tenement is dominated by Quaternary alluvium and sands overlying units of the Burrell Creek Formation of the Finniss River group which form low rises between sediment choked drainages.

The Burrell Creek Formation interpreted as a sequence of fine to coarse marine sediments ranging and appears to be part of continuous sedimentation process. It is described by the Northern Territory Geological Survey as consisting of reddish brown siltstones and shales with a well-defined cleavage, greywacke and quartz pebble conglomerate. Cross cutting quartz veins are prolific and pegamatites are common regionally. Due to the lack of marker horizons and poor exposure the width of the unit is unknown but is thought to be >1000m. This Formation is considered prospective for large low-grade gold deposits and has the potential for small high-grade deposits.
EXPLORATION ACTIVITY 30 MAY 2012 TO MAY 2014

There has been no on ground exploration activity on the relinquished blocks from EL29383 during the life of Primary Gold tenure. In October 2015 in response to a request from the NT DME, Primary Gold relinquished two blocks from the northern end of the tenement. The blocks were selected for surrender due to the extensive Quaternary cover overlying them and the location of dwellings and social infrastructure contained within them.

Primary Gold hopes to recommence work on the remaining blocks of the tenement in the current reporting period.

RECOMMENDATIONS AND CONCLUSIONS

Due to the lack of favourable geological structures, extensive Quaternary cover and the presence of private infrastructure overlying blocks SD52999B and SD52999C, Primary Gold has opted to relinquish these blocks.

REFERENCES