



ANNUAL REPORT

EL29383 - Mt Bundy Project

For Period Ending 29th May 2013

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

Distribution:-

1. DOR Darwin NT
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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. 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.

The tenement is made up of rocks of the Burrell Creek Formation of the Finnis 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.

During the reporting period, Primary Gold commenced a review of the publicly available regional data and proprietary data from the region acquired when Primary Minerals Pty Ltd, a wholly owned subsidiary of Primary Gold Ltd, purchased the Mt Bundy Project from Crocodile Gold in February 2013. This purchase consolidated Primary Gold's land holding in the Pine Creek / Mt Bundy region and created an exciting suite of projects ranging from untested geophysical anomalies, significant gold in rock chip samples, anomalous results historic drilling requiring follow up through to the potential re-opening of the low tonnage high grade Toms Gully Deposit and large tonnage low grade Rustlers Roost Deposit.

EL29383 forms part of the Mt Bundy tenement group and whilst the consolidation of this project was being undertaken during 2012 and early 2013 no on ground exploration activity was conducted on EL29383.

During the 2013 exploration year, activities will include an ongoing review of historic geochemical and geophysical data, with reconnaissance field visits and geological mapping. An airborne Hyvista Survey is proposed for late in the dry season to compliment this data set. Timing of the survey will be influenced by the availability of a suitable contractor and the amount and thickness of vegetative and water cover. Rock chip and soil sampling may be conducted if targets are identified. The scanning and collation of the reports and documents from previous operators will continue into the next reporting period.

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 78 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)(a).

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 35km and 45km 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 from 30th May 2012 to 29th May 2013.

4 LOCATION AND ACCESS

EL29383 is situated 68km SSE of Darwin NT along the Stuart Highway. Access to the tenement is via station tracks off the Stuart Highway approximately 27km 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.

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.

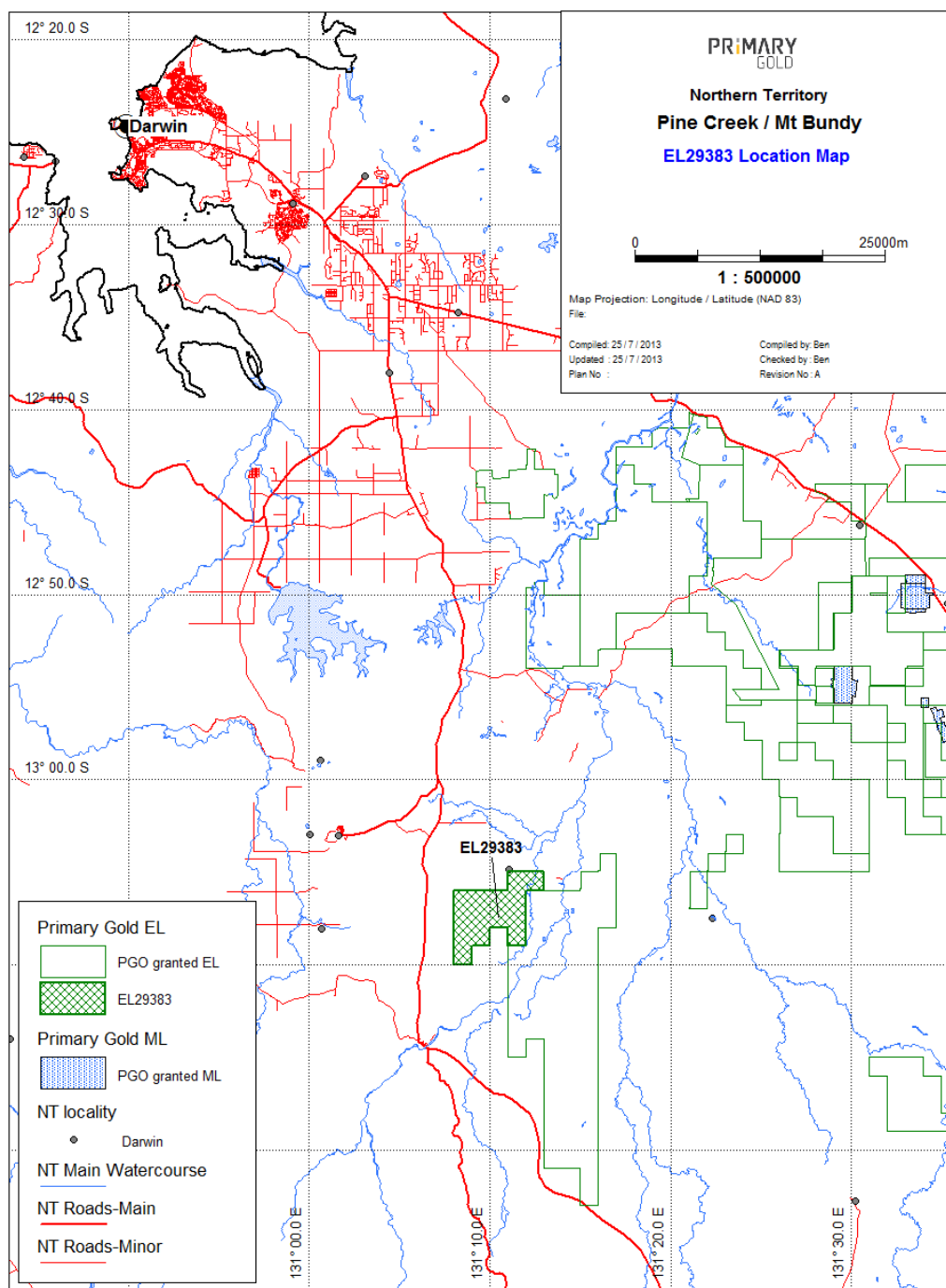


Figure 1: EL29383 Tenement Location

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 km² 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 Finnis 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 Finnis 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.

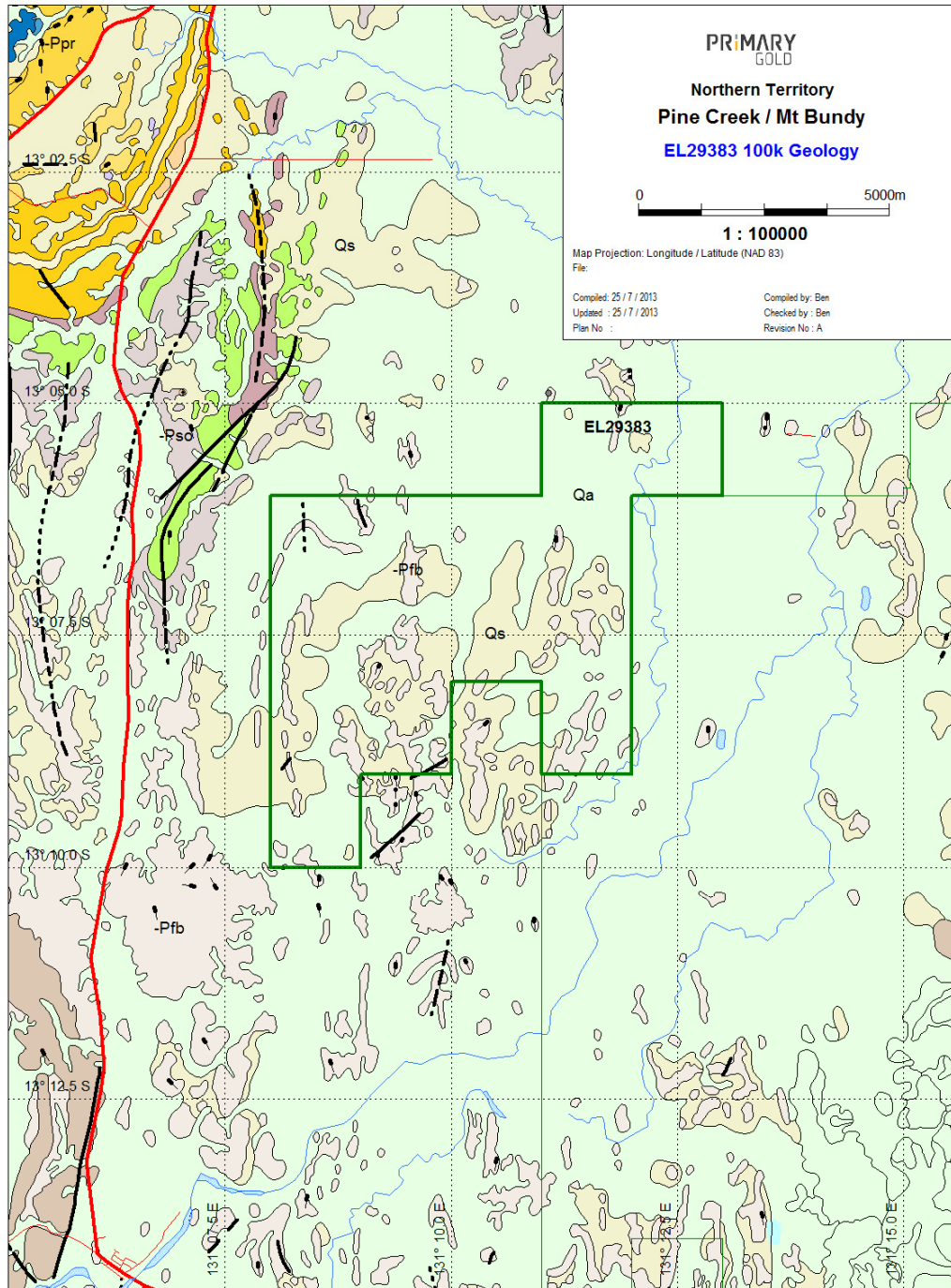


Figure 2: EL29383 Regional Geology

6.2 LOCAL GEOLOGY

The tenement is dominated by Quaternary alluvium and sands overlying units of the Burrell Creek Formation of the Finnis 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 pegmatites 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.

After a review of the regional geological setting it has been decided that this title has some exploration potential similar mineralisation as that seen at the Mt Bundy (Rustlers Roost) mine to the south east. Further mapping and sampling would be required to test this theory.

7 EXPLORATION ACTIVITY YEAR ENDING 13 JANUARY 2013

There has been no on ground exploration activity completed on EL29383 in the current reporting period. Work has been limited to desktop reviews and data compilation. In late February 2013 PGO finalised the purchase of the Crocodile Gold Australia Mt Bundy Project which includes a large land package adjacent to EL29383 and following this was successfully listed on the Australian Stock Exchange. On ground work was delayed pending the finalisation of the purchase and listing in late February 2013.

A hyperspectral aerial survey was proposed over the greater Mt Bundy Project Area, including EL29383, however the occurrence of large areas of surface water and dense vegetation arising from the wet season has delayed the start of this work until late in the dry season.

8 RECOMMENDATIONS AND CONCLUSIONS

During the 2013 exploration year, activities will include an ongoing review of historic geochemical and geophysical data, with reconnaissance field visits and geological mapping. A hyperspectral airborne survey is planned for late in the dry season to be conducted by HyVista Corporation and will include detailed aerial photography and digital terrain modelling. Rock chip and soil sampling may be conducted if targets are identified. The scanning and collation of the reports and documents from previous explorers will continue with the location assay data to be incorporated into the Primary Gold data base.

It is recommended to retain this license as it does suggest significant potential to discover new mineralisation near the Mt Bundy deposit.

A minimum budget of \$13,680 is proposed for the EL29383 for the next reporting period.

9 REFERENCES

Pietsch, B.A & Stuart-Smith, P.G. 1987, 1:250,000 Map Series Explanatory Notes, Darwin SD52-4. Government Printer of the Northern Territory.