ANNUAL REPORT

EL29383 - Mt Bundy Project

For Period Ending 29th May 2015

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

Distribution:-

1. DOR Darwin NT
2. Primary Gold Ltd

Ben Cairns
July 2015
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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. In 2014 Primary Gold lodged a Mining Management Plan (MMP) for the recommencement of operations at Toms Gully, from which an Environmental Impact Assessment was recommended. The EIS is underway and due for completion in late 2015 and the companies focus over the last 10 months has been on the completion of this study and as such there has been no on ground work completed on EL29383. Primary Gold has received notice from prospectors regards requests to fossick on the tenement, these have been granted and the company remains in contact with these individuals regards the outcomes of their activities, which unfortunately has been without success.

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.

The company remains focussed on reopening the Toms Gully Mine and utilising this project and its associated infrastructure to service nearby, otherwise isolated, small deposits and also to fund exploration from operating cash flow. The project represents a consolidation of land holding in the area and represents an opportunity to better realise the potential of the district.

During the 2015 exploration year, activities will include an ongoing review of historic geochemical and geophysical data, with reconnaissance field visits and geological mapping. 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.
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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 2014 to 29th May 2015.

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. 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.

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 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.
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 29 MAY 2014

There has been no on ground exploration activity competed 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.

Planned field work was not undertaken reflecting the company’s focus on the EIS at Toms Gully, a fiscal and personnel resource intensive activity.

8 RECOMMENDATIONS AND CONCLUSIONS

During the 2015 exploration year, activities will include an ongoing review of historic geochemical and geophysical data, with reconnaissance field visits and geological mapping. 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 $17,000 is proposed for the EL29383 for the next reporting period.

9 REFERENCES