Toms Gully Mine Project - Project Overview

The Toms Gully mine is located on the Old Mount Bundy pastoral station located approximately 100 km southeast of Darwin and within Mining Lease MLN1058 owned and operated by Primary Gold Limited (“Primary Gold” or “the Company”).

The deposit was originally discovered in 1986 and between 1988 to 1991 was developed and operated as an open cut mine with an associated ore treatment plant. The project was subsequently operated intermittently by various owners before the underground mine was developed between 2005 to 2010. Primary Gold became involved in the Project in 2012 with a view to reopen the underground operation.

In August 2013, Primary completed a Feasibility Study for the Toms Gully underground mine and processing facility the outcomes of which supported a low capital and low cost return to gold mining and production and includes a maiden Probable Ore Reserve of 775,000 tonnes at 6.9g/t for 175,000 ounces of gold.

The Feasibility Study was managed by Primary Gold with major components being completed by prominent independent consultants, including Cube Consulting and Quantitative Group (mineral resource estimate), Golder Associates (ore reserve estimate), Independent Metallurgical Operations (metallurgy), and Como Engineering (Processing & Infrastructure).

The Feasibility Study has delivered outcomes similar to the Company’s earlier scoping study (completed 2012) although with some changes which address unit cost of production by increasing throughput and includes an upgrade to the existing processing infrastructure aimed to coincide with the start of mine production. Other pre-production activities include dewatering of the current surface and underground workings.

Mining will be conducted entirely from existing underground access using a traditional ‘room-&-pillar’ technique and traditional processing of ore using carbon-in-leach with gravity circuit. At a rate of 350,000 tonnes per year the current mine life is 3 years however, the Company plans further exploration.

Rehabilitation of the site will be carried out on an ongoing basis as detailed in the current Mine Closure Plan. A workforce of approximately 100 people will be sourced predominantly from the nearby towns (e.g. Humpty Doo and Darwin) employed predominantly on a 5-day week basis.