Primary Gold to Raise approximately A$1.4 million Via Share Placement & a Fully Underwritten Renounceable Rights Issue

Highlights:

- **Primary Gold to raise up to $1.4 million via a share Placement and a 1 for 1 fully underwritten renounceable Rights Issue both at 1 cent per share**
- **Patersons Securities Limited acting as Lead Manager to the Placement and Underwriter to the Rights Issue**
- **Proceeds to be used towards implementation strategy for the Toms Gully project & working capital**

Primary Gold Limited (ASX: PGO, PGOO, PGOOA) ("Primary" or the "Company") is pleased to announce it is to raise of up to A$1.4 million, before costs, through a Share Placement and a subsequent fully underwritten 1 for 1 renounceable Rights Issue ("New Issues") at 1 cent per share to all eligible shareholders. Patersons Securities Limited ("Patersons") is acting as Lead Manager and Underwriter of the New Issues.

The New Issues will provide additional funding to support the Company as it works towards commencing gold production at the Company's 100% owned Toms Gully mine in the Northern Territory. Specifically, the proceeds from the issue will be used to complete an Environmental Impact Assessment, a crucial step in attaining authorisations to resume mining at Toms Gully, as well as ongoing working capital requirements.

The Toms Gully Project is part of Primary Gold's multiple near term production and advanced exploration assets within the Mt Bundy Project. It comprises an underground mine and 250,000 processing facility and represents an opportunity for near term cash flow for Primary Gold once operations have resumed.

<u>Details of Rights Issue</u>

The Rights Issue will be offered on the basis of 1 new fully paid ordinary share for every 1 share held at the Record Date at an issue price of 1 cent per share, representing an approximate 44% discount to the last closing price (1.8 cents) of the Company's shares on 6 February 2015.

The proposed underwriting is subject to the execution of a formal underwriting agreement with Patersons, the details of which will be included in a Prospectus for the Rights Issue.

The Prospectus setting out the details of the Rights Issue is expected to be lodged with the ASX and the Australian Securities and Investments Commission on or about 13 February 2015.

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Details of Share Placement

The Share Placement consists of 10 million shares at 1 cent per share. New Shares issued under the Placement will rank pari passu with existing ordinary shares on issues.

Settlement of the Placement is scheduled for Tuesday, 17 February 2015.

The indicative timetable of key dates for the Rights Issue are as follows:

EVENT	DATE
Lodge Prospectus	13 February 2015
Placement shares issued	17 February 2015
"Ex" date and rights trading commences	19 February 2015
Record Date to determine entitlements	23 February 2015
Prospectus with application form dispatched	26 February 2015
Rights trading ends.	2 March 2015
Close date for acceptances	10 March 2015
Issue date for acceptances	17 March 2015
Trading of new shares commences	18 March 2015

The timetable is indicative only and subject to change. The Company reserves the right, in conjunction with Patersons, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable including the right to extend the closing date or to withdraw the Rights Issue.

Prospectus

The Company will lodge a Prospectus with the Australian Securities and Investments Commission which sets out the material information relating to the Rights Issue.

A copy of the Prospectus and an Appendix 3B in respect of the Rights Issue will be released to ASX. The Prospectus, together with an entitlement and acceptance form, will also be mailed to all eligible shareholders in accordance with the timetable above. The Prospectus will also be available on the Company's website www.primarygold.com.au and the ASX website.

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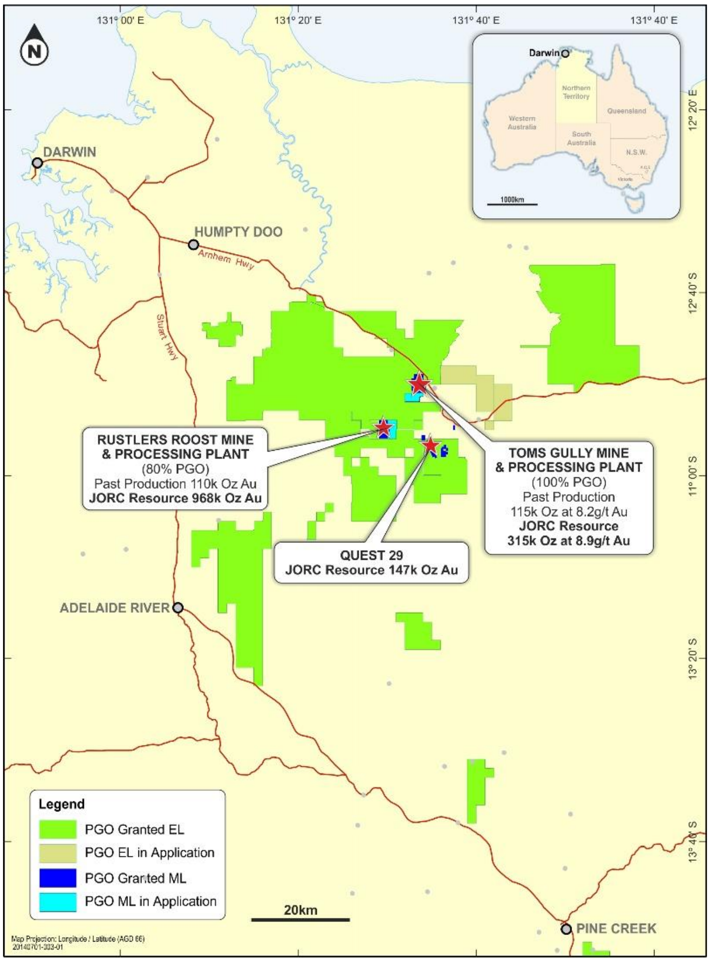
About Primary Gold:

Primary is an emerging Australian gold producer and explorer with multiple near term-production and advanced exploration assets located in the Northern Territory of Australia. Primary owns the Mt Bundy Gold Project, which comprises the Toms Gully processing facility (250,000 tpa) and substantial resources at the Toms Gully underground mine (315,000 resource ounces), the Rustlers Roost open pit (968,000 resource ounces) and maiden resource of 148,000 ounces at the Quest 29 deposit. All projects are within a 15km radius of the Toms Gully mill.



The Company has completed a Feasibility Study for the recommencement of gold production at Toms Gully. The Study outcomes support a low capital and low cost return to gold mining and production and include a maiden Probable Ore Reserve of 775,000 tonnes at 6.9g/t for 175,000 ounces of gold. Primary is assessing financing options and seeking the required authorisations for the re-start of gold production.

Drilling is planned for 2014 to increase mine life at Toms Gully and proximal satellite deposits.

Additionally, the Company has highly prospective tenure covering 2,200 square kilometres in the northern Pine Creek region, which is substantially underexplored.

For more information, please contact:

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