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Australian Securities Exchange

MINING LEASE GRANTED

Mining poised to commence at Crater Mountain's HGZ Project, PNG

Crater Gold Mining Limited (ASX: CGN) ("Crater Gold Mining" of "the Company") is set to become Papua New Guinea's next gold producer following the grant to its PNG subsidiary Anomaly Limited ("Anomaly") of the Mining Lease for the Company's High Grade Zone ("HGZ") gold project at Crater Mountain, PNG.

Following a rigorous technical and environmental assessment process involving the PNG Mineral Resources Authority and Department of Environment and Conservation the Minister for Mining, the Hon Byron Chan, signed the Mining Lease, ML510 for Anomaly's HGZ project at Crater Mountain in the Eastern Highlands Province.

Crater Gold Mining's CEO Mr Greg Starr commented, "The granting of the Mining Lease is a watershed milestone for the Company as we transition from developer to gold producer.

"With the mill and gravity concentration circuit already commissioned on site, we can effectively commence mining activities and gold production in the current quarter. The Company is currently finalising a Landowner Compensation Agreement to clear the way for gold production. Cashflows generated will assist in developing our other Crater Mountain prospects.

"We appreciate the efforts of the PNG Government authorities who have worked diligently to process the Mining Lease and look forward to reporting on gold production and revenues going forward."

Crater Mountain is located 50 km southwest of Goroka in the Eastern Highlands Province of PNG. Formerly a tier-1 BHP asset, there has been in excess of 14,500 metres of diamond drilling to date, the majority focussed on the Nevera prospect, which hosts the HGZ project.

Gold mineralisation at the HGZ is confined to several narrow, highly oxidised veins that will be targeted by the small scale, underground mining operation. The Company anticipates extracting ~10,000 ounces of gold in the first twelve months of operation.

For further information contact:

Greg Starr
Managing Director
P +61 2 9241 4224

For media queries contact:

Robert Williams
FCR
P +61 2 8264 1003

The information contained in this report relating to exploration results at Crater Mountain, PNG is based on and fairly represents information and supporting documentation prepared by Mr R Johnson, PNG General Manager of Crater Gold Mining Limited. Mr Johnson is a Fellow of The Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.