

28 October 2013

Australian Securities Exchange

**Annual General Meeting**

The Company's annual general meeting will be held on 26 November 2013.

Please find attached the following documents which have been sent to the Company's shareholders:

1. Notice of Annual General Meeting; and
2. Proxy Form.

Yours Faithfully

**CRATER GOLD MINING LIMITED**



John Lemon  
Company Secretary

## **NOTICE OF ANNUAL GENERAL MEETING**

Date of Meeting: Tuesday, 26 November 2013

Time of Meeting: 12.00 pm (New South Wales Time)

Place of Meeting: The Boardroom  
Offices of Herbert Geer Lawyers  
Level 12  
77 King Street  
Sydney, NSW  
Australia

This Notice of Annual General Meeting should be read in its entirety.  
If you are in doubt as to how to vote at the meeting you should seek advice from your  
accountant, solicitor or other professional adviser before voting.

**CRATER GOLD MINING LIMITED**  
**ABN 75 067 519 779**

**NOTICE OF ANNUAL GENERAL MEETING**

The 2013 Annual General Meeting of Crater Gold Mining Limited ("the Company") will be held at the Boardroom, Offices of Herbert Geer Lawyers, Level 12, 77 King Street, Sydney, New South Wales, Australia on Tuesday, 26 November 2013 at 12.00 pm (New South Wales time).

The Company's 2013 Annual Report can be accessed via the Company's website at <http://www.cratergold.com.au/irm/content/annual-report.aspx?RID=226>.

**AGENDA**

**1. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, Directors' Report and Independent Audit Report for the Company and its controlled entities for the financial year ended 30 June 2013.

**2. QUESTIONS AND COMMENTS**

Shareholders will be given a reasonable opportunity to:

- (i) ask questions about or comment on the management of the Company; and
- (ii) ask the Auditor's representative questions relevant to the Auditor's audit of the Financial Report.

The Auditor's representative will also be given a reasonable opportunity to answer any written questions submitted to the Auditor prior to the Meeting in accordance with the *Corporations Act 2001* (Cth).

**3. RESOLUTION 1 - ELECTION OF DIRECTOR – S CHAN**

To consider and, if thought appropriate, pass the following resolution as an **ordinary resolution**:

*"That Samuel Chan, who was appointed a director of the Company by the Directors on 28 January 2013 pursuant to clause 58.1 of the Company's constitution, is elected as a director of the Company with effect from the end of the Meeting."*

**4. RESOLUTION 2 - ELECTION OF DIRECTOR – D SUN**

To consider and, if thought appropriate, pass the following resolution as an **ordinary resolution**:

*"That Desmond Sun, who was appointed a director of the Company by the Directors on 28 January 2013 pursuant to clause 58.1 of the Company's constitution, is elected as a director of the Company with effect from the end of the Meeting."*

**5. RESOLUTION 3 - ELECTION OF DIRECTOR – R PARKER**

To consider and, if thought appropriate, pass the following resolution as an **ordinary resolution**:

*"That Russell Parker, who was appointed a director of the Company by the Directors on 12 March 2013 pursuant to clause 58.1 of the Company's constitution, is elected as a director of the Company with effect from the end of the Meeting."*

**6. RESOLUTION 4 - RE-ELECTION OF DIRECTOR – P MACNAB**

To consider and, if thought appropriate, pass the following resolution as an **ordinary resolution**:

*"That Robert Peter Macnab, who retires in accordance with the Company's constitution and being eligible offers himself for re-election, is re-elected a director of the Company."*

**7. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

To consider and, if thought appropriate, pass the following resolution as a **special resolution**:

*“That the Company has the additional capacity to issue equity securities up to 10% of the issued capital of the Company under ASX Listing Rule 7.1A calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the notice of meeting.”*

**8. RESOLUTION 6 - EMPLOYEE SHARE OPTION PLAN – ISSUE APPROVAL**

To consider and, if thought appropriate, pass the following resolution as an **ordinary resolution**:

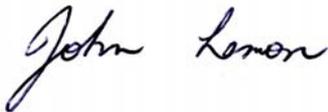
*“That the issue of securities in accordance with the Crater Gold Mining Limited Employee Share Option Plan be approved for the purposes of ASX Listing Rule 7.2 and for all other purposes.”*

**9. RESOLUTION 7 – REMUNERATION REPORT ADOPTION**

To consider and, if thought appropriate, pass the following resolution as an **ordinary resolution**:

*“That the Remuneration Report for the year ended 30 June 2013 be adopted.”*

**BY ORDER OF THE BOARD  
CRATER GOLD MINING LIMITED**



John Lemon  
Company Secretary

27 October 2013

**CRATER GOLD MINING LIMITED**  
**ABN 75 067 519 779**

**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**

**INTRODUCTION**

This Explanatory Memorandum forms part of the notice convening the Company's Annual General Meeting to be held on Tuesday, 26 November 2013. This Explanatory Memorandum is to assist Shareholders in understanding the background to and implications of the resolutions proposed, and procedural matters concerning the Meeting. Terms used in this Explanatory Memorandum are defined in Section 14.

**1. AGENDA ITEM 1 – CONSIDERATION OF REPORTS**

- 1.1 The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2013 will be presented for consideration.
- 1.2 The abovementioned reports were released by the Company to ASX on 1 October 2013. They can be accessed via the Company's website at <http://www.cratergold.com.au/irm/content/annual-report.aspx?RID=226>. Shareholders are not required to vote on the reports, however Shareholders will be given a reasonable opportunity to ask questions concerning the reports.

**2. AGENDA ITEM 2 – QUESTIONS AND COMMENTS**

- 2.1 The chairman of the meeting ("the Chairman") will give Shareholders a reasonable opportunity to ask questions about or make comments on the management of the Company.
- 2.2 A representative of the Company's auditor will attend the Meeting. The Chairman will give Shareholders a reasonable opportunity to ask the Auditor's representative questions relevant to:
  - (i) the conduct of the audit; and
  - (ii) the preparation and content of the Auditor's report; and
  - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (iv) the independence of the Auditor in relation to the conduct of the audit.
- 2.3 The Chairman will also give the Auditor's representative a reasonable opportunity to answer written questions submitted to the Auditor in accordance with the *Corporations Act 2001* (Cth). A list of written questions, if any, submitted by Shareholders will be made available at the start of the meeting, and any written answer tabled by the Auditor's representative at the meeting will be made available to Shareholders as soon as practicable after the meeting.
- 2.4 Pursuant to section 250PA *Corporations Act 2001* (Cth) a Shareholder entitled to vote at the Meeting may submit a written question to the Company's auditor if the question is relevant to:
  - (a) the content of the Auditor's report to be considered at the Annual General Meeting; or
  - (b) the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.

A shareholder must give the question to the Company (who will pass it on to the Auditor) **no later than 5.00 pm (AEDST) on Tuesday, 19 November 2013**. If you wish to submit a question to the Company's auditor please deliver it, marked "Attention: The Company Secretary, Crater Gold Mining Limited", to the Company either personally or by post, facsimile or email to the address, facsimile number or email address designated in Section 11.8 of this Explanatory Memorandum. Alternatively, if you are submitting a proxy form (see Section 11.8 of this Explanatory Memorandum) you may send it together with the proxy form, provided it is received **by 5.00 pm (AEDST) on Tuesday, 19 November 2013**.

**3. AGENDA ITEM 3 (RESOLUTION 1) – ELECTION OF DIRECTOR – S CHAN**

- 3.1 Sam Chan was appointed by the Company's directors as a non-executive director of the Company on 28 January 2013 pursuant to clause 58.1 of the Company's constitution which allows the Company's directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors. Under the Company's constitution Mr Chan will hold office as a director until the end of the Annual General Meeting on 26 November 2013, and may be re-elected as a Director at that meeting.
- 3.2 Mr Chan is a director and the controller of the Company's largest shareholder FreeFire Technology Limited ("FreeFire") which currently owns 59.39 % of the Company's issued shares.
- 3.3 Mr Chan received a Bachelor's degree from the University of Manchester, UK in 1970 and qualified as a chartered accountant in 1973. He was the company secretary of Yangtzekiang Garment Limited from 1974 to 1988 and has been a director of Yangtzekiang Garment Limited since 1977. Mr Chan was the Managing Director of YGM Trading Limited from 1987 to 2006 and the Chief Executive Officer of YGM Trading Limited from 2006 to 2010. He has been the Vice Chairman of the board of YGM Trading Limited since 2010. Mr Chan is a son of Dr Chan Sui Kau whose family interests control both Yangtzekiang Garment Limited and YGM Trading Limited, both of which companies are listed on the Hong Kong Stock Exchange.
- 3.4 Mr Chan is the Company's non-executive Chairman of Directors.
- 3.5 The Company's directors (with Mr Chan abstaining) recommend that Shareholders vote in favour of Resolution 1.

**4. AGENDA ITEM 4 (RESOLUTION 2) – ELECTION OF DIRECTOR – D SUN**

- 4.1 Desmond Sun was appointed by the Company's directors as a non-executive director of the Company on 28 January 2013 pursuant to clause 58.1 of the Company's constitution which allows the Company's directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors. Under the Company's constitution Mr Sun will hold office as a director until the end of the Annual General Meeting on 26 November 2013, and may be re-elected as a Director at that meeting.
- 4.2 Mr Sun obtained a Bachelor of Economics from the University of Tasmania and held management positions with the Ford Motor Company in Melbourne and in Brisbane, as well as with Citibank NA and Lloyds Bank Plc in Hong Kong. He has been an executive director of several listed companies in Hong Kong and has been engaged in advisory services on strategic planning and corporate development, mainly in corporate finance, since 1991.
- 4.3 The Company's directors (with Mr Sun abstaining) recommend that Shareholders vote in favour of Resolution 2.

**5. AGENDA ITEM 5 (RESOLUTION 3) – ELECTION OF DIRECTOR – R PARKER**

- 5.1 Russell Parker was appointed by the Company's directors as a non-executive director of the Company on 12 March 2013 pursuant to clause 58.1 of the Company's constitution which allows the Company's directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors. Under the Company's constitution Mr Parker will hold office as a director until the end of the Annual General Meeting on 26 November 2013, and may be re-elected as a Director at that meeting.
- 5.2 Mr Parker lives in Hong Kong. He is a qualified Marine Engineer and Marine Industries Manager having graduated from Southampton Institute of Higher Education, Marine Division, in Warsash, United Kingdom. Mr Parker is a professional Company Director.
- 5.3 The Company's directors (with Mr Parker abstaining) recommend that Shareholders vote in favour of Resolution 3.

**6. AGENDA ITEM 6 (RESOLUTION 4) – RE-ELECTION OF DIRECTOR – P MACNAB**

- 6.1 In accordance with the Company's constitution Peter Macnab retires by rotation at the end of the Annual General Meeting and, being eligible, offers himself for re-election as a director of the Company.
- 6.2 Mr Macnab has been a non-executive director of the Company since 2 November 2009 following the Company's merger with Anomaly Resources Limited. Immediately prior to that he was Chairman and Director of Exploration of Anomaly Resources Limited. He is a qualified geologist and has worked in PNG as a government geologist, prospector, geological contractor and consultant. He has participated in or is solely responsible for a number of major discoveries including the Frieda River copper/gold deposits, Misima Mines Limited's open pit gold mine, the Wafi copper/gold deposits, the Simberi gold deposits, and the Laddam gold mine on Lihir Island. He has also worked for ASX-listed Pacific Arc Explorations NL and Muswellbrook Energy and Minerals Pty Ltd (both as Exploration director) and Alberta Stock Exchange-listed Indo Pacific Resources Ltd (President and CEO). Mr Macnab oversees the Company's exploration activities.
- 6.3 The Company's directors (with Mr Macnab abstaining) recommend that Shareholders vote in favour of Resolution 4.

**7. AGENDA ITEM 7 (RESOLUTION 5) - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

- 7.1 Subject to a number of exceptions, ASX listing rule 7.1 provides that a company must not issue equity securities (shares, options, etc) without shareholder approval if the number of securities issued would, of itself or when added to the number of other equity securities issued by the company in the previous 12 months, exceed 15% of the number of ordinary shares of the company on issue at the commencement of the 12 month period.
- 7.2 Changes to the ASX Listing Rules introduced last year enable "eligible entities" to issue under Listing Rule 7.1A, in addition to the 15% issue capacity under Listing Rule 7.1, equity securities up to 10% of the company's issued share capital through placements over a 12 month period following the company's annual general meeting provided shareholder approval by way of a special resolution is received at that annual general meeting.
- 7.3 An "eligible entity" for the purposes of ASX Listing Rule 7.1A is an entity that, at the date the requisite special resolution is passed:
- (i) is not included in the S&P/ASX 300 Index; and
  - (ii) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to less than \$300 million dollars.
- The Company is an eligible entity.
- 7.4 The company is seeking Shareholder approval to have the additional capacity to issue equity securities under Listing Rule 7.1A. The additional capacity (i.e. additional number of equity securities that the Company may issue or agree to issue during the period of the approval) is calculated in accordance with the following formula:

$$(A \times D) - E$$

- A = The number of fully paid ordinary securities on issue 12 months before the date of issue or agreement,
- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2,
  - plus the number of partly paid ordinary securities that became fully paid in the 12 months,
  - plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or 7.4,
  - less the number of fully paid ordinary securities cancelled in the last 12 months.

D = 10%

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are *not* issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

Any equity securities issued under Listing Rule 7.1A.2 must be in an existing quoted class of the Company’s equity securities. (As at the date of this Notice the Company has on issue one quoted class of equity securities, namely fully paid ordinary shares).

7.5 As required by ASX Listing Rule 7.3A the following information is provided:

- (i) The minimum price at which the equity securities may be issued for the purposes of Listing Rule 7.1A.3 is 75% of the volume weighted average price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:
  - (a) the date on which the price at which the securities are to be issued is agreed; or
  - (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.
 (Note: If equity securities are issued for non-cash consideration the Company will provide to the market in accordance with the ASX Listing Rules a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with Listing Rule 7.3A(i))
- (ii) If equity securities are issued by the Company under Listing Rule 7.1A there is a risk of economic and voting dilution of existing ordinary security holders, including the risk that:
  - (a) the market price for equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
  - (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The following table describes the potential dilution of existing ordinary security holders on the basis of three different issue prices and values for the variable “A” in the formula in Listing Rule 7.1A.2 (set out in Section 6.4 (above)), including an example that assumes that “A” is double the number of ordinary securities on issue at the time of the approval under Listing Rule 7.1A and that the price of equity securities has fallen by at least 50%:

Variable “A” in Listing Rule 7.1A.2		Dilution		
		Issue Price of \$0.055 (50% of the current market price of the Company’s shares)	Issue Price of \$0.11 (the current market price of the Company’s shares)	Issue Price of \$0.22 (100% increase in the current market price of the Company’s shares)
109,148,256 (current Variable A)	10% Voting Dilution	10,914,825 Shares	10,914,825 Shares	10,914,825 Shares
	Funds raised	\$600,315	\$1,200,630	\$2,401,261
163,722,384 (50% increase in current Variable A)	10% Voting Dilution	16,372,238 Shares	16,372,238 Shares	16,372,238 Shares
	Funds raised	\$900,473	\$1,800,946	\$3,601,892
218,296,512 (100% increase in current Variable A)	10% Voting Dilution	21,829,651 Shares	21,829,651 Shares	21,829,651 Shares
	Funds raised	\$1,200,630	\$2,401,261	\$4,802,523

The table has been prepared based on the following assumptions:

1. The Company issues (as Shares) the maximum number of equity securities available under the 10% placement capacity.
2. No unlisted options are exercised into fully paid ordinary shares before the date of the issue of securities under ASX Listing Rule 7.1A. The Company has 353,728 unquoted options on issue at the date of this

Notice of Meeting.

3. The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  4. The issue price of \$0.11 is the closing price of the Company's shares on ASX on 25 October 2013.
- (iii) The date the equity securities may be issued by (assuming Resolution 5 is passed at the Meeting) is the earlier of the following:
- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
  - (b) the date of the approval by holders of ordinary shares in the Company of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).
- (The Shareholder approval under Resolution 5 to issue the additional equity securities will cease to be valid in the event that holders of the Company's ordinary shares approve a transaction under Listing Rule 11.1.2 or 11.2).
- (iv) The equity securities may be issued by the Company as an alternative to or in addition to cash consideration for one or more of the following purposes (although the Company has no proposal to do so as at the date of this Notice):
- (a) to raise capital to fund any one or more of the following:
    - (i) exploration activities;
    - (ii) development activities
    - (iii) working capital;
    - (iv) acquisition of new resource assets or investments; and
  - (b) as non-cash consideration (either wholly or partly) for any one or more of the following:
    - (i) the acquisition of goods and/or services;
    - (ii) the acquisition of new resource assets or investments.
- (v) The Company's allocation policy for issues of equity securities pursuant to approval under Resolution 5 will depend on prevailing market conditions and the Company's circumstances at the time of any proposed issue. The identity of the allottees of equity securities will be determined on a case by case basis having regard to any one or more of the following factors:
- (a) the methods of raising funds available to the Company including, but not limited to; rights issue or other issue in which existing security holders can participate;
  - (b) the effect of the issue of the equity securities on the control of the Company;
  - (c) the financial situation of the Company; and
  - (d) advice from any one or more of the Company's professional advisers.

Allottees under the additional placement facility (should the Company elect to use the facility) have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company. In addition, if the Company is successful in acquiring new assets or investments it is possible that allottees under the additional placement facility will be or include vendors of the new assets or investments.

- (vi) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's annual general meeting on 22 November 2012. The total number of equity securities issued by the Company to date in the 12 months preceding the date of the upcoming annual general meeting (26 November 2013) is 92,875,620 on a post-consolidation basis (the Company undertook a 1 for 100 share consolidation on 14 October 2013) which represents 243% of the total number of the Company's equity securities on issue at the commencement of that 12 month period. Details of all issues of equity securities by the Company during the 12 months preceding the date of the meeting are:

Date	No. & Class of Equity Securities Issued <sup>(1)</sup>	Issuee(s)	Issue Price (\$)	Issue Price Discount to Market price	Cash Consideration (\$) <sup>(2)</sup>	Non-Cash Consideration
16/11/12	1,309,532,439	Rights issue participants	0.0025	No discount to market price	3,273,831	N/A
23/11/12	188,690,849	Rights issue underwriter	0.0025	"	471,727	N/A
20/12/12	135,000,000	Bergen Global Opportunity Fund LLP	0.001	50%	135,000	N/A
30/04/13	3,041,618,965	Rights issue participants	0.001	No discount to market price	3,041,618	N/A
03/05/13	3,943,385,831	Rights issue underwriter	0.001	No discount to market price	3,943,385	N/A
24/07/13	49,333,991	Global Resources Corporation Limited	N/A	N/A	N/A	Partial consideration for the transfer of a 94% legal and beneficial interest in EPM 18616 (Then current value - \$200,000)
24/10/13	3,600,000 options exercisable @ \$0.25 each on or before 30 September 2017	Company's directors	N/A		N/A	Incentive options issued to Directors for no cash consideration pursuant to Shareholder approval
"	2,600,000 options exercisable @ \$0.25 each on or before 30 September 2017	Various members of management and contractors	N/A		N/A	Incentive options issued to management and contractors for no cash consideration under Employee Share Option Plan

(1) Fully paid ordinary shares unless stated otherwise

(2) The cash raised has been spent on (i) exploration at the Company's projects; and (ii) administration costs. All cash raised has been spent except that \$1.88 million of the \$6.985 million raised under the most recent rights issue remains. It will be spent on the same things.

(vii) **Voting Exclusion Statement**

As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by:

- a person or entity who may participate in the proposed issue of any additional equity securities and a person or entity who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed; and
- an associate (as defined in the ASX Listing Rules) of any such person or entity.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7.6 Under the ASX Listing Rules Resolution 4 is required to be passed as a special resolution which means that it must be approved by at least 75% of the votes cast by members entitled to vote on the resolution.

7.7 The Company's directors recommend that Shareholders vote in favour of Resolution 5.

## 8. AGENDA ITEM 7 (RESOLUTION 6) - EMPLOYEE SHARE OPTION PLAN – ISSUE APPROVAL

8.1 The Company's directors adopted the Crater Gold Mining Limited (previously Gold Anomaly Limited and before that Gold Aura Limited) Employee Share Option Plan ("the Plan") on 10 May 2007 to help attract and retain the services of persons who are viewed as important to the future success of the Company and as a means of rewarding and incentivising the Company's employees and contractors in a cost-effective way which helps to align employees' and contractors' interests with those of the Company's shareholders. The Company's directors propose from time to time to approve the issue of options under the Plan to employees and contractors of the Company. The Plan also make provision for the issue of options to directors of the Company, however in accordance with ASX Listing Rules requirements Shareholder approval will be sought for the issue of any options to directors of the Company under the Plan.

8.2 The ASX Listing Rules do not require an ASX-listed company to obtain shareholder approval for the adoption or continued operation of an employee incentive scheme, however (as stated above) ASX Listing Rule 7.1, with certain exceptions, prohibits ASX-listed companies, without shareholder approval, issuing in any 12 month period more than 15% of the equity securities on issue in the company at the start of the 12 month period. One of the exceptions to Listing Rule 7.1 is exception 9(b) in ASX Listing Rule 7.2 which provides that if a company's shareholders have approved the issue of securities under an employee incentive scheme within 3 years before the issue of any securities under the scheme the securities issued will not count towards the 15% limit in Listing Rule 7.1.

8.3 The Company's directors have the power to issue options and subsequently shares under the Plan, however the Directors consider it prudent to seek shareholder approval so that such issues will not be taken into account for the purpose of the 15% limit under Listing Rule 7.1. Shareholder approval for issues under the Plan was last obtained at the Company's annual general meeting held on 23 November 2010, therefore the 3 year period referred to in Exception 9(b) is about to expire. The purpose of proposed Resolution 6 therefore is to renew Shareholder approval. As required by ASX Listing Rule 7.2 (Exception 9(b)) the following information is provided:

1. Since 23 November 2010 (the date of the last approval) 36,250,000 options were issued pre-consolidation (362,500 on a post-consolidation basis) and 6,200,000 options were issued post-consolidation. (The Company undertook a 1 for 100 security consolidation on 14 October 2013) options were issued under the Plan.
2. The following is a summary of the terms of the Plan:
  - (i) The stated purpose of the Plan is to aid in:
    - attracting and retaining the services of persons who are likely to contribute to the growth and success of the Company; and
    - rewarding and incentivising employees and contractors in a cost-effective way which helps to align employees' and contractors' interests with those of the Company's shareholders.

- (ii) Persons eligible to participate in the Plan are directors, officers and employees (full-time and part-time) of, and contractors to, Crater Gold Mining Limited and any company in the Crater Gold Mining Limited Group of companies.
- (iii) The Board may from time to time invite eligible persons to participate in the Plan on terms and conditions which are not inconsistent with the Plan rules. The Board may offer options to subscribe for ordinary shares in the capital of the Company to any eligible person it determines, and determine the extent of that person's participation in the Plan. An offer by the Board shall specify the exercise price and expiry date of the options and any other matters the Board determines, including performance conditions attaching to the options.
- (iv) The total number of options on issue under the Plan must not at any time exceed 10% of the total number of fully paid ordinary shares on issue in the capital of the Company at that time.
- (v) Options will be issued at no cost to eligible persons who accept an offer of options. An eligible person may nominate a company in which the eligible person beneficially owns the majority of voting shares to receive options instead of the eligible person. It is in the Board's discretion whether to agree to this.
- (vi) Options issued under the Plan will not be quoted on ASX.
- (vii) Options issued under the Plan may only be transferred with Board approval.
- (viii) Upon exercise of options issued under the Plan the eligible person will be issued with fully paid ordinary shares in the capital of the Company. The shares will be subject to the same terms and conditions as, and rank equally with, all other fully paid ordinary shares in the capital of the Company then on issue.
- (ix) The Company will apply to ASX for official quotation of shares issued upon exercise of options issued under the Plan.
- (x) A participant's options will lapse within 30 days of the participant ceasing to be an eligible person (i.e. a director, officer, employee, contractor, etc.) for any reason other than retirement (at a retirement age determined by the Board), permanent disability, redundancy or death, or, if the holder of the shares is a company nominated by an eligible person (see above), the eligible person ceasing to beneficially own a majority of the voting shares in that company.
- (xi) Holders of options issued under the Plan may only participate in new issues of securities by the Company if they have first exercised their options. Option holders shall be afforded a period of at least 14 days before the record date to determine entitlements to the issue, to exercise the options.
- (xii) If there is a bonus issue the number of shares over which an option can be exercised will be increased commensurately.
- (xiii) If there is a pro rata issue (except a bonus issue), the exercise price of an option may be reduced according to the formula set out in the Plan.
- (xiv) If there is a reorganisation of the Company's issued capital the options must be reorganised as prescribed by the ASX Listing Rules.
- (xv) If a takeover bid is made in relation to the Company, a scheme of arrangement proposed in relation to the Company, or a change of shareholding occurs which results in a person or persons being able to alter the majority composition of the Company's board of directors, options on issue under the Plan may be exercised without restriction, subject to compliance with procedural requirements.
- (xvi) The Company's Board is charged with administering the Plan in accordance with the Plan Rules.
- (xvii) If any provisions of the Plan rules are inconsistent with the ASX Listing Rules the ASX Listing Rules shall prevail to the extent of the inconsistency, and nothing may be done under the Plan which is inconsistent with the ASX Listing Rules.
- (xviii) The Plan is governed by the laws of New South Wales.

### 3. **Voting exclusion statement**

As required by the ASX Listing Rules the Company will disregard any votes cast on this resolution by:

- a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- an associate (as defined in the ASX Listing Rules) of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

- 8.4 A copy of the Plan rules is available free of charge on request.
- 8.5 The Company's directors recommend that Shareholders vote in favour of Resolution 6.

## 9. AGENDA ITEM 9 (RESOLUTION 7) - REMUNERATION REPORT ADOPTION

- 9.1 The Remuneration Report is contained in the Company's 2013 Annual Report commencing on page 16. The Remuneration Report's contents include:
- (i) an explanation of the Board's policy for remuneration of Key Management Personnel; and
  - (ii) details of remuneration paid to Key Management Personnel.
- 9.2 Under the *Corporations Act 2001* (Cth) a resolution that the Remuneration Report be adopted must be put to a vote of shareholders at the Company's Annual General Meeting.
- 9.3 The Chairman will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.
- 9.4 The vote on the resolution is advisory only and does not bind the Company or the Company's directors. However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
- 9.5 Under the Corporations Act, if at least 25% of the votes cast on Resolution 7 are voted against adoption of the Remuneration Report, and then again at the Company's 2014 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution the Company must convene the general meeting (**spill meeting**) within 90 days of the Company's 2014 annual general meeting. All of the Directors who were in office when the Company's 2014 Directors' Report was approved, other than the Company's Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.
- 9.6 **Voting Exclusion Statement**
- Section 250R(4) Corporations Act provides that a vote must not be cast (in any capacity) on Resolution 7 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person. However section 250R(5) Corporations Act provides that a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person may cast a vote on Resolution 7 if:
- (i) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
  - (ii) the vote is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person.
- In accordance with section 250R(8) Corporations Act a vote cast in contravention of section 250R(4) Corporations Act will not be counted.
- 9.7 The Company's directors recommend that Shareholders vote in favour of Resolution 7.

## 10. VOTING RIGHTS

The Board has determined that all of the shares of the Company will be taken, for the purposes of determining the right of shareholders to attend and vote at the Meeting, to be held by the persons who are registered in the Company's register of shareholders at 7.00 pm (AEDST) on 24 November 2013 as the owners of those shares. Therefore transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

## 11. PROXIES

- 11.1 A Shareholder entitled to attend and vote at the Meeting may appoint:
- (i) one proxy if the Shareholder is only entitled to one vote at the meeting; or
  - (ii) one or two proxies if the Shareholder is entitled to more than one vote at the meeting, to attend and vote at the meeting for the Shareholder.
- 11.2 A Shareholder may appoint an individual person or a body corporate as the Shareholder's proxy.
- 11.3 A body corporate appointed as a shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.
- 11.4 A Shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the Shareholder's votes the proxy may exercise. If a Shareholder appoints two proxies and does not specify the number or proportion of votes each proxy may exercise, each of the proxies may exercise half of the Shareholder's votes.
- 11.5 A proxy need not be a shareholder of the Company.
- 11.6 Section 250BB(i) Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and **if it does**:
- (i) the proxy need not vote on a show of hands but if the proxy does so the proxy must vote that way (i.e. as directed); and
  - (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands; and
  - (iii) if the proxy is the chair of the meeting at which the resolution is voted on the proxy must vote on a poll and must vote that way (i.e. as directed); and
  - (iv) if the proxy is not the chair the proxy need not vote on the poll but if the proxy does so the proxy must vote that way (i.e. as directed).
- 11.7 Section 250BC Corporations Act provides that if:
- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
  - (ii) the appointed proxy is not the chair of the meeting; and
  - (iii) at the meeting, if a poll is duly demanded on the question that the resolution be passed; and
  - (iv) either of the following apply:
    - (a) if a record of attendance is made for the meeting – the proxy is not recorded as attending;
    - (b) the proxy does not vote on the resolution;the chair of the meeting is taken, before voting on the resolution closes, to have been appointed the proxy for the purposes of voting on the resolution at that meeting.
- 11.8 A Proxy Form is enclosed. If you wish to appoint a proxy or proxies you must complete the Proxy Form and deliver it to the Company, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy), **by no later than 9.00 am (New South Wales time) on Monday, 25 November 2013**:
- (i) **by post:**  
Crater Gold Mining Limited  
Level 4, 15-17 Young St,  
Sydney, NSW 2000; or
  - (ii) **by delivery:**  
Crater Gold Mining Limited  
Level 4, 15-17 Young St,  
Sydney, NSW 2000; or
  - (iii) **by facsimile:**  
(02) 9252 2335 (from within Australia)

(+612) 9252 2335 (from outside Australia)

- (iv) **by email:**  
info@cratergold.com.au

## 12. CORPORATE REPRESENTATIVE

A Shareholder which is a body corporate may appoint an individual as the Shareholder's representative to attend and vote at the Meeting. The representative must bring the formal notice of appointment to the meeting, unless it has previously been provided to the Company.

## 13. OTHER INFORMATION

Queries in relation to the lodgement of proxies or other matters concerning the Annual General Meeting may be directed to the Company Secretary (Telephone: (07) 3832 1329).

## 14. INTERPRETATION

In this notice of meeting the following expressions have the following meanings:

"ASX" means Australian Securities Exchange.

"Board" means the Directors of the Company from time to time acting as a board.

"Closely Related Party" of a member of the Key Management Personnel of the Group has the meaning ascribed to it in the Corporations Act. (The expression includes, for example, certain of Key Management Personnel's family members, dependants and companies they control).

"Company" means Crater Gold Mining Limited ABN 75 067 519 779.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Directors" means the Directors of the Company.

"Group" means the Crater Gold Mining Limited group of companies comprising the consolidated entity referred to in the Company's 2013 Annual Report.

"Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

"Meeting" means the Annual General Meeting of Shareholders convened for 26 November 2013 and any adjournment thereof.

"Section" means a section of this Explanatory Memorandum.

"Shares" means ordinary fully paid shares in the capital of the Company.

"Shareholder" means a shareholder of the Company.

CRATER GOLD MINING LIMITED  
ABN 75 067 519 779

Level 4, 15-17 Young Street, Sydney, NSW  
Telephone: (02) 9241 4224; Fax: (02) 9252 2335

PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

being a shareholder/(s) of Crater Gold Mining Limited ("the Company") and entitled to

\_\_\_\_\_ shares in the Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at the Boardroom, offices of Herbert Geer Lawyers, Level 12, 77 King Street, Sydney, New South Wales on 26 November 2013 at 12.00 pm (New South Wales time) and at any adjournment thereof in respect of \_\_\_\_\_ of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ] %. (The Company on request will supply an additional proxy form.)

If you wish to indicate how your proxy is to vote, please tick the appropriate boxes below.

Subject to the comments below, if no directions are given the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest. However, if the Proxy you appoint is excluded from voting on a resolution and you do not direct the Proxy how to vote on that resolution, your vote will also be excluded.

The chairman of the meeting (Chairman of Directors, Mr Sam Chan) intends to vote undirected proxies in favour of all proposed resolutions, including Resolution 7 ("Remuneration Report - Adoption"). If you appoint the chairman of the meeting as your proxy or the chairman of the meeting is by default taken to have been appointed as your proxy (refer to Section 11.7 in the Notice of Annual General Meeting) unless you indicate otherwise by ticking the "For", "Against" or "Abstain" box for each of Resolutions 1 – 7 (see over page) you will be authorising the chairman of the meeting to vote in accordance with the Chairman's voting intentions on each Resolution, even if the Resolution (as is the case for Resolution 7 ("Remuneration Report Adoption")) is connected directly or indirectly with the remuneration of a member or members of the Company's Key Management Personnel.

If the chairman of the meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 6 (Employee Share Option Plan – Issue Approval) please place a mark in the box to the right. By marking this box you acknowledge that the chairman of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 6 and that votes cast by the chairman of the meeting for Resolution 6 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the chairman will not cast your votes on Resolution 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 6.

I/we direct my/our proxy to vote as indicated below:

RESOLUTION	FOR	AGAINST	ABSTAIN
1. Election of Director – S Chan (Agenda item 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director – D Sun (Agenda item 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director – R Parker (Agenda item 5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Director – P Macnab (Agenda item 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of additional 10% placement capacity (Agenda item 7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Employee Share Option Plan – Issue Approval (Agenda Item 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Remuneration Report adoption (Agenda item 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed/executed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

If a **natural person(s)**:

\_\_\_\_\_  
Signature(s)

\_\_\_\_\_  
Full Name(s)

If a **company**:

EXECUTED by \_\_\_\_\_ )  
\_\_\_\_\_ )  
in accordance with its \_\_\_\_\_ )  
Constitution \_\_\_\_\_ )

\_\_\_\_\_  
Director/Sole Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Name (Printed)

If by **power of attorney**:

SIGNED for and on behalf of \_\_\_\_\_ )  
\_\_\_\_\_ )  
by \_\_\_\_\_ )  
\_\_\_\_\_ under a Power of Attorney dated \_\_\_\_\_ )  
and who declares that he/she has not \_\_\_\_\_ )  
received any revocation of such Power of Attorney in the \_\_\_\_\_ )  
presence of :

\_\_\_\_\_  
Signature of Attorney

\_\_\_\_\_  
Signature of Witness

**[N.B. After completing this proxy form, please deliver it to the Company's registered office in accordance with Section 11.8 of the Explanatory Memorandum in the accompanying Notice of Annual General Meeting]**