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***Crater Gold Mining Limited ABN 75 067 519 779***

# QUARTERLY ACTIVITIES REPORT
## For the period ended 31st December 2018

**31 January 2019**

**About Crater Gold Mining Limited**

**(ASX CODE: CGN)**

Crater Gold Mining Limited ("Crater Gold" or the "Company") is focussed on the exploration of its highly prospective Crater Mountain Gold Project in Papua New Guinea (PNG), which includes two gold resources and evidence of potential copper-gold porphyry mineralisation. The Company is also exploring at the A2 Polymetallic and Golden Gate Graphite projects at Croydon in Queensland, Australia

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**Managing Director**

**Key Points**

**HGZ Gold mining project, Crater Mountain, PNG**

- **1930 RL adit development at HGZ completed**
- **Multiple N-S, E-W and cross cutting veins identified along 1930 RL adit**
- **Visible gold noted in 1930 RL veins, with mineralisation widening with depth**
- **New adits at 1950m RL and below 1930 RL planned to increase gold production**
- **Processing plant being upgraded with further investment in machinery to accommodate increasing the plant throughput rate by approximately 100%**
- **2 hole drilling program to test for depth extensions of HGZ deposit**

**Mixing Zone project, Crater Mountain, PNG**

- **8 Hole Drilling program to focus on extending the higher grade gold mineralised zones and to test areas lateral to the Mixing Zone.**

**SAW prospect, Crater Mountain, PNG**

- **Widespread gold mineralisation obtained from trench sampling**

**Polymetallic Project, North Queensland**

- **3 Hole Drilling program to test high priority targets**

**Corporate**

- **Subsequent to the quarter end, the Company launched a Rights Issue of up to approximately 1,537,056,263 Shares at an issue price of $0.015 per Share on the basis of 11 new Shares for every 2 Shares held to raise up to approximately $23,055,844 before expenses.**

## DEVELOPMENTS DURING THE QUARTER

### CRATER MOUNTAIN GOLD PROJECT, PNG

**HGZ Gold Mine:**

- **1930 RL adit development at HGZ completed**
- **Multiple N-S, E-W and cross cutting veins identified along 1930 RL adit**
- **Visible gold noted in 1930 RL veins, with mineralisation widening with depth**
- **New adits at 1950m RL and below 1930 RL planned to increase gold production**
- **Processing plant being upgraded with further investment in machinery to accommodate increasing the plant throughput rate by 100%**
- **Widespread gold mineralisation obtained from trench sampling at the SAW Prospect**

During the quarter the Company announced that the 1930 RL adit development, which commences at 1930 RL and ramps up to 1935 RL where it reaches the mineralised veins, was completed. Steeply dipping extensions of the JL, JL01 and JL02 N-S orientated veins were encountered and mining of them commenced. Extensions of veins NV01, NV02, N03 and LNK01 were also been identified and encouragingly their defining structures were noted to be progressively widening with depth from the 1960 level to the 1930 RL. Similarly, numerous east west structures were also identified.

The geology observed reflects similarities to the 1960m level development and firmed up confidence in mining out the structures identified at the 1930 RL and developing them upwards to the 1960 RL. Detailed geological mapping established that the N-S structures are developed within a strongly to moderately brecciated unit that hosts mineralized vuggy quartz veins associated with distinctive clay-manganese-hematite-jarosite-kaolinite-illite alteration.

The alteration noted provided a vital aid in vectoring into mineralised zones. This will greatly assist in tracing the extent of the mineralised zones further to the east, west and north.

As previously announced (refer ASX release of 14 November, 2016: Maiden JORC Gold Resource at HGZ Project) historical drilling indicates that gold mineralisation extends to at least the 1890 RL and an inferred gold resource of 44,500 tonnes at 11.9 g/t Au for 17,100 ounces of gold (cut-off of 5 g/t Au) was estimated by Mining Associates for that zone. It is encouraging to note that many of the mineralised N-S and E-W structures encountered in the adit developments are not contained within this initial resource zone estimate.

Gold output is anticipated to increase monthly into 2019. To achieve this, another sub-level at 1950 RL is planned, together with new levels below 1930 RL. This will allow production from a number of main vein locations at any one time and also provide access to additional zones of narrow cross cutting veins.

Upgrading of the processing plant to accommodate increased production is in progress. Further investment was made in machinery aimed at improving the efficiency of mining and increasing the plant throughput rate by 100 % while also increasing the gold recovery rate by up to 10%.

**HGZ Drilling Program**

It was announced during the quarter that the Company would renew focus on exploration at Crater Mountain, with drilling programs at its major projects, and that an initial two deeper holes will be drilled under the current HGZ mine development to investigate the continuity of gold mineralization at depth.

**Mixing Zone Project**

- **8 Hole Drilling program at flagship Mixing Zone Project in early 2019**

The Company announced as part of an increased focus on exploration, that a new drilling program will be commenced at the Company's Mixing Zone Project (**MZ Project**). The drilling program will initially consist of eight (8) holes and will focus on extending the higher grade gold mineralised zones at the MZ Project and to test areas lateral to the Mixing Zone.

Drilling along strike of the MZ Project is justified from historical drilling which intersected gold mineralisation in isolated drill holes outside the resource area (off section). Areas of higher grade gold are marked on Figure 1. The marked zones appear continuous and plunge to the NE outside of the resource area. More drilling is required to test this.

Initially drilling will focus on testing the continuity of the higher grade Au intersections (>1.0 g/t) in the top 350m of the MZ Project.

The Resource was established with approximately 14,500 cumulative linear metres of drilling that mainly took place in 2010-2013.

The main resource is contained within the MZ Project and has a JORC compliant Inferred Resource of 24Mt @ 1.0 g/t Au at a cut-off grade of 0.5 g/t Au[1] for 790,000ozs. Within this is a higher grade inferred resource zone of 9.4 Mt at 1.46 g/t Au at a cut-off grade of 1.0 g/t Au for 440,000ozs.

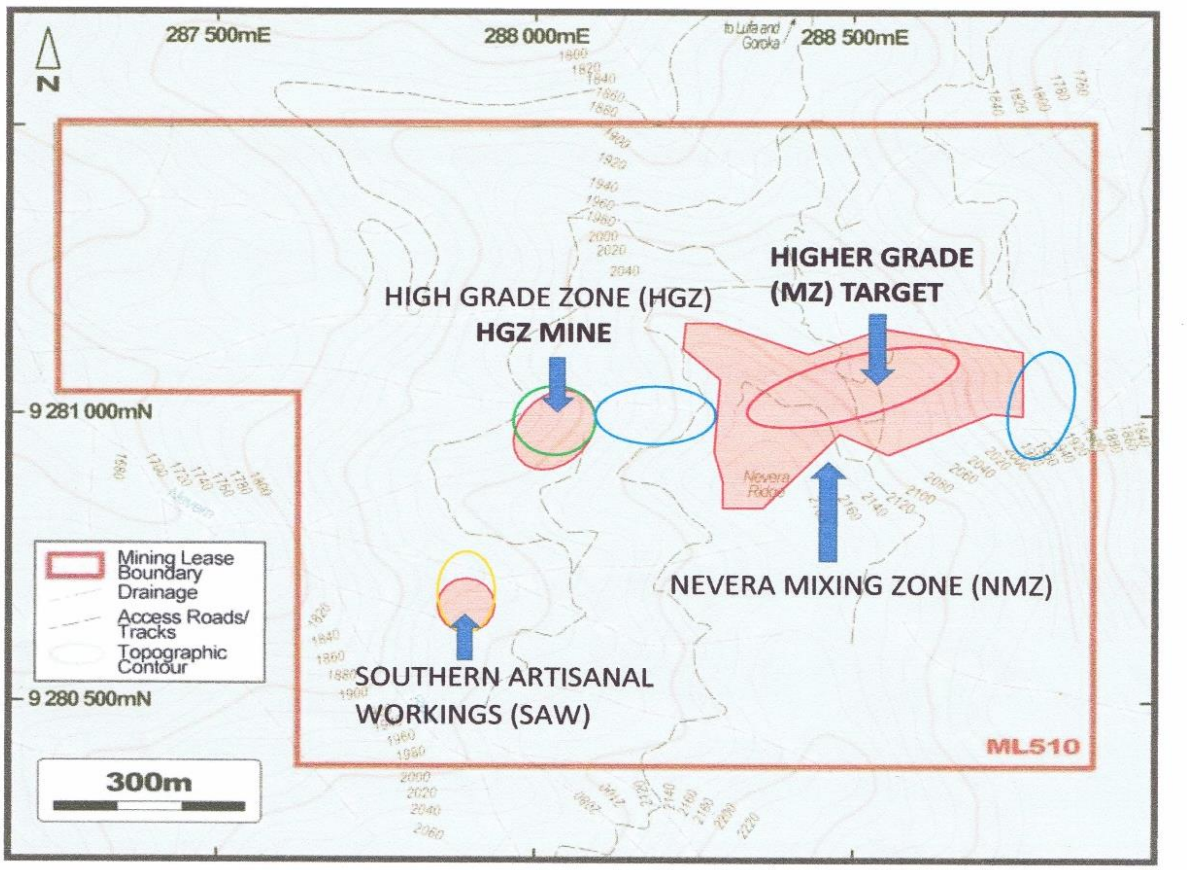


***FIGURE 1:*** *Location of the Crater Mountain tenements, prospect areas and drill targets.*

From the list of drill hole intersections >1.0 g/t Au in Table 1 below (as detailed within ASX Announcement dated 13 February 2012 titled "*Extensive Gold Intersected in New Mineralised Zone at Crater Mountain, PNG*"), it can be seen that these wide target zones range from 6m @ 2.28 to 215m @1.46 g/t Au and include zones of 15m @ 3.43, 24m @ 6.55, 20m @ 2.33, 25.5m @ 2.36, 16m @1.92, 44m @ 1.52, 46m @ 2.42 g/t Au, 26m @ 4.6, 8m @ 1.30, 98m @ 1.06, 30m @ 1.03, 10m @ 1.10, 24m @ 1.30 and 10m @1.23 g/t Au. These drill hole locations have been highlighted on Figure 3.

[1] *Refer to ASX announcement 24 November 2011 titled "Gold Anomaly Announces Maiden 790KO Gold Resource at Crater Mountain, PNG (This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*

| HOLE NUMBER | FROM (m) | TO (m) | INTERVAL (m) | GRADE (g/t Au) |
|---|---|---|---|---|
| NEV02 | 201 | 340 | 139 | 1.58 |
| NEV02 | 225 | 240 | 15 | 3.43 |
| NEV05 | 94 | 250 | 156 | 1.36 |
| NEV05 | 214 | 238 | 24 | 6.55 |
| NEV08 | 284 | 342 | 58 | 1.89 |
| NEV08 | 358 | 378 | 20 | 2.33 |
| NEV11 | 150 | 175.5 | 25.5 | 2.36 |
| NEV018 | 20 | 36 | 16 | 1.92 |
| NEV018 | 224 | 243 | 19 | 3.37 |
| NEV018 | 262 | 306 | 44 | 1.52 |
| NEV019 | 181 | 396 | 215 | 1.46 |
| NEV019 | 217 | 243 | 26 | 4.60 |
| NEV019 | 272 | 318 | 46 | 2.42 |
| NEV024 | 380 | 386 | 6 | 2.28 |
| NEV031 | 106 | 116 | 10 | 1.10 |
| NEV031 | 318 | 342 | 24 | 1.30 |
| NEV031 | 442 | 452 | 10 | 1.23 |

***TABLE 1:*** *List of higher grade drill holes in the MZ Proejct with Au intersections >1.0 g/t Au and up to 6.55 g/t Au (please note intersection intervals are down-hole lengths and not true widths).*

Figure 2 provides a long section along the Nevera Fault showing the drillhole traces.

Figure 3 provides the locations of the Walkover and Nevera Faults which have been plotted to demonstrate their spatial relationship with the MZ Project. This shows that the inferred resource effectively lies along the northern side of the Nevera Fault while the higher grade gold zone straddles the Walkover Fault north of its intersection with the Nevera Fault. Figure 4 shows a long section of the MZ Project target zone.

There is a zone of structures associated with Au mineralisation at the HGZ that trend just north of east and if these were to continue on this oreintation they might pass through the higher grade zone of the MZ Project.

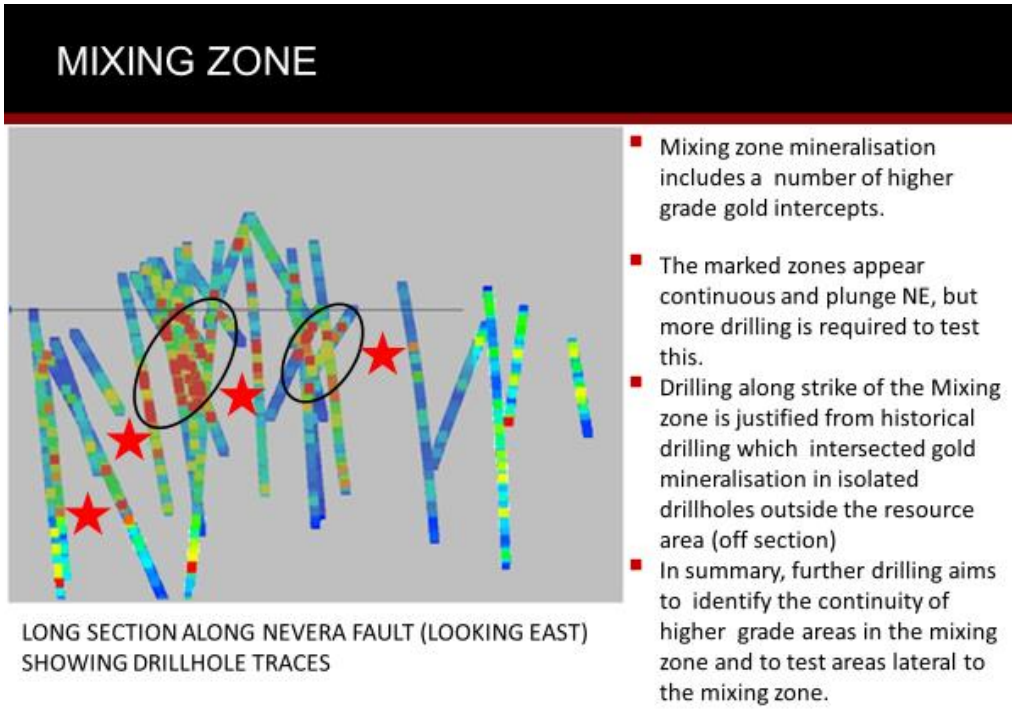


**FIGURE 2:** Long section along Nevera fault (looking east) showing drill hole traces

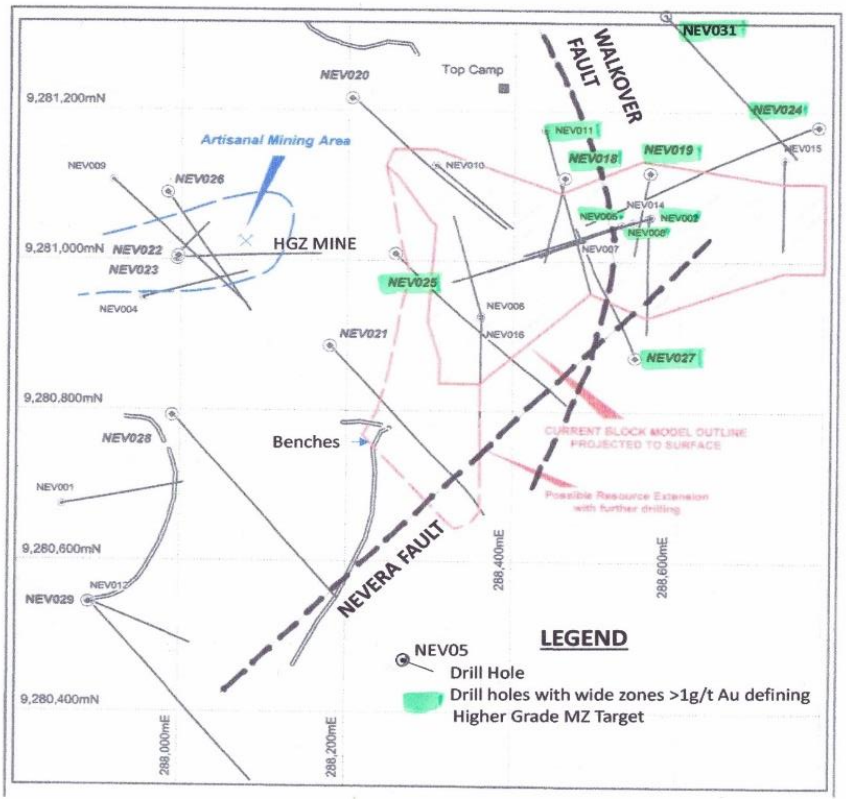


***FIGURE 3:*** *Plan view location of the Nevera and Walkover Faults, the HGZ Mine and the higher grade target zone (>1.0 g/t Au) within the Mixing Zone.*

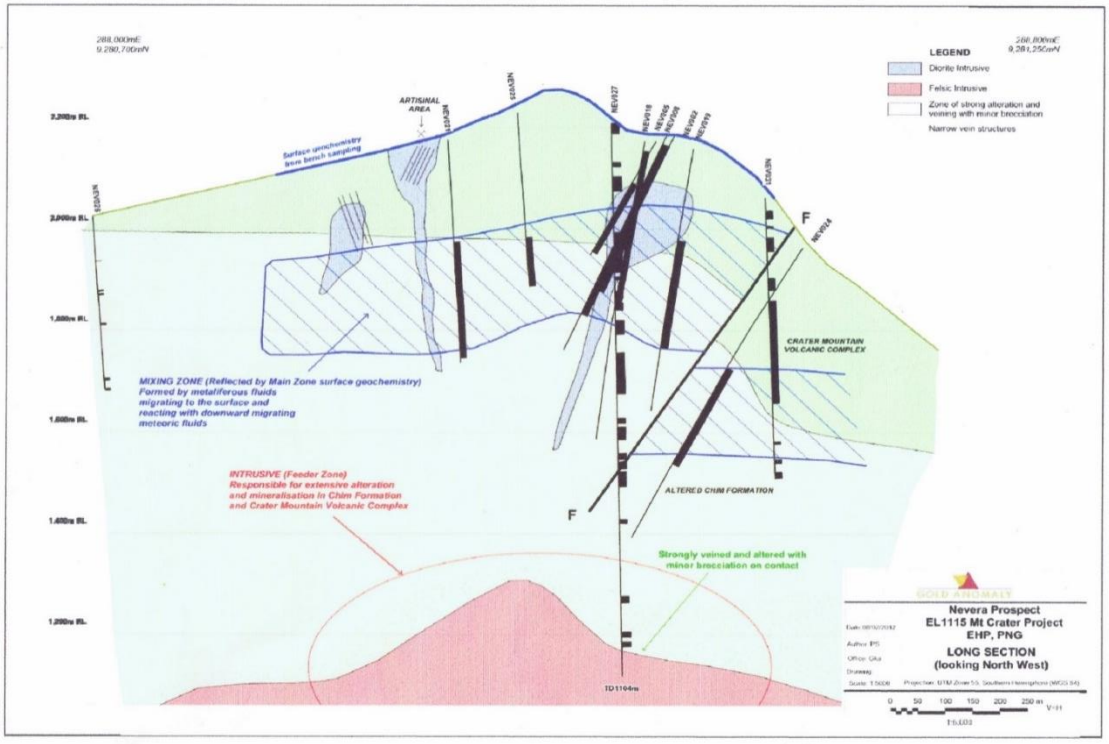


***FIGURE 4:*** *Long Section Looking NW showing the main Au mineralised intercepts (highlighted in black) and the Mixing Zone Higher Grade Target in the central region.*

## South Artisanal Workings (SAW) Prospect

The SAW Prospect is located 430m southwest of HGZ and straddles Mining Lease ML510 and Exploration Licence EL1115. Assay results were received for 152 rock samples consisting of 122 channel samples collected from three contour trenches excavated to investigate an area of previous artisanal drives and 30 rock chip samples collected from creeks in the vicinity.

Results revealed widespread gold mineralisation in the trenches excavated over the artisanal workings and anomalous high values from exposed bedrock along the creeks. Considering the thick tephra cover which masks much of the area, the results are considered to be encouraging. Fifty (50) samples returned gold values in the range 0.1-0.5 g/t Au, 3 samples returned values in the range of 0.5-1.0g/t Au and 8 samples returned values >1.0 g/t Au, with a high of 15.6 g/t Au. Refer to Figures and 1 and 2 for the summary of sample numbers, localities and gold assay values

The mineralisation is hosted by E-W and N-S structures which may be splays from regional structures. The occurrence bears similarities to the HGZ Project area and could be an extension of the latter or another independent high grade gold zone.

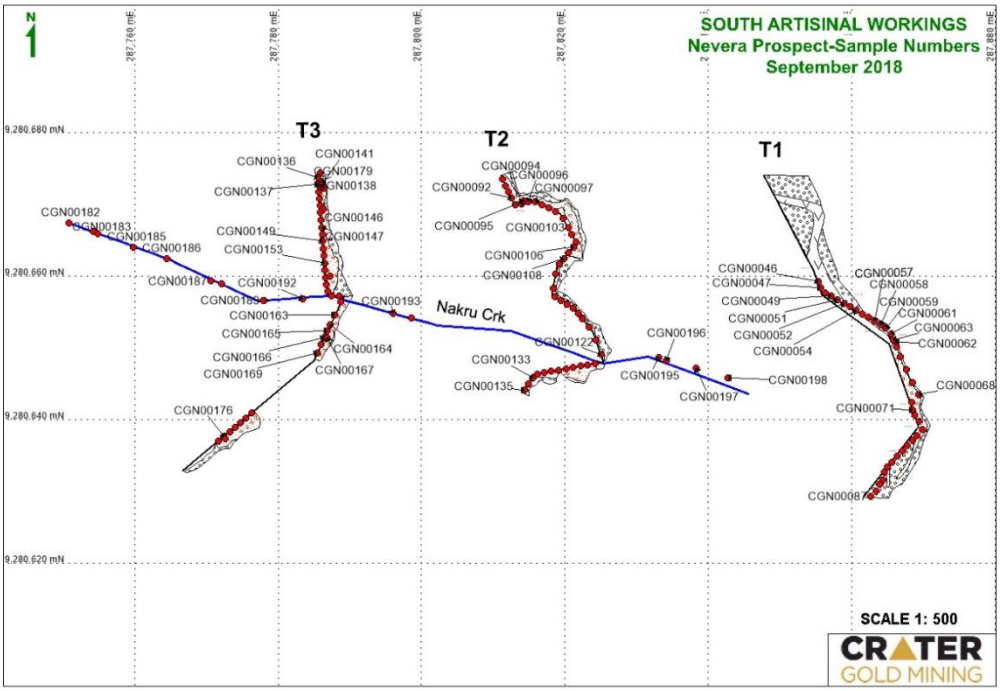


***FIGURE 5:*** *Sample Locations SAW workings area – Trench Samples, T1, T2 and T3*

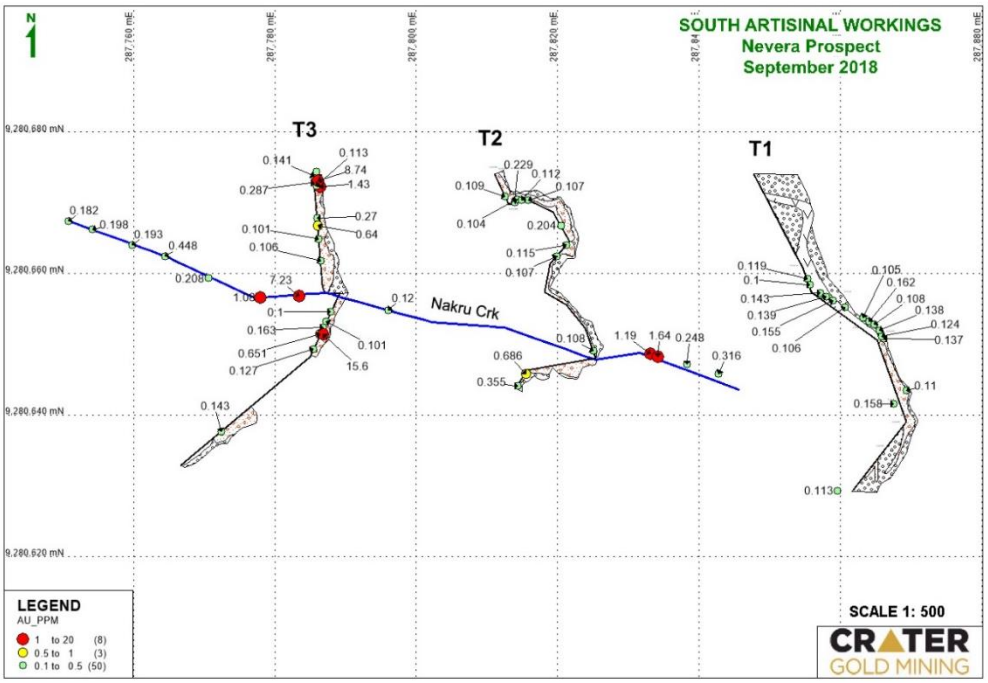


***FIGURE 6:*** *Gold Assay Results SAW workings area – Trench Samples, T1, T2 and T3*

| Sample ID | LOCATION | AU_1 PPM | E_WGS 84 | N_WGS 85 | RL | Sample ID | LOCATION | AU_1 PPM | E_WGS 84 | N_WGS 85 | RL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CGN00046 | T1 | 0.119 | 287855 | 9280659 | 1950 | CGN00111 | T2 | 0.058 | 287819 | 9280660 | 1910 |
| CGN00047 | T1 | 0.100 | 287856 | 9280658 | 1950 | CGN00112 | T2 | 0.055 | 287818 | 9280658 | 1910 |
| CGN00048 | T1 | 0.095 | 287856 | 9280658 | 1950 | CGN00113 | T2 | 0.059 | 287819 | 9280657 | 1910 |
| CGN00049 | T1 | 0.143 | 287857 | 9280657 | 1950 | CGN00114 | T2 | 0.064 | 287819 | 9280657 | 1910 |
| CGN00051 | T1 | 0.139 | 287858 | 9280657 | 1950 | CGN00115 | T2 | 0.063 | 287820 | 9280656 | 1910 |
| CGN00052 | T1 | 0.155 | 287859 | 9280656 | 1950 | CGN00116 | T2 | 0.086 | 287821 | 9280656 | 1910 |
| CGN00053 | T1 | 0.047 | 287860 | 9280656 | 1950 | CGN00117 | T2 | 0.082 | 287822 | 9280655 | 1910 |
| CGN00054 | T1 | 0.106 | 287861 | 9280655 | 1950 | CGN00118 | T2 | 0.069 | 287822 | 9280654 | 1910 |
| CGN00055 | T1 | 0.060 | 287861 | 9280655 | 1950 | CGN00119 | T2 | 0.090 | 287823 | 9280653 | 1910 |
| CGN00056 | T1 | 0.088 | 287862 | 9280654 | 1950 | CGN00121 | T2 | 0.067 | 287824 | 9280651 | 1910 |
| CGN00057 | T1 | 0.105 | 287863 | 9280654 | 1950 | CGN00122 | T2 | 0.108 | 287825 | 9280649 | 1910 |
| CGN00058 | T1 | 0.162 | 287864 | 9280653 | 1950 | CGN00123 | T2 | 0.072 | 287824 | 9280648 | 1910 |
| CGN00059 | T1 | 0.108 | 287865 | 9280653 | 1950 | CGN00124 | T2 | 0.066 | 287823 | 9280648 | 1910 |
| CGN00061 | T1 | 0.138 | 287865 | 9280652 | 1950 | CGN00125 | T2 | 0.058 | 287822 | 9280647 | 1910 |
| CGN00062 | T1 | 0.137 | 287866 | 9280651 | 1950 | CGN00126 | T2 | 0.068 | 287821 | 9280647 | 1910 |
| CGN00063 | T1 | 0.124 | 287866 | 9280651 | 1950 | CGN00127 | T2 | 0.065 | 287820 | 9280647 | 1910 |
| CGN00064 | T1 | 0.097 | 287866 | 9280650 | 1950 | CGN00128 | T2 | 0.048 | 287819 | 9280647 | 1910 |
| CGN00065 | T1 | 0.052 | 287867 | 9280649 | 1950 | CGN00129 | T2 | 0.034 | 287818 | 9280647 | 1910 |
| CGN00066 | T1 | 0.030 | 287868 | 9280647 | 1950 | CGN00131 | T2 | 0.057 | 287817 | 9280647 | 1910 |
| CGN00067 | T1 | 0.029 | 287868 | 9280645 | 1950 | CGN00132 | T2 | 0.044 | 287816 | 9280646 | 1910 |
| CGN00068 | T1 | 0.110 | 287869 | 9280643 | 1950 | CGN00133 | T2 | 0.686 | 287815 | 9280646 | 1910 |
| CGN00069 | T1 | 0.098 | 287868 | 9280642 | 1950 | CGN00134 | T2 | 0.088 | 287815 | 9280645 | 1910 |
| CGN00071 | T1 | 0.158 | 287868 | 9280642 | 1950 | CGN00135 | T2 | 0.355 | 287814 | 9280644 | 1910 |
| CGN00072 | T1 | 0.071 | 287867 | 9280641 | 1950 | CGN00136 | T3 | 0.141 | 287786 | 9280674 | 1880 |
| CGN00073 | T1 | 0.055 | 287867 | 9280641 | 1950 | CGN00137 | T3 | 0.287 | 287786 | 9280674 | 1880 |
| CGN00074 | T1 | 0.051 | 287866 | 9280640 | 1950 | CGN00138 | T3 | 1.430 | 287786 | 9280673 | 1880 |
| CGN00075 | T1 | 0.030 | 287865 | 9280639 | 1950 | CGN00139 | T3 | 0.069 | 287786 | 9280672 | 1880 |
| CGN00076 | T1 | 0.024 | 287865 | 9280639 | 1950 | CGN00141 | T3 | 0.113 | 287786 | 9280672 | 1880 |
| CGN00077 | T1 | 0.050 | 287864 | 9280638 | 1950 | CGN00142 | T3 | 0.055 | 287786 | 9280673 | 1880 |
| CGN00078 | T1 | 0.074 | 287863 | 9280637 | 1950 | CGN00143 | T3 | 0.080 | 287786 | 9280672 | 1880 |
| CGN00079 | T1 | 0.037 | 287863 | 9280636 | 1950 | CGN00144 | T3 | 0.069 | 287786 | 9280671 | 1880 |
| CGN00081 | T1 | 0.020 | 287862 | 9280636 | 1950 | CGN00145 | T3 | 0.085 | 287786 | 9280670 | 1880 |
| CGN00082 | T1 | 0.058 | 287861 | 9280635 | 1950 | CGN00146 | T3 | 0.270 | 287786 | 9280669 | 1880 |
| CGN00083 | T1 | 0.052 | 287861 | 9280634 | 1950 | CGN00147 | T3 | 0.640 | 287786 | 9280669 | 1880 |
| CGN00084 | T1 | 0.051 | 287861 | 9280633 | 1950 | CGN00148 | T3 | 0.052 | 287786 | 9280668 | 1880 |
| CGN00085 | T1 | 0.067 | 287860 | 9280632 | 1950 | CGN00149 | T3 | 0.101 | 287786 | 9280667 | 1880 |
| CGN00086 | T1 | 0.018 | 287860 | 9280631 | 1950 | CGN00151 | T3 | 0.060 | 287786 | 9280666 | 1880 |
| CGN00087 | T1 | 0.113 | 287860 | 9280629 | 1950 | CGN00152 | T3 | 0.047 | 287786 | 9280665 | 1880 |
| CGN00088 | T2 | 0.057 | 287811 | 9280674 | 1910 | CGN00153 | T3 | 0.106 | 287786 | 9280664 | 1880 |
| CGN00089 | T2 | 0.056 | 287812 | 9280673 | 1910 | CGN00154 | T3 | 0.063 | 287786 | 9280663 | 1880 |
| CGN00091 | T2 | 0.080 | 287812 | 9280672 | 1910 | CGN00155 | T3 | 0.067 | 287786 | 9280662 | 1880 |
| CGN00092 | T2 | 0.109 | 287813 | 9280671 | 1910 | CGN00156 | T3 | 0.050 | 287787 | 9280661 | 1880 |
| CGN00093 | T2 | 0.075 | 287813 | 9280670 | 1910 | CGN00157 | T3 | 0.056 | 287787 | 9280660 | 1880 |
| CGN00094 | T2 | 0.229 | 287814 | 9280671 | 1910 | CGN00158 | T3 | 0.051 | 287787 | 9280660 | 1880 |
| CGN00095 | T2 | 0.104 | 287814 | 9280670 | 1910 | CGN00159 | T3 | 0.092 | 287787 | 9280659 | 1880 |
| CGN00096 | T2 | 0.112 | 287815 | 9280670 | 1910 | CGN00161 | T3 | 0.070 | 287787 | 9280658 | 1880 |
| CGN00097 | T2 | 0.107 | 287816 | 9280670 | 1910 | CGN00162 | T3 | 0.061 | 287787 | 9280657 | 1880 |
| CGN00098 | T2 | 0.075 | 287817 | 9280670 | 1910 | CGN00163 | T3 | 0.100 | 287788 | 9280657 | 1880 |
| CGN00099 | T2 | 0.073 | 287818 | 9280669 | 1910 | CGN00164 | T3 | 0.101 | 287789 | 9280656 | 1880 |
| CGN00101 | T2 | 0.022 | 287819 | 9280669 | 1910 | CGN00165 | T3 | 0.163 | 287788 | 9280655 | 1880 |
| CGN00102 | T2 | 0.096 | 287820 | 9280668 | 1910 | CGN00166 | T3 | 0.651 | 287787 | 9280653 | 1880 |
| CGN00103 | T2 | 0.204 | 287820 | 9280667 | 1910 | CGN00167 | T3 | 15.600 | 287787 | 9280652 | 1880 |
| CGN00104 | T2 | 0.092 | 287821 | 9280666 | 1910 | CGN00168 | T3 | 0.091 | 287786 | 9280651 | 1880 |
| CGN00105 | T2 | 0.068 | 287822 | 9280665 | 1910 | CGN00169 | T3 | 0.127 | 287787 | 9280651 | 1880 |
| CGN00106 | T2 | 0.115 | 287821 | 9280664 | 1910 | CGN00171 | T3 | 0.027 | 287786 | 9280650 | 1880 |
| CGN00107 | T2 | 0.063 | 287821 | 9280663 | 1910 | CGN00172 | T3 | 0.061 | 287785 | 9280649 | 1880 |
| CGN00108 | T2 | 0.107 | 287820 | 9280662 | 1910 | CGN00173 | T3 | 0.070 | 287776 | 9280641 | 1880 |
| CGN00109 | T2 | 0.018 | 287819 | 9280662 | 1910 | CGN00174 | T3 | 0.074 | 287776 | 9280640 | 1880 |

***TABLE 2:*** *Trench Sample Numbers, Grid Locations and Gold Assay Results*

| Sample ID | LOCATION | AU_1 PPM | E_WGS 84 | N_WGS 85 | RL |
|---|---|---|---|---|---|
| CGN00175 | T3 | 0.042 | 287775 | 9280640 | 1880 |
| CGN00176 | T3 | 0.143 | 287774 | 9280639 | 1880 |
| CGN00177 | T3 | 0.077 | 287773 | 9280638 | 1880 |
| CGN00178 | T3 | 0.038 | 287772 | 9280638 | 1880 |
| CGN00179 | T3 | 8.740 | 287772 | 9280637 | 1880 |
| CGN00181 | T3 | 0.140 | 287773 | 9280637 | 1880 |
| CGN00182 | Nulku Crk | 0.182 | 287751 | 9280667 | 1850 |
| CGN00183 | Nulku Crk | 0.198 | 287754 | 9280666 | 1855 |
| CGN00184 | Nulku Crk | 0.049 | 287755 | 9280666 | 1855 |
| CGN00185 | Nulku Crk | 0.193 | 287760 | 9280664 | 1865 |
| CGN00186 | Nulku Crk | 0.448 | 287764 | 9280662 | 1870 |
| CGN00187 | Nulku Crk | 0.208 | 287771 | 9280659 | 1872 |
| CGN00188 | Nulku Crk | 0.060 | 287772 | 9280659 | 1880 |
| CGN00189 | Nulku Crk | 1.080 | 287778 | 9280657 | 1880 |
| CGN00191 | Nulku Crk | 0.286 | 287778 | 9280657 | 1885 |
| CGN00192 | Nulku Crk | 7.230 | 287783 | 9280657 | 1886 |
| CGN00193 | Nulku Crk | 0.120 | 287796 | 9280655 | 1890 |
| CGN00194 | Nulku Crk | 0.060 | 287799 | 9280654 | 1900 |
| CGN00195 | Nulku Crk | 1.190 | 287833 | 9280649 | 1915 |
| CGN00196 | Nulku Crk | 1.640 | 287834 | 9280648 | 1925 |
| CGN00197 | Nulku Crk | 0.248 | 287838 | 9280647 | 1930 |
| CGN00198 | Nulku Crk | 0.316 | 287843 | 9280646 | 1935 |
| CGN00199 | Mua Crk | 0.025 | 287855 | 9280587 | 1944 |
| CGN00201 | Mua Crk | 0.012 | 287868 | 9280594 | 1946 |
| CGN00202 | Mua Crk | 0.082 | 287867 | 9280599 | 1946 |
| CGN00203 | Mua Crk | 0.100 | 287877 | 9280593 | 1948 |
| CGN00204 | Mua Crk | 0.071 | 287886 | 9280595 | 1952 |
| CGN00205 | Mua Crk | 0.072 | 287888 | 9280587 | 1951 |
| CGN00206 | Mua Crk | 0.040 | 287884 | 9280582 | 1952 |
| CGN00207 | Mua Crk | 0.207 | 287903 | 9280592 | 1962 |
| CGN00208 | Mua Crk | 0.028 | 287907 | 9280599 | 1964 |
| CGN00209 | Mua Crk | 0.107 | 287965 | 9280573 | 1977 |
| CGN00211 | Mua Crk | 0.077 | 2878852 | 9280574 | 1954 |
| CGN00212 | Mua Crk | 0.043 | 287902 | 9280572 | 1962 |
| CGN00213 | Mua Crk | 2.200 | 287925 | 9280564 | 1995 |
| CGN00214 | Mua Crk | 0.104 | 287994 | 9280512 | 2040 |

***TABLE 2 (CTD):*** *Trench Sample Numbers, Grid Locations and Gold Assay Results*

**POLYMETALLIC PROJECT, QLD, AUSTRALIA**

- **3 Hole Drilling program at Polymetallic Project, Qld, Australia in early 2019**

**Polymetallic Project drilling program**

It was announced during the quarter that the Company will undertake a program of three (3) diamond core drill holes to test high priority SGH soil anomalies at the Polymetallic Project area. The program will commence when ground access is possible after the wet season early in 2019.

**Drill Hole 1**

This hole is planned to test the northern sector of the large high priority NW silver-copper SGH soil anomaly (Figure 7). The hole is to be drilled on an azimuth of MGA Grid $040^0$ ($034^0$ magnetic) at an inclination of $70^0$ for a down hole length of 400m with the hole intersecting vertically below the peak of the anomaly.

**Drill Hole 2**

This hole is planned to test the southern sector of the large high priority NW silver-copper SGH soil anomaly (Figure 7). The hole is to be drilled on an azimuth of MGA Grid $040^0$ ($034^0$ magnetic) at an inclination of $70^0$ for a down hole length of 400m with the hole intersecting vertically below the peak of the anomaly.

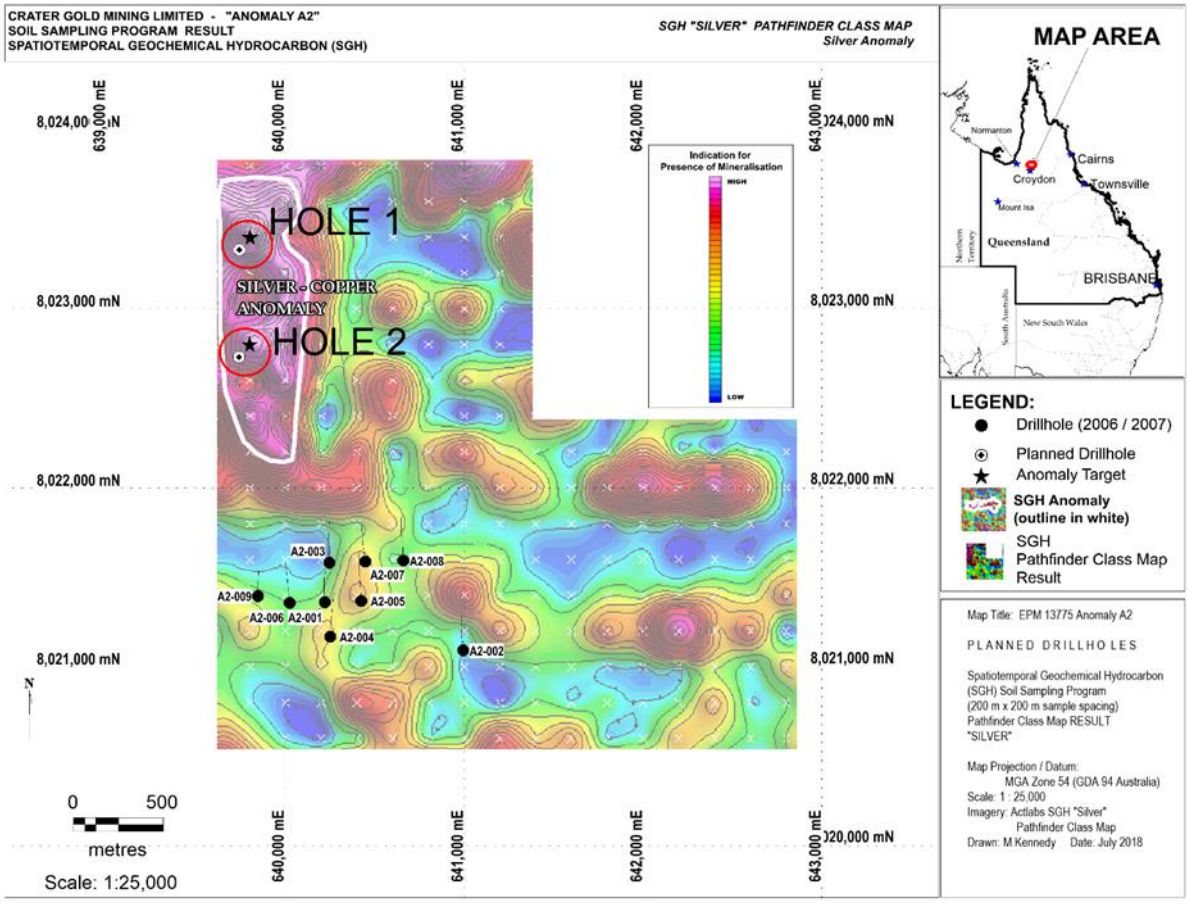


***FIGURE 7:*** *Location of A2 Polymetallic Project Drill Holes 1 and 2*

**Drill Hole 3**

This hole is planned to test a halo peak within the high priority polymetallic SGH soil anomaly in the northern zone of the large polymetallic anomaly (Figure 5). The hole is to be drilled on an azimuth of MGA Grid $040^0$ ($034^0$ magnetic) at an inclination of $70^0$ for a down hole length of 400m with the hole intersecting vertically below the peak of the anomaly.

This is one of several polymetallic targets in the northern zone area which, together with polymetallic targets in the southern zone, all display higher anomalism than the central zone area previously drilled and where widespread stockwork zinc-silver-tin veining was intersected.

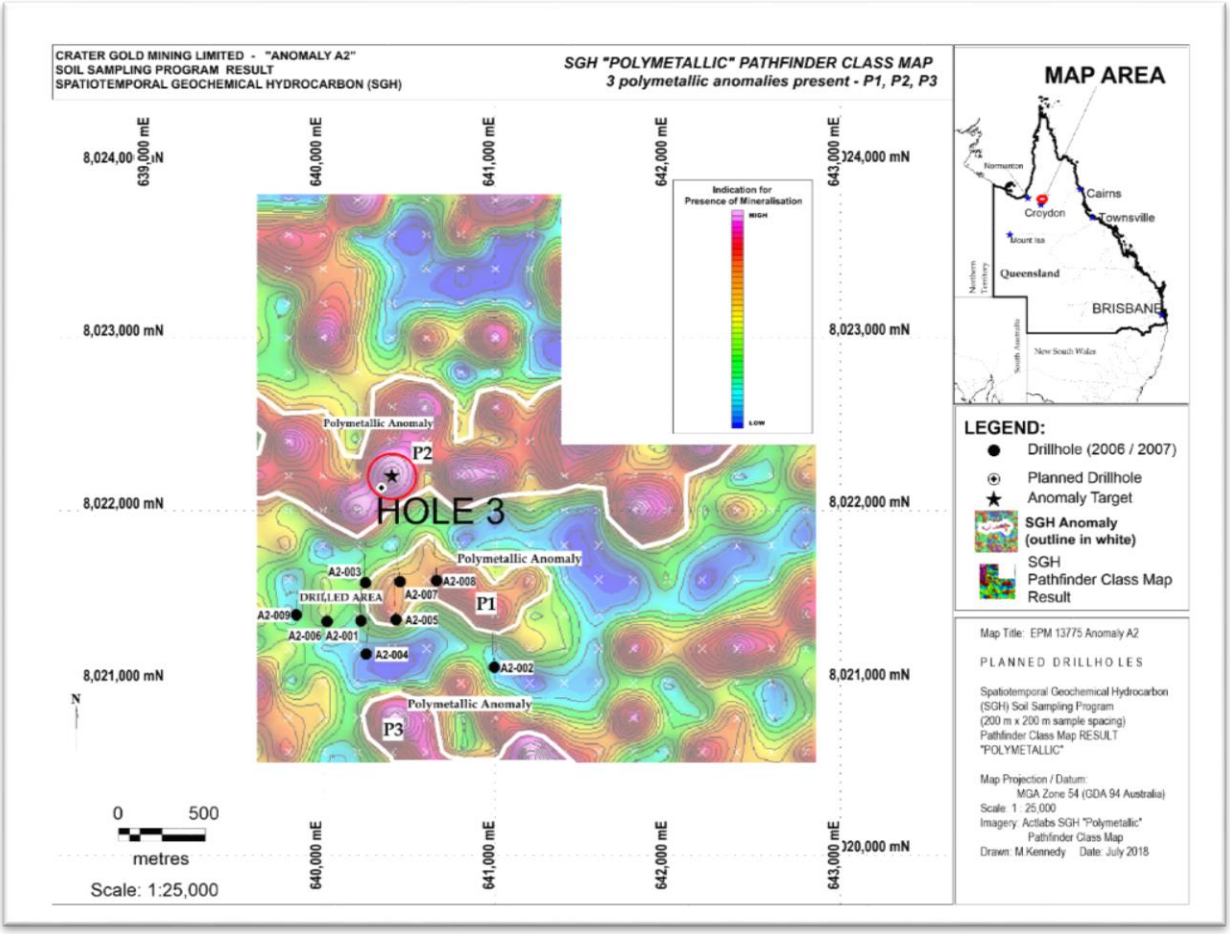


***FIGURE 8:*** *Location of A2 Polymetallic Project Drill Hole 3*

## CORPORATE

### $A0.75m loan facility with Freefire

In October 2018 the Company announced that it executed a loan agreement for $0.75M.The funding was provided by way of a loan facility from Company's major shareholder, Freefire Technology Ltd ("Freefire"). The funding is available at the option of the Company. The Company plans to use the funds to complete the purchase of some additional mining equipment which will increase productivity at the High Grade Zone ("HGZ") at the Crater Mountain Project in Papua New Guinea. The loan will also provide working capital to continue mining operations. Key terms of the loan facility include an interest rate of 8% p.a. with the repayment of the facility to occur one year after the date of the initial draw down on the facility.

### $A1.00m loan facility with Freefire

In December the Company announced that it executed a loan agreement for $1.00M. The loan will provide funding to allow the development of the High Grade Zone at the Crater Mountain Project in PNG and general working capital purposes . The funding was provided by way of a loan facility from Company's major shareholder, Freefire Technology Ltd ("Freefire"). The first $250K is available at the option of the Company, with the remaining $750K at the option of Freefire. The Company plans to use the funds to further develop the High Grade Zone ("HGZ") at the Crater Mountain Project in Papua New Guinea. The loan will also provide working capital to continue mining operations. Key terms of the loan facility include an interest rate of 8% p.a. with the repayment of the facility to occur one year after the date of the initial draw down on the facility

**Post End Quarter**

**11:2 Renounceable Rights Issue at 1.5c to raise approximately $23,055,844 before expenses.**

- **11 for 2 renounceable pro-rata entitlement offer at an issue price 1.5¢ per new share to raise approximately $23,055,844 before expenses.**
- **New funding will materially retire debt**

As announced on 12 December 2018 and subsequent to the end of the December 2018 quarter, the Company launched a Rights Issue of up to approximately 1,537,056,263 Shares at an issue price of $0.015 per Share on the basis of 11 new Shares for every 2 Shares held to raise up to approximately $23,055,844 before expenses.

The Entitlement Offer will see a material major reduction of debt and proceeds will also be utilised to fund the increased focus of the Company on exploration

A shortfall Offer will be made as part of the Entitlement Offer and the Board reserves the right to place any shortfall at 1.5 cents in the 3 month period following the Entitlement Offer closing.

Freefire Technology Limited (**Freefire**), a major Shareholder, has committed to take up its Entitlement to $13,207,089. Mr Sam Chan who controls Freefire has committed to take up his personal Entitlement of $46,530. These funds will be used to repay that amount of debt due to Freefire.

The previous proposal to convert $12,000,000 of debt due to Freefire into 1,000,000 Redeemable Convertible Preference Shares did not proceed. The proposal encountered regulatory difficulties that could not be resolved with Freefire.

**General Meeting of Shareholders**

The Company held a General Meeting of Shareholders on the 17th of January. All resolutions were passed.

For further information contact:
Russ Parker
Email: info@cratergold.com.au

**COMPETENT PERSONS STATEMENT**

*The information contained in this report relating to exploration activities at the Crater Mountain Gold Project is based on and fairly represents information and supporting documentation prepared by appropriately qualified company personnel and reviewed by Ken Chapple, who is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

*The information contained in this report that relates to Exploration Results at the Golden Gate Graphite and the A2 Polymetallic Projects near Croydon, Queensland, is based on information compiled by Ken Chapple, or prepared by appropriately qualified external technical experts and reviewed by him. Mr Chapple is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

*Forward Looking Statements*

*This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable at the time made but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. You should therefore not place undue reliance on forward-looking statements.*

**Schedule of Crater Gold Mining Limited tenements:**

| Particulars | Project Name | Registered Holder | % Owned | Status | Expiry | Area ($Km^2$) |
|---|---|---|---|---|---|---|
| EPM 8795 | Croydon | CGN | 100 | Granted | 6/09/2020 | 9.6 |
| EPM 13775 | Wallabadah | CGN | 100 | Granted | 5/03/2020 | 16 |
| EPM 16002 | Foote Creek | CGN | 100 | Granted | 30/01/2021 | 28.8 |
| EPM 18616 | Black Mountain | CGN | 100 | Granted | 18/06/2020 | 57.6 |
| EL 1115 | Crater Mountain | Anomaly Ltd [1] | 100 | Renewal lodged | 25/09/2018 | 41 |
| EL 2203 | Ubaigubi | Anomaly Ltd [1] | 100 | Renewal lodged | 10/09/2017 | 88 |
| EL 2249 | Crater Mountain | Anomaly Ltd [1] | 100 | Renewal lodged | 10/11/2017 | 10 |
| EL 2318 | South Crater | Anomaly Ltd [1] | 100 | Renewal lodged | 10/09/2017 | 20 |
| EL 2334 | Crater Mountain | Anomaly Ltd [1] | 100 | Renewal lodged | 21/05/2017 | 68 |
| EL 2335 | Crater Mountain | Anomaly Ltd [1] | 100 | Renewal lodged | 22/05/2017 | 78 |
| ML 510 | Crater Mountain | Anomaly Ltd 1 | 100 | Granted | 4/11/2019 | 1.58 |

1 Anomaly Limited is CGN's 100% owned PNG subsidiary.